

**AUGUSTA CHARTER TOWNSHIP,  
MICHIGAN**

FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

Year ended March 31, 2023

# 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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

### Emphasis of Matter

As described in Note 1 to the financial statements, the Township adopted the provisions of GASB Statement No, 87, *Leases*, as of March 31, 2023. Our opinion is not modified with respect to this matter.

### 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 that reads "UHY LLP". The letters are stylized and cursive.

Farmington Hills, Michigan  
August 8, 2023

# **AUGUSTA CHARTER TOWNSHIP, MICHIGAN**

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

**March 31, 2023**

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, 2023.

### **Financial Highlights**

- The Township experienced an increase in property tax revenue of 4.0 percent from the prior year. The Township budgeted a 5.0 percent increase in taxable value next year due to inflation.
- State shared revenues grew 9.0 percent from the prior year for the year ending March 31, 2023.
- The Township received \$382,308 for the second tranche of funding from the American Rescue Plan Act (ARPA). The Township Board is considering various projects currently. \$30K of ARPA money was spent as of March 31, 2023.

### **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.

### **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.

**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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2023**

The Statement of Activities presents information showing how the government's net position changed during the year ended March 31, 2023. 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 and 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, 2023. Such information may be useful in evaluating a government's near-term financing requirements.

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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2023**

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 and Sewer Funds. 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 all major governmental funds to demonstrate compliance with budget.

**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 \$10,902,244 at the close of the year ended March 31, 2023.

By far the largest portion of the Township's net position (48 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.



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2023**

**Government-wide Financial Analysis (Continued)**

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.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>				
Current and other assets	\$ 4,744,843	\$ 4,015,733	\$ 2,264,302	\$ 3,138,833
Capital assets	<u>3,151,651</u>	<u>3,186,516</u>	<u>4,735,697</u>	<u>3,928,346</u>
Total assets	<u>7,896,494</u>	<u>7,202,249</u>	<u>6,999,999</u>	<u>7,067,179</u>
<b>Liabilities</b>				
Current liabilities	1,058,422	712,116	373,007	255,317
Long term liabilities outstanding	<u>829,326</u>	<u>1,070,279</u>	<u>1,733,494</u>	<u>1,822,258</u>
Total liabilities	<u>1,887,748</u>	<u>1,782,395</u>	<u>2,106,501</u>	<u>2,077,575</u>
<b>Net Position</b>				
Net investment in capital assets	2,081,372	1,889,026	3,122,565	2,845,428
Restricted	2,711,916	2,384,428	209,126	1,152,494
Unrestricted	<u>1,215,458</u>	<u>1,146,400</u>	<u>1,561,807</u>	<u>991,682</u>
Total net position	<u>\$ 6,008,746</u>	<u>\$ 5,419,854</u>	<u>\$ 4,893,498</u>	<u>\$ 4,989,604</u>

An additional portion of the Township's net position (26.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$2,777,265 may be used to meet the government's ongoing obligations to citizens and creditors.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2023**

**Augusta Charter Township's Net Position (Continued)**

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>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Program revenue</b>				
Charges for services	\$ 89,400	\$ 83,650	\$ 1,957,178	\$ 1,938,500
Operating grants and contributions	49,778	62,274	-	-
Total program revenues	139,178	145,924	1,957,178	1,938,500
<b>General revenue</b>				
Property taxes	1,116,949	1,078,253	-	-
State revenue sharing	792,733	725,189	-	-
Franchise fees	57,365	57,362	-	-
Special assessment	2,970	2,869	-	-
Interest on special assessments	-	-	22,957	34,998
Investment earnings	59,061	-	31,449	6,086
License and permits	4,450	7,548	-	-
Loss on disposal of assets	-	-	-	(97,718)
Insurance proceeds	24,016	-	-	-
Other	145,070	179,787	-	-
Transfers in (out) - net	31,000	33,000	(31,000)	(33,000)
Total general revenue and transfers	2,233,614	2,084,008	23,406	(89,634)
Total revenue	2,372,792	2,229,932	1,980,584	1,848,866
<b>Expenses</b>				
General government	831,545	675,679	-	-
Public safety	441,815	480,079	-	-
Public works	388,342	331,151	-	-
Community and economic development	68,081	65,135	-	-
Recreation and culture	1,339	9,104	-	-
Interest charges	52,778	62,728	-	-
Utility	-	-	2,076,690	1,951,530
Total expenses	1,783,900	1,623,876	2,076,690	1,951,530
Change in net position	588,892	606,056	(96,106)	(102,664)
Net position, beginning of year	5,419,854	4,813,798	4,989,604	5,092,268
Net position, end of year	\$ 6,008,746	\$ 5,419,854	\$ 4,893,498	\$ 4,989,604

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2023**

**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, 2023, the Township's governmental funds reported a combined ending fund balances of \$3,904,750. Special Revenue and Capital Projects Funds have \$2,714,236 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 \$1,163,725.

