Augusta Charter Township

Financial Statements

March 31, 2026

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Independent Auditors' Report

Board of Trustees
Augusta Charter Township
Whittaker, Michigan

Report on the Audit of the Financial Statements

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 (the Township), as of and for the year ended March 31, 2026, 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, based on our audit, 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, 2026, 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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 and *Government 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 and *Government 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 schedules as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 the Township's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is 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 by us. In our opinion, based on our audit, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, Michigan
June 26, 2026

Augusta Charter Township
Management's Discussion and Analysis
For the Year Ended March 31, 2026

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, 2026.

Financial Highlights

- The Township received $229,343 in operating grants and contributions, a decrease of $627,026 due to the completion of ARPA funding. ARPA revenue was $647,734 in 2025 prior to being finalized in that year.

- Charges for utility services decreased by $64,606. FY25 had revenue of $82,000 for utility connection fees, mostly related to the Augusta Woods expansion.

- The Township experienced an overall decrease in property tax revenue of 14% from the prior year. The decrease is due to the 2016 millage expiring for the new Fire Station. Tax Revenue increased for both the General Fund (4.3%) and the Fire Fund (3.6%)

- Public works expenses decreased by $110,021 from the prior year. This is due to a decrease in drain and road work that is determined by the County.

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.

The Statement of Activities presents information showing how the government's net position changed during the year ended March 31, 2026. 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 3-1 and 3-2 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, 2026. Such information may be useful in evaluating a government's near-term financing requirements.

The Township maintains nine individual governmental funds; the General Fund, Fire Fund, Street Lighting Fund, Fire Replacement Equipment Fund, Farmland Preservation Fund, Debt Service Fund, Fire Department Building Fund, Township Improvement 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, Debit 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 3-3 and 3-5 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 3-7 to 3-9 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 3-10 to 3-11 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 3-12 to 3-22 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 $15,171,740 at the close of the year ended March 31, 2026.

The largest portion of the Township's net position (34 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 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.

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
Assets						
Current and other assets	$ 6,369,715	$ 5,827,884	$ 3,852,851	$ 3,119,137	$ 10,222,566	$ 8,947,021
Capital assets	3,017,114	3,120,220	3,987,572	4,263,060	7,004,686	7,383,280
Total assets	9,386,829	8,948,104	7,840,423	7,382,197	17,227,252	16,330,301
Liabilities						
Current liabilities	89,480	126,204	123,901	122,128	213,381	248,332
Noncurrent liabilities	291,385	571,562	1,550,746	1,644,730	1,842,131	2,216,292
Total liabilities	380,865	697,766	1,674,647	1,766,858	2,055,512	2,464,624
Net Position						
Net investments in capital assets	2,720,729	2,543,658	2,436,826	2,618,330	5,157,555	5,161,988
Restricted	3,109,233	3,567,619	194,969	187,052	3,304,202	3,754,671
Unrestricted	3,176,002	2,139,061	3,533,981	2,809,957	6,709,983	4,949,018
Net Position	$ 9,005,964	$ 8,250,338	$ 6,165,776	$ 5,615,339	$ 15,171,740	$ 13,865,677

An additional portion of the Township's net position (22 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position $6,709,983 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.

	Governmental Activities		Business-type Activities		Total	
	2026	2025	2026	2025	2026	2025
Revenue						
Program revenue:						
Charges for services	$ 89,068	$ 153,674	$ 2,361,313	$ 2,262,316	$ 2,450,381	$ 2,415,990
Operating grants and contributions	264,432	891,458	-	-	264,432	891,458
Total program revenues	353,500	1,045,132	2,361,313	2,262,316	2,714,813	3,307,448
General revenue:						
Property taxes	1,193,664	1,386,212	-	-	1,193,664	1,386,212
State revenue sharing	770,011	764,510	-	-	770,011	764,510
Investment earnings	189,339	187,746	93,463	94,904	282,802	282,650
Other	4,212	39,355	98,023	165,142	102,235	204,497
Transfers in (out) - net	30,000	-	(30,000)	-	-	-
Total general revenue and transfers	2,187,226	2,377,823	161,486	260,046	2,348,712	2,637,869
Total revenue	2,540,726	3,422,955	2,522,799	2,522,362	5,063,525	5,945,317
Expenses						
General government	741,375	809,104	-	-	741,375	809,104
Public safety	592,389	465,512	-	-	592,389	465,512
Public works	326,538	436,559	-	-	326,538	436,559
Community and economic development	139,858	152,284	-	-	139,858	152,284
Recreation and culture	1,045	3,441	-	-	1,045	3,441
Interest charges	(16,105)	(1,297)	-	-	(16,105)	(1,297)
Utility	-	-	1,972,362	1,972,960	1,972,362	1,972,960
Total expenses	1,785,100	1,865,603	1,972,362	1,972,960	3,757,462	3,838,563
Change in net position	755,626	1,557,352	550,437	549,402	1,306,063	2,106,754
Net position, beginning of year	8,250,338	6,692,986	5,615,339	5,065,937	13,865,677	11,758,923
Net position, end of year	$ 9,005,964	$ 8,250,338	$ 6,165,776	$ 5,615,339	$ 15,171,740	$ 13,865,677

