



PFEFFER • HANNIFORD • PALKA
Certified Public Accountants

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(810) 229-5550
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October 31, 2025

Board of Trustees
Marion Township
2877 West Coon Lake Road
Howell, Michigan 48843

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of Marion Township as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Marion Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of 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 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. We consider the following deficiency in Marion Township's internal control to be a material weakness:

Establish Control over the Financial Reporting Process:

Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with U.S. generally accepted accounting principles.

At times, management may choose to outsource certain accounting functions due to cost or training considerations. Such accounting functions and service providers must be governed by the control policies and procedures of the Township. Management is as responsible for

outsourced functions performed by a service provider as it would be if your personnel performed such functions. Specifically, management is responsible for management decisions and functions: for designating an individual with suitable skill, knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

As part of the audit, management requested us to prepare a draft of your financial statements, including the related notes to financial statements. Management reviewed, approved, and accepted responsibility for those financial statements prior to their issuance; however, management did not perform a detailed review of the financial statements. The absence of this control procedure is considered a material weakness because the potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the Township's internal control.

The existence of significant deficiencies or material weaknesses may already be known to management and may represent a conscious decision by management or those charged with governance to accept that degree of risk because of cost or other considerations. Management is responsible for making decisions concerning costs and the related benefits. We are responsible to communicate significant deficiencies and material weaknesses in accordance with professional standards regardless of management's decisions.

RESPONSE BY MANAGEMENT

Management believes the benefit of hiring additional personnel with qualified experience to draft the financial statements does not outweigh the costs. Management has decided to maintain the current practice of requesting the auditing firm to draft the financial statements. Management has read, reviewed, understands and takes full responsibility for the financial statements.

The following are other items we found during our audit fieldwork which we feel should be discussed with the Township Board. We do not consider these items to be material or significant deficiencies.

1. The City of Howell, who charges the township for sewage treatment, increased rates during the year by approximately 7%. The township did not pass the increase on to its customers. We suggest the Township consider a rate increase to its sewer customers whenever the city (provider) increase its rates.
2. The Township's purchasing policy has not been updated since 2010. We recommend the purchasing policy be amended to reflect economic reality.
3. Currently the Township contributes to Health Savings and Health Reimbursement accounts for employees who qualify for the benefit on an annual basis. We suggest the Township change the one-time per year contribution to quarterly contributions with the overall same amount. Under this method, if one of the qualified employees leaves the employment of the Township before the end of the year, he or she will not be able to take a whole year's worth of contributions.

Conclusion

We would like to thank the Marion Township officials and staff for their assistance and hospitality while conducting our audit fieldwork.

This communication is intended solely for the information and use of management, Township Board of Trustees, and others with the Township, and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

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October 31, 2025

Marion Township
Board of Trustees
2877 West Coon Lake Road
Howell, Michigan 48843

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of Marion Township for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 29, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marion Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024/2025. We noted no transactions entered into by Marion Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Township's major funds' and business type fund's financial statements were:

Depreciation

Management's estimate of the depreciation expense is based on estimated useful lives and salvage values of capital assets. We evaluated the methods, assumptions, and data used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Pension and OPEB – Net Pension and OPEB Liability (Asset)

Management's estimates for the various components of the defined benefit pension and OPEB plans, including the total pension and OPEB liability, net pension and OPEB liability, deferred inflow of resources and deferred outflow of resources, are based on experience studies performed by certified actuarial specialists. We have reviewed the estimates provided and summaries of the related experience studies used to develop the net pension liability and related components in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, *other than those that are clearly trivial, and communicate them to the appropriate level of management.* Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Marion Township's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements and individual fund statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Township and management of Marion Township and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

Marion Township

Audit Presentation

June 30, 2025

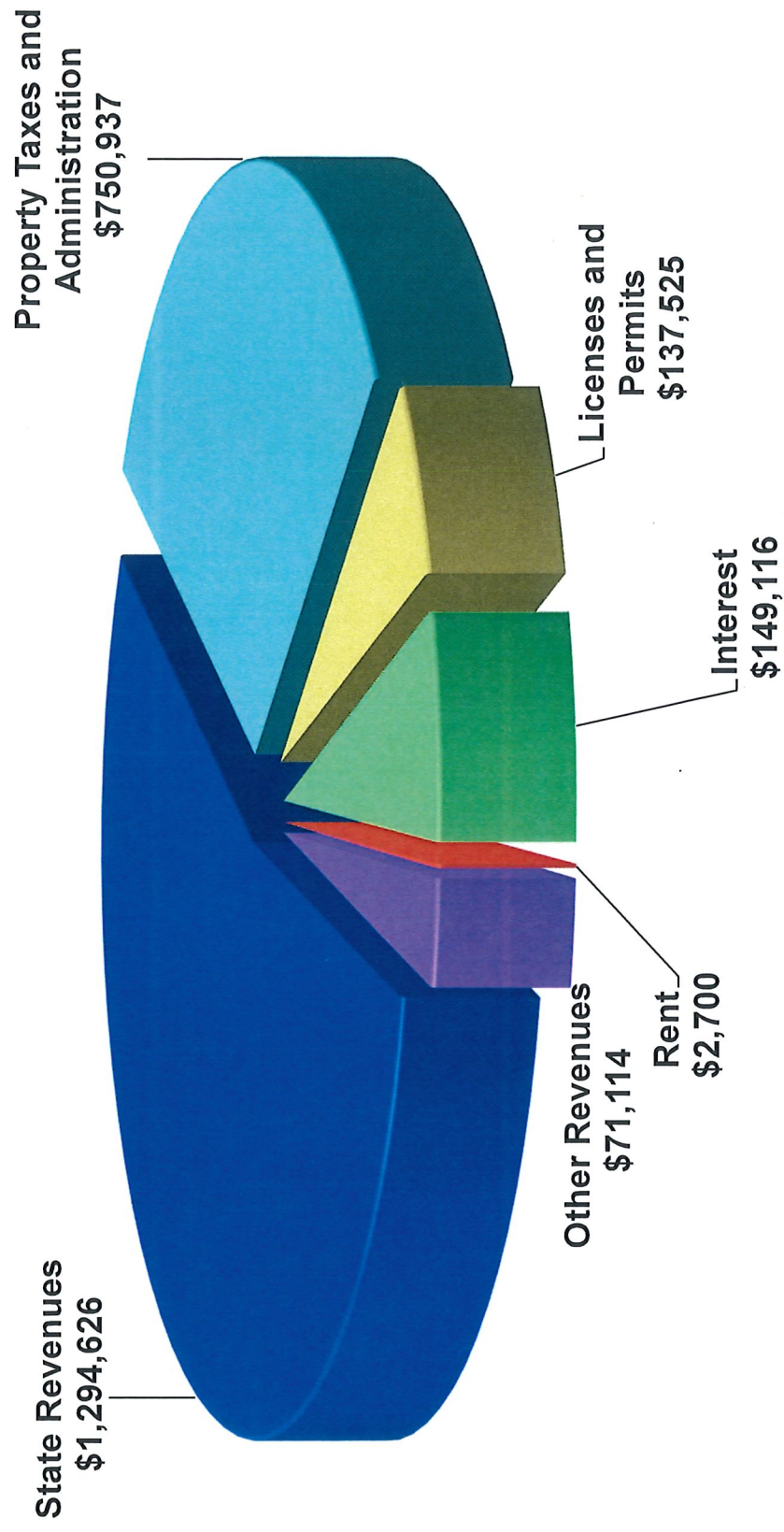


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BRIGHTON, MICHIGAN

Marion Township
General Fund Revenues (pre GASB 54 consolidation)
For the Year Ended June 30, 2025

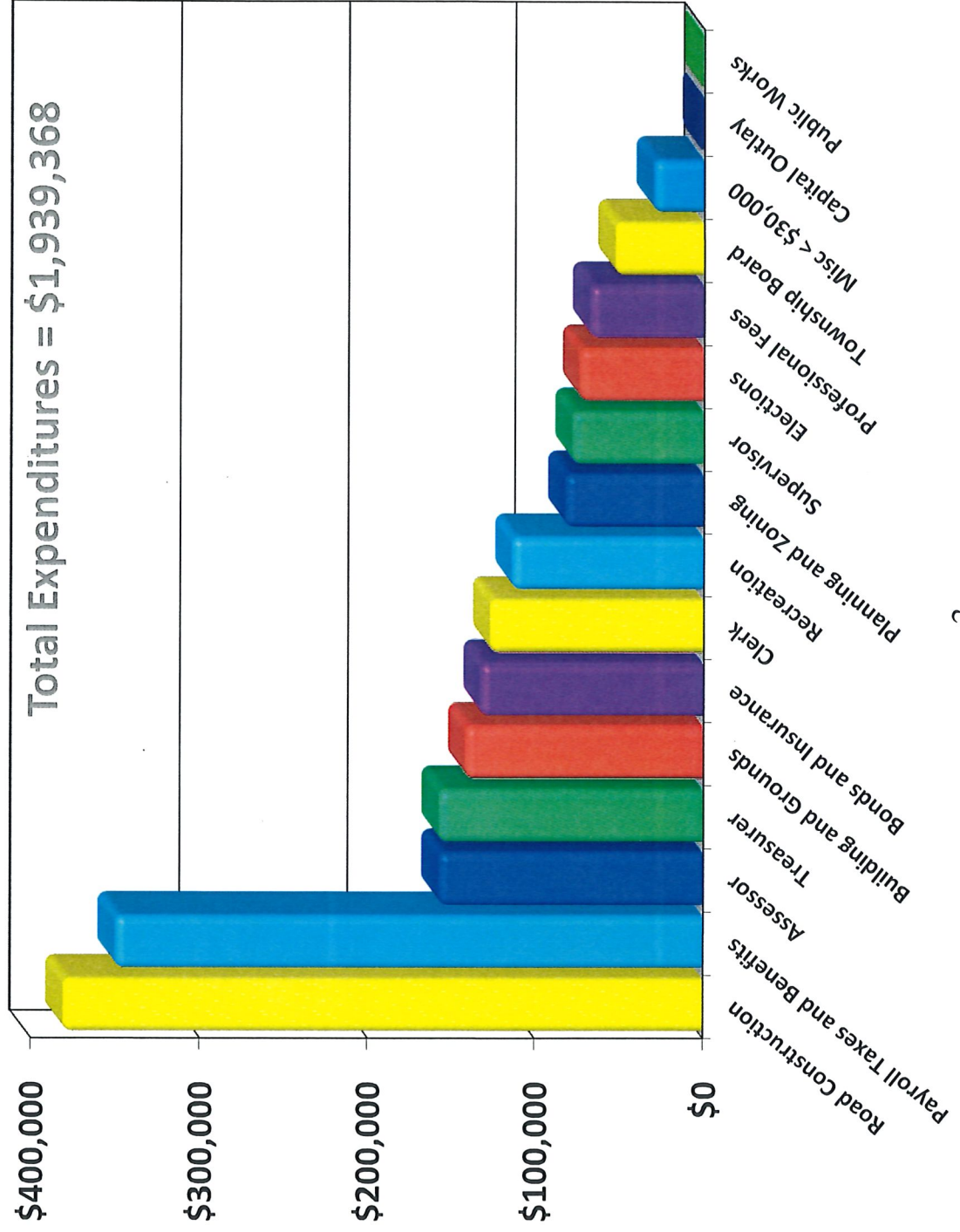
Total Revenues = \$2,406,018



Marion Township

General Fund Expenditures (pre GASB 54 consolidation)

