

**AUGUSTA CHARTER TOWNSHIP,  
MICHIGAN**

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION

Year ended March 31, 2022

# AUGUSTA CHARTER TOWNSHIP, MICHIGAN

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of March 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The image shows a handwritten signature in dark ink. The letters 'UHY' are written in a large, stylized, cursive font, and 'LLP' is written in a smaller, simpler font to the right of 'UHY'.

Farmington Hills, Michigan  
July 18, 2022

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2022**

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, 2022.

**Financial Highlights**

- The Township experienced an increase in taxable value of 2.4 percent from the prior year. The Township budgeted a 3.3 percent increase in taxable value next year due to inflation.
- State shared revenues remained flat for the year ending March 31, 2022.
- The Township received \$382,317 for the first tranche of funding from the American Rescue Plan Act (ARPA). The Township Board is considering various projects currently. No ARPA money was spent as of March 31, 2022.

**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 completed the construction of a new fire station for Fire operations in the spring of 2021. The fire station includes a new training room, office space and storage space for equipment.

**Business-type activities:**

The Water Fund supplies water distribution to residents through a contract with Ypsilanti Community Utility Authority (YCUA). The Sewer Fund provides sewage treatment to residents through its contract with YCUA.

**Overview of the Financial Statements**

This discussion and analysis are 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, 2022**

**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, 2022. 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 11-12 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 custodial 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, 2022. 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, 2022**

**Governmental funds (Continued)** The Township maintains eight individual governmental funds; the General Fund, Fire Fund, Street Lighting Fund, Equipment Fund, Farmland Preservation Fund, American Rescue Plan 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, American Rescue Plan Fund, Debt Service 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 13 and 15 of this report.

*Proprietary funds.* The Township maintains two Enterprise funds, a type of proprietary fund, used to report functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its Water Fund and Sewer 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 Water and Sewer Funds, which are considered to be major funds of the Township. The proprietary fund financial statements can be found on pages 17-19 of this report.

*Custodial funds.* Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 custodial fund financial statements can be found on pages 20-21 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 22-40 of this report.

The Township adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the three major governmental funds (Special Revenue Funds) to demonstrate compliance with budgets.



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2022**

**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 \$10,409,458 at the close of the year ended March 31, 2022.

By far the largest portion of the Township's net position (45 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 activities, the Water and Sewer Funds, which supply water distribution and provides sewage treatment, are 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.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>				
Current and other assets	\$ 4,015,733	\$ 4,016,836	\$ 3,138,833	\$ 3,005,294
Capital assets	<u>3,186,516</u>	<u>3,113,260</u>	<u>3,928,346</u>	<u>4,249,019</u>
Total assets	<u>7,202,249</u>	<u>7,130,096</u>	<u>7,067,179</u>	<u>7,254,313</u>
<b>Liabilities</b>				
Current liabilities	712,116	1,018,808	255,317	256,247
Long term liabilities outstanding	<u>1,070,279</u>	<u>1,297,490</u>	<u>1,822,258</u>	<u>1,905,798</u>
Total liabilities	<u>1,782,395</u>	<u>2,316,298</u>	<u>2,077,575</u>	<u>2,162,045</u>
<b>Net Position</b>				
Net investment in capital assets	1,889,026	1,599,498	2,845,428	3,182,778
Restricted	2,384,428	2,225,260	-	-
Unrestricted	<u>1,146,400</u>	<u>989,040</u>	<u>2,144,176</u>	<u>1,909,490</u>
Total net position	<u>\$ 5,419,854</u>	<u>\$ 4,813,798</u>	<u>\$ 4,989,604</u>	<u>\$ 5,092,268</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2022**

**Augusta Charter Township's Net Position (Continued)** An additional portion of the Township's net position (22.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$3,290,576 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.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Program revenue</b>				
Charges for services	\$ 83,650	\$ 48,400	\$ 1,938,500	\$ 1,839,814
Operating grants and contributions	62,274	48,066	-	93,675
Total program revenues	<u>145,924</u>	<u>96,466</u>	<u>1,938,500</u>	<u>1,933,489</u>
<b>General revenue</b>				
Property taxes	1,078,253	1,042,979	-	-
State revenue sharing	725,189	604,955	-	-
Franchise fees	57,362	55,848	-	-
Special assessment	2,869	2,917	-	-
Interest on special assessments	-	-	34,998	30,428
Investment earnings	-	-	6,086	8,026
License and permits	7,548	3,500	-	-
Loss on disposal of assets	-	-	(97,718)	-
Other	179,787	188,263	-	-
Transfers in (out) - net	33,000	(113,000)	(33,000)	113,000
Total general revenue	<u>2,084,008</u>	<u>1,785,462</u>	<u>(89,634)</u>	<u>151,454</u>
Total revenue	<u>2,229,932</u>	<u>1,881,928</u>	<u>1,848,866</u>	<u>2,084,943</u>
<b>Expenses</b>				
General government	675,679	598,837	-	-
Public safety	480,079	466,918	-	-
Public works	331,151	313,927	-	-
Community and economic development	65,135	30,753	-	-
Recreation and culture	9,104	11,323	-	-
Interest charges	62,728	45,478	-	-
Utility	-	-	1,951,530	1,874,234
Total expenses	<u>1,623,876</u>	<u>1,467,236</u>	<u>1,951,530</u>	<u>1,874,234</u>
Change in net position	606,056	414,692	(102,664)	210,709
Net position, beginning of year	<u>4,813,798</u>	<u>4,399,106</u>	<u>5,092,268</u>	<u>4,881,559</u>
Net position, end of year	<u>\$ 5,419,854</u>	<u>\$ 4,813,798</u>	<u>\$ 4,989,604</u>	<u>\$ 5,092,268</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2022**

**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.

As of the year ended March 31, 2022, the Township's governmental funds reported a combined ending fund balances of \$3,515,176. Special Revenue and Capital Projects Funds have \$2,099,819 available for their special uses. The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,117,183.