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, 2026, the Township's governmental funds reported a combined ending fund balances of $9,005,964. Special Revenue and Capital Projects Funds have $4,440,865 available for their special uses. The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, assigned fund balance of the General Fund was $238,121 while unassigned fund balance was $1,563,427.

The fund balance of the Township's General Fund decreased by $279,336 during the year ended March 31, 2026. This is a decrease of $1.16M from fiscal year 2025. A significant reason for the decrease was due to the ARPA fund closing and remaining amounts of $707,353 were transferred into the General Fund. Fiscal year 2026 had a Board approved transfer from then General Fund to the Township Improvement Fund in the amount of $650,000 that also contributed to the decrease in ending fund balance. General Fund revenue decreased by $29,534 from the prior year primarily due to the closing of the ARPA fund that had contributed $26,415 in investment income in FY25. Total expenditures decreased from fiscal year 25 by $225,881. This is partly due to a decrease in drain and road work that is determined by the County that contributed to the decrease in public works expenditures.

While an increase in tax revenue for the Fire Fund contributed to an overall increase in total revenues, expenditures increased as well leading to a decrease in fund balance of $112,199. Increased expenditures were the result of capital outlay for a drone and SCBA equipment, budgeted increase in wages & benefits, and an increase in maintenance for general repairs.

The General Debt Service fund had a net change in fund balance of ($159,846) for the current fiscal year, while fiscal year 2025 saw an increase of $60,326. Revenues decreased by $212,171 due to less tax revenue as this millage has now expired.

The Utilities Capital Improvement fund had a net change in fund balance of $88,199. This fund experienced a decrease in charges for services from the prior fiscal year in the amount of $67,000. Charges for services comes from connection fees. Fiscal year 2025 was higher due to the Augusta Woods development expansion.

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 $2,253,945 and $1,280,036, respectively, as shown on Page 3-7 of the report. The total increase in net position for the Water and Sewer funds was $259,148 and $291,289, respectively, and as shown on Page 3-8 of the report. Overall, operations were consistent compared to fiscal year 2025.

Capital assets. The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2026, amounts to $5,157,555 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, and machinery and equipment.

Long-term debt. At the year ended March 31, 2025, the Township had total bonded debt of $260,000 outstanding 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 $1,485,000 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 General Fund plans to use $238,121 of fund balance for infrastructure improvements in conjunction with the recently formed Township Improvement Fund.

Water and Sewer funds are planning for future capital needs identified by the Township Engineer.

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

Statement of Net Position

March 31, 2026

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 5,984,810	$ 2,905,449	$ 8,890,259
Receivables			
Accounts	226,164	-	226,164
Utility bills	-	474,888	474,888
Special assessments	47	266,922	266,969
Due from other units of government	158,694	10,623	169,317
Restricted assets			
Cash and cash equivalents	-	194,969	194,969
Capital assets not being depreciated	253,310	-	253,310
Capital assets, net of accumulated depreciation	2,763,804	3,987,572	6,751,376
Total assets	9,386,829	7,840,423	17,227,252
Liabilities			
Accounts payable	38,281	106,647	144,928
Contracts payable - retainage	5,000	-	5,000
Due to other units of government	334	-	334
Payroll and other liabilities	40,478	800	41,278
Interest payable	5,387	16,454	21,841
Noncurrent liabilities			
Debt due within one year	291,385	93,985	385,370
Debt due in more than one year	-	1,456,761	1,456,761
Total liabilities	380,865	1,674,647	2,055,512
Net position			
Net investment in capital assets	2,720,729	2,436,826	5,157,555
Restricted for			
Fire department	1,220,101	-	1,220,101
Debt service	258,578	-	258,578
Other special revenue funds	238,013	-	238,013
Capital projects	-	194,969	194,969
Unrestricted	4,568,543	3,533,981	8,102,524
Total net position	$ 9,005,964	$ 6,165,776	$ 15,171,740