For the Year Ended June 30, 2025

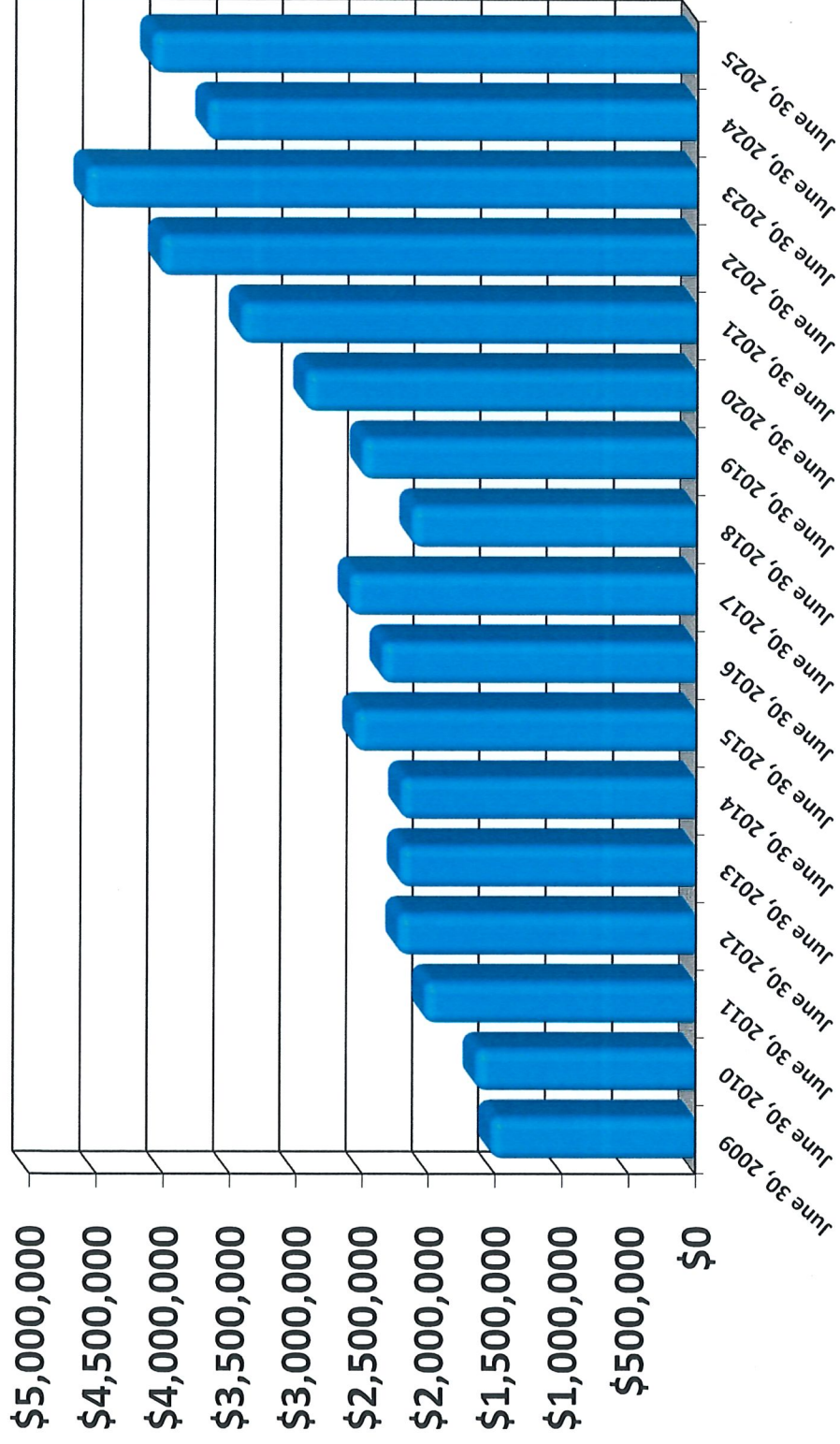


Marion Township

General Fund (pre GASB 54 consolidation)

Fund Balance Comparison

For the Years Ended June 30, 2009 - June 30, 2025

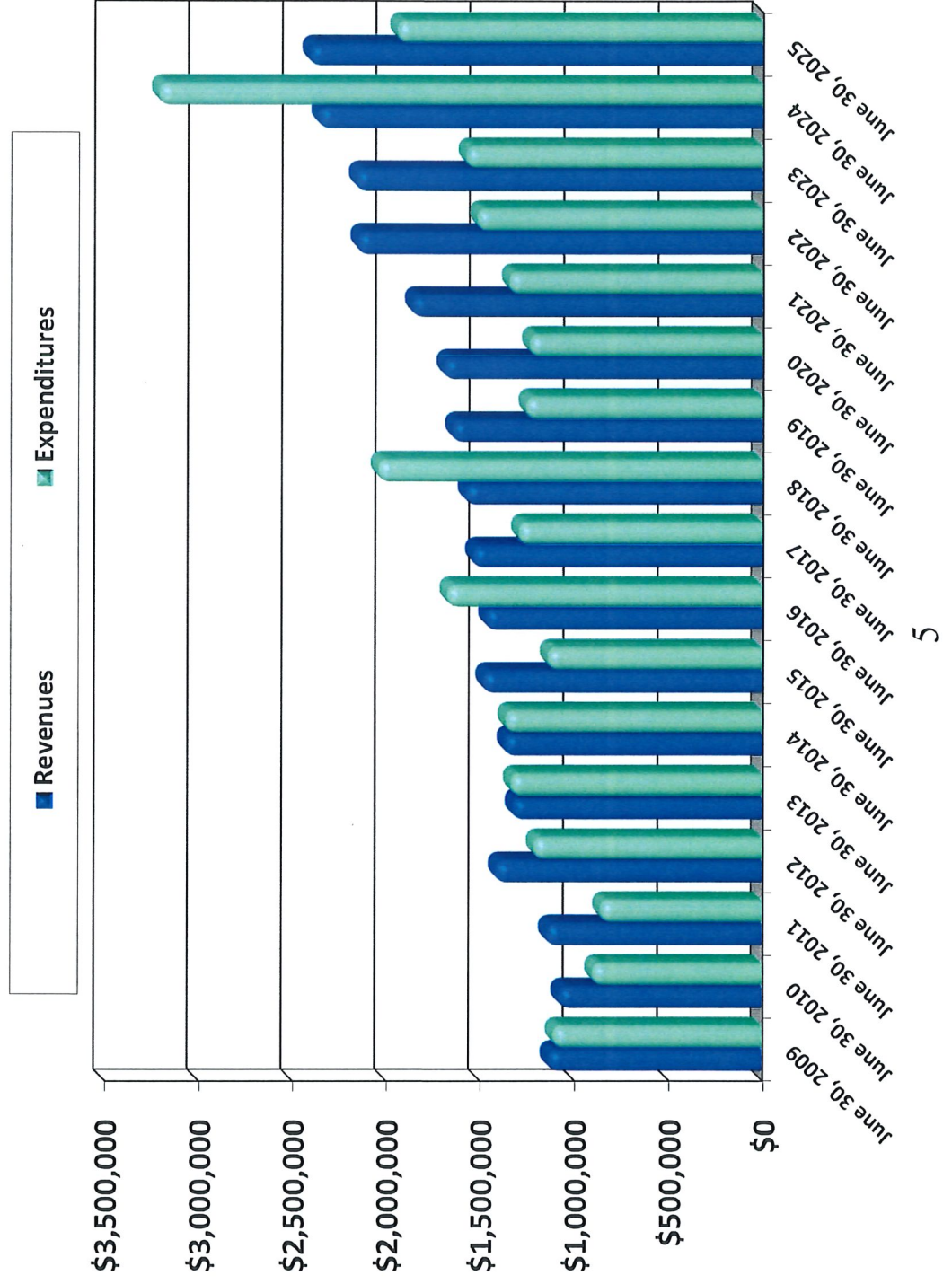


Marion Township

General Fund (pre GASB 54 consolidation)

