

*Township of Atlas*

Genesee County, Michigan

Audited Financial Report

March 31, 2021

KING & KING CPAs LLC

Marlette - Imlay City  
Michigan

**Township of Atlas**  
 Annual Financial Report  
 For The Fiscal Year Ended March 31, 2021

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## **Independent Auditor's Report**

Members of the Township Board  
**Township of Atlas**  
Genesee County, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the **Township of Atlas**, Genesee County, Michigan as of and for the fiscal year ended March 31, 2021 and the related notes to the financial statement, which collectively comprise the **Township of Atlas's** basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the **Township of Atlas**, Genesee County, Michigan as of and for the fiscal year ended March 31, 2021 and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

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## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of employer contributions and net pension liability for the pension plan, OPEB information, and major fund budgetary comparison schedule, as identified in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

*King & King CPAs LLC*

**KING & KING CPAs LLC**

July 27, 2021

# Township of Atlas

## Goodrich, Michigan

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### MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the **Township of Atlas**, Michigan's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2021. Please read it in conjunction with the Township's financial statements.

#### Using this Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a long-term view of the Township's finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current fiscal year and whether the taxpayers have fully funded the cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the fiscal year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside the government.

#### Condensed Financial Information

The following table shows in a condensed format, the net position as of the current fiscal year. Comparative data of the previous audit's net position is included.

	<b>Governmental Activities</b>	
	<u>3/31/2021</u>	<u>3/31/2020</u>
Current Assets	\$ 4,615,249	\$ 4,572,769
Noncurrent Assets	2,453,915	2,015,373
Total Assets	<u>7,069,164</u>	<u>6,588,142</u>
Deferred Outflows	-	-
Current Liabilities	181,058	185,838
Noncurrent Liabilities	90,833	-
Total Liabilities	<u>271,891</u>	<u>185,838</u>
Deferred Inflows	-	-
Net Position:		
Net Inv. in Cap Assets.	2,453,915	2,015,373
Restricted	2,466,631	2,357,978
Unrestricted	<u>1,876,727</u>	<u>2,028,953</u>
Total Net Position	<u>\$ 6,797,273</u>	<u>\$ 6,402,304</u>

# Township of Atlas

## Goodrich, Michigan

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### Condensed Financial Information – Continued

The following table shows the changes of the net position during the current fiscal year:

	Governmental Activities	
	3/31/2021	3/31/2020
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 113,003	\$ 544,754
Grants & Contributions	1,284	3,579
General Revenues:		
Property Taxes	1,944,486	1,475,140
State-Shared Revenues	556,563	549,578
Interest Earnings	7,780	51,854
Other Revenues	163,593	9,964
Transfers	-	-
Total Revenues	2,786,709	2,634,869
<b>Program Expenses</b>		
General Government	\$ 563,526	\$ 561,921
Public Safety	1,103,444	975,800
Public Works	660,393	777,324
Recreation & Culture	22,263	61,648
Interest on Long-Term Debt	2,056	-
Total Program Expenses	2,351,682	2,376,693
Change in Net Position	\$ 435,027	\$ 258,176

### The Township as a Whole

- The Township's Governmental Activities net position increased by \$435,027 this fiscal year. This compares to a net increase of \$258,176 in the previously audited year. This change was due to an increase in revenues for State Shared Revenues and Other Revenues.
- The Township's primary source of revenue is from property taxes and state shared revenues, which represent 90% of total revenue.

# Township of Atlas

## Goodrich, Michigan

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### **The Township's Funds**

Our analysis of the Township's major funds begins on Page 5, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township's major funds for the fiscal year ending March 31, 2021, include the General Fund, Police Fund, Fire Protection Fund, East Lake Paving Fund, and Thread River Paving Fund.

### **General Fund Budgetary Highlights**

The Township made amendments to the budget throughout the year to cover the expenditures incurred.

