

**AUGUSTA CHARTER TOWNSHIP,  
MICHIGAN**

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION

Year ended March 31, 2020

# AUGUSTA CHARTER TOWNSHIP, MICHIGAN

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## INDEPENDENT AUDITOR'S REPORT

Township Board  
Augusta Charter Township, Michigan  
8021 Talladay Rd  
Whitaker, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Augusta Charter Township, Michigan, (the "Township") as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of March 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-11 and 41-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The other supplemental information, as identified in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Township Board  
Augusta Charter Township, Michigan  
Page Three

The other supplemental information, as identified in the table of contents is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*UHY LLP*

Farmington Hills, Michigan  
July 23, 2020

# **AUGUSTA CHARTER TOWNSHIP, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

March 31, 2020

As management of the Augusta Charter Township (Township), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2020.

## **Financial Highlights**

- The Township experienced an increase in taxable value of 15.3 percent from the prior year. The Township budgeted a 1.9 percent increase in taxable value next year due to inflation.
- State shared revenues increased 4.5 percent for the year ending March 31, 2020.

## **Governmental activities:**

Property taxes, state shared revenues and service fees finance most of the Township's basic services, such as fire, public works, community development, and general administration.

The Township is leasing a building to temporarily store and operate Fire and Utility operations. The costs are borne by the Fire and Utility departments based upon square footage occupied. As of 2020 the Elections Department shares a small portion for storage.

## **Business-type activities:**

The Township's business-type Utility Fund supplies water distribution and provides sewage treatment to residents through its contract with YCUA.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

# **AUGUSTA CHARTER TOWNSHIP, MICHIGAN**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

March 31, 2020

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

The statement of net position presents information on all of the Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the year ended March 31, 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, highways and streets, sanitation, public works, and culture and recreation. The business-type activities of the Township include utility systems.

The government-wide financial statements can be found on pages 12-13 of this report.

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

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the year ended March 31, 2020. Such information may be useful in evaluating a government's near-term financing requirements.

# **AUGUSTA CHARTER TOWNSHIP, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

March 31, 2020

**Governmental funds (Continued)** The Township maintains eight individual governmental funds; the General Fund, Fire Fund, Street Lighting Fund, Equipment Fund, Farmland Preservation Fund, Debt Service fund, Fire Department Building Fund and Utilities Capital Improvement Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund, Fire Department Building Fund and Utilities Capital Improvement Fund.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 14 and 16 of this report.

*Proprietary funds.* The Township maintains an Enterprise fund, a type of proprietary fund, used to report functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its Utility Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Fund, which is considered to be a major fund of the Township.

The proprietary fund financial statements can be found on pages 18-20 of this report.

*Agency funds.* Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Township's own programs.

The basic agency fund financial statement can be found on page 21 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-39 of this report.

The Township adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for all major governmental funds to demonstrate compliance with budget.



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 March 31, 2020

**Government-wide Financial Analysis**

**Augusta Charter Township's Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$9,280,665 at the close of the year ended March 31, 2020.

By far the largest portion of the Township's net position (41 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Property taxes and state shared revenues finance most of the Township's basic services, such as police, fire, public works, community development and general administration.

The Township's business-type activity, the Utility Fund, which supplies water distribution and provides sewage treatment, is provided to the residents by the Ypsilanti Community Utilities Authority (YCUA). The Township passes water and sewer rate increases received from YCUA to its residents.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>				
Current and other assets	\$ 5,499,138	\$ 3,549,972	\$ 9,049,110	\$ 4,925,773
Capital assets	735,271	3,575,476	4,310,747	4,218,464
Total assets	<u>6,234,409</u>	<u>7,125,448</u>	<u>13,359,857</u>	<u>9,144,237</u>
<b>Liabilities</b>				
Current liabilities	78,732	181,449	260,181	174,260
Long term liabilities outstanding	1,756,571	2,062,440	3,819,011	81,741
Total liabilities	<u>1,835,303</u>	<u>2,243,889</u>	<u>4,079,192</u>	<u>256,001</u>
<b>Net Position</b>				
Net investment in capital assets	412,882	3,418,110	3,830,992	4,154,542
Restricted	2,836,249	-	2,836,249	1,872,651
Unrestricted	1,149,975	1,463,449	2,613,424	2,861,043
Total net position	<u>\$ 4,399,106</u>	<u>\$ 4,881,559</u>	<u>\$ 9,280,665</u>	<u>\$ 8,888,236</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
March 31, 2020

**Augusta Charter Township's Net Position (Continued)** An additional portion of the Township's net position (30.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$2,613,424 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 March 31, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>2020</u>	<u>2019</u>
<b>Program revenue</b>				
Charges for services	\$ 86,075	\$ 1,650,363	\$ 1,736,438	\$ 1,615,332
Operating grants and contributions	2,472	65,505	67,977	73,629
Capital grants and contributions	-	-	-	3,338
Total program revenues	<u>88,547</u>	<u>1,715,868</u>	<u>1,804,415</u>	<u>1,692,299</u>
<b>General revenue</b>				
Property taxes	1,008,319	-	1,008,319	883,332
State revenue sharing	600,615	-	600,615	574,484
Franchise fees	53,877	-	53,877	53,242
Special assessment	3,200	-	3,200	3,803
Interest on special assessments	-	33,389	33,389	38,769
Investment earnings	-	13,572	13,572	2,592
License and permits	9,835	-	9,835	9,300
Other	181,168	-	181,168	162,826
Transfers	330,187	(330,187)	-	-
Total general revenue	<u>2,187,201</u>	<u>(283,226)</u>	<u>1,903,975</u>	<u>1,728,348</u>
Total revenue	<u>2,275,748</u>	<u>1,432,642</u>	<u>3,708,390</u>	<u>3,420,647</u>
<b>Expenses</b>				
General government	667,825	-	667,825	618,997
Public safety	418,802	-	418,802	345,510
Public works	246,223	-	246,223	236,220
Community and economic development	26,451	-	26,451	37,572
Utility	-	1,956,660	1,956,660	1,762,412
Total expenses	<u>1,359,301</u>	<u>1,956,660</u>	<u>3,315,961</u>	<u>3,000,711</u>
Change in net position	916,447	(524,018)	392,429	419,936
Net position, beginning of year	<u>3,482,659</u>	<u>5,405,577</u>	<u>8,888,236</u>	<u>8,468,300</u>
Net position, end of year	<u>\$ 4,399,106</u>	<u>\$ 4,881,559</u>	<u>\$ 9,280,665</u>	<u>\$ 8,888,236</u>