Revenues and Expenditures

For the Years Ended June 30, 2009 - June 30, 2025

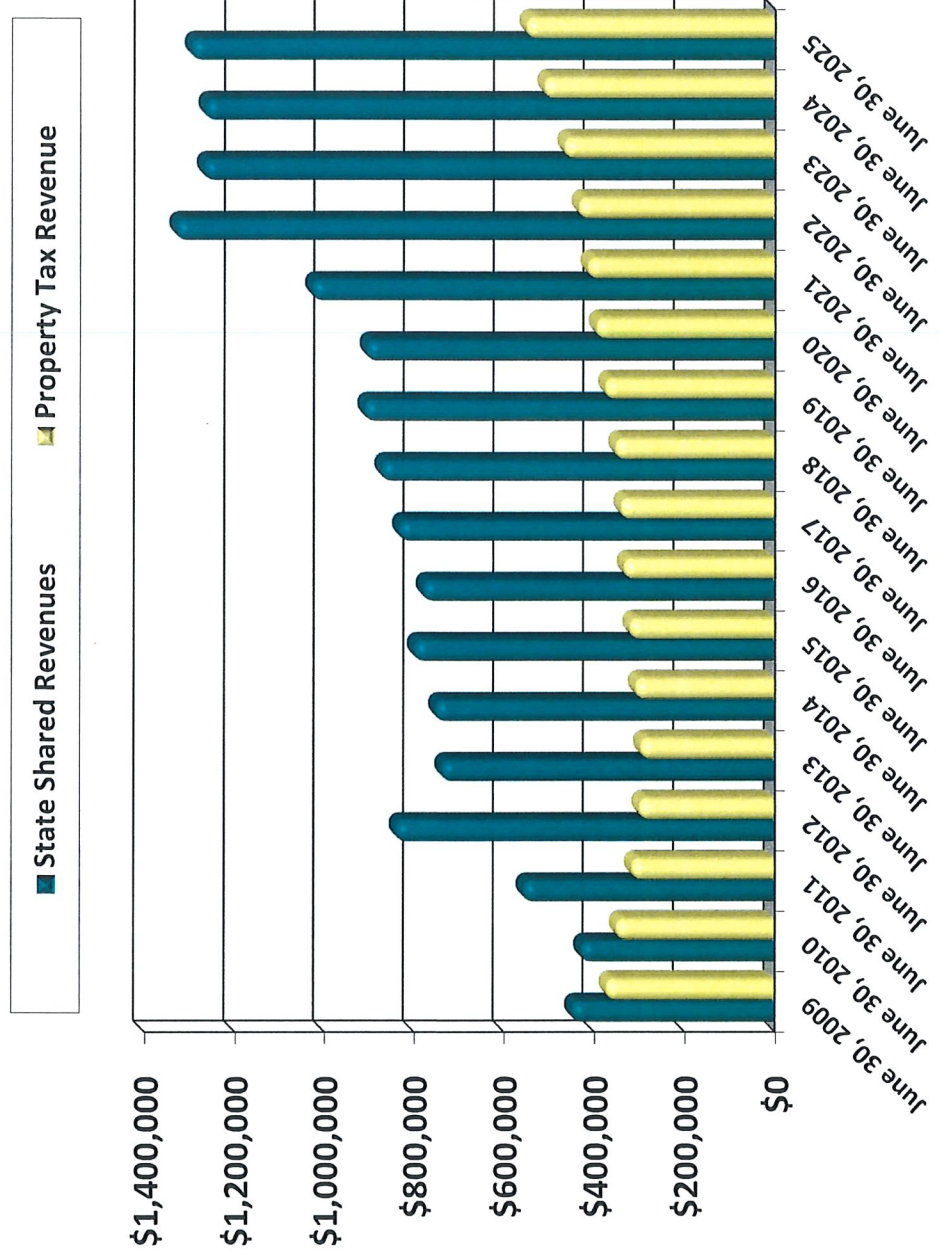


Marion Township

General Fund (pre GASB 54 consolidation)

State Shared Revenues and Property Tax Revenue Comparison

For the Years Ended June 30, 2009 - June 30, 2025



MARION TOWNSHIP

**Report on Financial Statements
(with required and other supplementary information)**

For the Year Ended June 30, 2025

DRAFT

MARION TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor – William Fenton
Clerk - Tammy Beal
Treasurer - Sandy Donovan

BOARD OF TRUSTEES

William Fenton
Tammy Beal
Sandy Donovan
Gregory Durbin
Daniel Lowe
Scott Lloyd
Les Andersen

TOWNSHIP ATTORNEYS

Gormley Law Offices, PLC

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

October 31, 2025

To the Board of Trustees
Marion Township
2877 West Coon Lake Road
Howell, Michigan 48843

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marion Township, Michigan, as of and for the year ended June 30, 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, based on our audit and the report of other auditors, the accompanying 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 Marion Township, Michigan, as of June 30, 2025, 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.

We did not audit the financial statements of the following joint ventures of which the Township's share of net position within the joint venture is reported within the governmental activities as an investment in joint venture. The following represents the investment in joint venture as percentages of the total assets and net position, and the change in investment in joint venture as a percentage of revenues, of the governmental activities as of June 30, 2025.

Investment in joint ventures as a percentage of assets and net position

	<u>MHOG Water Authority</u>	<u>Howell Area Parks and Recreation Authority</u>
As % of Total Governmental Assets	49%	0%
As % of Total Governmental Net Position	51%	0%

Change in investment in joint ventures as a percentage of revenues

7% 1%

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the joint ventures, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

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

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

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

Required Supplementary Information

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants
Brighton, MI

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

June 30, 2025

Within this section of Marion Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended June 30, 2025. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, 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 as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities, which reports how the Township's net position changed during the current fiscal year. The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include the sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net position.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was \$39,654,046 after a prior period adjustment of \$65,848, an increase of \$1,633,869 over last year's net position of \$38,020,177.

The following tables provide a summary of the Township's financial activities and changes in net position:

Summary of Net Position (Under GASB 34)

	Governmental Activities		Business-type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
ASSETS						
Current and other assets	\$ 20,015,512	\$ 19,255,433	\$ 6,724,962	\$ 6,230,548	\$ 26,740,474	\$ 25,485,981
Capital assets	3,386,798	2,897,349	12,935,786	13,758,076	16,322,584	16,655,425
Total assets	23,402,310	22,152,782	19,660,748	19,988,624	43,063,058	42,141,406
LIABILITIES						
Current liabilities	139,728	642,413	44,488	77,692	184,216	720,105
Long-term liabilities			2,994,686	3,158,609	2,994,686	3,158,609
Total liabilities	139,728	642,413	3,039,174	3,236,301	3,178,902	3,878,714
DEFERRED INFLOWS OF RESOURCES	230,110	242,515			230,110	242,515
NET POSITION						
Invested in capital assets	3,386,798	2,897,349	12,935,786	13,758,076	16,322,584	16,655,425
Restricted	422,358	343,758			422,358	343,758
Unrestricted	19,223,316	18,026,747	3,685,788	2,994,247	22,909,104	21,020,994
Total net position	\$ 23,032,472	\$ 21,267,854	\$ 16,621,574	\$ 16,752,323	\$ 39,654,046	\$ 38,020,177

**Summary of Changes in Net Position
(Under GASB 34)**

	Governmental Activities		Business-type Activities		Total
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025
REVENUES					
Program revenues:					
Charges for services	\$ 353,530	\$ 260,145	\$ 543,360	\$ 498,855	\$ 896,890
Operating grants and contributions	444,350	728,966			444,350
Capital contributions	26,223	71,765	471,500	380,750	497,723
General revenues:					
Property taxes	750,937	692,315			750,937
State grants	1,294,626	1,264,097			1,294,626
Interest income	167,387	66,087	173,620	161,894	341,007
Rental income	2,700	46,599			2,700
Other	201,157	166,227			201,157
Change in equity of joint ventures	683,440	947,590			683,440
Total revenues	3,924,350	4,243,791	1,188,480	1,041,499	5,112,830
EXPENSES					
General government	1,421,871	1,259,483			1,421,871
Public works	617,106	949,213			617,106
Community and economic development	81,541	68,844			81,541
Parks and recreation	101,807	139,437			101,807
Sewer system			1,257,696	1,248,357	1,257,696
Interest on long term debt	3,255	1,700	61,533	63,267	64,788
Total expenses	2,225,580	2,418,677	1,319,229	1,311,624	3,544,809
Change in net position	1,698,770	1,825,114	(130,749)	(270,125)	1,568,021
BEGINNING NET POSITION	21,267,854	19,442,740	16,752,323	17,022,448	38,020,177
PRIOR PERIOD ADJUSTMENT	65,848				65,848
ENDING NET POSITION	\$ 23,032,472	\$ 21,267,854	\$ 16,621,574	\$ 16,752,323	\$ 39,654,046
					\$ 38,020,177

The governmental activity net position increased by \$1,698,770. This is mostly due to grant revenue, which is used for capital improvements, and a significant increase in equity in joint ventures.

The business-type activity expenditures exceeded revenues for a net decrease in net position of \$130,749 for the year ended June 30, 2025. This is primarily due to depreciation expenses exceeding operating revenues and capital contributions.

Financial Analysis of the Township's Funds

The Township had five major funds for the year ended June 30, 2025. Four of the major funds were governmental funds, which included the General Fund, Assessment Revolving Project Fund, ARPA Grant Relief Fund and the Water New User Fund. The sole business-type fund was the Sewer Fund.

The General Fund had revenues in excess of expenditures for a net increase in fund balance totaling \$489,312, primarily due to a reduction in capital outlay activity.

The Assessment Revolving Project Fund had revenues exceeding expenditures for an increase in fund balance of \$39,154. This fund accounts for the collection of special assessments and expenditures for various construction and maintenance projects.

The ARPA Grant Relief Fund accounts for receiving and spending the federal grants applicable to the American Rescue Act Plan. The fund expended all remaining grant monies. The Fund was closed during the year.

The Water New User Fund had revenues exceeding expenditures for a net increase in fund balance of \$63,633 due to new user connection fee revenues.

The Township's sole business-type fund, the Sewer Fund, had a net decrease in its net position of \$130,749, as explained above.

Budgetary Highlights

The Township adopted its budgets prior to beginning operations for the year ended June 30, 2025. The budgets were amended during the fiscal year to bring them closer to economic reality. These amendments were relatively minor.

Capital Asset and Debt Administration

The governmental activities acquired \$582,591 in capital assets during the fiscal year. These costs include \$31,317 toward a new pickleball court construction project, \$400,513 to complete the walking path project started in the prior year and \$150,761 in various equipment and park improvements.

The business-type activities had no additions or disposals of capital assets and recognized current year depreciation of the sewer system in the amount of \$822,290.

Economic Conditions and Future Activities

The economy continues to remain relatively strong with continued growth in property tax revenue as property values continue to climb. Development in residential housing also remains strong in the Township. With a slight decrease in state shared revenues for the year, management feels confident other revenues will offset those decreases.