### **Capital Asset and Debt Administration**

During the fiscal year ended March 31, 2021, the Township purchased \$51,410 of improvements including landscaping and repainting the parking lot, all paid for by the General Fund. The Fire Fund paid \$155,541 for new fire equipment and uniforms, \$14,120 for a new furnace, as well as a new Pump Truck for \$560,798 (a portion of which was paid for in the prior fiscal year). The Township also sold the LaFrance Fire Truck for \$49,900. Additional information regarding the Township's capital assets can be found in Note 4 to the financial statements.

The Township's only long-term debt is related to the County Drains which run through the Township. There was a new drain assessment in the fiscal year ended March 31, 2021 for \$136,250 for Goodrich Drain. Additional information regarding the Township's long-term debt can be found in Note 5 to the financial statements.

### **Economic Factors and Next Year's Budget and Rates**

The Township's tax base remained relatively constant. The Township will need to continue to watch the budget very closely in all categories.

### **Contacting the Township**

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Township Office in Goodrich, Michigan by telephone at (810) 636-2548.

# Township of Atlas

## Statement of Net Position

March 31, 2021

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<b><u>Assets</u></b>	
Cash & Cash Equivalents	\$ 4,361,086
Accounts Receivable	223,663
Due From Other Funds (net)	11,723
Prepaid Expenses	18,778
Capital Assets	
Nondepreciable Capital Assets	81,601
Depreciable Capital Assets	2,372,314
<u>Total Assets</u>	<u>7,069,164</u>
<b><u>Deferred Outflows of Resources</u></b>	
	<u>-</u>
<b><u>Liabilities</u></b>	
Accounts Payable	130,509
Accrued Wages & Benefits	25,251
Current Portion of Long-Term Debt	25,298
Long-Term Debt	90,833
<u>Total Liabilities</u>	<u>271,891</u>
<b><u>Deferred Inflows of Resources</u></b>	
	<u>-</u>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	2,453,915
Restricted	2,466,631
Unrestricted	1,876,727
<u>Total Net Position</u>	<u>\$ 6,797,273</u>

The notes are an integral part of the statements.



**Township of Atlas**  
Statement of Activities  
For The Fiscal Year Ended March 31, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue & Changes in Net Position	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 563,526	\$ -	\$ -	\$ -	\$ (563,526)
Public Safety	1,103,444	61,262	-	-	(1,042,182)
Public Works	660,393	51,741	1,284	-	(607,368)
Recreation & Culture	22,263	-	-	-	(22,263)
Interest on Long-Term Debt	2,056	-	-	-	(2,056)
<b>Total Governmental Activities</b>	<b>2,351,682</b>	<b>113,003</b>	<b>1,284</b>	<b>-</b>	<b>(2,237,395)</b>

**General Revenues:**

Property Taxes & Special Assessments	\$ 1,944,486
Intergovernmental Revenues	556,563
Rents & Royalties	47,774
Interest Earnings	7,780
Other Revenues	115,819
Transfers	-
<b>Total General Revenues, Special Items &amp; Transfers</b>	<b>2,672,422</b>

**Change in Net Position**

435,027

**Net Position - Beginning of Year**

6,362,246

**Net Position - End of Year**

\$ 6,797,273

The notes are an integral part of the statements.