The fund balance of the Township's General Fund increased by \$42,982 during the year ended March 31, 2023.

**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 \$1,336,439 and \$225,368, respectively, as shown on Page 17 of the report. The total increase (decrease) in net position for the Water and Sewer funds were (\$266,499) and \$170,393, 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, 2023, amounts to \$5,203,937 (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, 2023, the Township had total bonded debt of \$955,000 outstanding as of March 31, 2023 related to the construction of a new Fire Station and the debt service is paid through a voted debt service millage. Business-type activities have \$1,745,000 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.

**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 2023.

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

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**March 31, 2023**

**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, 2023**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 3,796,502	\$ 1,303,896	\$ 5,100,398
Cash and cash equivalents - restricted	753,584	209,126	962,710
Accounts receivable	26,657	366,398	393,055
Special assessment receivables	-	373,460	373,460
Due from other governmental units	160,260	11,422	171,682
Prepaid expenses	7,840	-	7,840
Capital assets:			
Capital assets not being depreciated	285,095	854,228	1,139,323
Capital assets being depreciated (net)	2,866,556	3,881,469	6,748,025
Total assets	<u>7,896,494</u>	<u>6,999,999</u>	<u>14,896,493</u>
<b>Liabilities</b>			
Accounts payable	42,342	261,979	304,321
Accrued expense	90	-	90
Due to other governments	2,940	-	2,940
Salaries payable	11,566	394	11,960
Accrued interest	19,896	21,870	41,766
Deferred revenue	740,635	-	740,635
Due within one year - long-term debt	240,953	88,764	329,717
Noncurrent liabilities:			
Due in more than one year - long-term debt	829,326	1,733,494	2,562,820
Total liabilities	<u>1,887,748</u>	<u>2,106,501</u>	<u>3,994,249</u>
<b>Net position</b>			
Net investment in capital assets	2,081,372	3,122,565	5,203,937
Restricted:			
Fire department	990,275	-	990,275
Utilities capital improvement	1,056,942	209,126	1,266,068
Street lighting	1,298	-	1,298
Farmland preservation	121,835	-	121,835
Debt service	316,267	-	316,267
Equipment	225,299	-	225,299
Unrestricted	1,215,458	1,561,807	2,777,265
Total net position	<u>\$ 6,008,746</u>	<u>\$ 4,893,498</u>	<u>\$ 10,902,244</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**March 31, 2023**

	<b>General</b>	<b>Fire Fund</b>	<b>American Rescue Plan Fund</b>	<b>Debt Service Fund</b>	<b>Utilities Capital Improvement Fund</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>							
Cash and cash equivalents	\$ 1,055,448	\$ 925,425	\$ -	\$ 317,018	\$ 1,053,942	\$ 444,669	\$ 3,796,502
Cash and cash equivalents - restricted	-	-	753,584	-	-	-	753,584
Accounts receivable	17,657	-	-	-	9,000	-	26,657
Due from other governmental units	129,200	20,089	-	9,976	-	995	160,260
Due from other funds	1,000	-	-	-	-	-	1,000
Prepaid expenditures	7,840	-	-	-	-	-	7,840
<b>Total assets</b>	<b>\$ 1,211,145</b>	<b>\$ 945,514</b>	<b>\$ 753,584</b>	<b>\$ 326,994</b>	<b>\$ 1,062,942</b>	<b>\$ 445,664</b>	<b>\$ 4,745,843</b>
<b>Liabilities</b>							
Accounts payable	\$ 21,622	\$ 15,439	\$ -	\$ -	\$ -	\$ 5,281	\$ 42,342
Accrued expense	90	-	-	-	-	-	90
Due to other governments	2,940	-	-	-	-	-	2,940
Due to other funds	-	-	-	-	-	1,000	1,000
Salaries payable	3,468	8,098	-	-	-	-	11,566
Unearned revenue	-	-	734,635	-	6,000	-	740,635
<b>Total liabilities</b>	<b>28,120</b>	<b>23,537</b>	<b>734,635</b>	<b>-</b>	<b>6,000</b>	<b>6,281</b>	<b>798,573</b>
Deferred inflows of resources							
Unavailable revenue - Property tax	11,460	20,089	-	9,976	-	995	42,520
<b>Fund balances</b>							
Nonspendable	7,840	-	-	-	-	-	7,840
Restricted:							
Fire department	-	901,888	-	-	-	89,901	991,789
Utilities capital improvement	-	-	-	-	1,056,942	-	1,056,942
Street lighting	-	-	-	-	-	1,278	1,278
Farmland preservation	-	-	-	-	-	121,910	121,910
Debt service	-	-	-	317,018	-	-	317,018
Equipment	-	-	-	-	-	225,299	225,299
Unassigned	1,163,725	-	18,949	-	-	-	1,182,674
<b>Total fund balances</b>	<b>1,171,565</b>	<b>901,888</b>	<b>18,949</b>	<b>317,018</b>	<b>1,056,942</b>	<b>438,388</b>	<b>3,904,750</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,211,145</b>	<b>\$ 945,514</b>	<b>\$ 753,584</b>	<b>\$ 326,994</b>	<b>\$ 1,062,942</b>	<b>\$ 445,664</b>	<b>\$ 4,745,843</b>