Augusta Charter Township
Statement of Activities
For the Year Ended March 31, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Functions/programs						
Governmental activities						
General government	$ 741,375	$ 70,714	$ 233,034	$ (437,627)	$ -	$ (437,627)
Public safety	592,389	-	31,398	(560,991)	-	(560,991)
Public works	326,538	18,354	-	(308,184)	-	(308,184)
Community and economic development	139,858	-	-	(139,858)	-	(139,858)
Recreation and culture	1,045	-	-	(1,045)	-	(1,045)
Interest on long term debt	(16,105)	-	-	16,105	-	16,105
Total governmental activities	1,785,100	89,068	264,432	(1,431,600)	-	(1,431,600)
Business-type activities						
Sewer	582,843	841,140	-	-	258,297	258,297
Water	1,389,519	1,520,173	-	-	130,654	130,654
Total business-type activities	1,972,362	2,361,313	-	-	388,951	388,951
Total	$ 3,757,462	$ 2,450,381	$ 264,432	(1,431,600)	388,951	(1,042,649)
General revenues						
Property taxes				1,193,664	-	1,193,664
Unrestricted state-shared revenue				770,011	-	770,011
Unrestricted investment earnings				189,339	93,463	282,802
Miscellaneous				4,212	98,023	102,235
Transfers				30,000	(30,000)	-
Total general revenues and transfers				2,187,226	161,486	2,348,712
Change in net position				755,626	550,437	1,306,063
Net position - beginning of year				8,250,338	5,615,339	13,865,677
Net position - end of year				$ 9,005,964	$ 6,165,776	$ 15,171,740

See Accompanying Notes to the Financial Statements

Augusta Charter Township

Governmental Funds

Balance Sheet

March 31, 2026

	General	Special Revenue Fund Fire Fund	General Debt Service Fund	Utilities Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 1,525,569	$ 1,151,512	$ 260,358	$ 1,392,541	$ 1,654,830	$ 5,984,810
Receivables						
Accounts receivable	226,164	-	-	-	-	226,164
Special assessments	-	-	-	-	47	47
Due from other units of government	129,398	24,481	3,607	-	1,208	158,694
Total assets	$ 1,881,131	$ 1,175,993	$ 263,965	$ 1,392,541	$ 1,656,085	$ 6,369,715
Liabilities						
Accounts payable	$ 35,188	$ 2,810	$ -	$ -	$ 283	$ 38,281
Contracts payable - retainage	-	-	-	-	5,000	5,000
Due to other units of government	334	-	-	-	-	334
Payroll and other liabilities	30,148	10,330	-	-	-	40,478
Total liabilities	65,670	13,140	-	-	5,283	84,093
Deferred inflows of resources						
Unavailable revenue - taxes	13,913	24,481	3,607	-	1,208	43,209
Fund balances						
Restricted for						
Fire department	-	1,138,372	-	-	57,248	1,195,620
Utilities capital improvement	-	-	-		-	-
Debt service	-	-	260,358	-	-	260,358
Other special revenue funds	-	-	-	-	236,805	236,805
Assigned	238,121	-	-	1,392,541	1,355,541	2,986,203
Unassigned	1,563,427	-	-	-	-	1,563,427
Total fund balances	1,801,548	1,138,372	260,358	1,392,541	1,649,594	6,242,413
Total liabilities, deferred inflows of resources, and fund balances	$ 1,881,131	$ 1,175,993	$ 263,965	$ 1,392,541	$ 1,656,085	$ 6,369,715

Augusta Charter Township

Governmental Funds

Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities

March 31, 2026

Total fund balances for governmental funds	$ 6,242,413
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	253,310
Capital assets, net of accumulated depreciation	2,763,804
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	43,209
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(5,387)
Bonds, notes, premiums and discounts	(291,385)
Net position of governmental activities	$ 9,005,964