Overall, management believes the Township's financial position should remain strong over the next several years as long as the Township Board maintains a close eye on its spending.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Marion Township at 2877 West Coon Lake Road, Howell, Michigan 48843.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MARION TOWNSHIP

STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 4,765,773	\$ 6,522,839	\$ 11,288,612
Receivables:			
Special assessments, net	148,168	2,900	151,068
Leases	246,673		246,673
Due from other governments	215,584		215,584
Intergovernmental	444	(444)	
Interest receivable	37,490	7,142	44,632
Accounts	40,408	189,525	229,933
Prepaid expenses	73,324		73,324
Investment in joint ventures	14,471,841		14,471,841
Capital assets			
Land	369,285	653,877	1,023,162
Construction in progress	31,317		31,317
Other capital assets, net of depreciation	2,986,196	12,281,909	15,268,105
Total assets	23,386,503	19,657,748	43,044,251
LIABILITIES			
Current liabilities			
Accounts payable	51,740	41,488	93,228
Accrued liabilities	63,653		63,653
Due to others	8,528		8,528
Total current liabilities	123,921	41,488	165,409
Noncurrent liabilities			
Contract payable		2,994,686	2,994,686
Total liabilities	123,921	3,036,174	3,160,095
DEFERRED INFLOWS OF RESOURCES			
Leases	230,110		230,110
NET POSITION			
Invested in capital assets	3,386,798	12,935,786	16,322,584
Restricted for:			
Capital projects	422,358		422,358
Unrestricted	19,223,316	3,685,788	22,909,104
Total net position	\$ 23,032,472	\$ 16,621,574	\$ 39,654,046

The notes are an integral part of the financial statements.

MARION TOWNSHIP

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues			Net Revenue (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES						
General government	\$ (1,421,871)	\$ 348,018	\$ 444,350	\$ (629,503)	\$	\$ (629,503)
Public works	(617,106)	5,512	26,223	(585,371)		(585,371)
Community and economic development	(81,541)			(81,541)		(81,541)
Parks and recreation	(101,807)			(101,807)		(101,807)
Debt service						
Interest	(3,255)			(3,255)		(3,255)
Total governmental activities	(2,225,580)	353,530	470,573	(1,401,477)		(1,401,477)
BUSINESS-TYPE ACTIVITY						
Sewer system						
Total	(3,483,276)	\$ 896,890	\$ 942,073	(1,401,477)	(242,836)	(1,644,313)
General revenues				750,937		750,937
Property taxes				1,294,626		1,294,626
State revenues				158,027	173,620	331,647
Interest income - cash and investments				9,360		9,360
Interest income - special assessments				2,700		2,700
Rental income				201,157	(61,533)	139,624
Other income (expense)				683,440		683,440
Change in equity of joint ventures						
Total general revenues				3,100,247	112,087	3,212,334
Changes in net position				1,698,770	(130,749)	1,568,021
Net position, July 1, 2024				21,267,854	16,752,323	38,020,177
Prior period adjustment				65,848		65,848
Net position, June 30, 2025				\$ 23,032,472	\$ 16,621,574	\$ 39,654,046

The notes are an integral part of the financial statements.

FUND FINANCIAL STATEMENTS

MARION TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major Funds					Total
	General Fund	Assessment Revolving Project Fund	ARPA Grant Relief Fund	Water New User Fund	Nonmajor Cemetary Fund	
ASSETS						
Cash and investments	\$ 3,941,880	\$ 301,592	\$	\$ 442,159	\$ 80,142	\$ 4,765,773
Receivables						
Special assessments		148,168				148,168
Leases	246,673					246,673
Due from other governments	215,584					215,584
Due from other funds	17,846			3,255		21,101
Other	28,562					28,562
Interest	37,490					37,490
Prepaid expenditures	73,324					73,324
Total assets	\$ 4,561,359	\$ 449,760	\$	\$ 445,414	\$ 80,142	\$ 5,536,675
LIABILITIES						
Accounts payable	\$ 36,325	\$ 5,153	\$	17,500	\$ 1,290	\$ 60,268
Accrued expenditures	56,384					56,384
Due to other funds		3,255		5,556		8,811
Total liabilities	92,709	8,408		23,056	1,290	125,463
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	230,110	148,168				378,278
FUND BALANCES						
Non-spendable:						
Prepaid expenditures	73,324					73,324
Restricted for:						
Private roads		293,184				293,184
Capital projects				422,358		422,358
Committed to:						
Recreation and culture	132,660					132,660
Cemetery					78,852	78,852
Assigned to future budget deficits	557,515					557,515
Unassigned	3,475,041					3,475,041
Total fund balances	4,238,540	293,184		422,358	78,852	5,032,934
Total liabilities, deferred inflows of resources and fund balances	\$ 4,561,359	\$ 449,760	\$	\$ 445,414	\$ 80,142	\$ 5,536,675

The notes are an integral part of the financial statements.

MARION TOWNSHIP

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balance per balance sheet \$ 5,032,934

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.

Historical cost

\$ 4,460,912

Depreciation

(1,074,114)

Capital assets net of depreciation

3,386,798

Equity interests in joint ventures are not financial
resources and therefore not reported in the funds

Equity in joint ventures

14,471,841

Accrued sick and vacation is not included as a liability in the
governmental funds

(7,269)

Unavailable revenues on special assessments are recognized
as revenue in the government-wide statements when
originally assessed.

Unavailable income

148,168

Net position of governmental activities

\$ 23,032,472

The notes are an integral part of the financial statements.

MARION TOWNSHIP

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	Major Funds					Total
	General Fund	Assessment Revolving Project Fund	ARPA Grant Relief Fund	Water New User Fund	Nonmajor Cemetery Fund	
REVENUES						
Taxes	\$ 750,937	\$	\$	\$	\$	\$ 750,937
Special assessment - principal		159,686		34,012		193,698
Special assessment - interest		4,217		5,143		9,360
Federal grants			444,350			444,350
State grants	1,294,626					1,294,626
Licenses and permits	137,525					137,525
Charges for services	66,176			26,223	5,512	97,911
Interest and rents	152,027	3,255	1,263	3,255	927	160,727
Miscellaneous	201,157					201,157
Total revenues	2,602,448	167,158	445,613	68,633	6,439	3,290,291
EXPENDITURES						
Current:						
General government	1,331,464					1,331,464
Public works	458,983	124,749		5,000	28,374	617,106
Community and economic development	81,541					81,541
Parks and recreation	98,671		3,136			101,807
Capital outlay						
General government	69,125		465,114			534,239
Recreation and culture	48,352					48,352
Debt service						
Interest		3,255				3,255
Total expenditures	2,088,136	128,004	468,250	5,000	28,374	2,717,764
Excess of revenues over (under) expenditures	514,312	39,154	(22,637)	63,633	(21,935)	572,527
OTHER FINANCING SOURCES (USES)						
Transfers in					25,000	25,000
Transfers (out)	(25,000)					(25,000)
Total other financing sources (uses)	(25,000)				25,000	
Net changes in fund balances	489,312	39,154	(22,637)	63,633	3,065	572,527
FUND BALANCE, JULY 1, 2024	3,683,380	254,030	22,637	358,725	75,787	4,394,559
PRIOR PERIOD ADJUSTMENT	65,848					65,848
FUND BALANCE, JUNE 30, 2025	\$ 4,238,540	\$ 293,184	\$	\$ 422,358	\$ 78,852	\$ 5,032,934

The notes are an integral part of the financial statements.

MARION TOWNSHIP

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - governmental funds \$ 572,527

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay is as follows:

Capital assets purchased	\$ 582,591
Depreciation expense	<u>(93,142)</u>

Net effect of capital assets 489,449

Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are established for the Statement of Activities.

Principal collected on assessments (49,381)

Accrued sick and vacation is not included as an expenditure in the governmental funds.

2,735

Income (loss) from joint ventures is reported in the statement of activities but not in the funds statement of revenues, expenditures and changes in fund balance.

683,440

Change in net position of governmental activities

\$ 1,698,770

The notes are an integral part of the financial statements.

MARION TOWNSHIP

STATEMENT OF NET POSITION
PROPRIETARY - SEWER FUND
JUNE 30, 2025

CURRENT ASSETS

Cash and cash equivalents	\$ 3,596,492	
Investments	2,926,347	
Accounts receivable		
Billings - usage	189,525	
Special assessment	2,900	
Due from other funds	2,556	
Interest	7,142	
Total current assets		\$ 6,724,962

PROPERTY, PLANT AND EQUIPMENT

Land	653,877	
Sewer collection system	15,553,000	
Sewer plant	13,541,711	
Computers, equipment, software	134,102	
	29,882,690	
Less: accumulated depreciation	(16,946,904)	
Net property, plant and equipment		12,935,786
Total assets		\$ 19,660,748

CURRENT LIABILITIES

Accounts payable	\$ 41,488	
Due to other funds	3,000	
Total current liabilities		44,488

NONCURRENT LIABILITIES

Contract payable	2,994,686	
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NET POSITION

Invested in capital assets net of related debt	12,935,786	
Unrestricted	3,685,788	
Total net position		16,621,574
Total liabilities and net position		\$ 19,660,748

The notes are an integral part of the financial statements.

MARION TOWNSHIP

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY - SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

User charges	\$ 543,360
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OPERATING EXPENSES

Contract labor	\$ 26,178
Sewer usage fee	342,341
Depreciation expense	822,290
Repairs and maintenance	1,571
Utilities	21,725
Telephone	3,960
Administrative fees - billing administration Genoa Township	28,931
Professional fees	10,700

Total operating expenses	1,257,696
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Operating (loss)	(714,336)
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NON-OPERATING REVENUES AND (EXPENSES)

Interest income - cash and investments	173,620
Interest expense	(61,533)

Total non-operating revenues and (expenses)	112,087
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CAPITAL CONTRIBUTIONS

Connection fees - new users	471,500
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(Decrease) in net position	(130,749)
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NET POSITION, JULY 1, 2024	16,752,323
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NET POSITION, JUNE 30, 2025	\$ 16,621,574
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The notes are an integral part of the financial statements.

MARION TOWNSHIP

**STATEMENT OF CASH FLOWS
PROPRIETARY - SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES

Cash receipts from customer usage	\$ 532,102	
Cash disbursements to vendors	<u>(468,610)</u>	
Net cash from operating activities		\$ 63,492

**CASH FLOWS FROM (USED IN) CAPITAL AND RELATED
FINANCING ACTIVITIES**

Repayment of principal paid on debt	(163,632)	
Interest paid on debt	(61,533)	
Connection fees received	<u>468,600</u>	
Net cash flows from capital and related financing activities		243,435

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	<u>51,984</u>	
Increase in cash and cash equivalents		358,911

BALANCE, JULY 1, 2024

3,237,581

BALANCE, JUNE 30, 2025

\$ 3,596,492

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH FROM (USED IN) OPERATING ACTIVITIES**

Operating (loss)		\$ (714,336)
Adjustments to reconcile operating (loss) to net cash from operating activities		
Depreciation expense		822,290
Change in assets and liabilities:		
Receivables, net		(11,258)
Accounts payable		<u>(33,204)</u>
Net cash from operating activities		<u><u>\$ 63,492</u></u>

Non-cash Financing Activities

The Township had no non-cash financing activities for the year ended June 30, 2025.