The accompanying notes are an integral part of these financial statements.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**March 31, 2023**

<b>Fund balance reported in governmental funds</b>	\$ 3,904,750
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	285,095
Capital assets being depreciated (net)	2,866,556
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	
	42,520
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:	
Accrued interest payable on long-term debt	(19,896)
Bonds payable	(955,000)
Unamortized bond premium	(115,279)
	<u>                    </u>
<b>Net position of governmental activities</b>	<u><u>\$ 6,008,746</u></u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended March 31, 2023**

	<b>General Fund</b>	<b>Fire Fund</b>	<b>American Rescue Plan Fund</b>	<b>Debt Service Fund</b>	<b>Utilities Capital Improvement Fund</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>							
Property taxes	\$ 235,718	\$ 568,206	\$ -	\$ 282,091	\$ -	\$ 28,135	\$ 1,114,150
State shared revenue	792,733	-	-	-	-	-	792,733
Franchise fees	57,365	-	-	-	-	-	57,365
Licenses and permits	4,450	-	-	-	-	-	4,450
Grants	-	19,787	29,991	-	-	-	49,778
Charges for services	-	-	-	-	89,400	-	89,400
Special assessment	-	-	-	-	-	2,970	2,970
Interest income	21,057	10,698	18,783	757	5,424	2,342	59,061
Other revenues	135,832	8,749	-	335	-	154	145,070
<b>Total revenues</b>	<b>1,247,155</b>	<b>607,440</b>	<b>48,774</b>	<b>283,183</b>	<b>94,824</b>	<b>33,601</b>	<b>2,314,977</b>
<b>Expenditures</b>							
General government	756,781	-	-	189	-	-	756,970
Public safety	-	423,060	-	-	-	-	423,060
Public works	385,303	-	-	-	-	3,039	388,342
Community and economic development	68,081	-	-	-	-	-	68,081
Recreation and culture	1,339	-	-	-	-	-	1,339
Debt service							
Principal	3,069	-	-	200,000	-	-	203,069
Interest on long-term debt	28	-	-	52,750	-	-	52,778
Capital outlay	13,588	29,973	29,991	-	-	13,228	86,780
<b>Total expenditures</b>	<b>1,228,189</b>	<b>453,033</b>	<b>29,991</b>	<b>252,939</b>	<b>-</b>	<b>16,267</b>	<b>1,980,419</b>
<b>Other financing sources (uses)</b>							
Insurance proceeds	24,016	-	-	-	-	-	24,016
Transfers in	-	-	-	-	31,000	62,000	93,000
Transfers out	-	(62,000)	-	-	-	-	(62,000)
<b>Total other financing sources (uses)</b>	<b>24,016</b>	<b>(62,000)</b>	<b>-</b>	<b>-</b>	<b>31,000</b>	<b>62,000</b>	<b>55,016</b>
<b>Net change in fund balances</b>	<b>42,982</b>	<b>92,407</b>	<b>18,783</b>	<b>30,244</b>	<b>125,824</b>	<b>79,334</b>	<b>389,574</b>
<b>Fund balances, beginning 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>
<b>Fund balances, end of year</b>	<b>\$ 1,171,565</b>	<b>\$ 901,888</b>	<b>\$ 18,949</b>	<b>\$ 317,018</b>	<b>\$ 1,056,942</b>	<b>\$ 438,388</b>	<b>\$ 3,904,750</b>

*The accompanying notes are an integral part of these financial statements.*

**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, 2023**

**Net change in fund balances - total governmental funds** \$ 389,574

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	79,304
Depreciation and amortization expense	(114,168)