The fund balance of the Township's General Fund increased by \$157,094 during the year ended March 31, 2022.

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

Unrestricted net position of the Water and Sewer Funds at the end of the year amounted to \$1,542,499 and \$601,677, respectively, as shown on Page 17 of the report. The total increase (decrease) in net position for the Water and Sewer Funds were (\$204,612) and \$101,948, respectively, and as shown on Page 18 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, 2022, amounts to \$4,734,454 (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, 2022, the Township had total contract debt outstanding of \$3,069. This amount comprises debt backed by the full faith and credit of the government.

The township had total bonded debt of \$1,155,000 outstanding as of March 31, 2022 related to the construction of a new Fire Station. The debt service is paid through a voted debt service millage. Business-type activities have \$1,825,000 outstanding at year end related to the infrastructure improvements needed in the Water and Sewer Funds and the debt service is paid through increased water and sewer rates.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2022**

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

The Township is constructing a new force main for Bunton Road paid for with Sewer Fund bond proceeds. This construction is expected to be completed by the Fall of 2022.

The ARPA fund will receive its second tranche of funding in the Summer of 2022 for approximate \$382,000. The Township Board is still working on plans for how best to use this funding.

**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, 2022**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 3,417,615	\$ 1,238,757	\$ 4,656,372
Cash and cash equivalents - restricted	382,483	1,152,494	1,534,977
Accounts receivable	17,420	314,135	331,555
Special assessment receivables	-	417,557	417,557
Due from other governmental units	186,815	15,890	202,705
Prepaid expenses	11,400	-	11,400
Capital assets:			
Capital assets not being depreciated	290,241	165,046	455,287
Capital assets being depreciated (net)	2,896,275	3,763,300	6,659,575
Total assets	<u>7,202,249</u>	<u>7,067,179</u>	<u>14,269,428</u>
<b>Liabilities</b>			
Accounts payable	57,616	146,105	203,721
Accrued expense	5,000	-	5,000
Due to other governments	2,053	-	2,053
Salaries payable	13,850	2,134	15,984
Accrued interest	24,069	23,536	47,605
Deferred revenue	382,317	-	382,317
Due within one year - long-term debt	227,211	83,542	310,753
Noncurrent liabilities:			
Due in more than one year - long-term debt	1,070,279	1,822,258	2,892,537
Total liabilities	<u>1,782,395</u>	<u>2,077,575</u>	<u>3,859,970</u>
<b>Net position</b>			
Net investment in capital assets	1,889,026	2,845,428	4,734,454
Restricted:			
Fire department	910,708	-	910,708
Utilities capital improvement	931,118	-	931,118
Street lighting	1,323	-	1,323
Farmland preservation	93,016	-	93,016
Debt service	286,138	-	286,138
Equipment	162,125	-	162,125
Unrestricted	1,146,400	2,144,176	3,290,576
Total net position	<u>\$ 5,419,854</u>	<u>\$ 4,989,604</u>	<u>\$ 10,409,458</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF ACTIVITIES**  
**Year Ended March 31, 2022**

Functions/Programs	Net (Expenses) Revenues & Changes in Net Position						
	Expenses	Program Revenues			Primary Government		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 675,679	\$ -	\$ -	\$ -	\$ (675,679)	\$ -	\$ (675,679)
Public safety	480,079	-	62,274	-	(417,805)	-	(417,805)
Public works	331,151	83,650	-	-	(247,501)	-	(247,501)
Community and economic development	65,135	-	-	-	(65,135)	-	(65,135)
Recreation and culture	9,104	-	-	-	(9,104)	-	(9,104)
Interest charges	62,728	-	-	-	(62,728)	-	(62,728)
Total governmental activities	1,623,876	83,650	62,274	-	(1,477,952)	-	(1,477,952)
Business-type activities:							
Sewer fund	576,262	676,220	-	-	-	99,958	99,958
Water fund	1,375,268	1,262,280	-	-	-	(112,988)	(112,988)
Total business-type activities	1,951,530	1,938,500	-	-	-	(13,030)	(13,030)
Total government	\$ 3,575,406	\$ 2,022,150	\$ 62,274	\$ -	\$ (1,477,952)	\$ (13,030)	\$ (1,490,982)
General revenues:							
Property taxes				\$ 1,078,253	\$ -	\$ 1,078,253	
State revenue sharing				725,189	-	725,189	
Franchise fees				57,362	-	57,362	
Special assessment				2,869	-	2,869	
Interest on special assessments				-	34,998	34,998	
Investment earnings				-	6,086	6,086	
License and permits				7,548	-	7,548	
Loss on disposal of assets				-	(97,718)	(97,718)	
Other				179,787	-	179,787	
Transfers in (out) - net				33,000	(33,000)	-	
Total general revenues and transfers				2,084,008	(89,634)	1,994,374	
<b>Change in net position</b>				606,056	(102,664)	503,392	
<b>Net position, beginning of year</b>				4,813,798	5,092,268	9,906,066	
<b>Net position, end of year</b>				\$ 5,419,854	\$ 4,989,604	\$ 10,409,458	