Augusta Charter Township

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended March 31, 2026

	Special Revenue Fund					
	General	Fire Fund	General Debt Service Fund	Utilities Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 405,895	$ 666,731	$ 106,213	$ -	$ 36,249	$ 1,215,088
Licenses and permits	70,693	-	-	-	-	70,693
State grants	1,000,789	14,622	380	-	37	1,015,828
Local contributions	-	750	-	-	-	750
Charges for services	21	2,037	-	15,000	-	17,058
Investment income	63,708	28,495	2,812	43,199	51,125	189,339
Other revenue	20,440	-	-	-	-	20,440
Total revenues	1,561,546	712,635	109,405	58,199	87,411	2,529,196
Expenditures						
Current						
General government	726,632	-	-	-	2,060	728,692
Public safety	-	472,286	-	-	-	472,286
Public works	323,347	-	-	-	3,191	326,538
Community and economic development	139,858	-	-	-	-	139,858
Recreation and culture	1,045	-	-	-	-	1,045
Capital outlay	-	29,680	-	-	-	29,680
Debt service						
Principal retirement	-	-	250,000	-	-	250,000
Interest and fiscal charges	-	-	19,251	-	-	19,251
Total expenditures	1,190,882	501,966	269,251	-	5,251	1,967,350
Excess (deficiency) of revenues over expenditures	370,664	210,669	(159,846)	58,199	82,160	561,846
Other financing sources (uses)						
Transfers in	-	-	-	30,000	972,868	1,002,868
Transfers out	(650,000)	(322,868)	-	-	-	(972,868)
Total other financing sources (uses)	(650,000)	(322,868)	-	30,000	972,868	30,000
Net change in fund balances	(279,336)	(112,199)	(159,846)	88,199	1,055,028	591,846
Fund balances - beginning of year	2,080,884	1,250,571	420,204	1,304,342	594,566	5,650,567
Fund balances - end of year	$ 1,801,548	$ 1,138,372	$ 260,358	$ 1,392,541	$ 1,649,594	$ 6,242,413

Augusta Charter Township
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2026

Net change in fund balances - total governmental funds	$ 591,846
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(92,117)
Capital outlay	(10,989)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(18,470)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	5,179
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Repayments of long-term debt	250,000
Amortization of premiums, discounts and similar items	30,177
Change in net position of governmental activities	$ 755,626

See Accompanying Notes to the Financial Statements

Augusta Charter Township

Proprietary Funds

Statement of Net Position

March 31, 2026

	Sewer	Water	Total
Assets			
Current assets			
Cash and cash equivalents	$ 1,173,371	$ 1,732,078	$ 2,905,449
Receivables			
Utility bills	162,158	312,730	474,888
Special assessments	-	34,267	34,267
Due from other units of government	4,312	6,311	10,623
Total current assets	1,339,841	2,085,386	3,425,227
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	194,969	-	194,969
Special assessments	-	232,655	232,655
Capital assets, net of accumulated depreciation	1,052,202	2,935,370	3,987,572
Total noncurrent assets	1,247,171	3,168,025	4,415,196
Total assets	2,587,012	5,253,411	7,840,423
Liabilities			
Current liabilities			
Accounts payable	51,178	55,469	106,647
Payroll and other liabilities	400	400	800
Interest payable	8,227	8,227	16,454
Current portion of long-term liabilities	46,993	46,992	93,985
Total current liabilities	106,798	111,088	217,886
Noncurrent liabilities			
Long-term liabilities	728,380	728,381	1,456,761
Total liabilities	835,178	839,469	1,674,647
Net position			
Net investment in capital assets	276,829	2,159,997	2,436,826
Restricted for			
Capital projects	194,969	-	194,969
Unrestricted	1,280,036	2,253,945	3,533,981
Total net position	$ 1,751,834	$ 4,413,942	$ 6,165,776

See Accompanying Notes to the Financial Statements

Augusta Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended March 31, 2026

	Sewer	Water	Total
Operating revenue			
Customer fees	$ 829,397	$ 1,512,673	$ 2,342,070
Connection fees	-	7,500	7,500
Other revenue	11,743	98,023	109,766
Total operating revenue	841,140	1,618,196	2,459,336
Operating expenses			
Personnel services	10,461	11,022	21,483
Supplies	3,455	11,847	15,302
Contractual services	103,223	206,844	310,067
Utilities	24,087	10,465	34,552
Sewage treatment	326,798	-	326,798
Water	-	846,828	846,828
Repairs and maintenance	35,680	38,124	73,804
Other expenses	30,240	1,920	32,160
Depreciation	30,959	244,529	275,488
Total operating expenses	564,903	1,371,579	1,936,482
Operating income (loss)	276,237	246,617	522,854
Nonoperating revenue (expenses)			
Special assessments	-	16,553	16,553
Investment income	32,992	43,918	76,910
Interest expense	(17,940)	(17,940)	(35,880)
Total nonoperating revenues (expenses)	15,052	42,531	57,583
Income (loss) before transfers out	291,289	289,148	580,437
Transfers out	-	(30,000)	(30,000)
Change in net position	291,289	259,148	550,437
Net position - beginning of year	1,460,545	4,154,794	5,615,339
Net position - end of year	$ 1,751,834	$ 4,413,942	$ 6,165,776