**Financial Analysis of the Government's Funds** As noted earlier the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

# **AUGUSTA CHARTER TOWNSHIP, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

March 31, 2020

**Financial Analysis of the Government's Funds (Continued)** As of the year ended March 31, 2020, the Township's governmental funds reported a combined ending fund balances of \$5,401,344. Special Revenue and Capital Projects Funds have \$4,552,336 available for their special uses. The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$843,092. General Fund overhead expenses collected from other funds is reported as revenue rather than netted against operating expenses.

The fund balance of the Township's General Fund decreased by \$228,729 during the year ended March 31, 2020.

**Proprietary fund** -The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Fund at the end of the year amounted to \$1,463,449 as shown on Page 18 of the report. The total decrease in net position for the fund was \$524,018 as shown on Page 19 of the report.

## **Capital Asset and Debt Administration**

**Capital assets.** The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2020, amounts to \$4,310,747 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment and park facilities.

**Long-term debt.** At the year ended March 31, 2020, the Township had total contract debt outstanding of \$47,486. This amount comprises debt backed by the full faith and credit of the government.

The township issued bonds during the fiscal year totaling \$3,500,000. \$1,525,000 of this bond relates to the construction of a new Fire Station and the debt service is paid through a voted debt service millage. \$1,975,000 of this bond relates to the infrastructure improvements needed in the Utility fund and the debt service is paid through increased water and sewer rates.

# **AUGUSTA CHARTER TOWNSHIP, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

March 31, 2020

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

The Township experienced an increase in overall property values due to Michigan's overall economy and the installation of the Nexus pipeline.

The Township property on Judd and Whittaker is being developed for the Township Fire Hall using millage previously approved by the voters. The site is being engineered in a manner that would allow possible construction of new Township offices near the Fire Hall. The Township sold bonds for both of these projects during the fiscal year and is now in the construction phase of the projects. The Township also engaged a consultant to perform a rate analysis and operational efficiency review to best allocate costs and achieve a recovery of those costs. A new rate structure was approved in October 2019. The township also hired a new utility operator who is making operational improvements.

The Fire Hall and water and sewer infrastructure improvements represent the only new borrowings for the Township.

## **Requests for Information**

This financial report is designed to provide a general overview of the finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Augusta Charter Township Clerk, 8021 Talladay Road, P.O. Box 100, Whittaker, MI 48190.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF NET POSITION**  
**March 31, 2020**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,602,845	\$ 620,385	\$ 4,223,230
Cash and cash equivalents - restricted	1,707,219	2,046,589	3,753,808
Accounts receivable	26,474	369,126	395,600
Special assessment receivables	-	500,501	500,501
Due from other governmental units	138,822	10,822	149,644
Due from agency fund	13,353	2,549	15,902
Prepaid expenses	10,425	-	10,425
Capital assets:			
Capital assets not being depreciated	522,641	-	522,641
Capital assets being depreciated (net)	212,630	3,575,476	3,788,106
Total assets	<u>6,234,409</u>	<u>7,125,448</u>	<u>13,359,857</u>
<b>LIABILITIES</b>			
Accounts payable	44,046	159,020	203,066
Customer deposits	4,000	-	4,000
Salaries payable	4,511	-	4,511
Accrued interest	26,175	21,626	47,801
Other liabilities	-	803	803
Noncurrent liabilities:			
Due within one year - long-term debt	242,809	78,321	321,130
Due in more than one year - long-term debt	1,513,762	1,984,119	3,497,881
Total liabilities	<u>1,835,303</u>	<u>2,243,889</u>	<u>4,079,192</u>
<b>NET POSITION</b>			
Net investment in capital assets	412,882	3,418,110	3,830,992
Restricted:			
Fire department	1,575,679	-	1,575,679
Utilities capital improvement	877,989	-	877,989
Street lighting	1,163	-	1,163
Farmland preservation	88,914	-	88,914
Debt service	254,488	-	254,488
Equipment	38,016	-	38,016
Unrestricted	1,149,975	1,463,449	2,613,424
Total net position	<u>\$ 4,399,106</u>	<u>\$ 4,881,559</u>	<u>\$ 9,280,665</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF ACTIVITIES**  
Year Ended March 31, 2020

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 667,825	\$ -	\$ -	\$ -	\$ (667,825)	\$ -	\$ (667,825)
Public safety	418,802	-	2,472	-	(416,330)	-	(416,330)
Public works	246,223	86,075	-	-	(160,148)	-	(160,148)
Community and economic development	26,451	-	-	-	(26,451)	-	(26,451)
Total governmental activities	1,359,301	86,075	2,472	-	(1,270,754)	-	(1,270,754)
Business-type activities:							
Utility fund	1,956,660	1,650,363	65,505	-	-	(240,792)	(240,792)
Total government	<u>\$ 3,315,961</u>	<u>\$ 1,736,438</u>	<u>\$ 67,977</u>	<u>\$ -</u>	<u>\$ (1,270,754)</u>	<u>\$ (240,792)</u>	<u>\$ (1,511,546)</u>
			General revenues:				
			Property taxes	\$ 1,008,319	\$ -	\$ 1,008,319	
			State revenue sharing	600,615	-	600,615	
			Franchise fees	53,877	-	53,877	
			Special assessment	3,200	-	3,200	
			Interest on special assessments	-	33,389	33,389	
			Investment earnings	-	13,572	13,572	
			License and permits	9,835	-	9,835	
			Other	181,168	-	181,168	
			Transfers	330,187	(330,187)	-	
			Total general revenues and transfers	2,187,201	(283,226)	1,903,975	
			<b>Change in Net Position</b>		916,447	(524,018)	392,429
			<b>Net Position, Beginning of year</b>		3,482,659	5,405,577	8,888,236
			<b>Net Position, End of year</b>		<u>\$ 4,399,106</u>	<u>\$ 4,881,559</u>	<u>\$ 9,280,665</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**March 31, 2020**