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**March 31, 2022**

	<u>General</u>	<u>Fire Fund</u>	<u>American Rescue Plan</u>	<u>Debt Service</u>	<u>Utilities Capital Improvement Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 990,569	\$ 829,910	\$ -	\$ 286,774	\$ 928,118	\$ 382,244	\$ 3,417,615
Cash and cash equivalents - restricted	-	-	382,483	-	-	-	382,483
Accounts receivable	14,420	-	-	-	3,000	-	17,420
Due from other governmental units	158,075	18,575	-	9,225	-	940	186,815
Prepaid expenditures	11,400	-	-	-	-	-	11,400
Total assets	<u>\$ 1,174,464</u>	<u>\$ 848,485</u>	<u>\$ 382,483</u>	<u>\$ 295,999</u>	<u>\$ 931,118</u>	<u>\$ 383,184</u>	<u>\$ 4,015,733</u>
<b>Liabilities</b>							
Accounts payable	\$ 28,977	\$ 10,449	\$ -	\$ -	\$ -	\$ 18,190	\$ 57,616
Accrued expense	-	-	-	-	-	5,000	5,000
Due to other governments	2,053	-	-	-	-	-	2,053
Salaries payable	3,870	9,980	-	-	-	-	13,850
Unearned revenue	-	-	382,317	-	-	-	382,317
Total liabilities	<u>34,900</u>	<u>20,429</u>	<u>382,317</u>	<u>-</u>	<u>-</u>	<u>23,190</u>	<u>460,836</u>
Deferred inflows of resources							
Unavailable revenue - Property tax	<u>10,981</u>	<u>18,575</u>	<u>-</u>	<u>9,225</u>	<u>-</u>	<u>940</u>	<u>39,721</u>
<b>Fund balances</b>							
Nonspendable	11,400	-	-	-	-	-	11,400
Restricted:							
Fire department	-	809,481	-	-	-	102,508	911,989
Utilities capital improvement	-	-	-	-	931,118	-	931,118
Street lighting	-	-	-	-	-	1,343	1,343
Farmland preservation	-	-	-	-	-	93,078	93,078
Debt service	-	-	-	286,774	-	-	286,774
Equipment	-	-	-	-	-	162,125	162,125
Unassigned	<u>1,117,183</u>	<u>-</u>	<u>166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,117,349</u>
Total fund balances	<u>1,128,583</u>	<u>809,481</u>	<u>166</u>	<u>286,774</u>	<u>931,118</u>	<u>359,054</u>	<u>3,515,176</u>
Total liabilities and fund balances	<u>\$ 1,174,464</u>	<u>\$ 848,485</u>	<u>\$ 382,483</u>	<u>\$ 295,999</u>	<u>\$ 931,118</u>	<u>\$ 383,184</u>	<u>\$ 4,015,733</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**March 31, 2022**

**Fund balance reported in governmental funds** \$ 3,515,176

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	290,241
Capital assets being depreciated (net)	2,896,275

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	39,721
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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	(3,069)
Accrued interest payable on long-term debt	(24,069)
Bonds payable	(1,155,000)
Unamortized bond premium	(139,421)
	<hr/>

**Net position of governmental activities** \$ 5,419,854



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended March 31, 2022**

	<u>General Fund</u>	<u>Fire Fund</u>	<u>American Rescue Plan Fund</u>	<u>Debt Service Fund</u>	<u>Utilities Capital Improvement Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>							
Property taxes	\$ 226,898	\$ 549,062	\$ -	\$ 272,096	\$ -	\$ 27,222	\$ 1,075,278
State shared revenue	725,189	-	-	-	-	-	725,189
Franchise fees	57,362	-	-	-	-	-	57,362
Licenses and permits	7,548	-	-	-	-	-	7,548
Grants	-	62,274	-	-	-	-	62,274
Charges for services	-	-	-	-	83,650	-	83,650
Special assessment	-	-	-	-	-	2,869	2,869
Other revenues	172,659	5,808	166	424	421	309	179,787
Total revenues	<u>1,189,656</u>	<u>617,144</u>	<u>166</u>	<u>272,520</u>	<u>84,071</u>	<u>30,400</u>	<u>2,193,957</u>
<b>Expenditures</b>							
General government	615,584	-	-	189	-	-	615,773
Public safety	-	359,926	-	-	-	-	359,926
Public works	328,301	-	-	-	-	2,850	331,151
Community and economic development	65,135	-	-	-	-	-	65,135
Recreation and culture	9,104	-	-	-	-	-	9,104
Debt service							
Principal	8,940	-	-	185,000	-	-	193,940
Interest on long-term debt	353	-	-	62,375	-	-	62,728
Capital outlay	5,145	162,325	-	-	-	112,045	279,515
Total expenditures	<u>1,032,562</u>	<u>522,251</u>	<u>-</u>	<u>247,564</u>	<u>-</u>	<u>114,895</u>	<u>1,917,272</u>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	33,000	62,000	95,000
Transfers out	-	(62,000)	-	-	-	-	(62,000)
Total other financing sources (uses)	<u>-</u>	<u>(62,000)</u>	<u>-</u>	<u>-</u>	<u>33,000</u>	<u>62,000</u>	<u>33,000</u>
<b>Net change in fund balances</b>	<b>157,094</b>	<b>32,893</b>	<b>166</b>	<b>24,956</b>	<b>117,071</b>	<b>(22,495)</b>	<b>309,685</b>
<b>Fund balances, beginning of year</b>	<b>971,489</b>	<b>776,588</b>	<b>-</b>	<b>261,818</b>	<b>814,047</b>	<b>381,549</b>	<b>3,205,491</b>
<b>Fund balances, end of year</b>	<b>\$ 1,128,583</b>	<b>\$ 809,481</b>	<b>\$ 166</b>	<b>\$ 286,774</b>	<b>\$ 931,118</b>	<b>\$ 359,054</b>	<b>\$ 3,515,176</b>