Augusta Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended March 31, 2026

	Sewer	Water	Total
Cash flows from operating activities			
Receipts from customers	$ 815,634	$ 1,578,210	$ 2,393,844
Payments to suppliers	(505,528)	(1,130,334)	(1,635,862)
Payments to employees	(10,461)	(11,022)	(21,483)
Net cash provided (used) by operating activities	299,645	436,854	736,499
Cash flows from capital and related financing activities			
Proceeds from special assessments	-	50,406	50,406
Principal and interest paid on long-term debt	(63,879)	(63,877)	(127,756)
Net cash provided (used) by capital and related financing activities	(63,879)	(13,471)	(77,350)
Cash flows from investing activities			
Interest received	31,000	41,926	72,926
Net change in cash and cash equivalents	266,766	435,309	702,075
Cash and cash equivalents - beginning of year	1,101,574	1,296,769	2,398,343
Cash and cash equivalents - end of year	$ 1,368,340	$ 1,732,078	$ 3,100,418
Reconciliation to statement of net position			
Cash and cash equivalents	$ 1,173,371	$ 1,732,078	$ 2,905,449
Restricted cash and cash equivalents	194,969	-	194,969
Cash and cash equivalents - end of year	$ 1,368,340	$ 1,732,078	$ 3,100,418
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ 276,237	$ 246,617	$ 522,854
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization expense	30,959	244,529	275,488
Changes in assets and liabilities			
Receivables (net)	(22,622)	(38,951)	(61,573)
Due from other units of government	(2,884)	(1,035)	(3,919)
Accounts payable	17,808	(14,453)	3,355
Accrued and other liabilities	147	147	294
Net cash provided (used) by operating activities	$ 299,645	$ 436,854	$ 736,499

Augusta Charter Township
Fiduciary Funds
Statement of Fiduciary Net Position
March 31, 2026

	Custodial Fund
Assets	
Total assets	$ -
Liabilities	
Total liabilities	-
Total net position	$ -

Augusta Charter Township

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended March 31, 2026

	Custodial Fund
Additions	
Property tax collections for other governments	$ 11,757,746
Deductions	
Payments of property tax to other governments	11,757,746
Change in net position	-
Net position - beginning of year	-
Net position - end of year	$ -

See Accompanying Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Augusta Charter Township (the Township) is governed by a Board of Trustees. The accompanying financial statements present the 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 segments 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 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 enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary fund financial statements. Revenues are 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 revenues 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 Township 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

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

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

The General Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs.

The Utilities Capital Improvement Fund accounts for the funding of capital improvements for the water and sewer system.

The Township reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection system.

The Water Fund accounts for the activities of the water distribution system.

Additionally, the Township reports the following:

The nonmajor special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The nonmajor capital projects funds account for resources that are restricted, committed, or assigned to expenditures for the capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Custodial Fund accounts for property tax and other deposits collected on behalf of other units and individuals.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 revenues of the Sewer and Water Funds are charges to customers for sales and services. The Township also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Sewer and Water 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 nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Fund Balance
Cash and cash equivalents - are considered to be 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 based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

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 and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The Township considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

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.

The 2025 taxable valuation of the government totaled $341,083,631 (ad valorem only). The Township has the following tax levies:

Purpose	Milage rate	Revenue
Operational	0.8014	$ 268,514
Fire Department	1.9896	666,649
Farm Preservation	0.0982	32,891
Fire Station	0.2932	106,173

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Township follows the consumption method, and they therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Restricted assets – The Township has restricted cash and cash equivalents in the Sewer Fund for use on capital projects.

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 two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the Township values these capital assets at the estimated acquisition value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	15 to 50 years
Computers and software	3 to 5 years
Office and equipment	5 to 20 years
Fire vehicles and equipment	5 to 10 years
Water system	40 years
Water equipment	7 to 20 years
Sewer system	40 years
Sewer equipment	7 to 40 years

Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the Township that applies to future periods. The Township may report deferred outflows of resources as a result of the following:

- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

Unearned Revenue - The Township reports unearned revenues in connection with assets received that are not considered to have not been earned.

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuances 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 – A deferred inflow of resources represents an acquisition of net assets by the Township that applies to future periods. The Township may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.
Committed – amounts constrained on use imposed by the government's highest level of decision-making, its Board of Trustees. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Trustees.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Trustees. The Board of Trustees has granted the Township Supervisor the authority to assign funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Township's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

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.

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, deferred outflows, liabilities, deferred inflows 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.

Adoption of New Accounting Standards

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending March 31, 2027.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending March 31, 2027.

