



BANKS TOWNSHIP, ANTRIM COUNTY

ELLSWORTH, MICHIGAN

MARCH 31, 2025

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Township Board
Banks Township
Antrim County
Ellsworth, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Banks Township, Antrim County, Ellsworth, Michigan as of and for the year ended March 31, 2025, 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, each major fund, and the aggregate remaining fund information of the Banks Township, as of March 31, 2025, and the respective changes in financial position, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Banks 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 Banks 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 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 judgement 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 judgement 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 Banks 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Banks 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 on pages 4-10 and 30-31 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2025, on our consideration of Banks Township, Michigan'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 Banks Township, Michigan'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 Banks Township, Michigan's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters "UHY" in a large, stylized, cursive font, with "LLP" in a smaller, sans-serif font to the right.

Cadillac, Michigan
July 21, 2025

BANKS TOWNSHIP, ANTRIM COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

As management of Banks Township ("the 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, 2025. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole, which can be found in this report.

Financial Highlights

- ❖ The assets of the Township exceeded its liabilities at the close of this fiscal year by \$2,724,399 (shown as *net position*). Of this amount, \$504,526 (*unrestricted net position*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- ❖ The Township's net position increased by \$110,007 during the fiscal year.
- ❖ As of March 31, 2025, the governmental funds of Banks Township reported combined ending fund balances of \$1,017,848.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components. 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional details to support 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 financial information on all of the Township's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 Township's net position changed during the most recent fiscal year. 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 for some items that will only result in cash flows in future periods.

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 significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. The Township does not have any business-type activities.

The government-wide financial statements can be found on pages 11-12 of this report.

BANKS TOWNSHIP, ANTRIM COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

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. Banks 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 two categories: governmental funds and fiduciary 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 end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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 Township maintains five individual governmental funds. 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, Municipal Street Fund, Fire Fund, Liquor Law Enforcement Fund, and Vehicle Replacement Fund, which are considered to be major funds.

The Township adopts an annual budget for the general fund and all major special revenue funds. A budgetary comparison has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The Township maintains one type of fiduciary fund. The Custodial Fund reports resources held by the Township in a custodial capacity for other governments.

The fiduciary fund financial statements can be found on pages 17-18 of this report.

Notes to Financial Statements The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 19-29 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information* (RSI) that explains and supports the information presented in the financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

Government-Wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of Banks Township, assets exceeded liabilities by \$2,724,399, at the close of the most recent fiscal year.

**Banks Township
Net Position as of March 31,**

	Governmental Activities	
	2025	2024
Assets		
Current Assets	\$ 1,083,990	\$ 884,317
Non Current Assets		
Capital Assets	3,515,122	3,383,753
Less: Accumulated Depreciation	(1,808,571)	(1,653,678)
Total Non Current Assets	1,706,551	1,730,075
Total Assets	2,790,541	2,614,392
Liabilities		
Current Liabilities	66,142	0
Net Position		
Net Investment in Capital Assets	1,706,551	1,730,075
Restricted for Specific Purposes	513,322	336,121
Unrestricted	504,526	548,196
Total Net Position	\$ 2,724,399	\$ 2,614,392

A portion of the Township's net position (\$1,706,551) reflects its net investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others), less any related outstanding debt that was used to acquire those assets. The Township uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

An additional portion of the Township's net position (\$513,322) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$504,526 is unrestricted, which may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all categories of net position.

BANKS TOWNSHIP, ANTRIM COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

Banks Township's overall net position increased by \$110,007 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for the governmental activities.