	General	Fire Fund	Fire Department Building Fund	Utilities Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 741,028	\$ 716,531	\$ 898,310	\$ 877,989	\$ 368,987	\$ 3,602,845
Cash and cash equivalents - restricted	-	-	1,707,219	-	-	1,707,219
Accounts receivable	26,474	-	-	-	-	26,474
Due from other governmental units	105,814	21,358	-	-	11,650	138,822
Due from agency fund	3,804	6,137	-	-	3,412	13,353
Prepaid expenditures	5,916	4,509	-	-	-	10,425
Total assets	<u>\$ 883,036</u>	<u>\$ 748,535</u>	<u>\$ 2,605,529</u>	<u>\$ 877,989</u>	<u>\$ 384,049</u>	<u>\$ 5,499,138</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 15,870	\$ 5,130	\$ 22,805	\$ -	\$ 241	\$ 44,046
Customer deposits	4,000	-	-	-	-	4,000
Salaries payable	1,929	2,582	-	-	-	4,511
Total liabilities	<u>21,799</u>	<u>7,712</u>	<u>22,805</u>	<u>-</u>	<u>241</u>	<u>52,557</u>
Deferred inflows of resources						
Unavailable revenue - Property tax	12,229	21,358	-	-	11,650	45,237
<b>FUND BALANCES</b>						
Nonspendable	5,916	4,509	-	-	-	10,425
Restricted:						
Fire department	-	714,956	2,582,724	-	-	3,297,680
Utilities capital improvement	-	-	-	877,989	-	877,989
Street lighting	-	-	-	-	1,244	1,244
Farmland preservation	-	-	-	-	89,002	89,002
Debt service	-	-	-	-	243,896	243,896
Equipment	-	-	-	-	38,016	38,016
Unassigned	843,092	-	-	-	-	843,092
Total fund balances	<u>849,008</u>	<u>719,465</u>	<u>2,582,724</u>	<u>877,989</u>	<u>372,158</u>	<u>5,401,344</u>
Total liabilities and fund balances	<u>\$ 883,036</u>	<u>\$ 748,535</u>	<u>\$ 2,605,529</u>	<u>\$ 877,989</u>	<u>\$ 384,049</u>	<u>\$ 5,499,138</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**March 31, 2020**

**FUND BALANCE REPORTED IN GOVERNMENTAL FUNDS** \$ 5,401,344

Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets not being depreciated	522,641
Capital assets being depreciated (net)	212,630

Certain revenue of the government-wide financial statements is earned but not considered available in the governmental funds and is, therefore, reported as deferred inflows of resources

45,237

Debt obligations are not due and payable in the current period and are not reported in the governmental funds; interest on debt obligation is not accrued in the governmental funds and is recognized as an expenditure to the extent due; and all liabilities, both current and long term, are reported in the statement of position. These liabilities include:

Capital lease payable	(47,486)
Accrued interest payable on long-term debt	(26,175)
Bonds payable	(1,525,000)
Unamortized bond premium	<u>(184,085)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 4,399,106**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended March 31, 2020

	<u>General</u>	<u>Fire Fund</u>	<u>Fire Department Building Fund</u>	<u>Utilities Capital Improvement Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUE</b>						
Property taxes	\$ 229,551	\$ 514,469	\$ 11,512	\$ -	\$ 269,371	\$ 1,024,903
State shared revenue	600,615	-	-	-	-	600,615
Franchise fees	53,877	-	-	-	-	53,877
Licenses and permits	9,835	-	-	-	-	9,835
Grants	-	2,472	-	-	-	2,472
Charges for services	-	-	-	86,075	-	86,075
Special assessment	-	-	-	-	3,200	3,200
Other	154,717	12,630	11,829	1,650	342	181,168
Total revenue	<u>1,048,595</u>	<u>529,571</u>	<u>23,341</u>	<u>87,725</u>	<u>272,913</u>	<u>1,962,145</u>
<b>EXPENDITURES</b>						
General government	624,973	-	-	725	-	625,698
Public safety	-	310,570	40,363	-	-	350,933
Public works	243,308	-	-	-	2,915	246,223
Community and economic development	26,451	-	-	-	-	26,451
Debt service	-	-	-	-	-	-
Principal	8,181	26,073	-	-	-	34,254
Interest on long-term debt	1,112	1,733	-	-	-	2,845
Capital outlay	-	-	274,903	-	-	274,903
Total expenditures	<u>904,025</u>	<u>338,376</u>	<u>315,266</u>	<u>725</u>	<u>2,915</u>	<u>1,561,307</u>
<b>Other Financing Sources</b>						
Face amount of bonds issued	-	-	1,525,000	-	-	1,525,000
Premium on bonds issued	-	-	184,085	-	-	184,085
Transfers in	-	-	520,904	450,000	38,000	1,008,904
Transfers out	(373,299)	(38,000)	-	(119,813)	(147,605)	(678,717)
Total other financing sources (uses)	<u>(373,299)</u>	<u>(38,000)</u>	<u>2,229,989</u>	<u>330,187</u>	<u>(109,605)</u>	<u>2,039,272</u>
<b>Net Change in Fund Balances</b>	<u>(228,729)</u>	<u>153,195</u>	<u>1,938,064</u>	<u>417,187</u>	<u>160,393</u>	<u>2,440,110</u>
<b>Fund Balances, Beginning of year</b>	<u>1,077,737</u>	<u>566,270</u>	<u>644,660</u>	<u>460,802</u>	<u>211,765</u>	<u>2,961,234</u>
<b>Fund Balances, End of year</b>	<u>\$ 849,008</u>	<u>\$ 719,465</u>	<u>\$ 2,582,724</u>	<u>\$ 877,989</u>	<u>\$ 372,158</u>	<u>\$ 5,401,344</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended March 31, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ 2,440,110