The notes are an integral part of the financial statements.

MARION TOWNSHIP

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2025

	Agency Funds		
	Flexible Medical Savings Fund	Current Tax Fund	Total
ASSETS			
Cash and investments	\$ 27,169	\$	\$ 27,169
LIABILITIES			
Due to others	\$ 15,323	\$	\$ 15,323
Due to other funds	11,846		11,846
Total liabilities	\$ 27,169	\$	\$ 27,169

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. THE REPORTING ENTITY

Marion Township is located in Livingston County, Michigan. The Township operates under a Township Board consisting of seven members and provides various services to its residents.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the financial reporting entity. The Township is the primary government having oversight responsibility and control over all activities. The Township receives funding from local and state government sources and must comply with all requirements of these funding source entities. As required by generally accepted accounting principles, the financial statements of the reporting entity include those activities of the Township (the primary government). The Township does not have any activities included in its financial statements related to component units.

The following potential component units have been evaluated under the criteria established by GASB standards and determined not to be component units based on financial independence and accountability.

1. Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) - Marion Township appoints two members of the Authority's eight-member board. The Authority is fiscally independent from the Township. The Authority is audited as an independent entity in compliance with Public Act 2.
2. Howell Area Fire Authority - Marion Township appoints one member of the Authority's five-member board. The Authority was incorporated January 1, 2002 and is audited as an independent entity in compliance with Public Act 2.
3. Howell Area Parks and Recreation Authority - Marion Township appoints one member of the Authority's five-member board. The Authority was incorporated July 1, 2008 and is audited as an independent entity in compliance with Public Act 2.

B. BASIC FINANCIAL STATEMENTS

In accordance with GASB standards, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. 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. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Position reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets and deferred outflows of resources less liabilities and deferred inflows of resources equals net position, with the assets and liabilities shown in order of their relative liquidity. Net position is required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net positions are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net positions not otherwise classified as restricted, are shown as unrestricted. Generally, the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

Also, a part of the basic financial statements are the fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB standards. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 Assessment Revolving Project Fund accounts for the activities associated with the collection of special assessments for the funding of various construction and maintenance projects.
- The ARPA Grant Relief Fund accounts for receiving and spending the federal grants applicable to the American Rescue Plan Act. This fund was closed during the fiscal year.
- The Water New User Fund accounts for collecting water taps and contract payments for water collections.

The Township reports the following major business-type fund:

- The Sewer Fund accounts for all the activity associated with the operations and maintenance of operating a sewage treatment system.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as other financing sources.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Modified accrual is the traditional basis of accounting for governmental funds and is also the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary fund, also known as an enterprise fund, financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise fund on the proprietary fund financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise fund is combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary fund financial statements.

The enterprise fund accounts for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB standards, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the enterprise fund financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Private-sector standards of accounting prior to December 1, 1989 are generally followed in financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activity.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. BUDGETS AND BUDGETARY ACCOUNTING

1. Fiscal year budgets were adopted by the Township Board in June of 2024. The budgets include proposed expenditures and means of financing them.
2. A public hearing was conducted to obtain taxpayers comments.
3. The budgets were adopted on a basis consistent with generally accepted accounting principles.
4. Appropriations lapse at year end.
5. Budgeted amounts are as originally adopted or as amended by the Township Board.

E. CAPITAL ASSETS

Under GASB standards, all capital assets, whether owned by governmental activities or business-type activities are recorded and depreciated in the government-wide financial statements. No capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property is considered a capital asset regardless of initial cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years

Capital assets transferred between governmental activities are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14th, with the final collection date of February 28th before they are added to the county delinquent tax rolls.

The Township levied .7382 mills on a taxable value of \$740,850,197 for the year ended June 30, 2025, the Township recognized the property taxes levied December 1, 2024 as revenue.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. INVESTMENTS

Investments are stated at market value, except investments in high quality commercial paper which is stated at amortized cost.

H. CASH EQUIVALENTS

For purposes of the statement of cash flows, deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash and cash equivalents.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

K. RECEIVABLES

When necessary, the Township utilizes an allowance for uncollectable accounts to value its receivables. As of the Statement of Net Position date, the Township considers all of its current receivables to be collectable.

L. DEFERRED OUTFLOW OF RESOURCES

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The government has no items that qualify for reporting in this category.

M. DEFERRED INFLOW OF RESOURCES

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The government has one item that qualifies for reporting in this category, which is the unavailable revenue reported in the governmental funds balance sheets. Unavailable revenue is revenue that is legally due the government, but which will not be collected within 60 days after year-end and therefore does not meet the availability criteria for revenue recognition.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. FUND EQUITY

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

- **Nonspendable** - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted** - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- **Committed** - Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- **Assigned** - Intent to spend resources on specific purposes expressed by the Township Board; or Supervisor, Clerk, and Treasurer; who are authorized by policy approved by the Township Board to make assignments. All current year assignments have been made by the Township Board.
- **Unassigned** - Amounts that do not fall into any other aforementioned category. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes Townships to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations. The Township is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in all of the investments mentioned in the preceding paragraph. The Township has designated several banks for the deposit of its funds.

As of June 30, 2025, cash and investments consisted of the following:

	<u>Total</u>	<u>Cash</u>	<u>Investments</u>
Checking accounts	\$ 3,932,915	\$ 3,932,915	\$
Money market and savings accounts	4,004,540	4,004,540	
Non-negotiable CDs	3,588,703		3,588,703
Total	\$ 11,526,159	\$ 7,937,456	\$ 3,588,703

Cash and investments are presented in the financial statements
in the following areas:

Statement of Net Position	
Cash and cash equivalents	\$ 7,555,523
Investments	3,733,089
Total	11,288,612
Fiduciary Funds	
Cash and cash equivalents	27,169
Total cash and investments	\$ 11,315,781

The carrying amount of cash and investments is stated at \$11,315,781 as of June 30, 2025. The difference between the carrying amounts and amounts mentioned above stem from deposits in transit and outstanding checks.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 - DEPOSITS AND INVESTMENTS – continued

Deposits - Custodial credit risk

This is the risk that in the event of a bank failure, the Township will not be able to recover its deposits. The Township does not have a deposit policy for custodial credit risk. The Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

As of June 30, 2025, deposits in banks totaled \$11,526,159 which was exposed to custodial credit risk as follows:

Insured by FDIC	\$ 8,565,942
Collateralized	2,282,693
Uninsured and uncollateralized	<u>677,524</u>
Total deposits in banks	<u>\$ 11,526,159</u>

According to the FDIC insurance for Government accounts, there is up to \$250,000 for the combined amount of all time and savings accounts and up to \$250,000 for the combined amount of all demand deposit accounts.

Investments - Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for US. Treasuries and money market accounts. As of June 30, 2025, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by S&P	Amount
Non-negotiable CDs	N/A	<u>\$ 3,588,703</u>

The Township's investment policy addresses credit risk and investments held at June 30, 2025, comply with the policy and statutory authority.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS – continued

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair values of investments and cash deposits. The Township invests primarily in short-term deposits and investments to mitigate this risk.

As of June 30, 2025, the Township had the following investments subject to interest rate risk:

Investment Type	Fair Value	Maturities	
		< 1 year	1 year or more
Non-negotiable Certificates of Deposit	\$ 3,588,703	\$ 3,588,703	\$

NOTE 3 – FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities to be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritized the inputs and valuation techniques used to measure fair value.

The standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the standards require the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities
- Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 – Unobservable inputs for which there is little or no market data, which requires the use of the reporting entity's own assumptions.

The Township's deposits of \$11,526,129 including certificates of deposit reported as investments, are measured at fair value Level 1.

The Township has no investments measured at Level 2.

The Township's accounts receivable and accounts payable are financial instruments which have fair values at June 30, 2025, that approximate their stated carrying amounts as of that date.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 4 - STATEMENT OF CASH FLOWS - BUSINESS-TYPE ACTIVITIES

Pursuant to the Governmental Accounting Standards Board (GASB) standards, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the year.

The direct method was utilized to present cash flows from operations. The following is a summary of beginning and ending cash and equivalents for the sewer proprietary fund:

	<u>7/1/2024</u>	<u>6/30/2025</u>
Current assets		
Cash and equivalents	<u>\$ 3,237,581</u>	<u>\$ 3,596,492</u>

NOTE 5 - INTERFUND TRANSACTIONS AND BALANCES

Interfund receivables and payables between individual funds of the Township, as reported in the fund financial statements, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30, 2025</u>	<u>Description</u>
		<u>Balance</u>	
General Fund	Recreation Fund	\$ 12,000	General reimbursement
General Fund	Water New User Fund	3,000	General reimbursement
General Fund	Sewer Fund	3,000	General reimbursement
General Fund	Escrow Fund	726	General reimbursement
General Fund	Flexible Medical Savings Fund	11,846	General reimbursement
Water New User Fund	Private Road Special Assessment Fund	3,255	General reimbursement
		<u>\$ 33,827</u>	

The balances are the result of the time lag between dates services are provided or reimbursable expenditures occur and payments between the funds are made.

The Township had two transfers between funds for the year ended June 30, 2025. There was a transfer from the General Fund to the Cemetery Fund in the amount of \$25,000. There was a transfer from the General Fund to the Recreation Fund in the amount of \$94,937, which was eliminated under GASB 54 (Recreation Fund is combined with the General Fund).

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 - CAPITAL ASSETS

A summary of changes in capital assets for governmental activities is as follows:

	Balance 7/1/2024	Additions	Deletions	Reclassifications	Balance 6/30/2025
<u>Governmental Activities</u>					
Capital assets not being depreciated					
Land	\$ 369,285	\$	\$	\$	\$ 369,285
CIP Triangle Lake Pickleball Courts		31,317			31,317
CIP Walking Path	156,305	400,513		(556,818)	
Subtotal	525,590	431,830		(556,818)	400,602
Capital assets being depreciated:					
Buildings	3,121,894				3,121,894
Equipment	127,370	20,391			147,761
Park improvements	103,467	130,370		556,818	790,655
Subtotal	3,352,731	150,761		556,818	4,060,310
Accumulated depreciation:					
Buildings	(780,144)	(82,732)			(862,876)
Equipment	(117,492)	(3,545)			(121,037)
Park improvements	(83,336)	(6,865)			(90,201)
Subtotal	(980,972)	(93,142)			(1,074,114)
Net capital assets being depreciated	2,371,759	57,619		556,818	2,986,196
Net capital assets	\$ 2,897,349	\$ 489,449	\$	\$	\$ 3,386,798

Construction in progress consists of design/engineering costs for the construction of pickleball courts.