**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, 2022**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 309,685</b>
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	200,653
Depreciation and amortization expense	(127,397)
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	193,940
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	2,973
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	
Amortization of bond premium, and change in accrued interest payable on long-term debt	<u>26,202</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 606,056</u></b>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**March 31, 2022**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 328,195	\$ 910,562	\$ 1,238,757
Cash and cash equivalents - restricted	815,110	337,384	1,152,494
Receivables	114,160	199,975	314,135
Special assessment receivables	-	32,918	32,918
Due from other governmental units	7,872	8,018	15,890
	<u>1,265,337</u>	<u>1,488,857</u>	<u>2,754,194</u>
<b>Noncurrent assets</b>			
Special assessment receivables	-	384,639	384,639
Capital assets not being depreciated	148,047	16,999	165,046
Capital assets being depreciated	295,651	3,467,649	3,763,300
	<u>443,698</u>	<u>3,869,287</u>	<u>4,312,985</u>
Total assets	<u>1,709,035</u>	<u>5,358,144</u>	<u>7,067,179</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	51,945	94,160	146,105
Accrued interest	11,768	11,768	23,536
Salary payable	847	1,287	2,134
Current portion of long-term debt	41,771	41,771	83,542
	<u>106,331</u>	<u>148,986</u>	<u>255,317</u>
<b>Noncurrent liabilities</b>			
Long-term debt	911,129	911,129	1,822,258
	<u>911,129</u>	<u>911,129</u>	<u>1,822,258</u>
Total liabilities	<u>1,017,460</u>	<u>1,060,115</u>	<u>2,077,575</u>
<b>Net position</b>			
Net investment in capital assets	89,898	2,755,530	2,845,428
Unrestricted	601,677	1,542,499	2,144,176
	<u>691,575</u>	<u>4,298,029</u>	<u>4,989,604</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET**  
**POSITION PROPRIETARY FUNDS**  
**Year Ended March 31, 2022**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Operating revenues</b>			
Sale of water and sewage disposal charges	\$ 665,707	\$ 1,185,662	\$ 1,851,369
Charges for services	1,946	55,824	57,770
Other revenue	8,567	20,794	29,361
	<hr/>	<hr/>	<hr/>
Total operating revenues	676,220	1,262,280	1,938,500
	<hr/>	<hr/>	<hr/>
<b>Operating expenses</b>			
Water	-	678,000	678,000
Sewage treatment	366,621	-	366,621
Operation and maintenance	103,838	257,572	361,410
General and administrative costs	56,902	148,167	205,069
Depreciation and amortization	20,802	264,788	285,590
Contract services	1,358	-	1,358
	<hr/>	<hr/>	<hr/>
Total operating expenses	549,521	1,348,527	1,898,048
	<hr/>	<hr/>	<hr/>
Operating income (loss)	126,699	(86,247)	40,452
	<hr/>	<hr/>	<hr/>
<b>Nonoperating revenues (expenses)</b>			
Interest on special assessments	-	34,998	34,998
Interest income	1,990	4,096	6,086
Interest expense	(26,741)	(26,741)	(53,482)
Loss on disposal of assets	-	(97,718)	(97,718)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	(24,751)	(85,365)	(110,116)
	<hr/>	<hr/>	<hr/>
Income (loss) before transfers	101,948	(171,612)	(69,664)
	<hr/>	<hr/>	<hr/>
Transfer out	-	(33,000)	(33,000)
	<hr/>	<hr/>	<hr/>
Change in net position	101,948	(204,612)	(102,664)
	<hr/>	<hr/>	<hr/>
<b>Net position, beginning of year</b>	589,627	4,502,641	5,092,268
	<hr/>	<hr/>	<hr/>
<b>Net position, end of year</b>	<u>\$ 691,575</u>	<u>\$ 4,298,029</u>	<u>\$ 4,989,604</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended March 31, 2022**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 704,789	\$ 1,376,892	\$ 2,081,681
Payments to goods and services	(527,648)	(1,065,695)	(1,593,343)
Payments to employee	(11,851)	(11,850)	(23,701)
	<u>165,290</u>	<u>299,347</u>	<u>464,637</u>
Net cash provided by operating activities			
<b>Cash flows from noncapital financing activities</b>			
Grant funds received	23,242	-	23,242
Transfer out	-	(33,000)	(33,000)
	<u>23,242</u>	<u>(33,000)</u>	<u>(9,758)</u>
Net cash provided by (used in) noncapital financing activities			
<b>Cash flows from capital and related financing activities</b>			
Principal paid on long-term debt	(37,500)	(37,500)	(75,000)
Interest paid on long-term debt	(29,183)	(29,183)	(58,366)
Acquisition/construction of capital assets	(17,759)	(44,876)	(62,635)
Special assessment interest received	-	34,998	34,998
	<u>(84,442)</u>	<u>(76,561)</u>	<u>(161,003)</u>
Net cash used in capital and related financing activities			
<b>Cash flows from investment activities</b>			
Interest received	1,990	4,096	6,086
	<u>1,990</u>	<u>4,096</u>	<u>6,086</u>
Net increase in cash and cash equivalents	106,080	193,882	299,962
<b>Cash and cash equivalents, beginning of year</b>	<u>1,037,225</u>	<u>1,054,064</u>	<u>2,091,289</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,143,305</u>	<u>\$ 1,247,946</u>	<u>\$ 2,391,251</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 126,699	\$ (86,247)	\$ 40,452
Adjustments to reconcile operating gain (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	20,802	264,788	285,590
Changes in assets and liabilities:			
Receivables	28,569	111,598	140,167
Due from other governmental units	-	3,014	3,014
Accounts payable	(10,780)	6,194	(4,586)
	<u>165,290</u>	<u>299,347</u>	<u>464,637</u>
Net cash provided by operating activities	<u>\$ 165,290</u>	<u>\$ 299,347</u>	<u>\$ 464,637</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**March 31, 2022**