**Banks Township
Change in Net Position
for the Fiscal Year Ended March 31,**

	Governmental Activities	
	2025	2024
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 143,705	\$ 153,007
Operating Grants and Contributions	13,024	7,772
Capital Grants and Contributions	0	150,835
General Revenues		
Taxes	568,543	379,877
State Grants	133,748	138,272
Investment Earnings	14,576	20,760
Other	25,989	9,467
Total Revenues	899,585	859,990
<u>Expenses</u>		
General Government	300,407	251,188
Public Safety	248,464	183,886
Public Works	139,414	149,560
Health and Welfare	40,160	39,939
Community and Economic Development	43,093	38,069
Recreation and Culture	18,040	19,870
Total Expenses	789,578	682,512
Change in Net Position	110,007	177,478
<u>NET POSITION</u> - Beginning of Year	2,614,392	2,436,914
<u>NET POSITION</u> - End of Year	\$ 2,724,399	\$ 2,614,392

Governmental Activities

During the fiscal year ended March 31, 2025, the governmental activities accounted for an increase of \$110,007 in the Township's Net Position. The most significant part of the revenue for all governmental activities of Banks Township comes from property taxes. The Township levied a millage for street maintenance, fire protection, and the operating millage this fiscal year. The Township levied 0.9714 mill for operating purposes, 2.0000 mill for road maintenance, and 1.1000 mills for fire protection. State-shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation.

The Township's governmental activities expenses are dominated by General Government expenses that total \$300,407. Public Safety represented the next largest expense at \$248,464.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

Financial Analysis of the Governmental Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Township Board.

At March 31, 2025, the Township's governmental funds reported a fund balance of \$1,017,848, an increase of \$133,531 in comparison with the prior year. Of this amount, \$472,920 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) not in spendable form (\$28,644), 2) legally required to be maintained intact, 3) restricted for particular purposes (\$513,322), 4) committed for particular purposes (\$2,962), or 5) assigned for particular purposes.

General Fund – The General Fund is the main operating fund of the Township. The General Fund increased its fund balance in this fiscal year by \$23,545, bringing the balance to \$491,428, of which \$472,920 was unassigned and \$18,508 was nonspendable related to prepaid expenditures. The increase is due to an increase in tax revenue.

Municipal Street Fund – The Municipal Street Fund increased its fund balance in this fiscal year by \$263,877, bringing the balance to \$280,309. This balance is restricted and must be used for road improvements. The increase is due to the collection of taxes outweighing minimal expenditures.

The Township levied a road millage on the 2024 tax roll. This resulted in \$257,720 in tax related revenues during the current fiscal year.

Fire Fund – The Fire Fund decreased its fund balance in this fiscal year by \$91,697, bringing the balance to \$241,994, of which \$231,858 was restricted for fire protection, and \$10,136 was nonspendable related to prepaid expenditures. The decrease is due to the Township receiving less in tax revenues than was used on fire operation activities.

The Township levied a fire millage on the 2024 tax roll. This resulted in \$138,235 in tax related revenues during the current fiscal year.

Liquor Law Enforcement Fund – The Liquor Law Enforcement Fund increased its fund balance in this fiscal year by \$306, bringing the balance to \$1,155. This balance is restricted for liquor law enforcement. The increase is due to revenue received from the state and interest outweighing expenditures.

Vehicle Replacement Fund – The Vehicle Replacement Fund decreased its fund balance in this fiscal year by \$62,500, bringing the balance to \$2,962. This balance is committed for vehicle replacement. The reason for the decrease is due to vehicle improvements.

BANKS TOWNSHIP, ANTRIM COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

General Fund Budgetary Highlights

The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations:

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Total Revenues	\$ 434,938	\$ 468,329	\$ 472,002
Total Expenditures	\$ 453,673	\$ 470,989	\$ 448,457

The variances between original and final budget for both revenues and expenditures are due to the Township having a clearer picture of how the year shaped out. The largest variance between original and final budgeted revenue was an amendment to interest and rents. The largest variance between original and final budgeted expenditures was an amendment to other general government.

The final budget compared to actual results for revenues was different due to the Township receiving more than anticipated in taxes and state grants.

The final budget compared to actual results for expenditures was different due to the Township budgeting cautiously and being fiscally responsible when spending with the largest variance being in other general government.