The Township has no debt associated with these assets.

Depreciation expense was charged to the following programs:

Governmental activities:	
General government	\$ 86,277
Parks and recreation	6,865
Total depreciation	\$ 93,142

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 6 - CAPITAL ASSETS – continued

A summary of changes in capital assets for business-type activities is as follows:

	Balance 7/1/2024	Additions	Deletions	Reclassification	Balance 6/30/2025
<u>Business-type Activities</u>					
Capital assets not being depreciated					
Land	\$ 653,877	\$	\$	\$	\$ 653,877
Capital assets being depreciated:					
Collection system	15,553,000				15,553,000
Sewer plant	13,541,711				13,541,711
Equipment	134,102				134,102
Subtotal	29,228,813				29,228,813
Accumulated depreciation:					
Collection system	(9,429,339)	(447,488)			(9,876,827)
Sewer plant	(6,561,173)	(374,802)			(6,935,975)
Equipment	(134,102)				(134,102)
Subtotal	(16,124,614)	(822,290)			(16,946,904)
Net capital assets being depreciated	13,104,199	(822,290)			12,281,909
Net capital assets	<u>\$ 13,758,076</u>	<u>\$ (822,290)</u>	<u>\$</u>	<u>\$</u>	12,935,786
Less related debt					(2,994,686)
Investments in capital assets, net of related debt					<u>\$ 9,941,100</u>

Depreciation expense was charged to the sewer disposal program.

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – LONG TERM DEBT

The Township signed an agreement with the City of Howell for Sewer Plant Improvements. The Township's Sewer System is connected to the City of Howell's Sewer Plant, which is where the Township's sewage is treated. The Township has agreed to pay for 32.46% of needed sewer plant improvements, which amount to total Township costs of \$3,483,729. The City has financed the improvement project through the Michigan Finance Authority (Low interest loan under the State Revolving Fund (SRF)/Strategic Water Quality Initiatives Fund (SWQIF) Loan Program), with an interest rate of 2%, payable over a period of 20 years. The Township will reimburse the City for 32.46% of the principal and interest charges each year.

The following is a summary of the contract payable activity for the year ended June 30, 2024:

	<u>Balance @ 6/30/2024</u>	<u>Principal Paid</u>	<u>Balance @ 6/30/2025</u>	<u>Current Portion</u>	<u>Long term portion</u>
MFA SWQIF Loan Program	\$ 3,158,609	\$ (163,923)	\$ 2,994,686	\$ 163,923	\$ 2,830,763

The following is a summary of the Township's portion of future cash outflows for debt repayments to retire the outstanding contract payable:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/30/2026	\$ 163,923	\$ 58,254	\$ 222,177
6/30/2027	163,923	54,976	218,899
6/30/2028	167,169	51,665	218,834
6/30/2029	168,792	48,306	217,098
6/30/2030	172,038	44,897	216,935
6/30/31 and thereafter	2,158,841	244,899	2,403,740
Total	<u>\$ 2,994,686</u>	<u>\$ 502,997</u>	<u>\$ 3,497,683</u>

NOTE 8 – PRIOR PERIOD ADJUSTMENT

The Township recognized prior period adjustments for prepaid expenditures and cable revenue receivables not recognized in the prior period that would have a material impact on the beginning fund balance and net position.

As such, the prior period balance for governmental funds fund balance and government wide financial statements net position was restated to reflect the impact of the prior period adjustments as follows:

	<u>Governmental Funds Fund Balance</u>	<u>Government Wide Net Position</u>
Balance, as previously stated	\$ 4,394,559	\$ 21,267,854
Prior period adjustment	65,848	33,407
Balance, as restated	<u>\$ 4,460,407</u>	<u>\$ 21,301,261</u>

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - LEASES

The Township adopted the Governmental Accounting Standards Board (GASB) No. 87, Leases. This Standard requires the recognition of leased assets and liabilities for leases that were previously classified as operating leases and recognized as inflows and outflows of resources based on the payment provisions of the contract. This Standard requires a lessee to recognize a lease liability and right-to-use leased asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The Township does not recognize leases with an initial term of 12 months or less ("short term leases") on the statement of net position.

The Township is a lessor in tower lease agreements with AT&T and Verizon through November 2031. Upon adoption of GASB 87, the Township recorded a lease receivable and deferred inflow of resources for \$369,384, based on the present value of the lease payments over the lease term. The Township recognized an additional lease receivable measured at present value of \$30,614 for a sublease agreement entered into by AT&T. The Township is entitled to 30% of the sublease amounts.

The Township determined it had no significant lease liabilities requiring recognition under the standard.

The Township's leases generally do not provide a readily available implicit rate. Therefore, the Township estimates the incremental borrowing discount rate based on the remaining lease term upon adoption date and information available at lease commencement for new or modified leases after the adoption date.

The following table presents the lease receivable related to the cell tower lease for the year ended June 30, 2025.

<u>Lease receivable</u>	<u>Term</u> <u>(in months)</u>	<u>Balance @</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Rent Received</u>	<u>Balance @</u> <u>June 30, 2025</u>	<u>Interest</u> <u>Received</u>	<u>Total</u> <u>Received</u>
Cell tower leases	89-125	\$ 259,015	\$ 30,614	\$ 42,956	\$ 246,673	\$ 3,876	\$ 46,832

The following table presents the future expected lease payments, including principal and interest:

<u>Year Ended June 30,</u>	<u>Principal</u> <u>Received</u>	<u>Interest</u> <u>Received</u>	<u>Total Received</u>
2026	\$ 51,512	\$ 3,570	\$ 55,082
2027	52,343	2,739	55,082
2028	54,469	1,891	56,360
2029	32,558	1,100	33,658
2030	16,015	775	16,790
2031 and thereafter	39,776	800	40,576
Total	\$ 246,673	\$ 10,875	\$ 257,548

As the leases represent long term expected inflow of resources, the Township has recognized a deferred inflow of resources, which will be amortized on a straight-line basis for the term of each respective lease.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - INVESTMENT IN JOINT VENTURES

As of June 30, 2025, the Township has investments in three joint ventures as follows:

Marion, Howell, Oceola, Genoa Joint Sewer and Water Authority

The Township is a member of the Marion, Howell, Oceola, Genoa Joint Sewer and Water Authority (hereinafter "MHOG"). As the name implies, MHOG was incorporated by the Townships of Marion, Howell, Oceola, and Genoa. MHOG was formed to operate and maintain a joint water system that serves residents in each member township. Marion Township holds a 25% share of the equity in this joint venture which amounted to \$11,772,371 as of September 30, 2024, which was the last audited financial statement.

Such amount is recorded in the government-wide statement of net position as an investment in joint ventures. The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements of MHOG can be obtained from the administrative offices of MHOG at 2911 Dorr Road, Brighton, Michigan. Selected financial information of MHOG as of and for the fiscal year ended September 30, 2024, (the date financial information was last available) were as follows:

Total assets	\$ 50,653,655
Total liabilities	\$ 2,888,169
Total deferred inflows of resources	\$ 676,003
Total net position	\$ 47,089,483
Total revenue	\$ 5,648,461
Total expenses	\$ 4,459,237

Howell Area Fire Authority

The Township is a member of the Howell Area Fire Authority (hereinafter "Fire Authority"). The Fire Authority was incorporated by the City of Howell and the Townships of Marion, Howell, Oceola, and Cohoctah. The Fire Authority was formed for the purpose of providing fire protection and safety services to the residents of its incorporating members. The Fire Authority operations are funded through a voter approved millage. Marion Township holds a 20% share of the equity in this joint venture which amounted to \$2,632,303 as of June 30, 2024, which was the last audited financial statement.

Such amount is recorded in the government-wide statement of net position as an investment in joint ventures. The Township is unaware of any circumstances that would cause additional benefit or burden to the participating governments of the joint venture in the foreseeable future. Complete financial statements for the Fire Authority can be obtained from the administrative offices of the Fire Authority at 1211 W. Grand River, Howell, Michigan. Selected financial information of the Fire Authority as of and for the fiscal year ended June 30, 2024, (the date financial information was last available) was as follows:

HAFA

Total assets	\$ 13,128,186
Total deferred outflows of resources	\$ 526,604
Total liabilities	\$ 439,892
Total deferred inflows of resources	\$ 53,383
Total net assets	\$ 13,161,515
Total revenue	\$ 5,625,059
Total expenditures	\$ 3,805,004

MARION TOWNSHIP

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 10 - INVESTMENT IN JOINT VENTURES - continued

Howell Area Parks and Recreation Authority

The Township is a member of the Howell Area Parks and Recreation Authority (hereinafter "Recreation Authority"). The Recreation Authority was incorporated by the City of Howell and the Townships of Marion, Oceola and Genoa. The Recreation Authority was formed for the purpose of providing recreational opportunities for the citizens of the member governments. The Township appoints one member to the five-member Recreation Authority board. The Township holds a 25% equity interest in the joint venture which amounted to \$67,167 at December 31, 2024, the date of the last audited financial statement. This amount is recorded in the government-wide statement of net position as an investment in joint venture.

The Township is also responsible to contribute a certain amount of cash each year to subsidize the Recreation Authority's operating costs. Such contributions are calculated annually based upon budgeted needs. The Township is unaware of any circumstances that would cause an additional burden or benefit to the participating governments in the near future. Complete financial statements for the Recreation Authority can be obtained from the administrative offices at 925 West Grand River, Howell, Michigan. Selected financial information of the Recreation Authority as of and for the fiscal year ended December 31, 2024, (the date financial information was last available) was as follows:

<u>HAPRA</u>	
Total assets	\$ 2,061,845
Total liabilities	\$ 178,737
Total net position	\$ 268,669
Total revenue	\$ 1,866,129
Total expenditures	\$ 1,777,635

NOTE 11 - DEFINED CONTRIBUTION PENSION PLANS

The Township has adopted the MERS 401(a) Defined Contribution Pension Plan for Michigan Township employees. All elected/appointed officials and employees working 32 or more hours a week are eligible for participation in this single-employer plan. The Township contributes 8.0% of compensation. The employee may also voluntarily contribute up to 10% of after-tax compensation.