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	274,903
Depreciation and amortization expense	(81,753)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position

Proceeds of bonds	(1,709,085)
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Repayment of long-term liabilities is an expenditure in the government funds, but the repayment reduces long-term liabilities in the statement of net position

Principal payments on long-term liabilities	34,255
---	--------

Revenue reported in the statement of activities does not provide current financial resources and therefore is not reported as revenue in the governmental funds

Property taxes	(16,583)
----------------	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are reported as expenditures in governmental funds

Change in the accrual of interest	<u>(25,400)</u>
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**Change in Net Position of Governmental Activities** \$ 916,447

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**March 31, 2020**

	<u>Enterprise Fund Utility</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 620,385
Cash and cash equivalents - restricted	2,046,589
Receivables	369,126
Special assessment receivables	33,636
Due from other governmental units	10,822
Due from agency fund	2,549
	<hr/>
Total current assets	3,083,107
	<hr/>
<b>NONCURRENT ASSETS</b>	
Special assessment receivables	466,865
Capital assets being depreciated	3,575,476
	<hr/>
Total noncurrent assets	4,042,341
	<hr/>
Total assets	7,125,448
	<hr/>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	159,020
Accrued interest	21,626
Other liabilities	803
Current portion of long-term debt	78,321
	<hr/>
Total current liabilities	259,770
	<hr/>
<b>NONCURRENT LIABILITIES</b>	
Long-term debt	1,984,119
	<hr/>
Total noncurrent liabilities	1,984,119
	<hr/>
Total liabilities	2,243,889
	<hr/>
<b>NET POSITION</b>	
Net investment in capital assets	3,418,110
Unrestricted	1,463,449
	<hr/>
Total net position	\$ 4,881,559
	<hr/> <hr/>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**Year Ended March 31, 2020**

	<b>Enterprise Fun Utility</b>
<b>OPERATING REVENUE</b>	
Sale of water and sewage disposal charges	1,529,904
Charges for services	98,173
Other revenue	<u>22,286</u>
Total operating revenue	<u>1,650,363</u>
<b>OPERATING EXPENSES</b>	
Cost of water	575,647
Cost of sewage treatment	378,896
Operation and maintenance	295,511
General and administrative costs	426,747
Depreciation and amortization	<u>258,233</u>
Total operating expenses	<u>1,935,034</u>
Operating loss	<u>(284,671)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>	
State grant	65,505
Interest on special assessments	33,389
Interest income	13,572
Interest expense	<u>(21,626)</u>
Total nonoperating revenue	<u>90,840</u>
Loss before transfers	(193,831)
Transfer in	119,813
Transfer (out)	<u>(450,000)</u>
Change in net position	(524,018)
<b>Net Position</b> , Beginning of year	<u>5,405,577</u>
<b>Net Position</b> , End of year	<u><u>\$ 4,881,559</u></u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**Year Ended March 31, 2020**

	<b>Enterprise Fund Utility</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,589,595
Payments to goods and services	(1,657,691)
Payments to employee	(855)
	<hr/>
Net cash used in operating activities	(68,951)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Grant from other governments	118,393
Transfers to and from other funds (net)	(330,188)
	<hr/>
Net cash used in noncapital financing activities	(211,795)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from bonds	2,062,440
Purchase of capital assets	(157,366)
Special assessment interest	33,389
	<hr/>
Net cash provided by capital and related financing activities	1,938,463
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>	
Interest income	13,572
	<hr/>
Net increase in cash and cash equivalents	1,671,289
<b>Cash and cash equivalents, Beginning of year</b>	<hr/> 995,685
<b>Cash and cash equivalents, End of year</b>	<hr/> <b>\$ 2,666,974</b> <hr/>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (284,671)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization expense	258,233
Changes in assets and liabilities:	
Receivables	(59,334)
Due from other governmental units	(1,434)
Due from agency fund	3,831
Accounts payable	13,621
Other liabilities	803
	<hr/>
Net cash used in operating activities	<hr/> <b>\$ (68,951)</b> <hr/>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**March 31, 2020**

**ASSETS**

Cash	\$ 57,048
	<u>57,048</u>
Total assets	<u>\$ 57,048</u>

**LIABILITIES**

Due to other funds	\$ 15,902
Due to other taxing units	<u>41,146</u>
Total liabilities	<u>\$ 57,048</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

The financial statements of Augusta Charter Township, Michigan (the “Township”) are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

**Financial Reporting Entity**

Description of Reporting Entity

Augusta Charter Township is a charter township, governed by a Board of Trustees. As required by generally accepted accounting principles, these financial statements present Augusta Charter Township as a primary government. There are no component units in the Township.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-agency activities of the primary government. *Governmental* activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Agency funds, a type of fiduciary fund, are unlike all other types of funds reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

**General**

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

**Fire Fund**

The *Fire fund* is a special revenue fund to account for a tax levy for the purpose of providing fire protection services to the Township's residents.

**Fire Department Building Fund**

The *Fire Department Building fund* is to account for proceeds of bonds for the purpose of funding the construction of a new fire hall.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**  
(Continued)

Utilities Capital Improvement Fund

The *Utilities Capital Improvement fund* is to account for funding the capital improvement of the water and sewer system.

The government reports the following major proprietary fund:

The *Utility fund* accounts for the acquisition, operation and maintenance of the Townships water and sewer systems.