Capital Assets

Capital Assets The Township's investment in capital assets for governmental activities as of March 31, 2025, amounted to \$1,706,551 net of accumulated depreciation.

Capital assets of the Township include any items purchased with a cost greater than \$10,000 individually and that have an expected useful life greater than one year. A summary of capital asset categories is illustrated below:

Banks Township			
Capital Assets as of March 31,			
	Governmental Activities		
	2025	2024	
Land	\$ 10,000	\$ 10,000	
Construction in Progress	6,419	0	
Buildings and Building Improvements	573,829	573,829	
Equipment and Vehicles	1,226,361	1,101,411	
Infrastructure	1,698,513	1,698,513	
	3,515,122	3,383,753	
Less: Accumulated Depreciation	(1,808,571)	(1,653,678)	
Net Capital Assets	\$ 1,706,551	\$ 1,730,075	

BANKS TOWNSHIP, ANTRIM COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED MARCH 31, 2025

Major capital asset events during the current fiscal year included:

- ❖ Air compressor totaling \$58,892.
- ❖ Heavy rescue vehicle truck improvements totaling \$66,058.
- ❖ Kitchen renovations costing \$6,419.

As of March 31, 2025, the Township has committed to spend \$233,464 on upcoming projects within the Township, including \$39,694 on kitchen renovations at the Township Hall and \$193,500 on road improvements.

Economic Condition and Outlook

The following economic factor currently affects the Township and was considered in developing the 2025/2026 budget:

- The Township continues to look for ways to improve the services it provides to its residents in a manner that is financially responsible.

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need any additional information, contact Banks Township at P.O. Box 68, Ellsworth, Michigan 49729.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

STATEMENT OF NET POSITION
MARCH 31, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	\$ 753,226
Investments	204,065
Receivables	
Taxes	45,752
Due from Other Governments	52,303
Prepaid Expenses	<u>28,644</u>
Total Current Assets	<u>1,083,990</u>
<u>CAPITAL ASSETS</u>	
Capital Assets Not Being Depreciated	16,419
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>1,690,132</u>
Net Capital Assets	<u>1,706,551</u>
TOTAL ASSETS	<u>2,790,541</u>
<u>LIABILITIES</u>	
Accounts Payable	64,255
Payroll Liabilities	<u>1,887</u>
TOTAL LIABILITIES	<u>66,142</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,706,551
Restricted for Road Improvements	280,309
Restricted for Fire Protection	231,858
Restricted for Liquor Law Enforcement	1,155
Unrestricted	<u>504,526</u>
TOTAL NET POSITION	<u><u>\$ 2,724,399</u></u>

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

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGE IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING	CAPITAL	
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES					
General Government	\$ 300,407	\$ 117,916	\$ 0	\$ 0	\$ (182,491)
Public Safety	248,464	21,614	770	0	(226,080)
Public Works	139,414	1,725	5,254	0	(132,435)
Health and Welfare	40,160	0	7,000	0	(33,160)
Community and Economic Development	43,093	2,450	0	0	(40,643)
Recreation and Culture	18,040	0	0	0	(18,040)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 789,578	\$ 143,705	\$ 13,024	\$ 0	(632,849)
<u>GENERAL REVENUES</u>					
Taxes					568,543
State Grants					133,748
Investment Earnings					14,576
Other					25,989
Total General Revenues					742,856
Change in Net Position					110,007
<u>NET POSITION - Beginning of Year</u>					2,614,392
<u>NET POSITION - End of Year</u>					\$ 2,724,399