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	203,069
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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	2,799
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are to reported as expenditures in governmental funds

Amortization of bond premium, and change in accrued interest payable on long-term debt	<u>28,314</u>
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**Change in net position of governmental activities** \$ 588,892

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**March 31, 2023**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 383,585	\$ 920,311	\$ 1,303,896
Cash and cash equivalents - restricted	209,126	-	209,126
Receivables	129,684	236,714	366,398
Special assessment receivables	-	32,554	32,554
Due from other governmental units	3,585	7,837	11,422
	<u>725,980</u>	<u>1,197,416</u>	<u>1,923,396</u>
Total current assets			
<b>Noncurrent assets</b>			
Special assessment receivables	-	340,906	340,906
Capital assets not being depreciated	854,228	-	854,228
Capital assets being depreciated	275,249	3,606,220	3,881,469
	<u>1,129,477</u>	<u>3,947,126</u>	<u>5,076,603</u>
Total noncurrent assets			
Total assets	<u>1,855,457</u>	<u>5,144,542</u>	<u>6,999,999</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable	71,228	190,751	261,979
Accrued interest	10,935	10,935	21,870
Salary payable	197	197	394
Current portion of long-term debt	44,382	44,382	88,764
	<u>126,742</u>	<u>246,265</u>	<u>373,007</u>
Total current liabilities			
<b>Noncurrent liabilities</b>			
Long-term debt	866,747	866,747	1,733,494
	<u>866,747</u>	<u>866,747</u>	<u>1,733,494</u>
Total noncurrent liabilities			
Total liabilities	<u>993,489</u>	<u>1,113,012</u>	<u>2,106,501</u>
<b>Net position</b>			
Net investment in capital assets	427,474	2,695,091	3,122,565
Restricted	209,126	-	209,126
Unrestricted	225,368	1,336,439	1,561,807
	<u>\$ 861,968</u>	<u>\$ 4,031,530</u>	<u>\$ 4,893,498</u>
Total net position			

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**Year Ended March 31, 2023**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Operating revenues</b>			
Sale of water and sewage disposal charges	\$ 705,324	\$ 1,184,033	\$ 1,889,357
Charges for services	1,200	34,755	35,955
Other revenue	9,778	22,088	31,866
	<u>716,302</u>	<u>1,240,876</u>	<u>1,957,178</u>
<b>Operating expenses</b>			
Water	-	814,637	814,637
Sewage treatment	322,381	-	322,381
Operation and maintenance	134,705	313,523	448,228
General and administrative costs	60,152	99,842	159,994
Depreciation and amortization	20,402	260,593	280,995
Contract services	1,175	-	1,175
	<u>538,815</u>	<u>1,488,595</u>	<u>2,027,410</u>
Total operating expenses	<u>538,815</u>	<u>1,488,595</u>	<u>2,027,410</u>
Operating income (loss)	<u>177,487</u>	<u>(247,719)</u>	<u>(70,232)</u>
<b>Nonoperating revenues (expenses)</b>			
Interest on special assessments	-	22,957	22,957
Interest income	17,546	13,903	31,449
Interest expense	(24,640)	(24,640)	(49,280)
	<u>(7,094)</u>	<u>12,220</u>	<u>5,126</u>
Total nonoperating revenues (expenses)	<u>(7,094)</u>	<u>12,220</u>	<u>5,126</u>
Income (loss) before transfers	170,393	(235,499)	(65,106)
Transfers out	-	(31,000)	(31,000)
	<u>-</u>	<u>(31,000)</u>	<u>(31,000)</u>
Change in net position	170,393	(266,499)	(96,106)
<b>Net position, beginning of year</b>	<u>691,575</u>	<u>4,298,029</u>	<u>4,989,604</u>
<b>Net position, end of year</b>	<u>\$ 861,968</u>	<u>\$ 4,031,530</u>	<u>\$ 4,893,498</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**Year Ended March 31, 2023**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 705,065	\$ 1,248,415	\$ 1,953,480
Payments to goods and services	(491,529)	(1,124,766)	(1,616,295)
Payments to employee	(8,251)	(7,735)	(15,986)
	<u>205,285</u>	<u>115,914</u>	<u>321,199</u>
<b>Net cash provided by operating activities</b>			
<b>Cash flows from noncapital financing activities</b>			
Transfers out	-	(31,000)	(31,000)
	<u>-</u>	<u>(31,000)</u>	<u>(31,000)</u>
<b>Net cash used in noncapital financing activities</b>			
<b>Cash flows from capital and related financing activities</b>			
Principal paid on long-term debt	(40,000)	(40,000)	(80,000)
Interest paid on long-term debt	(27,244)	(27,244)	(54,488)
Acquisition/construction of capital assets	(706,181)	(382,165)	(1,088,346)
Special assessment interest received	-	22,957	22,957
	<u>(773,425)</u>	<u>(426,452)</u>	<u>(1,199,877)</u>
<b>Net cash used in capital and related financing activities</b>			
<b>Cash flows from investment activities</b>			
Interest received	17,546	13,903	31,449
	<u>17,546</u>	<u>13,903</u>	<u>31,449</u>
<b>Net increase in cash and cash equivalents</b>			
	(550,594)	(327,635)	(878,229)
<b>Cash and cash equivalents, beginning of year</b>	<u>1,143,305</u>	<u>1,247,946</u>	<u>2,391,251</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 592,711</u>	<u>\$ 920,311</u>	<u>\$ 1,513,022</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>			
Operating income (loss)	\$ 177,487	\$ (247,719)	\$ (70,232)
Adjustments to reconcile operating gain (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	20,402	260,593	280,995
Changes in assets and liabilities:			
Receivables	(15,524)	7,358	(8,166)
Due from other governmental units	4,287	181	4,468
Accounts payable	18,633	95,501	114,134
	<u>18,633</u>	<u>95,501</u>	<u>114,134</u>
<b>Net cash provided by operating activities</b>	<u>\$ 205,285</u>	<u>\$ 115,914</u>	<u>\$ 321,199</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**March 31, 2023**