The government reports the following non-major funds:

*Special revenue funds* are used to account for and report the proceeds of revenue sources that are legally restricted or committed to expenditures for specific purposes, not including major capital projects.

*Debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs.

*Capital project funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Additionally, the government reports the following other fund types:

*Agency funds (Tax Collection Fund, Agency Fund, and Developer Fund)* accounts for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They primarily hold deposits from builders and developers and tax remittances due to schools and other governmental units.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments of utility charges between the Township's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**  
(Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Utility fund are charges to customers for sales and services. Operating expenses for this fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they needed.

The Township has a minimum fund balance policy for the General Fund and the Fire Fund. The policy requires a minimum fund balance goal of approximately 50 percent of the following year operating expenditures. With approval of the board, the following reasons justify appropriations that may draw the fund balance below the 50 percent: 1) planned used of reserves for capital expenditure; 2) one-time emergency expenditure said emergency having been declared by the board; and 3) one-time legal expenses. If unrestricted fund balance falls below the 50 percent minimum balance the board will make a determination of replenishment during the next budget cycle with said plan of replenishment to be implemented in the following year and have attained the minimum funding level within the following 5 years.

**Property Tax Revenue**

Properties are assessed as of December 31 and tax levies are July 1 and December 1 of the following year. The tax levies of July 1 and December 1, 2019 are revenues in the Township's fiscal year ended March 31, 2020.

A lien on the property occurs when the taxes are levied. The taxes levied July 1 are payable by September 14 without penalty. The taxes levied December 1 are payable by February 14 without penalty.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Property Tax Revenue (Continued)**

Taxes were levied as follows:

<u>Purpose</u>	<u>Millage Rate</u>
Operational	0.8073
Fire Department	2.0000
Farm Preservation	0.0992
Fire Station	0.9919

**Assets, Liabilities and Fund Equity**

Bank Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. To the extent that cash from various funds has been pooled, pooled investment income is generally allocated to each fund using a weighted average of balance for the principal.

Restricted cash and cash equivalents are limited in use to the following:

Cash equivalents restricted for fire station construction	\$ 1,707,219
Cash equivalents restricted for water system capital projects	<u>2,046,589</u>
	<u>\$ 3,753,808</u>

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "internal balances."

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants for capital assets are recorded as receivables and revenue at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Prepaid Items

Prepaid items are costs incurred during the current fiscal year for which benefit will be received in a future fiscal year and are recorded as prepaid items in both the government-wide and fund financial statements.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Assets, Liabilities and Fund Equity (Continued)**

Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-50
Computers and software	3-5
Office and equipment	5-20
Fire vehicles	5-10
Fire equipment	5-10
Water system	40
Water equipment	10-15
Sewer system	35
Sewer equipment	10

Long term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other non-current obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line basis.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Assets, Liabilities and Fund Equity (Continued)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts in debt issuances are reported as other financing uses. Issuance costs, whether or not, withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

The Township's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). The Township will not recognize the related revenues until a future event occurs. Unavailable revenue qualifies for reporting in this category and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from special assessments and property tax collection that were not received within 60 days of year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

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

Nonspendable

Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted

Amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers; or through enabling legislation.

Committed

Amounts that can be used only for the specific purposes determined by a formal action of the Charter Township's highest level of decision-making authority (i.e. the Board of Trustees).

Commitments will only be used for specific purposes pursuant to a formal action of the Board of Trustees. A majority vote is required to approve a commitment and a two-thirds majority vote is required to remove a commitment.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

**Assets, Liabilities and Fund Equity (Continued)**

Assigned

Amounts intended to be used by the Charter Township for specific purposes but do not meet the criteria to be classified as restricted or committed.

The Board of Trustees delegates to the Supervisor or his designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned

Unassigned fund balance is the residual classification for amounts in the General Fund.

Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. During the course of normal operations, the township has numerous transactions between funds, including expenditures and transfers of resources to provide services and service debt. The accompanying financial statements generally reflect such transactions as transfers. Balance outstanding at year-end are reported as due to / from other funds.

Use of Estimates

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

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

**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end. The Township follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. The budgets are amended during the year as needed.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

The budget statements present information by fund, department and line items. The legal level of budgetary control adopted by the governing body is the department level (i.e. the level at which expenditures may not legally exceed appropriations).

**Excess of Expenditures over Appropriations in Budgeted Funds**

During the year ended March 31, 2020, the General Fund and the Fire Fund incurred expenditures in excess of amounts appropriated as follows:

	<u>Budgeted Amount</u>	<u>Actual</u>	<u>Variance</u>
<b>General Fund</b>			
Elections	\$ 37,485	\$ 43,191	\$ (5,706)

This excess of elections expenditures is fully reimbursed by the State.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of bank failure, the Township’s deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2020, \$3,309,412 of the Township’s bank balance of \$3,559,412 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are use as depositories.

**Custodial Credit Risk of Investments** – Custodial credit risk in the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a policy for custodial credit risk. As of March 31, 2020, the Township had no investment securities that were uninsured and unregistered held by the counterparty or by its trust department or agent but not in the Township’s name.



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

**Fair Value Measurements** – The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby input used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

	Balance at March 31, 2020	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
General Investments				
Investments Measured at the Net Asset Value - Pooled Cash Funds	\$ 4,530,175	\$ 4,530,175	\$ -	\$ -

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

**Investments in Entities that Calculate Net Asset Value per Share** – The Township holds shares or interests in investment pools where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended March 31, 2020, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

General Investments	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS Investment Pool	\$ 4,530,175	None	N/A	N/A

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)**

**Investments in Entities that Calculate Net Asset Value per Share (Continued)**

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated “A-1” or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by Treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

**NOTE 4 – RECEIVABLES**

Receivables as of year-end for the Township’s major funds and proprietary funds are as follows:

	<b>General</b>	<b>Fire</b>	<b>Non Major and</b>	<b>Utility</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Other Funds</b>	<b>Fund</b>	<b>Total</b>
State shared revenue	\$ 93,585	\$ -	\$ -	\$ -	\$ 93,585
Property tax	12,229	21,358	11,650	10,822	56,059
Customer	13,383	-	-	369,126	382,509
Election reimbursement	13,091	-	-	-	13,091
Special assessments	-	-	-	500,501	500,501
	<u>\$ 132,288</u>	<u>\$ 21,358</u>	<u>\$ 11,650</u>	<u>\$ 880,449</u>	<u>\$ 1,045,745</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 5 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 235,095	\$ -	\$ -	\$ 235,095
Construction in progress	12,643	274,903	-	287,546
Subtotal	247,738	274,903	-	522,641
Capital assets being depreciated				
Buildings and improvements	124,245	-	-	124,245
Office furniture and equipment	46,987	-	(37,387)	9,600
Computers and software	74,095	-	(14,370)	59,725
Vehicles	1,661,192	-	(338,463)	1,322,729
Fire equipment	441,982	-	(29,632)	412,350
Subtotal	2,348,501	-	(419,852)	1,928,649
Less accumulated depreciation for				
Buildings and improvements	100,313	2,103	-	102,416
Office furniture and equipment	46,237	125	(37,387)	8,975
Computers and software	50,591	13,034	(14,370)	49,255
Vehicles	1,514,816	31,975	(338,463)	1,208,328
Fire equipment	342,161	34,516	(29,632)	347,045
Subtotal	2,054,118	81,753	(419,852)	1,716,019
Net capital assets being depreciated	294,383	(81,753)	-	212,630
Governmental activities total				
Capital assets - net of depreciation and amortization	\$ 542,121	\$ 193,150	\$ -	\$ 735,271

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

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

Included in capital assets is leased equipment under a capital lease with a cost of \$295,920 and accumulated amortization of \$182,492. Amortization expense related to the capital lease was \$30,685 for the year ended March 31, 2020.

Capital asset activity for the business activities for the current year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital assets being depreciated				
Water system	\$ 8,874,205	\$ -	\$ -	\$ 8,874,205
Water meters and equipment	644,625	47,363	(13,823)	678,165
Sewer system	1,438,614	110,003	(4,415)	1,544,202
Sewer equipment	138,553	-	(21,551)	117,002
	<u>11,095,997</u>	<u>157,366</u>	<u>(39,789)</u>	<u>11,213,574</u>
Subtotal	11,095,997	157,366	(39,789)	11,213,574
Less accumulated depreciation for				
Water system	5,462,712	220,803	-	5,683,515
Water meters and equipment	515,619	19,365	(13,823)	521,161
Sewer system	1,331,103	16,533	(4,415)	1,343,221
Sewer equipment	110,220	1,532	(21,551)	90,201
	<u>7,419,654</u>	<u>258,233</u>	<u>(39,789)</u>	<u>7,638,098</u>
Subtotal	7,419,654	258,233	(39,789)	7,638,098
Net capital assets being depreciated	<u>3,676,343</u>	<u>(100,867)</u>	<u>-</u>	<u>3,575,476</u>
Business-type activities total				
Capital assets - net of depreciation	<u>\$ 3,676,343</u>	<u>\$ (100,867)</u>	<u>\$ -</u>	<u>\$ 3,575,476</u>

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

<b>Governmental activities</b>	
General government	\$ 15,262
Public safety	<u>66,491</u>
Total depreciation and amortization	<u>\$ 81,753</u>
<b>Business-type activities</b>	
Utility	<u>\$ 258,233</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balance as of March 31, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Tax collection fund	\$ 3,804
Fire fund	Tax collection fund	6,137
Street lighting fund	Tax collection fund	65
Farmland preservation fund	Tax collection fund	304
General debt service fund	Tax collection fund	3,043
Utility fund	Tax collection fund	2,549
		<u>\$ 15,902</u>

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

Interfund transfers reported in the fund financial statement are comprised of the following:

<u>Fund Transferring Resources</u>	<u>Fund Receiving Resources</u>	<u>Amount</u>
General fund	Fire department building fund	\$ 373,299
Capital project fund	Fire department building fund	\$ 147,605
Fire fund	Equipment fund	\$ 38,000
Utility fund	Utility capital improvement fund	\$ 330,187

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 7 – LONG-TERM DEBT**

The Township issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith of the Township. These bonds are issued as series and term bonds with varying amounts of principal matured each year.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 7 – LONG-TERM DEBT (Continued)**

The following is a summary of long-term debt transactions of the Township for the year ended March 31, 2020:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
Bonds and contracts payable:							
Direct borrowing and direct placements:							
Installment purchase agreement - Capital lease for tanker truck Maturing through 2020	6.65%	N/A	\$ 52,998	\$ -	\$ (26,073)	\$ 26,925	\$ 26,925
Installment purchase agreement - Capital lease for dominant system server Maturing through 2022	4.44%	N/A	28,743	-	(8,182)	20,561	8,552
Total direct borrowing and direct placements principal outstanding			81,741	-	(34,255)	47,486	35,477
General obligation bonds:							
2019 capital improvement bond		\$ 185,000					
Maturing through 2027	5.00%	\$ 260,000	-	1,525,000	-	1,525,000	185,000
Bond premium			-	184,085	-	184,085	22,332
Total general obligation bonds			-	1,709,085	-	1,709,085	207,332
Total bonds and contracts payable			81,741	1,709,085	(34,255)	1,756,571	242,809
Total governmental activities long-term debt			\$ 81,741	\$ 1,709,085	\$ (34,255)	\$ 1,756,571	\$ 242,809

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 7 – LONG-TERM DEBT (Continued)**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>							
General obligation bonds:							
2019 capital improvement bond							
	2.125% -	\$ 75,000					
Maturing through 2040	5.00%	\$ 125,000	-	1,975,000	-	1,975,000	75,000
Bond premium			-	87,440	-	87,440	3,321
Total general obligation bonds			-	2,062,440	-	2,062,440	78,321
Total business-type activities			\$ -	\$ 2,062,440	\$ -	\$ 2,062,440	\$ 78,321