TOTAL CURRENT YEAR EMPLOYER CONTRIBUTIONS	<u>\$ 47,832</u>
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The employees did not contribute to the MERS 401(a) Defined Contribution plan in the current year.

In addition, the Township sponsors a deferred compensation plan qualifying under Section 457 of the Internal Revenue Code with MERS and VOYA Financial. The Township is not obligated to make matching or employer contributions to the plan. Employees contributed \$13,050 to the MERS plan.

NOTE 12 - TAX ABATEMENT

The Governmental Accounting Standards Board (GASB) adopted GASB Statement 77 – Tax Abatement Disclosures, requiring that state and local governments disclose any agreements relating to the abatement of property taxes, effective for fiscal years ending December 31, 2016, and thereafter.

The Township has not made any commitments or agreements to abate property taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 31, 2025, which is the date the financial statements were available to be issued.

Management has determined that the Township does not have any material recognizable or non-recognizable events.

NOTE 14 – NEWLY ADOPTED ACCOUNTING STANDARDS

GASB 101 – COMPENSATED ABSENCES

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB 102 – CERTAIN RISK DISCLOSURES

In December 2023, the GASB issued Statement No 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact.

The Township adopted these standards on July 1, 2024. The adoption did not have a significant impact on the Township's financial statements for the year ended June 30, 2025.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 15 - UPCOMING GASB PRONOUNCEMENTS

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS (effective 6/30/2026 and beyond)

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following:

- a. Management’s discussion and analysis (MD&A);
 - I. Requires that the information presented in the MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - II. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - III. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
 - I. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies.
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - I. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to Required Supplementary Information.

MARION TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 15 - UPCOMING GASB PRONOUNCEMENTS (continued)

GASB 104 – DISCLOSURE OF CERTAIN CAPITAL ASSETS

In September 2024, the GASB issued Statement No 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Leased 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 the underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, the 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.

The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

MARION TOWNSHIP

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 699,000	\$ 674,000	\$ 750,937	\$ 76,937
State grants	1,220,000	1,220,000	1,294,626	74,626
Licenses and permits	128,100	128,100	137,525	9,425
Charges for services		66,176	66,176	
Interest and rent	46,000	46,000	152,027	106,027
Other revenues	6,000	36,000	201,157	165,157
Total revenues	2,099,100	2,170,276	2,602,448	432,172
EXPENDITURES				
Payroll taxes and benefits	364,000	386,500	349,536	36,964
Township board	83,250	86,050	52,085	33,965
Supervisor	69,500	82,000	77,394	4,606
Clerk	129,100	129,100	126,466	2,634
Board of review	3,125	3,325	2,447	878
Treasurer	159,400	160,600	157,020	3,580
Assessor	172,650	173,450	157,074	16,376
Tax roll	11,000	18,500	6,652	11,848
Elections	102,600	132,250	73,013	59,237
Building and grounds	110,150	159,750	141,256	18,494
Legal	12,000	33,750	28,442	5,308
Professional fees	40,500	40,500	38,712	1,788
Insurance, bonds and retirement	128,000	153,000	132,255	20,745
Equipment	8,000	13,000	7,873	5,127
Capital outlay	11,000	11,000	1,630	9,370
Planning commission	29,750	31,650	20,147	11,503
Zoning administrator	54,800	54,900	50,000	4,900
Zoning board of appeals	5,950	13,600	11,394	2,206
Contingency	15,000	15,000		15,000
General public works	125	66,301	66,190	111
Drains	51,000	51,000	4,663	46,337
Roads	325,000	575,000	380,270	194,730
Cemetery	8,000	8,000	7,860	140
Recreation	152,375	283,625	195,757	87,868
Total expenditures	2,046,275	2,681,851	2,088,136	593,715
Excess of revenues over (under) expenditures	52,825	(511,575)	514,312	1,025,887
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(50,000)	(50,000)	(25,000)	25,000
Net change in fund balance	2,825	(561,575)	489,312	1,050,887
FUND BALANCE, JULY 1, 2024	3,683,380	3,683,380	3,683,380	
PRIOR PERIOD ADJUSTMENT			65,848	65,848
FUND BALANCE, JUNE 30, 2025	\$ 3,686,205	\$ 3,121,805	\$ 4,238,540	\$ 1,116,735

MARION TOWNSHIP

ASSESSMENT REVOLVING PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Special assessment principal	\$ 116,500	\$ 176,800	\$ 159,686	\$ (17,114)
Special assessment interest			4,217	4,217
Other revenue			3,255	3,255
Total revenues	<u>116,500</u>	<u>176,800</u>	<u>167,158</u>	<u>(9,642)</u>
EXPENDITURES				
Public works	219,500	227,000	124,749	102,251
Debt service				
Interest	<u>1,500</u>	<u>1,500</u>	<u>3,255</u>	<u>(1,755)</u>
Total expenditures	<u>221,000</u>	<u>228,500</u>	<u>128,004</u>	<u>100,496</u>
Net change in fund balance	<u>(104,500)</u>	<u>(51,700)</u>	<u>39,154</u>	<u>90,854</u>
FUND BALANCE, JULY 1, 2024	<u>254,030</u>	<u>254,030</u>	<u>254,030</u>	
FUND BALANCE, JUNE 30, 2025	<u>\$ 149,530</u>	<u>\$ 202,330</u>	<u>\$ 293,184</u>	<u>\$ 90,854</u>

MARION TOWNSHIP

ARPA FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amount			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Interest	\$ 1,500	\$ 1,500	\$ 1,263	\$ (237)
Federal grants	420,000	420,000	444,350	24,350
Total revenues	421,500	421,500	445,613	24,113
EXPENDITURES				
Parks and recreation	5,000	5,000	3,136	1,864
Capital outlay	475,000	475,000	465,114	9,886
Total expenditure	480,000	480,000	468,250	11,750
Net change in fund balance	(58,500)	(58,500)	(22,637)	35,863
FUND BALANCE, JULY 1, 2024	22,637	22,637	22,637	
FUND BALANCE, JUNE 30, 2025	<u>\$ (35,863)</u>	<u>\$ (35,863)</u>	<u>\$</u>	<u>\$ 35,863</u>

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

MARION TOWNSHIP

**ALL FUNDS INCLUDED IN GASB 54 GENERAL FUND CONSOLIDATION
COMBINING BALANCE SHEET
JUNE 30, 2025**

	General Fund Pre - GASB 54 Consolidation	Recreation Fund	Trust and Agency Fund	Eliminations	Totals Restated General Fund
ASSETS					
Cash and investments	\$ 3,766,285	\$ 165,816	\$ 9,779	\$	\$ 3,941,880
Receivables					
Leases	246,673				246,673
Due from other governments	215,584				215,584
Due from other funds	31,097			(13,251)	17,846
Other	28,562				28,562
Interest	37,490				37,490
Prepaid expenditures	73,324				73,324
Total assets	\$ 4,399,015	\$ 165,816	\$ 9,779	\$ (13,251)	\$ 4,561,359
LIABILITIES					
Accounts payable	\$ 18,506	\$ 9,291	\$	\$	\$ 27,797
Accrued wages	56,384				56,384
Due to others			8,528		8,528
Due to other funds		12,000	1,251	(13,251)	
Total liabilities	74,890	21,291	9,779	(13,251)	92,709
DEFERRED INFLOW OF RESOURCES					
Leases	230,110				230,110
Fund Balances					
Nondispensible for:					
Prepaid expenditures	73,324				73,324
Committed for:					
Recreation and culture		144,525			144,525
Assigned - future budget deficit	545,650				545,650
Unassigned	3,475,041				3,475,041
Total fund balance	4,094,015	144,525			4,238,540
Total liabilities, deferred inflow of resources and fund balance	\$ 4,399,015	\$ 165,816	\$ 9,779	\$ (13,251)	\$ 4,561,359

MARION TOWNSHIP

**ALL FUNDS INCLUDED IN GASB 54 GENERAL FUND CONSOLIDATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund				Totals
	Pre GASB				Restated
	54	Recreation	Trust and		General
	Consolidation	Fund	Agency Fund	Eliminations	Fund
REVENUES					
Taxes	\$ 750,937	\$	\$	\$	\$ 750,937
State grants	1,294,626				1,294,626
Licenses and permits	137,525				137,525
Charges for services			66,176		66,176
Interest and rent	151,816	211			152,027
Miscellaneous	71,114	130,043			201,157
Total revenues	2,406,018	130,254	66,176		2,602,448
EXPENDITURES					
General government					
Payroll taxes and benefits	349,536				349,536
Township board	52,085				52,085
Supervisor	77,394				77,394
Clerk	126,466				126,466
Board of review	2,447				2,447
Treasurer	157,020				157,020
Assessor	157,074				157,074
Tax roll prep	6,652				6,652
Election	73,013				73,013
Building and grounds	120,865				120,865
Legal	28,442				28,442
Professional fees	38,712				38,712
Insurance, bonds and retirement	132,255				132,255
Equipment	7,873				7,873
Capital outlay	1,630				1,630
Public works					
General public works	14		66,176		66,190
Drains	4,663				4,663
Roads	380,270				380,270
Cemetery	7,860				7,860
Community and economic development					
Planning commission	20,147				20,147
Zoning administrator	50,000				50,000
Zoning board of appeals	11,394				11,394
Recreation and culture					
Recreation	64,431	34,240			98,671
Capital outlay					
General government	69,125				69,125
Recreation		48,352			48,352
Total expenditures	1,939,368	82,592	66,176		2,088,136
Revenues over (under) expenditures	466,650	47,662			514,312
Other financing sources (uses)					
Transfers in		94,937		(94,937)	
Transfers (out)	(119,937)			94,937	(25,000)
Total other financing sources (uses)	(119,937)	94,937			(25,000)
Net changes in fund balances	346,713	142,599			489,312
FUND BALANCE, JULY 1, 2024	3,681,454	1,926			3,683,380
PRIOR PERIOD ADJUSTMENT	65,848				65,848
FUND BALANCE, JUNE 30, 2025	\$ 4,094,015	\$ 144,525	\$	\$	\$ 4,238,540