**Assets**

Cash \$ 99,950

**Liabilities**

Due to other governments 99,950

Total net position \$ -

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**March 31, 2022**

<b>Additions</b>	
Property tax collection for other governments	\$ 9,192,440
<b>Deductions</b>	
Property tax collection disbursed to other governments	<u>9,192,440</u>
Change in fiduciary net position	-
<b>Net position, beginning of year</b>	<u>-</u>
<b>Net position, end of year</b>	<u><u>\$ -</u></u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

**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.

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.

**Debt Service Fund**

The *Debt Service Fund* is to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs.

**American Rescue Plan Fund**

The *American Rescue Plan Fund* is a special revenue fund to account for the revenue and expenditures related to the American Rescue Plan Act – State and Local Fiscal Recovery Funds.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

**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 funds:

The *Water Fund* accounts for the acquisition, operation and maintenance of the Township's water system.

The *Sewer Fund* accounts for the acquisition, operation and maintenance of the Township's sewer system.

The government reports the following non-major fund types:

*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.

*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.

Fiduciary Fund Type:

*Custodial funds* are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

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.

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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

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

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 Sewer Fund and Water Fund are charges to customers for sales and services. Operating expenses for the funds include 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, 2021 are revenues in the Township's fiscal year ended March 31, 2022.

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.

Taxes were levied as follows:

Purpose	Millage Rate
Operational	0.8069
Fire Department	1.9964
Farm Preservation	0.0990
Fire Station	0.9915

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

**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 sewer system capital projects	\$ 815,110
Cash equivalents restricted for water system capital projects	337,384
Cash equivalents restricted for American Rescue Plan Act expenditures	382,483
	<u>\$ 1,534,977</u>

Interfund Transactions

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At March 31, 2022, there was no allowance for uncollectible accounts, as the Township expects to collect all outstanding receivables.

In addition to transactions related to pooled cash, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are included in the “due from other funds” or “due to other funds” accounts on the balance sheet.

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital 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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

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

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.

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

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

**Assets, Liabilities and Fund Equity**

Unearned Revenues

Unearned revenues consist of American Recovery Plan Act Funds the Township received in the fiscal year but are not allocated or spent at year-end.

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.

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 on 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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

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

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.

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.

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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

**Budgetary Information**

Annual budgets are adopted for the general and special revenue funds on a basis consistent with accounting principles generally accepted in the United States of America and are not significantly different from the modified accrual basis used to reflect actual results.

The Township Supervisor's Office prepares and submits the proposed operating budgets for the year commencing April 1. The budgets include proposed expenditures and resources to finance them.

Prior to March 31, the proposed budget is presented to the Township Board. The Board holds a public hearing and may add to, subtract from, or change appropriations. The budget is then legally enacted through the passage of a Township Resolution. After the budget the budget is adopted, the Township Board must approve all amendments.

The budgets are adopted at the activities level for the General Fund and at the total expenditures fund level for all other funds. These are the legally enacted levels under the State of Michigan Uniform Budgeting and Accounting Act. However, for control purposes all budgets are maintained at the object (account) level.

The Township does not employ encumbrance accounting as an extension of formal budgetary integration. All annual appropriations lapse at year-end.

Michigan Public Act 621 of 1978, Section 18, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated at the legally enacted level. The Michigan Department of Treasury requires the reporting of any significant overages at the legal level of budgetary control level (any overages at the legal level of budgetary control greater than 10% of total expenditures and the overage itself is larger than 10%). During the year ended March 31, 2022, the Township did not have any expenditures that exceeded such parameters.



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Deposits**

The Township's investment policy and Act 217 PA 1982, as amended, authorizes the Township to deposit in certificates of deposit, savings accounts, depository accounts, or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United State government and which maintains a principal office or branch office located in this State under the laws of this State or the United States; but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belonging to the State of Michigan (the "State") under Section 5 or 6 of Act 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of Michigan Compiled Laws.

**Custodial Credit Risk Deposits** - Custodial credit risk for deposits is the risk that, in the event of a bank failure is the risk that in the event of bank failure, the Township's deposits may not be returned. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2022, the bank balance of the Township's deposit was \$4,092,739, of which \$3,842,739 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.