Annual debt service requirements to maturity for the above bonds and note obligation are as follows:

Year Ending March 31,	Governmental Activities				
	Direct Borrowing and Direct Placements		Other Debts		Total
	Principal	Interest	Principal	Interest	
2021	\$ 35,478	\$ 1,621	\$ 185,000	\$ 64,424	\$ 286,523
2022	8,940	353	185,000	62,375	256,668
2023	3,068	28	200,000	52,750	255,846
2024	-	-	215,000	42,375	257,375
2025	-	-	230,000	31,250	261,250
2026-2027	-	-	510,000	25,750	535,750
Total	\$ 47,486	\$ 2,002	\$ 1,525,000	\$ 278,924	\$ 1,853,412

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 7 – LONG-TERM DEBT (Continued)**

Year Ending March 31,	Business-type Activities		
	Other Debts		
	Principal	Interest	Total
2021	\$ 75,000	\$ 56,070	\$ 131,070
2022	75,000	58,364	133,364
2023	80,000	54,489	134,489
2024	85,000	50,364	135,364
2025	85,000	46,114	131,114
2026-2031	575,000	196,217	771,217
2032-2037	640,000	101,645	741,645
2038-2040	360,000	14,242	374,242
Total	<u>\$ 1,975,000</u>	<u>\$ 577,505</u>	<u>\$ 2,552,505</u>

**NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS**

The composition of the net investment in capital assets as of March 31, 2020, was as follow:

	Governmental Activities	Business-Type Activities
Capital asset:		
Capital assets not being depreciated	\$ 522,641	\$ -
Capital assets being depreciated, net	212,630	3,575,476
	<u>735,271</u>	<u>3,575,476</u>
Related debt:		
Bonds payable	274,903	157,366
Contract payable	47,486	-
	<u>322,389</u>	<u>157,366</u>
Net investment in capital assets	<u>\$ 412,882</u>	<u>\$ 3,418,110</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 9 – AGREEMENTS**

**Franchise Agreements**

The Township has entered into an agreement with Comcast under which it granted that the company a non-exclusive franchise to provide cable television services in the Township. This agreement, which expired in 2019, provides that the cable provider pay an annual franchise fee of 5% of gross annual revenues to the Township. The contract was renewed in 2019 for a period of ten years.

Total franchise fees recognized under these agreements during the current year were \$53,877.

**NOTE 10 – RETIREMENT PLAN**

**Plan Description**

The Augusta Charter Township Pension Plan is a defined contribution plan administered by Principal Financial Group under authority of Internal Revenue Code Section 401(a). The Township makes monthly contributions of 15% of employees' compensation. Employees must be 18 years of age to participate and are allowed to contribute, however employees did not contribute to this plan. The Township made contributions of \$44,061 for the year ended March 31, 2020.

**NOTE 11 – OTHER INFORMATION**

**Risk Management**

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (worker's compensation). The Township participates in two public entity risk pools for its insurance coverage. Any settled claims relating to the insurance have not exceeded the amount of insurance coverage in any of the past three years.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**NOTE 12 – SUBSEQUENT EVENTS**

Township's management has performed a review of events subsequent to the balance sheet date through July 23, 2020, the date the financial statements were available to be issued.

Towards the end of December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. The COVID-19 pandemic has had a significant impact on global markets yielding unfavorable investment returns, job loss and financial hardships on various corporations. Given the very evolving nature of this global emergency, long term impact is not yet known. During this crisis, Management expects that in the near-term state shared revenue will likely decline. Management is carefully monitoring the situation and identifying the current and future needs. No adjustments to the period ended March 31, 2020 financial statements are appropriate at this time of uncertainty.

**REQUIRED SUPPLEMENTAL INFORMATION**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
Year Ended March 31, 2020

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Actual over (under) Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Property taxes	\$ 183,425	\$ 210,425	\$ 229,551	\$ 19,126
State shared revenue	530,000	530,000	600,615	70,615
Franchise fees	55,000	55,000	53,877	(1,123)
Licenses and permits	5,100	8,100	9,835	1,735
Other revenue	108,850	144,450	154,717	10,267
<b>Total revenue</b>	<b>882,375</b>	<b>947,975</b>	<b>1,048,595</b>	<b>100,620</b>
<b>EXPENDITURES</b>				
General government:				
General government	283,350	324,130	317,063	7,067
Supervisor	33,650	31,650	31,189	461
Treasurer	71,400	69,135	67,301	1,834
Assessor	48,200	48,200	47,737	463
Clerk	83,800	82,300	81,839	461
Elections	32,000	37,485	43,191	(5,706)
Township Hall	19,800	37,400	36,653	747
Debt service	-	9,300	9,293	7
<b>Total general government</b>	<b>572,200</b>	<b>639,600</b>	<b>634,266</b>	<b>5,334</b>
Public works:				
Drains at large	52,000	71,300	71,299	1
Road improvement	202,000	211,700	172,009	39,691
<b>Total public works</b>	<b>254,000</b>	<b>283,000</b>	<b>243,308</b>	<b>39,692</b>
Community and economic development -				
Planning and zoning	29,900	31,900	26,451	5,449
<b>Total expenditures</b>	<b>856,100</b>	<b>954,500</b>	<b>904,025</b>	<b>50,475</b>
Excess of revenue over (under) expenditures	26,275	(6,525)	144,570	151,095
<b>Other Financing Sources (uses)</b>				
Transfer out	-	(373,299)	(373,299)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(373,299)</b>	<b>(373,299)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>26,275</b>	<b>(379,824)</b>	<b>(228,729)</b>	<b>151,095</b>
<b>Fund Balance, Beginning of year</b>	<b>1,077,737</b>	<b>1,077,737</b>	<b>1,077,737</b>	<b>-</b>
<b>Fund Balance, End of year</b>	<b>\$ 1,104,012</b>	<b>\$ 697,913</b>	<b>\$ 849,008</b>	<b>\$ 151,095</b>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - FIRE FUND**  
**Year Ended March 31, 2020**