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

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GOVERNMENTAL FUNDS

BALANCE SHEET
MARCH 31, 2025

	GENERAL FUND	MUNICIPAL STREET FUND	FIRE FUND	LIQUOR LAW ENFORCEMENT FUND	VEHICLE REPLACEMENT FUND	TOTALS
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 313,076	\$ 258,934	\$ 115,463	\$ 292	\$ 65,461	\$ 753,226
Investments	98,560	1	104,640	863	1	204,065
Taxes Receivable	12,623	21,374	11,755	0	0	45,752
Due from Other Governments	52,303	0	0	0	0	52,303
Prepaid Expenditures	18,508	0	10,136	0	0	28,644
TOTAL ASSETS	\$ 495,070	\$ 280,309	\$ 241,994	\$ 1,155	\$ 65,462	\$ 1,083,990
<u>LIABILITIES AND FUND BALANCE</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 1,755	\$ 0	\$ 0	\$ 0	\$ 62,500	\$ 64,255
Payroll Liabilities	1,887	0	0	0	0	1,887
TOTAL LIABILITIES	3,642	0	0	0	62,500	66,142
<u>FUND BALANCE</u>						
Nonspendable:						
Prepaid Expenditures	18,508	0	10,136	0	0	28,644
Restricted for:						
Road Improvements	0	280,309	0	0	0	280,309
Fire Protection	0	0	231,858	0	0	231,858
Liquor Law Enforcement	0	0	0	1,155	0	1,155
Committed for Vehicle Replacement	0	0	0	0	2,962	2,962
Unassigned	472,920	0	0	0	0	472,920
Total Fund Balance	491,428	280,309	241,994	1,155	2,962	1,017,848
TOTAL LIABILITIES AND FUND BALANCE	\$ 495,070	\$ 280,309	\$ 241,994	\$ 1,155	\$ 65,462	\$ 1,083,990

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

BANKS TOWNSHIP, ANTRIM COUNTY

ELLSWORTH, MICHIGAN

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

MARCH 31, 2025

Total Fund Balances for Governmental Funds	\$	1,017,848
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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 therefore are not reported in the funds.

Land	\$	10,000	
Construction in Progress		6,419	
Buildings and Building Improvements		573,829	
Equipment and Vehicles		1,226,361	
Infrastructure		1,698,513	
Accumulated Depreciation		(1,808,571)	1,706,551
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>2,724,399</u>
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The accompanying notes are an integral part of the financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED MARCH 31, 2025

	GENERAL FUND	MUNICIPAL STREET FUND	FIRE FUND	LIQUOR LAW ENFORCEMENT FUND	VEHICLE REPLACEMENT FUND	TOTALS
<u>REVENUES</u>						
Taxes	\$ 172,588	\$ 257,720	\$ 138,235	\$ 0	\$ 0	\$ 568,543
Licenses and Permits	2,450	0	0	0	0	2,450
State Grants	132,839	6,163	0	770	0	139,772
Charges for Services	5,043	0	18,596	0	0	23,639
Interest and Rents	126,593	0	5,553	46	0	132,192
Other	32,489	0	500	0	0	32,989
Total Revenues	472,002	263,883	162,884	816	0	899,585
<u>EXPENDITURES</u>						
General Government	291,925	0	0	0	0	291,925
Public Safety	0	0	254,581	510	62,500	317,591
Public Works	55,239	6	0	0	0	55,245
Health and Welfare	40,160	0	0	0	0	40,160
Community and Economic Development	43,093	0	0	0	0	43,093
Recreation and Culture	18,040	0	0	0	0	18,040
Total Expenditures	448,457	6	254,581	510	62,500	766,054
Excess (Deficiency) of Revenues Over Expenditures	23,545	263,877	(91,697)	306	(62,500)	133,531
<u>FUND BALANCE - Beginning of Year</u>	467,883	16,432	333,691	849	65,462	884,317
<u>FUND BALANCE - End of Year</u>	\$ 491,428	\$ 280,309	\$ 241,994	\$ 1,155	\$ 2,962	\$ 1,017,848

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

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2025

Net Change in Fund Balance - Total Governmental Funds	\$ 133,531
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Amounts reported for governmental activities are different because:

Governmental funds report capital outlay as expenditures in the Statement of Activities. These costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(154,893)
Capital Outlay	<u>131,369</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 110,007</u></u>
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The accompanying notes are an integral part of the financial statements.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