**Investments**

The Township's investment policy and Act 207 PA 1994, as amended by Act 1997 PA 199 authorizes the Township to invest surplus funds in bonds, securities and other direct obligations or repurchase agreements consisting of these financial instruments of the United States government or an agency or instrumentality of the United States; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications by not less than two standard rating services, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of the political subdivisions that at the time of purchase are rated as investment grades by not less than on standard rating service, mutual funds registered under the Investment Company act of 1940, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation, investment pools through an interlocal agreement under the Urban Cooperation act of 1967, investment pools organized under the Surplus Funds Investment Pool Act, 1982 PA 367, 129,111 to 129,118; investment pools organized under the Local Government Investment Pool Act, 1985 PA 121, MCL 129,141 to 129.150.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

**Credit Risk - Investments** – The risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The Township has \$2,315,336 invested in investment trust funds that invest primarily in U.S. Treasuries, U.S. Agencies, repurchase agreements, and commercial paper. The investment trusts have been rated as follows:

	Amount	Rating	Rating Agency	Average Days to Maturity
MBIA Michigan CLASS	\$ 2,315,336	AAAm	Standard & Poor's	62

Michigan Cooperative Liquid Assets Security System (“Michigan CLASS”) is a participant-controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150. Michigan CLASS is not subject to regulatory oversight and is not registered with the SEC, however it does issue a separate audited financial statement. Michigan CLASS operates like a money market mutual funds, with each share valued at \$1.00. Fair value of the Township’s position in the pool is the same as the value of the Michigan CLASS pool shares.

Michigan CLASS is recorded at amortized cost, which approximates fair value, and this fund is not subject to the fair value disclosures under FASB Statement No. 72. The fund does not required notification of redemptions.

The investment trust fund has been reported in the financial statements as a cash equivalent because it has the general characteristics of demand deposit accounts in the Township may deposit additional cash at any time and effectively may withdraw cash at any time without prior notice or penalty.

**Custodial Credit Risk** – is the risk that, in the event of the failure of the counterparty, the Township may not be able to recover the value of its investments that are in the possession of another party. The Township’s investment policy addresses custodial credit risk.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

**Concentration of Credit Risk - Investments** – is the risk of loss attributed to the magnitude of the Township’s investment in a single issuer. The Township’s investment policy addresses concentration of credit risk.

**Interest Rate Risk - Investments** – Interest rate risk is the risk that the value of securities in the Township portfolio will decrease as a result of a rise in interest rates. The Township attempts to minimize interest rates by maintaining liquidity to meet all operating requirements without the need to sell securities prior to maturity and investing operating funds primarily in short-term securities, money markets, mutual funds, or similar public investment pools.

**NOTE 4 – RECEIVABLES**

Receivables are comprised of the following at year-end:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes receivable	\$ 53,796	\$ -
Special assessments receivable	-	417,557
Water and sewer billing receivable	-	314,135
Other receivables	17,420	-
Due from other governments	<u>133,019</u>	<u>15,890</u>
	<u>\$ 204,235</u>	<u>\$ 747,582</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

**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>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated					
Land	\$ 235,095	\$ 50,000	\$ -	\$ -	\$ 285,095
Construction in progress	2,713,276	67,190	-	(2,775,320)	5,146
Subtotal	2,948,371	117,190	-	(2,775,320)	290,241
Capital assets being depreciated					
Buildings and improvements	124,245	-	-	2,775,320	2,899,565
Office furniture and equipment	9,600	-	-	-	9,600
Computers and software	59,725	-	-	-	59,725
Vehicles	1,322,729	-	-	-	1,322,729
Fire equipment	433,429	83,463	-	-	516,892
Subtotal	1,949,728	83,463	-	2,775,320	4,808,511
Less accumulated depreciation for					
Buildings and improvements	104,520	57,610	-	-	162,130
Office furniture and equipment	9,100	125	-	-	9,225
Computers and software	55,356	2,185	-	-	57,541
Vehicles	1,240,303	32,527	-	-	1,272,830
Fire equipment	375,560	34,950	-	-	410,510
Subtotal	1,784,839	127,397	-	-	1,912,236
Net capital assets being depreciated	164,889	(43,934)	-	2,775,320	2,896,275
Governmental activities total					
Capital assets - net of depreciation and amortization	\$ 3,113,260	\$ 73,256	\$ -	\$ -	\$ 3,186,516

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

Included in capital assets is leased equipment under a capital lease with a cost of \$10,924 and accumulated amortization of \$8,739. Amortization expense related to the capital lease was \$2,185 for the year ended March 31, 2022.

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>Transfers</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>					
Capital assets not being depreciated					
Construction in progress - Water	\$ 686,824	\$ 44,876	\$ -	\$ (714,701)	\$ 16,999
Construction in progress - Sewer	130,288	17,759	-	-	148,047
Subtotal	817,112	62,635	-	(714,701)	165,046
Capital assets being depreciated					
Water system	8,874,205	-	-	-	8,874,205
Water meters and equipment	411,102	-	(338,445)	714,701	787,358
Sewer system	1,653,675	-	-	-	1,653,675
Sewer equipment	117,002	-	-	-	117,002
Subtotal	11,055,984	-	(338,445)	714,701	11,432,240
Less accumulated depreciation for					
Water system	5,901,145	217,630	-	-	6,118,775
Water meters and equipment	268,708	47,158	(240,727)	-	75,139
Sewer system	1,362,491	19,056	-	-	1,381,547
Sewer equipment	91,733	1,746	-	-	93,479
Subtotal	7,624,077	285,590	(240,727)	-	7,668,940
Net capital assets being depreciated	3,431,907	(285,590)	(97,718)	714,701	3,763,300
Business-type activities total					
Capital assets - net of depreciation	<u>\$ 4,249,019</u>	<u>\$ (222,955)</u>	<u>\$ (97,718)</u>	<u>\$ -</u>	<u>\$ 3,928,346</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

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

Governmental activities	
General government	\$ 59,920
Public safety	<u>67,477</u>
Total depreciation and amortization	<u>\$ 127,397</u>
Business-type activities	
Utility	<u>\$ 285,590</u>

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

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>
Fire fund	Equipment fund	\$ 62,000
Water fund	Utilities Capital Improvement fund	\$ 33,000