INDIVIDUAL FUNDS

GENERAL FUND (PRE GASB 54 RESTATEMENT)

MARION TOWNSHIP

GENERAL FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
JUNE 30, 2025

ASSETS

Cash and investments	\$ 3,766,285
Receivables	
Leases	246,673
Due from other governments	215,584
Due from other funds	31,097
Other	28,562
Interest	37,490
Prepaid expenditures	<u>73,324</u>
Total assets	<u><u>\$ 4,399,015</u></u>

LIABILITIES

Accounts payable	\$ 18,506
Accrued expenditures	<u>56,384</u>
Total liabilities	74,890

DEFERRED INFLOWS OF RESOURCES

Leases	230,110
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FUND BALANCE

4,094,015

**Total liabilities, deferred inflows of
resources and fund balance**

\$ 4,399,015

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 674,000	\$ 750,937	\$ 76,937
State grants	1,220,000	1,294,626	74,626
Licenses and permits	128,100	137,525	9,425
Interest and rent	46,000	151,816	105,816
Other revenues	6,000	71,114	65,114
Total revenues	2,074,100	2,406,018	331,918
EXPENDITURES	2,517,575	1,939,368	578,207
Net revenues over (under) expenditures	(443,475)	466,650	910,125
OTHER FINANCING SOURCES (USES)			
Transfers out	(150,000)	(119,937)	30,063
Net change in fund balance	(593,475)	346,713	940,188
FUND BALANCE, JULY 1, 2024	3,681,454	3,681,454	
PRIOR PERIOD ADJUSTMENT		65,848	65,848
FUND BALANCE, JUNE 30, 2025	\$ 3,087,979	\$ 4,094,015	\$ 1,006,036

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
PROPERTY TAXES			
Property taxes	\$ 498,000	\$ 548,117	\$ 50,117
Administration fees	176,000	202,820	26,820
Total property taxes	<u>674,000</u>	<u>750,937</u>	<u>76,937</u>
STATE GRANTS			
State shared revenues	1,210,000	1,274,541	64,541
Metro Act	10,000	20,085	10,085
Total state grants	<u>1,220,000</u>	<u>1,294,626</u>	<u>74,626</u>
LICENSES AND PERMITS			
Licenses, fees, permits	13,100	23,247	10,147
Cable franchise fees	115,000	114,278	(722)
Total licenses and permits	<u>128,100</u>	<u>137,525</u>	<u>9,425</u>
INTEREST AND RENT			
Interest income	5,000	102,221	97,221
Interest income - leases		46,895	46,895
Cell tower lease	41,000		(41,000)
Rental income		2,700	2,700
Total interest and rent	<u>46,000</u>	<u>151,816</u>	<u>105,816</u>
OTHER REVENUES			
Miscellaneous	6,000	71,114	65,114
Total revenues	<u>\$ 2,074,100</u>	<u>\$ 2,406,018</u>	<u>\$ 331,918</u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Payroll taxes and benefits			
Payroll taxes	\$ 70,000	\$ 52,382	\$ 17,618
Health insurance	314,000	295,257	18,743
Payroll processing	2,500	1,897	603
Total payroll taxes and benefits	386,500	349,536	36,964
Township board			
Salaries	46,000	39,045	6,955
Meetings and seminars	2,200	2,085	115
Ordinance enforcement	25,000	365	24,635
Mileage	600	525	75
Printing and publications	3,000	2,176	824
Membership dues	9,000	7,764	1,236
Miscellaneous	250	125	125
Total township board	86,050	52,085	33,965
Supervisor			
Salaries	79,200	75,134	4,066
Miscellaneous	2,800	2,260	540
Total supervisor	82,000	77,394	4,606
Clerk			
Salary	75,000	74,136	864
Salaries - deputy	48,000	49,002	(1,002)
Supplies	600	280	320
Mileage	1,000	361	639
Dues and subscriptions	750	640	110
Miscellaneous	250	125	125
Training and seminars	3,500	1,922	1,578
Total clerk	129,100	126,466	2,634

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Board of review			
Salaries	2,200	2,168	32
Printing and publications	500	218	282
Miscellaneous	125	61	64
Training and seminars	500		500
Total board of review	3,325	2,447	878
Treasurer			
Salary	68,000	67,644	356
Salaries - deputy	46,000	45,716	284
Salaries - other	40,000	38,283	1,717
Supplies	1,000	211	789
Mileage	1,300	1,196	104
Miscellaneous	400	250	150
Dues and subscriptions	300	218	82
Training	3,600	3,502	98
Total treasurer	160,600	157,020	3,580
Assessor			
Salaries	156,000	147,178	8,822
Dues and subscriptions	1,000	965	35
Supplies	1,500	217	1,283
Postage	5,000	4,681	319
Mileage	2,000	1,515	485
Professional services	700		700
Training and seminars	6,500	1,923	4,577
Miscellaneous	750	595	155
Total assessor	173,450	157,074	16,376

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Tax roll			
Postage	7,500		7,500
Tax roll prep	11,000	6,652	4,348
Total tax roll	18,500	6,652	11,848
Elections			
Salaries	70,500	50,699	19,801
Equipment	7,000	5,704	1,296
Supplies	17,650	10,620	7,030
Mileage	600	200	400
Postage	11,000	3,483	7,517
Printing and publications	7,500	2,264	5,236
Miscellaneous	18,000	43	17,957
Total elections	132,250	73,013	59,237
Building and grounds			
Salaries - secretary	31,000	29,152	1,848
Custodial	7,000	6,454	546
Trash removal	1,200	724	476
Supplies	7,500	6,062	1,438
Equipment - maintenance	32,000	29,251	2,749
Postage	5,500	1,992	3,508
Mileage	300	210	90
Grounds maintenance	13,000	11,825	1,175
Repairs and maintenance	500	62	438
Telephone	7,000	6,053	947
Utilities	12,000	11,334	666
Cable and internet	4,400	2,134	2,266
Major repairs	18,000	16,658	1,342
Miscellaneous	20,350	19,345	1,005
Total building and grounds	159,750	141,256	18,494
Legal	33,750	28,442	5,308

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Professional fees			
Financial services	12,000	11,875	125
Accounting	1,000		1,000
Software support	25,000	26,837	(1,837)
Professional fees	1,000		1,000
Engineering	1,500		1,500
Total professional fees	40,500	38,712	1,788
Insurance, bonds and retirement			
Insurance and bonds	103,000	84,597	18,403
Retirement	50,000	47,658	2,342
Total insurance, bonds and retirement	153,000	132,255	20,745
Equipment	13,000	7,873	5,127
Capital outlay			
Building improvements	10,000	780	9,220
Tornado siren	1,000	850	150
Total capital outlay	11,000	1,630	9,370
Planning commission			
Salaries	12,000	9,544	2,456
Supplies	100	760	(660)
Training and seminars	1,250	842	408
Attorney	1,500	1,037	463
Mileage	50	17	33
Printing and publications	1,250	774	476
Recording secretary	3,500	2,690	810
Professional fees	12,000	4,483	7,517
Total planning commission	31,650	20,147	11,503

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

MARION TOWNSHIP

**GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED JUNE 30, 2025**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Zoning administrator			
Salary	52,400	48,988	3,412
Mileage	1,400	934	466
Attorney	500		500
Supplies	350	78	272
Training and seminars	250		250
Total zoning administrator	<u>54,900</u>	<u>50,000</u>	<u>4,900</u>
Zoning board of appeals			
Salaries	4,000	4,067	(67)
Attorney	7,500	5,850	1,650
Printing and publications	350	258	92
Recording secretary	1,000	838	162
Training and seminars	750	381	369
Total zoning board of appeals	<u>13,600</u>	<u>11,394</u>	<u>2,206</u>
Contingency	<u>15,000</u>		<u>15,000</u>
General public works			
Supplies	100		100
Mileage	25	14	11
Total general public works	<u>125</u>	<u>14</u>	<u>111</u>
Drains	<u>51,000</u>	<u>4,663</u>	<u>46,337</u>
Roads			
Maintenance and improvements	500,000	341,935	158,065
Dust control	75,000	38,335	36,665
Total roads	<u>575,000</u>	<u>380,270</u>	<u>194,730</u>
Cemetery	<u>8,000</u>	<u>7,860</u>	<u>140</u>
Recreation	<u>185,525</u>	<u>113,165</u>	<u>72,360</u>
Total expenditures	<u><u>\$ 2,517,575</u></u>	<u><u>\$ 1,939,368</u></u>	<u><u>\$ 578,207</u></u>

This supplementary information shows the General Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

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PROPRIETARY SEWER FUND

MARION TOWNSHIP

PROPRIETARY SEWER FUND STATEMENT OF REVENUES AND EXPENSES FOR OPERATIONS ONLY FOR THE YEARS ENDED JUNE 30, 2016 - 2025

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
REVENUE										
User charges -										
Quarterly charges for usage	\$ 543,360	\$ 498,855	\$ 461,359	\$ 410,058	\$ 359,303	\$ 290,146	\$ 298,756	\$ 289,447	\$ 264,297	\$ 254,001
EXPENSES										
Contract labor	26,178	41,976	26,013	33,792	23,798	35,643	32,098	25,544	38,433	45,275
Sewer usage fee	342,341	320,696	280,371	297,710	227,645	192,157	197,379	178,739	153,914	151,343
Repairs and maintenance	1,571	1,350	675	5,410	13,384	35,804	674	33,937	714	1,658
Utilities	21,725	18,742	13,730	12,802	12,034	11,498	10,436	9,749	10,326	8,164
Telephone	3,960	4,317	4,742	5,624	15,598	12,696	10,044	7,158	5,189	7,485
Administrative fees -										
Reimbursement to general fund			3,000	3,000	3,000	6,000				5,000
Billing administrative (Genoa Twp.)	28,931	27,715	26,579	24,269	22,886	20,597	20,229	19,877	18,971	18,055
Professional fees	10,700	10,700	6,688	9,261	6,300	13,171	35,632	45,999	25,238	7,531
Refunds							1,494		17,683	
Miscellaneous										440
Total expenses	435,406	425,496	361,798	391,868	324,645	327,566	307,986	321,003	270,468	244,951
Net operating income (loss)	\$ 107,954	\$ 73,359	\$ 99,561	\$ 18,190	\$ 34,658	\$ (37,420)	\$ (9,230)	\$ (31,556)	\$ (6,171)	\$ 9,050