**Township of Atlas**  
Governmental Funds  
Balance Sheet  
March 31, 2021

	Special Revenue Funds							Total Nonmajor Governmental Funds	Total Governmental Funds
	Fire		East Lake		Thread River		Total Governmental Funds		
	General Fund	Protection Fund	Police Fund	Paving Fund	Paving Fund	Paving Fund			
<b>Assets</b>									
Cash & Certificates of Deposit	\$ 2,083,882	\$ 707,339	\$ 851,456	\$ 162,625	\$ 70,526	\$ 485,257	\$ 4,361,086		
Accounts Receivable	135,597	17,042	35,788	-	22,092	13,144	223,663		
Due From Other Funds	265,007	-	-	-	-	-	265,007		
Prepaid Expenses	7,511	11,267	-	-	-	-	18,778		
<b>Total Assets</b>	<b>\$ 2,491,997</b>	<b>\$ 735,647</b>	<b>\$ 887,244</b>	<b>\$ 162,625</b>	<b>\$ 92,618</b>	<b>\$ 498,401</b>	<b>\$ 4,868,534</b>		
<b>Liabilities &amp; Fund Equity</b>									
<b>Liabilities</b>									
Accounts Payable	\$ 8,097	\$ 16,638	\$ 99,746	\$ -	\$ -	\$ 6,029	\$ 130,509		
Accrued Wages & Benefits	14,073	11,178	-	-	-	-	25,251		
Deferred Revenue	-	-	-	-	22,092	-	22,092		
Due To Other Funds	-	59	600	162,625	90,000	-	253,284		
<b>Total Liabilities</b>	<b>22,170</b>	<b>27,875</b>	<b>100,346</b>	<b>162,625</b>	<b>112,092</b>	<b>6,029</b>	<b>431,136</b>		
<b>Fund Equity</b>									
Fund Balances									
Nonspendable	7,511	11,267	-	-	-	-	18,778		
Restricted For:									
Fire Protection	-	696,505	-	-	-	-	696,505		
Police Protection	-	-	786,898	-	-	-	786,898		
Garbage Collection	222,601	-	-	-	-	-	222,601		
Building Code Enforcement	16,713	-	-	-	-	-	16,713		
Road Paving	-	-	-	-	(19,474)	-	(19,474)		
Sewer Improvements & Operations	-	-	-	-	-	246,581	246,581		
Recreational Pathways	-	-	-	-	-	239,413	239,413		
Aquatic Weed Treatment	252,237	-	-	-	-	6,379	258,616		
Unassigned	1,970,766	-	-	-	-	-	1,970,766		
<b>Total Fund Balances</b>	<b>2,469,828</b>	<b>707,773</b>	<b>786,898</b>	<b>-</b>	<b>(19,474)</b>	<b>492,373</b>	<b>4,437,397</b>		
<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ 2,491,997</b>	<b>\$ 735,647</b>	<b>\$ 887,244</b>	<b>\$ 162,625</b>	<b>\$ 92,618</b>	<b>\$ 498,401</b>	<b>\$ 4,868,534</b>		

The notes are an integral part of the statements.

**Township of Atlas**  
Governmental Funds  
Reconciliation of Fund Balances to the  
Statement of Net Position  
For The Fiscal Year Ended March 31, 2021

<b>Total Fund Balances for Governmental Funds</b>	<b>\$ 4,437,397</b>
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Special Assessment Receivables are not available to pay for current period expenditures, and therefore are deferred in the funds.	22,092
Long-term bonds payable are not due and payable in the current period and are not reported in the funds.	(116,131)
Capital assets used in Governmental Activities are not financial resources and are not reported in the funds.	<u>2,453,915</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 6,797,273</u></u></b>

The notes are an integral part of the statements.

# Township of Atlas

## Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances For The Fiscal Year Ended March 31, 2021