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

**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, 2022**

**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, 2022:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
Bonds and contracts payable:							
Installment purchase agreement - Capital lease for dominant system server Maturing through 2022	4.44%	N/A	12,009	-	(8,940)	3,069	3,069
Total direct borrowing and direct placements principal outstanding			12,009	-	(8,940)	3,069	3,069
General obligation bonds:							
2019 capital improvement bond							
Maturing through 2027	5.00%	\$ 185,000 \$ 260,000	1,340,000	-	(185,000)	1,155,000	200,000
Bond premium			161,753	-	(22,332)	139,421	24,142
Total general obligation bonds			1,501,753	-	(207,332)	1,294,421	224,142
Total bonds and contracts payable			1,513,762	-	(216,272)	1,297,490	227,211
Total governmental activities long-term debt			\$ 1,513,762	\$ -	\$ (216,272)	\$ 1,297,490	\$ 227,211
<b>Business-type activities</b>							
General obligation bonds:							
2019 capital improvement bond							
Maturing through 2040	2.125% - 5.00%	\$ 75,000 \$ 125,000	1,900,000	-	(75,000)	1,825,000	80,000
Bond premium			84,120	-	(3,320)	80,800	3,542
Total general obligation bonds			1,984,120	-	(78,320)	1,905,800	83,542
Total business-type activities			\$ 1,984,120	\$ -	\$ (78,320)	\$ 1,905,800	\$ 83,542

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

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

Year Ending March 31,	Governmental Activities				Total
	Direct Borrowing and Direct Placements		Other Debts		
	Principal	Interest	Principal	Interest	
2023	3,069	28	200,000	52,750	255,847
2024	-	-	215,000	42,375	257,375
2025	-	-	230,000	31,250	261,250
2026	-	-	250,000	19,250	269,250
2027	-	-	260,000	6,500	266,500
Total	<u>\$ 3,069</u>	<u>\$ 28</u>	<u>\$ 1,155,000</u>	<u>\$ 152,125</u>	<u>\$ 1,310,222</u>

Year Ending March 31,	Business-type Activities		
	Other Debts		
	Principal	Interest	Total
2023	\$ 80,000	\$ 54,489	\$ 134,489
2024	85,000	50,364	135,364
2025	85,000	46,114	131,114
2026	90,000	41,739	131,739
2027	90,000	37,239	127,239
2028-2032	500,000	140,181	640,181
2033-2037	535,000	78,703	613,703
2038-2040	360,000	14,243	374,243
Total	<u>\$ 1,825,000</u>	<u>\$ 463,072</u>	<u>\$ 2,288,072</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

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

The composition of the net investment in capital assets as of March 31, 2022, was as follow:

	Governmental Activities	Business-Type Activities
Capital asset:		
Capital assets not being depreciated	\$ 290,241	\$ 165,046
Capital assets being depreciated, net	2,896,275	3,763,300
	<u>3,186,516</u>	<u>3,928,346</u>
Related debt:		
Bonds payable	1,294,421	1,082,918
Contract payable	3,069	-
	<u>1,297,490</u>	<u>1,082,918</u>
Net investment in capital assets	<u>\$ 1,889,026</u>	<u>\$ 2,845,428</u>

**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 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 year ended March 31, 2022 were \$57,362.

**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 during the year. The Township made contributions of \$58,199 for the year ended March 31, 2022.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2022**

**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.

**NOTE 12 – RESTRICTED NET POSITION**

The amount of the Primary Government's net position that is restricted by enabling legislation at March 31, 2022 is as follows:

	<u>Major Fund</u>	<u>Non-major Fund</u>	<u>Total</u>
Debt Service:			
2019 Capital Improvement Bond	\$ 286,138	\$ -	\$ 286,138
Public Safety:			
Fire Department operations	910,708	-	910,708
Other Purposes:			
Farmland preservation	-	93,016	93,016
Street lighting	-	1,323	1,323
	<u>-</u>	<u>1,323</u>	<u>1,323</u>
Total	<u>\$ 1,196,846</u>	<u>\$ 94,339</u>	<u>\$ 1,291,185</u>

**NOTE 13 – SUBSEQUENT EVENTS**

Township's management has performed a review of events subsequent to the balance sheet date through July 18, 2022, the date the financial statements were available to be issued.

**OTHER SUPPLEMENTAL INFORMATION**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**Year Ended March 31, 2022**

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 219,600	\$ 219,600	\$ 226,898	\$ 7,298
State shared revenue	573,344	573,344	725,189	151,845
Franchise fees	55,000	55,000	57,362	2,362
Licenses and permits	9,100	9,100	7,548	(1,552)
Other revenue	130,760	152,760	172,659	19,899
<b>Total revenues</b>	<b>987,804</b>	<b>1,009,804</b>	<b>1,189,656</b>	<b>179,852</b>
<b>Expenditures</b>				
General government:				
General government	258,727	284,276	281,410	2,866
Supervisor	73,922	76,241	74,997	1,244
Treasurer	72,221	77,589	76,007	1,582
Assessor	58,896	60,596	60,404	192
Clerk	84,589	82,098	81,546	552
Elections	42,283	17,733	13,699	4,034
Township Hall	35,500	37,500	36,814	686
Capital outlay	-	5,200	5,145	55
<b>Total general government</b>	<b>626,138</b>	<b>641,233</b>	<b>630,022</b>	<b>11,211</b>
Public works:				
Cemetery	15,000	18,360	18,304	56
Street lighting	22,500	10,525	10,505	20
Drains at large	130,150	130,150	125,201	4,949
Road improvement	235,000	183,000	174,291	8,709
<b>Total public works</b>	<b>402,650</b>	<b>342,035</b>	<b>328,301</b>	<b>13,734</b>
Community and economic development -				
Planning and zoning	30,329	135,549	65,135	70,414
Recreation and culture -				
Parks & events	15,000	9,269	9,104	165
<b>Total expenditures</b>	<b>1,074,117</b>	<b>1,128,086</b>	<b>1,032,562</b>	<b>95,524</b>
Excess of revenue over (under) expenditures	(86,313)	(118,282)	157,094	275,376
<b>Net change in fund balance</b>	<b>(86,313)</b>	<b>(118,282)</b>	<b>157,094</b>	<b>275,376</b>
<b>Fund balance, beginning of year</b>	<b>971,489</b>	<b>971,489</b>	<b>971,489</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 885,176</b>	<b>\$ 853,207</b>	<b>\$ 1,128,583</b>	<b>\$ 275,376</b>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - FIRE FUND**  
Year Ended March 31, 2022