FIDUCIARY FUND

STATEMENT OF FIDUCIARY NET POSITION
MARCH 31, 2025

	<u>CUSTODIAL FUND</u>
	<u>TAX</u>
	<u>COLLECTION</u>
	<u>FUND</u>
<u>ASSETS</u>	
Cash	\$ 0
<u>LIABILITIES</u>	
Due to Other Governments	0
<u>NET POSITION</u>	<u>\$ 0</u>

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

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

FIDUCIARY FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED MARCH 31, 2025

	<u>CUSTODIAL FUND</u>
	<u>TAX</u>
	<u>COLLECTION</u>
	<u>FUND</u>
<u>ADDITIONS</u>	
Property Taxes Collected	\$ 4,249,206
Miscellaneous	6,669
	<hr/>
TOTAL ADDITIONS	4,255,875
	<hr/>
<u>DEDUCTIONS</u>	
Property Taxes Distributed	4,249,206
Miscellaneous	6,669
	<hr/>
TOTAL DEDUCTIONS	4,255,875
	<hr/>
Net Increase (Decrease) in Fiduciary Net Position	0
	<hr/>
<u>NET POSITION</u> - Beginning of Year	0
	<hr/>
<u>NET POSITION</u> - End of Year	\$ 0
	<hr/> <hr/>

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

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the *Statement of Net Position* and the Statement of Activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary governmental is financially accountable. Banks Township does not have any *business-type activities* or *component units*.

B. Reporting Entity

Banks Township is a general law township located in Antrim County which operates under the direction of an elected township board. Under the criteria established by accounting principles generally accepted in the United States of America, the Township has determined that there are no component units which should be included in its reporting entity.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Banks Township reports the following major governmental funds:

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.

The *Municipal Street Fund* accounts for revenue sources that are legally restricted to expenditures for road maintenance.

The *Fire Fund* accounts for revenue sources that are legally restricted to expenditures for fire protection.

The *Liquor Enforcement Fund* accounts for revenue sources that are legally restricted to expenditures for liquor law enforcement.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

The *Vehicle Replacement Fund* accounts for revenue sources that are committed to expenditures for the future purchases of emergency vehicles.

Additionally, the Township reports the following fiduciary fund:

The *Custodial Fund* accounts for property taxes collected by the Township on behalf of other governmental units as well as the township's General Fund, Municipal Street Fund, and Fire Fund.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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.

The 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, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The custodial fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgetary Information

1. Budgetary Basis of Accounting

- Prior to April 1, the Township Supervisor submits to the Township Board a proposed operating budget for all governmental funds for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- The Township Board holds a public hearing and adopts a resolution approving the budgets.
- All transfers of budget amounts between functions within the General Fund and any revisions that alter the total expenditures of any fund must be approved by the Township Board.
- Formal budgetary integration is employed as a management control device during the year for all governmental fund types.
- Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All appropriations lapse at year-end. Budgeted amounts are as originally adopted, or as amended by the Township Board from time to time throughout the year.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

2. Excess of Expenditures Over Appropriations

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>
General Fund		
General Government		
Township Board	\$ 14,230	\$ 16,117
Health and Welfare		
Rescue Department	38,512	40,160
Recreation & Culture		
Recreation and Parks	10,475	10,540
Fire Fund		
Public Safety		
Fire Department	249,865	254,581

These overages were covered by available fund balance.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash and Cash Equivalents*

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The government considers all highly liquid investments (including certificates of deposit) to be cash equivalents.

2. *Investments*

The investment policy adopted by the Township states that the treasurer may invest in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank but only if the bank, savings and loan association, or credit union meets all criteria as a depository of public funds contained in state law. Some investments authorized by state law are shown as cash on the financial statements.