<b>Assets</b>	\$ -
<b>Liabilities</b>	-
Total net position	\$ -

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUND**  
**March 31, 2023**

<b>Additions</b>	
Property tax collection for other governments	\$ 9,405,126
<b>Deductions</b>	
Property tax collection disbursed to other governments	<u>9,405,126</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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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 expenditures; 2) one-time emergency expenditures said emergency having been declared by the board; and 3) one-time legal expenditures. 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, 2022, are revenues in the Township's fiscal year ended March 31, 2023.

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	0.8056
Fire Department	1.9934
Farm Preservation	0.0988
Fire Station	0.9900

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**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	\$ 209,126
Cash equivalents restricted for American Rescue Plan Act expenditures	734,635
	<u>\$ 943,761</u>

Interfund Transactions

During the course of normal operations, the Township has 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, 2023, there was no allowance for uncollectible accounts, as the Township expects to collect all outstanding receivables.

In addition to transactions related to pooled cash, 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, 2023**

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

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

Prepaid Items

Prepaid items reflect payments made for which benefit will be received in a future fiscal year.

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, 2023**

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

**Assets, Liabilities and Fund Equity**

Unearned Revenues

The Township reports unearned revenues in connection with assets received or receivable that are not considered to have not been earned.

Long term Liabilities

In the government-wide financial statements, and the 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.

Adoption of New Accounting Pronouncement

During the year ended March 31, 2023, the Township adopted GASB Statement No. 87, Leases. The Township adopted the new standard effective April 1, 2022, using the modified retrospective approach. As of March 31, 2023, the Township does not have any leases that would fall under this standard.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**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, 2023**

**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, 2023, the Township did not have any expenditures that exceeded such parameters.



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**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, 2023, the bank balance of the Township's deposit was \$2,917,969, of which \$2,667,969 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, 2023**

**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 \$3,154,403 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:

	<u>Amount</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Average Days to Maturity</u>
MBIA Michigan CLASS	\$ 3,154,403	AAAm	Standard & Poor's	42

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, 2023**

**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	\$ 42,520	\$ -
Special assessments receivable	-	373,460
Water and sewer billing receivable	-	366,398
Other receivables	26,657	-
Due from other governments	<u>117,740</u>	<u>11,422</u>
	<u>\$ 186,917</u>	<u>\$ 751,280</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**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	\$ 285,095	\$ -	\$ -	\$ -	\$ 285,095
Construction in progress	5,146	-	-	(5,146)	-
Subtotal	290,241	-	-	(5,146)	285,095
Capital assets being depreciated					
Buildings and improvements	2,899,565	57,455	-	5,146	2,962,166
Office furniture and equipment	9,600	21,848	(7,100)	-	24,348
Computers and software	59,725	-	-	-	59,725
Vehicles	1,322,729	-	-	-	1,322,729
Fire equipment	516,892	-	-	-	516,892
Subtotal	4,808,511	79,303	(7,100)	5,146	4,885,860
Less accumulated depreciation for					
Buildings and improvements	162,130	61,783	-	-	223,913
Office furniture and equipment	9,225	3,136	(7,100)	-	5,261
Computers and software	57,541	2,185	-	-	59,726
Vehicles	1,272,830	29,079	-	-	1,301,909
Fire equipment	410,510	17,985	-	-	428,495
Subtotal	1,912,236	114,168	(7,100)	-	2,019,304
Net capital assets being depreciated	<u>2,896,275</u>	<u>(34,865)</u>	<u>-</u>	<u>5,146</u>	<u>2,866,556</u>
Governmental activities total					
Capital assets - net of depreciation and amortization	<u>\$ 3,186,516</u>	<u>\$ (34,865)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,151,651</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