Statement No. 105, *Subsequent Events*, establishes accounting and financial reporting standards for events or transactions that occur after the measurement date of the financial statements but before the date the financial statements are available to be issued. This Statement distinguishes between events that provide additional evidence about conditions that existed at the date of the financial statements and events that provide evidence about conditions that did not exist at that date. Events that provide additional evidence about conditions existing at the financial statement date are recognized in the financial statements, whereas events that provide evidence about conditions arising after the financial statement date are not recognized but should be disclosed if they are essential for users' understanding of the financial statements. This Statement also clarifies the definition of the date the financial statements are available to be issued for disclosure purposes. This Statement is effective for the year ending March 31, 2028.

The Township is evaluating the impact that the above GASB statements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 2 of 1968, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end.

Prior to March 31, the Township Supervisor submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following April 1. Public hearings are held to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to March 31.

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.

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

Note 3 - Deposits and Investments

At year end the Township's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Governmental activities	$ 5,984,810	$ -	$ 5,984,810
Business-type activities	2,905,449	194,969	3,100,418
Total	$ 8,890,259	$ 194,969	$ 9,085,228

The breakdown between deposits and investments is as follows:

	Primary Government
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	$ 3,474,439
Investments in securities, mutual funds and similar vehicles	5,610,444
Petty cash and cash on hand	345
	$ 9,085,228

Interest rate risk –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.

Credit risk – State statutes and the Township's investment policy authorize the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Board of Trustees, in accordance with Public Act 196 of 1997, is in accordance with statutory authority. The Township's policy 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.

Concentration of credit risk – 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.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of year end, $3,329,245 was exposed to custodial credit risk because it was uninsured and uncollateralized.

As of year end, the Township had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
MBIA Michigan CLASS	$ 5,610,444	48 days	AAAm	Standard & Poor's

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. 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 GASB Statement No. 72. The fund does not require notification of redemptions.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a policy for custodial credit risk related to investments.

Note 4 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 253,310	$ -	$ -	$ 253,310
Construction-in-progress	55,142	-	55,142	-
Total capital assets not being depreciated	308,452	-	55,142	253,310
Capital assets being depreciated				
Buildings, additions and improvements	3,017,719	5,500	-	3,023,219
Office furniture and equipment	31,163	8,973	-	40,136
Computers and software	65,429	-	-	65,429
Vehicles	1,344,584	-	-	1,344,584
Fire equipment	544,013	29,680	-	573,693
Total capital assets being depreciated	5,002,908	44,153	-	5,047,061
Less accumulated depreciation for				
Buildings, additions and improvements	351,187	63,912	-	415,099
Office furniture and equipment	14,259	4,374	-	18,633
Computers and software	60,866	1,141	-	62,007
Vehicles	1,307,232	4,738	-	1,311,970
Fire equipment	457,596	17,952	-	475,548
Total accumulated depreciation	2,191,140	92,117	-	2,283,257
Net capital assets being depreciated	2,811,768	(47,964)	-	2,763,804
Governmental activities net capital assets	$ 3,120,220	$ (47,964)	$ 55,142	$ 3,017,114

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets being depreciated				
Sewer system	$ 2,540,132	$ -	$ -	$ 2,540,132
Water system	9,299,355	-	-	9,299,355
Sewer equipment	117,002	-	-	117,002
Water meters and equipment	822,358	-	-	822,358
Total capital assets being depreciated	12,778,847	-	-	12,778,847
Less accumulated depreciation for				
Sewer system	1,475,898	29,745	-	1,505,643
Water system	6,743,413	202,308	-	6,945,721
Sewer equipment	98,075	1,214	-	99,289
Water meters and equipment	198,401	42,221	-	240,622
Total accumulated depreciation	8,515,787	275,488	-	8,791,275
Net capital assets being depreciated	4,263,060	(275,488)	-	3,987,572
Business-type capital assets, net	$ 4,263,060	$ (275,488)	$ -	$ 3,987,572

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

Governmental activities	
General government	$ 12,683
Public safety	79,434
Total governmental activities	92,117
Business-type activities	
Sewer Fund	30,959
Water Fund	244,529
Total business-type activities	275,488
Total primary government	$ 367,605

Note 5 - Interfund Receivables, Payables, and Transfers

The details for interfund transfers are as follows:

Transfers In	Transfers Out			
	General Fund	Fire Fund	Water Fund	Total
Utilities Capital Improvement Fund	$ -	$ -	$ 30,000	$ 30,000
Nonmajor governmental funds	650,000	322,868	-	972,868
	$ 650,000	$ 322,868	$ 30,000	$ 1,002,868