3. *Inventories and Prepaid Items*

Inventories are not significant and are expensed as acquired.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are measured at acquisition 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>ASSETS</u>	<u>YEARS</u>
Land Improvements	20
Building	20-50
Building Improvements	20-30
Public Domain Infrastructure	20-50
Vehicles	10
Equipment	5-20

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

5. *Unearned Revenue*

Unearned revenue arises when resources are received by the Township before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The Township does not have any unearned revenue.

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township does not have any deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township does not have any deferred inflows of resources.

7. *Net Position Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. *Fund Balance Flow Assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

10. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenue 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes attach as an enforceable lien on the property as of the date they are levied. State education taxes and county taxes are levied and due July 1 and become delinquent after September 14. The remaining millages are levied and due December 1 and become delinquent after February 14. Collections of taxes and remittances of them are accounted for in the Current Tax Collection Fund. Township property tax revenues are recognized when they become both measurable and available for use to finance Township operations. Amounts which are not expected to be collected within sixty days are treated as deferred revenues.

The 2024 taxable valuation of Banks Township totaled \$129,299,037 on which ad valorem taxes levied consisted of 0.9714 mill for Banks Township operating purposes, 2.0000 mill for road maintenance, and 1.1000 mills for fire protection. The levy raised approximately \$126,000, for operating purposes, \$259,000 for road improvements, and \$138,000 for fire protection.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of Legal or Contractual Provisions

Note I.F.2, on the Excess of Expenditures Over Appropriations, describes a budgetary violation that occurred for the year ended March 31, 2025.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits with Financial Institutions

As of March 31, 2025, the Township had deposits and investments subject to the following:

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of March 31, 2025, the Township's bank balance was \$786,738 and \$435,749 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The balance of \$753,226 is reported as deposits on the financial statements as of March 31, 2025.

The deposits and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarizes the categorization of these amounts as of March 31, 2025:

	Primary Government
Cash and Cash Equivalents	\$ 753,226
Investments	204,065
	<u>\$ 957,291</u>

Interest rate risk. In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Township's cash requirements.

Investment Type	Fair Value	Weighted Average Maturity (Years)
Michigan CLASS	<u>\$ 204,065</u>	0.2241
Portfolio Weighted Average Maturity		<u>0.2241</u>
1 Day Maturity Equals 0.0027, One Year Equals 1.000		

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Standard & Poor's Rating
Michigan CLASS	<u>\$ 204,065</u>	AAAm

Concentration of credit risk. The Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign currency risk. The Township is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

Custodial credit risk –investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the Township's investment policy does not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the investments.

Fair Market Value Disclosure - The Township is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices from similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with evaluated bid price supplied by the pricing service and generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S. government agency securities, corporate securities, and commercial paper.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Investments that are measured at fair value using net asset per value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Investments at Net Assets Value (NAV)

Michigan CLASS	\$ 204,065
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The Government holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invest in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

At the year ended March 31, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

Investment Type	Fair Value	Unfunded Commitments	Frequency, if Eligible	Redemption Notice Period
Michigan CLASS	\$ 204,065	\$ 0	No Restrictions	None

B. Receivables

Receivables as of year-end for the government's individual major funds are as follows:

	General	Municipal Street	Fire	Total
Receivables				
Taxes	\$ 12,623	\$ 21,374	\$ 11,755	\$ 45,752
Intergovernmental	52,303	0	0	52,303
Total	\$ 64,926	\$ 21,374	\$ 11,755	\$ 98,055

Amounts in intergovernmental receivables include amounts due from state sources for various projects and programs. \$20,000 of the intergovernmental balance is from Jordan Valley EMS Authority.