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

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	\$ 16,999	\$ 382,165	\$ -	\$ (399,164)	\$ -
Construction in progress - Sewer	148,047	706,181	-	-	854,228
Subtotal	165,046	1,088,346	-	(399,164)	854,228
Capital assets being depreciated					
Water system	8,874,205	-	-	399,164	9,273,369
Water meters and equipment	787,358	-	-	-	787,358
Sewer system	1,653,675	-	-	-	1,653,675
Sewer equipment	117,002	-	-	-	117,002
Subtotal	11,432,240	-	-	399,164	11,831,404
Less accumulated depreciation for					
Water system	6,118,775	220,022	-	-	6,338,797
Water meters and equipment	75,139	40,571	-	-	115,710
Sewer system	1,381,547	18,870	-	-	1,400,417
Sewer equipment	93,479	1,532	-	-	95,011
Subtotal	7,668,940	280,995	-	-	7,949,935
Net capital assets being depreciated	3,763,300	(280,995)	-	399,164	3,881,469
Business-type activities total					
Capital assets - net of depreciation	<u>\$ 3,928,346</u>	<u>\$ 807,351</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,735,697</u>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

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

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

Governmental activities	
General government	\$ 67,104
Public safety	<u>47,064</u>
Total depreciation and amortization	<u>\$ 114,168</u>
Business-type activities	
Utility	<u>\$ 280,995</u>

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

The composition of interfund balances is as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Farmland Preservation Fund	General Fund	\$ 1,000

This balance results from the time lag between the dates that goods and services are provided, reimbursable expenditures occurred, transactions are recorded in the accounting system, and payments between funds are made.

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

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
Fire fund	Equipment fund	\$ 62,000
Water fund	Utilities Capital Improvement fund	\$ 31,000

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.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

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

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.

The following is a summary of long-term debt transactions of the Township for the year ended March 31, 2023:

	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	\$ 3,069	\$ -	\$ (3,069)	\$ -	\$ -
Total direct borrowing and direct placements principal outstanding			3,069	-	(3,069)	-	-
General obligation bonds:							
2019 capital improvement bond Maturing through 2027	5.00%	\$ 185,000 \$ 260,000	1,155,000	-	(200,000)	955,000	215,000
Bond premium			139,421	-	(24,142)	115,279	25,953
Total general obligation bonds			1,294,421	-	(224,142)	1,070,279	240,953
Total bonds and contracts payable			1,297,490	-	(227,211)	1,070,279	240,953
Total governmental activities long-term debt			\$ 1,297,490	\$ -	\$ (227,211)	\$ 1,070,279	\$ 240,953
<b>Business-type activities</b>							
General obligation bonds:							
2019 capital improvement bond Maturing through 2040	2.125% - 5.00%	\$ 75,000 \$ 125,000	\$ 1,825,000	\$ -	\$ (80,000)	\$ 1,745,000	\$ 85,000
Bond premium			80,800	-	(3,542)	77,258	3,764
Total general obligation bonds			1,905,800	-	(83,542)	1,822,258	88,764
Total business-type activities			\$ 1,905,800	\$ -	\$ (83,542)	\$ 1,822,258	\$ 88,764

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**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		
	Other Debts		
	Principal	Interest	Total
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>\$ 955,000</u>	<u>\$ 99,375</u>	<u>\$ 1,054,375</u>

Year Ending March 31,	Business-type Activities		
	Other Debts		
	Principal	Interest	Total
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	95,000	33,564	128,564
2029-2033	510,000	127,262	637,262
2034-2038	545,000	65,866	610,866
2039-2040	245,000	6,435	251,435
Total	<u>\$ 1,745,000</u>	<u>\$ 408,583</u>	<u>\$ 2,153,583</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

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

The composition of the net investment in capital assets as of March 31, 2023, was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital asset:		
Capital assets not being depreciated	\$ 285,095	\$ 854,228
Capital assets being depreciated, net	<u>2,866,556</u>	<u>3,881,469</u>
	<u>3,151,651</u>	<u>4,735,697</u>
Related debt:		
Bonds payable	1,070,279	1,822,258
Less: Unspent bond proceeds	<u>-</u>	<u>(209,126)</u>
	<u>1,070,279</u>	<u>1,613,132</u>
Net investment in capital assets	<u><u>\$ 2,081,372</u></u>	<u><u>\$ 3,122,565</u></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, 2023, were \$57,365.