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Note 6 - Long-Term Debt

The Township issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. These bonds are issued as series and term bonds with varying amounts of principal matured each year.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
2019 Capital Improvement Bonds	$ 1,525,000	5/1/2026	5.000%	$260,000	$ 510,000	$ -	$ 250,000	$ 260,000	$ 260,000
Premiums and discounts									
For issuance premiums					61,562	-	30,177	31,385	31,385
Total governmental activities					$ 571,562	$ -	$ 280,177	$ 291,385	$ 291,385

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Bonds and notes payable									
General obligation bonds									
2019 Capital Improvement Bonds	$ 1,975,000	5/1/2039	2.125%-5.000%	$90,000 - $125,000	$ 1,575,000	$ -	$ 90,000	$ 1,485,000	$ 90,000
Less premiums and discounts									
For issuance premiums					69,730	-	3,984	65,746	3,985
Total business-type activities					$ 1,644,730	$ -	$ 93,984	$ 1,550,746	$ 93,985

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending March 31,	Governmental Activities Bonds Principal	Governmental Activities Bonds Interest
2027	$ 260,000	$ 6,500

Year Ending March 31,	Business-type Activities Bonds Principal	Business-type Activities Bonds Interest
2027	$ 90,000	$ 37,238
2028	95,000	33,563
2029	95,000	30,713
2030	100,000	27,788
2031	105,000	25,173
2032-2036	530,000	91,027
2037-2041	470,000	24,864
	$ 1,485,000	$ 270,366

Note 7 - Restricted Assets

As of March 31, 2026, the Township had restricted cash in the Sewer Fund in the amount of $194,969 for use on capital projects.

Note 8 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities
Capital assets		
Capital assets not being depreciated	$ 253,310	$ -
Capital assets, net of accumulated depreciation	2,763,804	3,987,572
Total capital assets	3,017,114	3,987,572
Related debt		
General obligation bonds	(260,000)	(1,485,000)
Contracts payable - retainer	(5,000)	-
Unamortized bond premiums	(31,385)	(65,746)
Total related debt	(296,385)	(1,550,746)
Net investment in capital assets	$ 2,720,729	$ 2,436,826

Note 9 - Retirement Plan

The Augusta Charter Township Pension Plan is a defined contribution plan administered by the Principal Financial Group under authority of Internal Revenue Code Section 401(a). The Township makes monthly contributions of 15% of the 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 $82,204 for the year ended March 31, 2026.

Note 10 - Risk Management

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

Augusta Charter Township
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2026

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes				
Property taxes	$ 264,062	$ 264,062	$ 272,700	$ 8,638
Penalties and interest	1,500	1,500	1,414	(86)
Administration fee	124,000	124,000	131,781	7,781
Licenses and permits	77,050	77,050	70,693	(6,357)
State-shared revenue	765,842	765,842	770,092	4,250
State grants	200	150,200	230,697	80,497
Charges for services	-	-	21	21
Investment income	75,000	75,000	63,708	(11,292)
Other revenue	2,900	5,900	20,440	14,540
Total revenues	1,310,554	1,463,554	1,561,546	97,992
Expenditures				
General government				
Governing body	305,374	321,010	287,024	(33,986)
Administrator, manager, or supervisor	92,699	92,699	92,478	(221)
Clerk	101,716	101,716	99,526	(2,190)
Board of review	678	678	1,409	731
Treasurer	93,585	93,585	83,928	(9,657)
Assessor/equalization department	66,985	70,485	70,529	44
Elections	42,882	52,882	40,533	(12,349)
Building and grounds	34,100	91,800	51,205	(40,595)
Total general government	738,019	824,855	726,632	(98,223)
Public works				
Drains-public benefit	90,000	240,000	71,994	(168,006)
Roads, streets, bridges (not Act 51)	300,000	300,000	207,873	(92,127)
Street lighting	16,000	16,000	16,592	592
Cemetery	13,000	33,000	26,888	(6,112)
Total public works	419,000	589,000	323,347	(265,653)
Community and economic development				
Planning	19,440	30,040	22,825	(7,215)
Zoning	147,556	143,556	117,033	(26,523)
Total community and economic development	166,996	173,596	139,858	(33,738)
Recreation and culture				
Parks and events	2,500	2,500	1,045	(1,455)
Total expenditures	1,326,515	1,589,951	1,190,882	(399,069)
Excess (deficiency) of revenues over expenditures	(15,961)	(126,397)	370,664	497,061

Augusta Charter Township
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2026