By ordinance, the Township can place substantially all of its delinquent receivables on the tax rolls as a lien against real property. As a result, its uncollectible accounts are virtually nil.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

C. Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets not Being Depreciated				
Land	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Construction in Progress	0	6,419	0	6,419
Total Capital Assets not Being Depreciated	10,000	6,419	0	16,419
Capital Assets, Being Depreciated				
Buildings and Building Improvements	573,829	0	0	573,829
Equipment and Vehicles	1,101,411	124,950	0	1,226,361
Infrastructure	1,698,513	0	0	1,698,513
Total Capital Assets, Being Depreciated	3,373,753	124,950	0	3,498,703
Less accumulated depreciation for:				
Buildings and Building Improvements	322,016	18,975	0	340,991
Equipment and Vehicles	771,468	51,999	0	823,467
Infrastructure	560,194	83,919	0	644,113
Total accumulated depreciation	1,653,678	154,893	0	1,808,571
Total Capital Assets, Being Depreciated	1,720,075	(29,943)	0	1,690,132
Total Capital Assets, net	\$ 1,730,075	\$ (23,524)	\$ 0	\$ 1,706,551

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

Governmental Activities:

General Government	\$ 14,901
Public Safety	55,823
Public Works	84,169
	<u>\$ 154,893</u>

D. Interfund Receivables, Payables and Transfers

There were no individual fund interfund receivable and payable balances at March 31, 2025.

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

There were no individual fund transfers at March 31, 2025.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2025

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Leases

The Township has entered into an income lease agreement with American Tower, L.P., to lease 4,800 square feet of land on which a communications tower and antenna array was constructed. The lease was amended in 2018 to extend the term and to modify the lease. The minimum rental payments to be received commencing on December 17, 2018, is \$1,200 per month, this will increase annually by an amount equal to 4% of the then current rent. Additionally, 25% of any rents actually received by the tenant will also be paid to the Township.

IV. OTHER INFORMATION

A. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation).

The Township continues to carry commercial insurance for various risks of loss, including general liability, property and casualty, and accident insurance, and workers' disability compensation. The Township has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

B. Commitments and Contingencies

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required, and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the Township. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

As of March 31, 2025, the Township has committed to spending \$39,694 on kitchen renovations and \$193,500 on road improvements in the upcoming fiscal year.

C. Subsequent Events

After March 31, 2025, the Board of the Township has approved to spend approximately \$26,000 on road improvements on Toad Lake Road. No adjustments were made to the financial statements as of this subsequent event.

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED MARCH 31, 2025

	GENERAL FUND				MUNICIPAL STREET FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>REVENUES</u>								
Taxes	\$ 163,430	\$ 167,606	\$ 172,588	\$ 4,982	\$ 259,821	\$ 241,761	\$ 257,720	\$ 15,959
Licenses and Permits	4,001	3,525	2,450	(1,075)	0	0	0	0
State Grants	134,763	130,426	132,839	2,413	8,000	6,163	6,163	0
Charges for Services	13,744	27,264	5,043	(22,221)	0	0	0	0
Interest and Rents	112,000	130,314	126,593	(3,721)	0	0	0	0
Other Revenues	7,000	9,194	32,489	23,295	0	0	0	0
Total Revenues	434,938	468,329	472,002	3,673	267,821	247,924	263,883	15,959
<u>EXPENDITURES</u>								
General Government								
Township Board	13,600	14,230	16,117	1,887	0	0	0	0
Supervisor	25,000	25,240	25,240	0	0	0	0	0
Election	10,000	17,202	17,202	0	0	0	0	0
Attorney	8,000	7,819	7,819	0	0	0	0	0
Clerk	43,885	58,749	58,749	0	0	0	0	0
Assessor	27,300	35,304	35,304	0	0	0	0	0
Board of Review	1,400	1,316	1,316	0	0	0	0	0
Treasurer	40,585	37,346	37,346	0	0	0	0	0
Data Processing	1,000	990	990	0	0	0	0	0
Computer Hardware, Internet and Software	11,700	10,996	10,924	(72)	0	0	0	0
Building and Grounds	52,000	34,635	34,635	0	0	0	0	0
Other General Government	43,003	72,343	46,283	(26,060)	0	0	0	0
Public Safety								
Fire Department	0	0	0	0	0	0	0	0
Liquor Law Enforcement	0	0	0	0	0	0	0	0
Public Works								
Street Maintenance	300	0	0	0	100	6	6	0
Street Lighting	1,650	1,718	1,718	0	0	0	0	0
Cleanup Day	24,200	18,907	18,907	0	0	0	0	0
Cemetery	33,650	34,614	34,614	0	0	0	0	0
Health and Welfare								
Rescue Department	54,350	38,512	40,160	1,648	0	0	0	0
Community and Economic Development								
Planning and Zoning	41,250	43,093	43,093	0	0	0	0	0
Recreation and Culture								
Recreation and Parks	13,300	10,475	10,540	65	0	0	0	0
Library	7,500	7,500	7,500	0	0	0	0	0
Total Expenditures	453,673	470,989	448,457	(22,532)	100	6	6	0
Excess (Deficiency) of Revenues over Expenditures	(18,735)	(2,660)	23,545	26,205	267,721	247,918	263,877	15,959
<u>FUND BALANCE</u> - Beginning of Year	409,593	409,593	467,883	58,290	11,017	11,017	16,432	5,415
<u>FUND BALANCE</u> - End of Year	\$ 390,858	\$ 406,933	\$ 491,428	\$ 84,495	\$ 278,738	\$ 258,935	\$ 280,309	\$ 21,374