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>		<b>Final Budget</b>
				<b>Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 535,000	\$ 535,000	\$ 549,062	\$ 14,062
Grants	-	62,274	62,274	-
Other revenue	2,050	2,050	5,808	3,758
<b>Total revenues</b>	<b>537,050</b>	<b>599,324</b>	<b>617,144</b>	<b>17,820</b>
<b>Expenditures</b>				
Salaries and wages	229,258	251,258	191,767	59,491
Fringe benefits	34,500	39,850	32,906	6,944
Supplies and other	36,000	36,100	26,893	9,207
Repairs and maintenance	28,000	28,000	25,296	2,704
Contracted services	11,700	13,700	10,817	2,883
Insurance	38,000	38,000	37,194	806
Dues and materials	3,500	3,500	1,743	1,757
Communications	8,300	8,300	2,858	5,442
Ambulance dispatch	8,000	8,000	7,807	193
Utilities	10,000	23,000	20,324	2,676
Professional services	3,000	3,000	-	3,000
Capital outlay	6,000	160,995	162,325	(1,330)
Others	9,500	9,500	2,321	7,179
<b>Total expenditures</b>	<b>425,758</b>	<b>623,203</b>	<b>522,251</b>	<b>100,952</b>
<b>Other financing sources (uses)</b>				
Transfers out	-	(62,000)	(62,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(62,000)</b>	<b>(62,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>111,292</b>	<b>(85,879)</b>	<b>32,893</b>	<b>118,772</b>
<b>Fund balance, beginning of year</b>	<b>776,588</b>	<b>776,588</b>	<b>776,588</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 887,880</b>	<b>\$ 690,709</b>	<b>\$ 809,481</b>	<b>\$ 118,772</b>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN FUND**  
**Year Ended March 31, 2022**

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Interest revenue	\$ -	\$ -	\$ 166	\$ 166
Total revenues	-	-	166	166
<b>Net change in fund balance</b>	-	-	166	166
<b>Fund balance, beginning of year</b>	-	-	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -	\$ 166	\$ 166

**REQUIRED SUPPLEMENTAL INFORMATION**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**March 31, 2022**

	Special Revenue Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Street Lighting Fund	Farmland Preservation Fund	Fire Department Building Fund	Equipment Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 1,343	\$ 93,078	\$ 125,698	\$ 162,125	\$ 382,244
Due from other governmental units	20	920	-	-	940
Total assets	<u>\$ 1,363</u>	<u>\$ 93,998</u>	<u>\$ 125,698</u>	<u>\$ 162,125</u>	<u>\$ 383,184</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 18,190	\$ -	\$ 18,190
Accrued expense	-	-	5,000	-	5,000
Total liabilities	<u>-</u>	<u>-</u>	<u>23,190</u>	<u>-</u>	<u>23,190</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - Property tax	20	920	-	-	940
<b>Fund balances</b>					
Restricted - Farmland preservation	-	93,078	-	-	93,078
Restricted - Street lighting	1,343	-	-	-	1,343
Restricted - Fire department	-	-	102,508	-	102,508
Restricted - Equipment	-	-	-	162,125	162,125
Total fund balances	<u>1,343</u>	<u>93,078</u>	<u>102,508</u>	<u>162,125</u>	<u>359,054</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,363</u>	<u>\$ 93,998</u>	<u>\$ 125,698</u>	<u>\$ 162,125</u>	<u>\$ 383,184</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended March 31, 2022**

	Special Revenue Fund		Capital Projects Fund		Total Nonmajor Governmental Funds
	Street Lighting Fund	Farmland Preservation Fund	Fire Department Building Fund	Equipment Fund	
<b>Revenues</b>					
Property taxes	\$ -	\$ 27,162	\$ 60	\$ -	\$ 27,222
Special assessment	2,869	-	-	-	2,869
Other revenue	-	102	141	66	309
Total revenues	2,869	27,264	201	66	30,400
<b>Expenditures</b>					
Capital Outlay	-	50,000	62,045	-	112,045
Public work	2,850	-	-	-	2,850
Total expenditures	2,850	50,000	62,045	-	114,895
<b>Other Financing Sources</b>					
Transfers in	-	-	-	62,000	62,000
Total other financing sources	-	-	-	62,000	62,000
<b>Net change in fund balance</b>	19	(22,736)	(61,844)	62,066	(22,495)
<b>Fund balances, beginning of year</b>	1,324	115,814	164,352	100,059	381,549
<b>Fund balances, end of year</b>	\$ 1,343	\$ 93,078	\$ 102,508	\$ 162,125	\$ 359,054