**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 \$62,309 for the year ended March 31, 2023.

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2023**

**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 government wide- statement of net position reports restricted net position as follows:

Restricted by enabling legislation for:	
2019 Capital improvement bond	\$ 316,267
Fire Department operations	990,275
Farmland preservation	121,835
Street lighting	1,298
Utilities capital improvement	<u>209,126</u>
Total restricted by enabling legislation	<u>1,638,801</u>
Net position otherwise restricted for:	
Utilities capital improvement	1,056,942
Equipment	<u>225,299</u>
Total otherwise restricted	<u>1,282,241</u>
Total restricted net position	<u><u>\$ 2,921,042</u></u>

**NOTE 13 – LITIGATION**

The Township is currently in litigation with one of its water customers regarding water bills that were underbilled for the past 23 years. The case is not yet resolved. Per Generally Accepted Accounting Standards, revenue will only be recorded when all eligibility requirements are met and the financials resources are available.

In addition, the Township also resolved certain litigation during the year ended March 31, 2023 of which attorney fees in the amount of \$24,016 were reimbursed by the Township's insurance policy.

**NOTE 15 – SUBSEQUENT EVENTS**

Township's management has performed a review of events subsequent to the balance sheet date through August 8, 2023, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
Year Ended March 31, 2023

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Property taxes	\$ 270,600	\$ 270,600	\$ 235,718	\$ (34,882)
State shared revenue	625,874	625,874	792,733	166,859
Franchise fees	57,750	57,750	57,365	(385)
Licenses and permits	5,000	5,800	4,450	(1,350)
Interest income	325	3,325	21,057	17,732
Other revenues	149,250	176,161	135,832	(40,329)
<b>Total revenues</b>	<b>1,108,799</b>	<b>1,139,510</b>	<b>1,247,155</b>	<b>107,645</b>
<b>Expenditures</b>				
General government:				
General government	260,699	362,086	321,476	40,610
Supervisor	81,669	81,451	81,049	402
Treasurer	81,394	81,198	80,116	1,082
Assessor	63,383	63,633	62,429	1,204
Clerk	88,292	86,373	86,323	50
Elections	51,394	47,105	45,695	1,410
Township Hall	34,550	86,720	82,790	3,930
Capital outlay	-	15,688	13,588	2,100
<b>Total general government</b>	<b>661,381</b>	<b>824,254</b>	<b>773,466</b>	<b>50,788</b>
Public works:				
Cemetery	15,000	14,900	13,007	1,893
Street lighting	12,000	11,500	11,255	245
Drains at large	160,000	29,945	29,574	371
Road improvement	281,000	332,600	331,467	1,133
<b>Total public works</b>	<b>468,000</b>	<b>388,945</b>	<b>385,303</b>	<b>3,642</b>
Community and economic development -				
Planning and zoning	57,573	85,798	68,081	17,717
Recreation and culture -				
Parks & events	16,000	2,700	1,339	1,361
<b>Total expenditures</b>	<b>1,202,954</b>	<b>1,301,697</b>	<b>1,228,189</b>	<b>73,508</b>
Excess of revenue over (under) expenditures	(94,155)	(162,187)	18,966	181,153
<b>Other Financing Sources (uses)</b>				
Insurance proceeds	-	-	24,016	24,016
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>24,016</b>	<b>24,016</b>
<b>Net change in fund balance</b>	<b>(94,155)</b>	<b>(162,187)</b>	<b>42,982</b>	<b>205,169</b>
<b>Fund balance, beginning of year</b>	<b>1,128,583</b>	<b>1,128,583</b>	<b>1,128,583</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1,034,428</b>	<b>\$ 966,396</b>	<b>\$ 1,171,565</b>	<b>\$ 205,169</b>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - FIRE FUND**  
Year Ended March 31, 2023