	Special Revenue Funds						Total Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Fire Protection Fund	Police Fund	East Lake Paving Fund	Thread River Paving Fund	-		
<b>Revenues</b>								
Property Taxes	\$ 408,870	\$ 347,972	\$ 730,741	\$ -	\$ -	-	\$ 43,915	\$ 1,531,498
Special Assessments	310,647	-	-	15,410	60,445	-	26,487	412,988
Intergovernmental Revenues	556,563	-	-	-	-	-	-	556,563
Franchise Fees	47,774	-	-	-	-	-	-	47,774
Charges for Services	61,262	-	-	-	-	-	51,741	113,003
Interest Earnings	4,311	873	994	293	82	-	1,227	7,780
Other Revenues	66,122	2,297	3,773	-	-	-	-	72,193
<b>Total Revenues</b>	<b>1,455,549</b>	<b>351,142</b>	<b>735,509</b>	<b>15,703</b>	<b>60,526</b>	<b>-</b>	<b>123,370</b>	<b>2,741,799</b>
<b>Expenditures</b>								
General Government	494,069	-	-	-	-	-	-	494,069
Public Safety	98,293	184,610	616,657	-	-	-	73,937	973,497
Public Works	564,690	-	-	15,703	80,000	-	-	660,393
Recreation & Culture	18,327	-	-	-	-	-	-	18,327
Capital Outlay	51,410	590,472	-	-	-	-	-	641,882
Debt Service - Principal	25,298	-	-	-	-	-	-	25,298
Debt Service - Interest	2,056	-	-	-	-	-	-	2,056
<b>Total Expenditures</b>	<b>1,254,143</b>	<b>775,082</b>	<b>616,657</b>	<b>15,703</b>	<b>80,000</b>	<b>-</b>	<b>73,937</b>	<b>2,815,322</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>201,405</b>	<b>(423,940)</b>	<b>118,853</b>	<b>-</b>	<b>(19,474)</b>	<b>-</b>	<b>49,433</b>	<b>(73,723)</b>
<b>Other Financing Sources (Uses)</b>								
Sale of Fixed Assets	-	44,910	-	-	-	-	-	44,910
Loan Proceeds	136,250	-	-	-	-	-	-	136,250
Operating Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>337,655</b>	<b>(379,030)</b>	<b>118,853</b>	<b>-</b>	<b>(19,474)</b>	<b>-</b>	<b>49,433</b>	<b>107,437</b>
<b>Fund Balances - Beginning of Year</b>	<b>2,132,173</b>	<b>1,086,802</b>	<b>668,045</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>442,940</b>	<b>4,329,960</b>
<b>Fund Balances - End of Year</b>	<b>\$ 2,469,828</b>	<b>\$ 707,773</b>	<b>\$ 786,898</b>	<b>\$ -</b>	<b>\$ (19,474)</b>	<b>\$ -</b>	<b>\$ 492,373</b>	<b>\$ 4,437,397</b>

The notes are an integral part of the statements.

**Township of Atlas**  
 Governmental Funds  
 Reconciliation of Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For The Fiscal Year Ended March 31, 2021

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	107,437
<p style="margin-left: 40px;">Amounts reported for Governmental Activities in the Statement of          Activities are different because:</p>		
Loan proceeds are not reported as financing sources on the Statement of Activities.		(136,250)
Repayment of loan principal is an expenditure in the Governmental Funds, but not in the Statement of Activities (where it reduces long-term debt).		25,298
Governmental Funds report capital outlays as expenditures. In the Statement of Activities, these costs are capitalized and allocated over their estimated useful lives as depreciation.		641,882
Depreciation is an expenditure for the Statement of Activities, but is not reported in the Governmental Funds.		<u>(203,340)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>435,027</u></b>

The notes are an integral part of the statements.

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**1. Summary of Significant Accounting Policies**

The accounting policies of the **Township of Atlas**, Genesee County, Michigan (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the **Township of Atlas**, Genesee County, Michigan.

**Financial Reporting Entity**

The **Township of Atlas** was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the **Township of Atlas** (the primary government) and. The Township of Atlas's Board of Trustees is the primary government which has oversight responsibility and control over all activities related to sanitation, public improvements, planning and zoning, and general administrative services within the Township. In evaluating how to define the Township for financial purposes, management has considered all potential component units. The decision to include a potential component unit of the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America, currently GASB Statement #14, *The Financial Reporting Entity* and GASB Statement #39, *Determining Whether Certain Organizations are Component Units*.

Based upon the application of this criteria, the basic financial statements of the Township contain all the funds controlled by the Township Board of Officials, as no other entity meets the criteria to be considered a blended component unit or a discretely presented component unit of the Township.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The township does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**1. Summary of Significant Accounting Policies – Continued**

Governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims judgements, are recorded only when payment is due.