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Actual over (under) Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUE</b>				
Property taxes	\$ 436,000	\$ 436,000	\$ 514,469	\$ 78,469
Grants	-	-	2,472	2,472
Other revenue	8,700.00	8,700.00	12,630	3,930
<b>Total revenue</b>	<b>444,700</b>	<b>444,700</b>	<b>529,571</b>	<b>84,871</b>
<b>EXPENDITURES</b>				
Salaries and wages	166,000	166,000	146,773	19,227
Fringe benefits	41,400	41,400	32,536	8,864
Supplies and other	31,500	31,500	15,097	16,403
Repairs and maintenance	64,000	64,000	42,671	21,329
Contracted services	8,600	8,600	7,068	1,532
Insurance	27,500	27,500	29,101	(1,601)
Dues and materials	9,500	9,500	6,573	2,927
Communications	15,500	15,500	10,849	4,651
Utilities	8,000	8,000	8,073	(73)
Professional services	2,000	2,000	5,128	(3,128)
Others	6,000	6,000	6,701	(701)
Debt service	27,850	27,850	27,806	44
<b>Total expenditures</b>	<b>407,850</b>	<b>407,850</b>	<b>338,376</b>	<b>69,474</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(38,000)	(38,000)	(38,000)	-
<b>Total other financing sources (uses)</b>	<b>(38,000)</b>	<b>(38,000)</b>	<b>(38,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(1,150)</b>	<b>(1,150)</b>	<b>153,195</b>	<b>154,345</b>
<b>Fund Balance, Beginning of year</b>	<b>566,270</b>	<b>566,270</b>	<b>566,270</b>	<b>-</b>
<b>Fund Balance, End of year</b>	<b>\$ 565,120</b>	<b>\$ 565,120</b>	<b>\$ 719,465</b>	<b>\$ 154,345</b>

**OTHER SUPPLEMENTAL INFORMATION**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**March 31, 2020**

	Special Revenue Fund		Debt Service Fund	Capital Projects Fund		Total Nonmajor Governmental Funds
	Street Lighting Fund	Farmland Preservation Fund	Debt Service Fund	Capital Projects Fund	Equipment Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,420	\$ 88,698	\$ 240,853	\$ -	\$ 38,016	368,987
Due from other governmental units	-	1,058	10,592	-	-	11,650
Due from agency fund	65	304	3,043	-	-	3,412
Total assets	<u>\$ 1,485</u>	<u>\$ 90,060</u>	<u>\$ 254,488</u>	<u>\$ -</u>	<u>\$ 38,016</u>	<u>\$ 384,049</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 241	\$ -	\$ -	\$ -	\$ -	\$ 241
<b>Deferred inflows of resources</b>						
Unavailable revenue - Property tax	-	1,058	10,592	-	-	11,650
<b>FUND BALANCES</b>						
Restricted - Farmland preservation	-	89,002	-	-	-	89,002
Restricted - Street lighting	1,244	-	-	-	-	1,244
Restricted - Debt service	-	-	243,896	-	-	243,896
Restricted - Equipment	-	-	-	-	38,016	38,016
Total fund balances	<u>1,244</u>	<u>89,002</u>	<u>243,896</u>	<u>-</u>	<u>38,016</u>	<u>372,158</u>
Total deferred inflows of resources, and fund balances	<u>\$ 1,485</u>	<u>\$ 90,060</u>	<u>\$ 254,488</u>	<u>\$ -</u>	<u>\$ 38,016</u>	<u>\$ 384,049</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended March 31, 2020**

	Special Revenue Fund		Debt Service Fund	Capital Projects Fund		Total Nonmajor Governmental Funds
	Street Lighting Fund	Farmland Preservation Fund	Debt Service Fund	Capital Projects Fund	Equipment Fund	
<b>Revenue</b>						
Property taxes	\$ -	\$ 25,525	\$ 243,846	\$ -	\$ -	\$ 269,371
Special assessment	3,200	-	-	-	-	3,200
Other revenue	25	251	50	-	16	342
<b>Total revenue</b>	<b>3,225</b>	<b>25,776</b>	<b>243,896</b>	<b>-</b>	<b>16</b>	<b>272,913</b>
<b>Expenditures</b>						
Public work	2,915	-	-	-	-	2,915
<b>Total expenditures</b>	<b>2,915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,915</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	38,000	38,000
Transfers out	-	-	-	(147,605)	-	(147,605)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(147,605)</b>	<b>38,000</b>	<b>(109,605)</b>
<b>Net Change in Fund Balance</b>	<b>310</b>	<b>25,776</b>	<b>243,896</b>	<b>(147,605)</b>	<b>38,016</b>	<b>160,393</b>
<b>Fund balances, Beginning of year</b>	<b>934</b>	<b>63,226</b>	<b>-</b>	<b>147,605</b>	<b>-</b>	<b>211,765</b>
<b>Fund balances, End of year</b>	<b>\$ 1,244</b>	<b>\$ 89,002</b>	<b>\$ 243,896</b>	<b>\$ -</b>	<b>\$ 38,016</b>	<b>\$ 372,158</b>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**March 31, 2020**

	<u>Trust &amp; Agency</u>	<u>Tax Collection</u>	<u>Developer Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 70	\$ 55,978	\$ 1,000	\$ 57,048
Total assets	<u>\$ 70</u>	<u>\$ 55,978</u>	<u>\$ 1,000</u>	<u>\$ 57,048</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 15,902	\$ -	\$ 15,902
Due to other taxing units	<u>70</u>	<u>40,076</u>	<u>1,000</u>	<u>41,146</u>
Total liabilities	<u>\$ 70</u>	<u>\$ 55,978</u>	<u>\$ 1,000</u>	<u>\$ 57,048</u>