	Budgeted Amounts			Actual Over (Under) Final
	Original	Final	Actual	Budget
Other financing sources (uses)				
Transfers out	$ (650,000)	$ (650,000)	$ (650,000)	$ -
Net change in fund balance	(665,961)	(776,397)	(279,336)	497,061
Fund balance - beginning of year	2,080,884	2,080,884	2,080,884	-
Fund balance - end of year	$ 1,414,923	$ 1,304,487	$ 1,801,548	$ 497,061

See Accompanying Notes to Required Supplementary Information

Augusta Charter Township
Required Supplementary Information
Budgetary Comparison Schedule
Fire Fund
For the Year Ended March 31, 2026

	Budgeted Amounts			Actual Over (Under) Final
	Original	Final	Actual	Budget
Revenues				
Taxes	$ 652,162	$ 652,162	$ 666,731	$ 14,569
State grants	-	-	14,622	14,622
Local contributions	-	-	750	750
Charges for services	-	-	2,037	2,037
Investment income	-	-	28,495	28,495
Other revenue	30,000	30,000	-	(30,000)
Total revenues	682,162	682,162	712,635	30,473
Expenditures				
Current				
Public safety	589,854	589,854	472,286	(117,568)
Excess of revenues (deficiency) over expenditures	92,308	83,308	210,669	127,361
Other financing sources (uses)				
Transfers out	(89,309)	(322,868)	(322,868)	-
Net change in fund balance	2,999	(239,560)	(112,199)	127,361
Fund balance - beginning of year	1,250,571	1,250,571	1,250,571	-
Fund balance - end of year	$ 1,253,570	$ 1,011,011	$ 1,138,372	$ 127,361

Augusta Charter Township
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2026

	Special Revenue Funds		Capital Projects Funds			
	Street Lighting	Farmland Preservation Fund	Fire Department Building Fund	Fire Replacement Equipment Fund	Township Improvement Fund	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	$ 1,626	$ 235,415	$ 62,248	$ 645,910	$ 709,631	$ 1,654,830
Receivables						
Special assessments	47	-	-	-	-	47
Due from other units of government	-	1,208	-	-	-	1,208
Total assets	$ 1,673	$ 236,623	$ 62,248	$ 645,910	$ 709,631	$ 1,656,085
Liabilities						
Accounts payable	$ 283	$ -	$ -	$ -	$ -	$ 283
Contracts payable - retainage	-	-	5,000	-	-	5,000
Total liabilities	283	-	5,000	-	-	5,283
Deferred inflows of resources						
Unavailable revenue - taxes	-	1,208	-	-	-	1,208
Fund balances						
Restricted for						
Street lighting	1,390	-	-	-	-	1,390
Farmland preservation	-	235,415	-	-	-	235,415
Fire department building	-	-	57,248	-	-	57,248
Assigned	-	-	-	645,910	709,631	1,355,541
Total fund balances	1,390	235,415	57,248	645,910	709,631	1,649,594
Total liabilities, deferred inflows of resources, and fund balances	$ 1,673	$ 236,623	$ 62,248	$ 645,910	$ 709,631	$ 1,656,085

Augusta Charter Township
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2026

	Special Revenue Funds		Capital Projects Funds			
	Street Lighting	Farmland Preservation Fund	Fire Department Building Fund	Fire Replacement Equipment Fund	Township Improvement Fund	Total Nonmajor Governmental Funds
Revenues						
Taxes	$ 3,354	$ 32,895	$ -	$ -	$ -	$ 36,249
State grants	-	37	-	-	-	37
Investment income	9	7,752	852	14,666	27,846	51,125
Total revenues	3,363	40,684	852	14,666	27,846	87,411
Expenditures						
Current						
General government	-	696	1,364	-	-	2,060
Public works	3,191	-	-	-	-	3,191
Total expenditures	3,191	696	1,364	-	-	5,251
Excess (deficiency) of revenues over expenditures	172	39,988	(512)	14,666	27,846	82,160
Other financing sources (uses)						
Transfers in	-	-	-	322,868	650,000	972,868
Net change in fund balances	172	39,988	(512)	337,534	677,846	1,055,028
Fund balances - beginning of year	1,218	195,427	57,760	308,376	31,785	594,566
Fund balances - end of year	$ 1,390	$ 235,415	$ 57,248	$ 645,910	$ 709,631	$ 1,649,594

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

Management and the Board of Trustees
Augusta Charter Township
Whittaker, MI

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Augusta Charter Township, as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise Augusta Charter Township's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Augusta Charter Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Augusta Charter Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Augusta Charter Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Augusta Charter Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Ann Arbor, MI
June 26, 2026