	BUDGETED AMOUNTS		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 561,750	\$ 561,750	\$ 568,206	\$ 6,456
Grants	-	-	19,787	19,787
Interest income	1,000	1,000	10,698	9,698
Other revenue	750	750	8,749	7,999
<b>Total revenues</b>	<b>563,500</b>	<b>563,500</b>	<b>607,440</b>	<b>43,940</b>
<b>Expenditures</b>				
Salaries and wages	204,702	250,002	232,075	17,927
Fringe benefits	38,578	42,903	37,418	5,485
Supplies and other	37,000	38,200	38,690	(490)
Repairs and maintenance	22,000	25,000	22,418	2,582
Contracted services	19,700	13,900	17,594	(3,694)
Insurance	38,000	38,675	38,665	10
Dues and materials	3,500	3,600	1,476	2,124
Communications	7,500	7,500	3,082	4,418
Ambulance dispatch	8,000	9,600	9,399	201
Utilities	21,200	21,200	18,975	2,225
Professional services	3,000	1,000	151.00	849
Capital outlay	35,000	27,100	29,973	(2,873)
Others	9,000	8,500	3,117	5,383
<b>Total expenditures</b>	<b>447,180</b>	<b>487,180</b>	<b>453,033</b>	<b>34,147</b>
<b>Other financing sources (uses)</b>				
Transfers out	(62,000)	(62,000)	(62,000)	-
<b>Total other financing sources (uses)</b>	<b>(62,000)</b>	<b>(62,000)</b>	<b>(62,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>54,320</b>	<b>14,320</b>	<b>92,407</b>	<b>78,087</b>
<b>Fund balance, beginning of year</b>	<b>809,481</b>	<b>809,481</b>	<b>809,481</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 863,801</b>	<b>\$ 823,801</b>	<b>\$ 901,888</b>	<b>\$ 78,087</b>

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN FUND**  
Year Ended March 31, 2023

	<b>BUDGETED AMOUNTS</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Grants	\$ -	\$ 30,000	\$ 29,991	\$ (9)
Interest income	1,000	1,000	18,783	17,783
Total revenues	1,000	31,000	48,774	17,774
<b>Expenditures</b>				
Capital outlay	-	30,000	29,991	9
<b>Net change in fund balance</b>	1,000	1,000	18,783	17,783
<b>Fund balance, beginning of year</b>	166	166	166	-
<b>Fund balance, end of year</b>	\$ 1,166	\$ 1,166	\$ 18,949	\$ 17,783

**OTHER SUPPLEMENTARY INFORMATION**

**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**March 31, 2023**

	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	\$ 1,559	122,910	\$ 94,901	\$ 225,299	\$ 444,669
Due from other governmental units	-	995	-	-	995
Total assets	<u>\$ 1,559</u>	<u>\$ 123,905</u>	<u>\$ 94,901</u>	<u>\$ 225,299</u>	<u>\$ 445,664</u>
<b>Liabilities</b>					
Accounts payable	\$ 281	\$ -	\$ 5,000	\$ -	\$ 5,281
Due to other funds	-	1,000	-	-	1,000
Total liabilities	<u>281</u>	<u>1,000</u>	<u>5,000</u>	<u>-</u>	<u>6,281</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue - Property tax	-	995	-	-	995
<b>Fund balances</b>					
Restricted - Farmland preservation	-	121,910	-	-	121,910
Restricted - Street lighting	1,278	-	-	-	1,278
Restricted - Fire department	-	-	89,901	-	89,901
Restricted - Equipment	-	-	-	225,299	225,299
Total fund balances	<u>1,278</u>	<u>121,910</u>	<u>89,901</u>	<u>225,299</u>	<u>438,388</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,559</u>	<u>\$ 123,905</u>	<u>\$ 94,901</u>	<u>\$ 225,299</u>	<u>\$ 445,664</u>



**AUGUSTA CHARTER TOWNSHIP, MICHIGAN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
Year Ended March 31, 2023

	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	\$ -	\$ 28,135	\$ -	\$ -	\$ 28,135
Special assessment	2,970	-	-	-	2,970
Interest income	4	641	523	1,174	2,342
Other revenue	-	56	98	-	154
Total revenues	2,974	28,832	621	1,174	33,601
<b>Expenditures</b>					
Capital outlay	-	-	13,228	-	13,228
Public work	3,039	-	-	-	3,039
Other expenditure	-	-	-	-	-
Total expenditures	3,039	-	13,228	-	16,267
<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>	(65)	28,832	(12,607)	63,174	79,334
<b>Fund balances, beginning of year</b>	1,343	93,078	102,508	162,125	359,054
<b>Fund balances, end of year</b>	<u>\$ 1,278</u>	<u>\$ 121,910</u>	<u>\$ 89,901</u>	<u>\$ 225,299</u>	<u>\$ 438,388</u>