BANKS TOWNSHIP, ANTRIM COUNTY
ELLSWORTH, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2025

	FIRE FUND				LIQUOR LAW ENFORCEMENT FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>REVENUES</u>								
Taxes	\$ 142,902	\$ 131,885	\$ 138,235	\$ 6,350	\$ 0	\$ 0	\$ 0	\$ 0
Licenses and Permits	0	0	0	0	0	0	0	0
State Grants	0	0	0	0	770	770	770	0
Charges for Services	19,320	18,596	18,596	0	0	0	0	0
Interest and Rents	4,000	5,165	5,553	388	40	39	46	7
Other Revenues	0	20,500	500	(20,000)	0	0	0	0
Total Revenues	166,222	176,146	162,884	(13,262)	810	809	816	7
<u>EXPENDITURES</u>								
General Government								
Township Board	0	0	0	0	0	0	0	0
Supervisor	0	0	0	0	0	0	0	0
Election	0	0	0	0	0	0	0	0
Attorney	0	0	0	0	0	0	0	0
Clerk	0	0	0	0	0	0	0	0
Assessor	0	0	0	0	0	0	0	0
Board of Review	0	0	0	0	0	0	0	0
Treasurer	0	0	0	0	0	0	0	0
Data Processing	0	0	0	0	0	0	0	0
Computer Hardware, Internet and Software	0	0	0	0	0	0	0	0
Building and Grounds	0	0	0	0	0	0	0	0
Other General Government	0	0	0	0	0	0	0	0
Public Safety								
Fire Department	166,222	249,865	254,581	4,716	0	0	0	0
Liquor Law Enforcement	0	0	0	0	810	510	510	0
Public Works								
Street Maintenance	0	0	0	0	0	0	0	0
Street Lighting	0	0	0	0	0	0	0	0
Cleanup Day	0	0	0	0	0	0	0	0
Cemetery	0	0	0	0	0	0	0	0
Health and Welfare								
Rescue Department	0	0	0	0	0	0	0	0
Community and Economic Development								
Planning and Zoning	0	0	0	0	0	0	0	0
Recreation and Culture								
Recreation and Parks	0	0	0	0	0	0	0	0
Library	0	0	0	0	0	0	0	0
Total Expenditures	166,222	249,865	254,581	4,716	810	510	510	0
Excess (Deficiency) of Revenues over Expenditures	0	(73,719)	(91,697)	(17,978)	0	299	306	7
<u>FUND BALANCE</u> - Beginning of Year	293,435	293,435	333,691	40,256	849	849	849	0
<u>FUND BALANCE</u> - End of Year	\$ 293,435	\$ 219,716	\$ 241,994	\$ 22,278	\$ 849	\$ 1,148	\$ 1,155	\$ 7