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

The Township reports the following major governmental funds:

**General Fund** – 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.

**Fire Protection Fund** – The Fire Protection Fund is used to account for the activities related to the Township for providing fire protection to the citizens.

**Police Fund** – The Police Fund is used to account for activities related to the Township’s policing agreement with the Genesee County Sheriff’s Department.

**Thread Lake Paving** – Thread Lake Paving Fund is used to account for the activities related to the Thread Lake Special Assessment District.

**East Lake Paving Fund** – The East Lake Paving Fund is used to account for activities related to the Lake Shinaguag East Association Special Assessment District

Additionally, the Township reports the following:

**Nonmajor Special Revenue and Capital Projects Funds** – The nonmajor special revenue and capital projects funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Assets, Liabilities, and Net Position or Equity**

**Deposits** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

**Investments** - Investments, including certificate of deposits are stated at fair value based on quoted market prices.

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**1. Summary of Significant Accounting Policies – Continued**

**Receivables and Payables** – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

**Property Tax Revenues** - Property taxes are levied on each December 31<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

The Township’s 2020 tax is levied and collectible on July 1, 2020, and is recognized as revenue in the fiscal year ended March 31, 2021, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the Township totaled about \$358 million, on which taxes levied consisted of 0.7235 mills for operating purposes, 2.0359 mills for police, 0.9695 mills for fire protection, and 0.1224 mills for recreational pathways. This resulted in approximately \$260,000 for operating, \$731,000 for police, \$348,000 for fire protection, and \$44,000 for recreational pathways. These amounts are recognized in the General Fund, Police Fund, Fire Fund, and Recreational Pathway Fund financial statements as tax revenue. The Township also collects special assessments for Aquaweeds, Meadow Septic, Willow Septic, Thread River Paving, East Lake Paving, and Gale Lake Weeds, which are recognized in the General Fund, Atlas Meadow Septic Fund, Willowgate Crossing Fund, Thread River Paving Fund, East Lake Paving Fund, and Gale Lake Weed Fund financial statements.

**Prepaid Items** – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements

**Capital Assets** – Capital assets, which include property taxes, vehicles and equipment, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of 2 years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

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

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

Buildings	20 to 50 years
Building Improvements	5 to 7 years
Vehicles	5 to 15 years
Office and computer equipment	5 to 7 years

**Deferred Inflows of Resources** - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.



**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**1. Summary of Significant Accounting Policies – Continued**

**Fund Equity** – In the fund financial statements, governmental funds report fund balance in the following categories:

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

**Restricted** – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

**Committed** – amounts constrained on use imposed by the Township’s highest level of decision making, its Board. A fund balance commitment may be established, modified, or resinded by a resolution of the Township Board.

**Assigned** – amounts intended to be used for specific purposed, as determined by Township management. The Township Board has granted the management authority to commit funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

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

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

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

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year-end.

The Township Supervisor submits to the Township Board a proposed operating budget for the commencing fiscal year prior to its start each year. The operating budget includes proposed expenditures and the means to finance them. Budgets are prepared on a basis consistent with the accounting basis utilized by the fund. Public hearings are conducted to obtain taxpayer comments, Prior to March 31, the budget is legally enacted through passage of a resolution.

The budget document presents information by fund, activity, department and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township supervisor is authorized to transfer amounts between departments within any fund with subsequent Board ratification. Any revisions altering the total expenditures of a particular fund must be approved. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**2. Stewardship, Compliance and Accountability – Continued**

During the fiscal year ended March 31, 2021, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<b>Total Appropriations</b>	<b>Amount of Expenditures</b>	<b>Budget Variance</b>
None			

**3. Cash and Investments**

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township Board has designated several banks for the deposit of Township funds. The investment policy adopted by the Board is in accordance with Public Act 196 of 1997. The Board has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Township's deposits are in accordance with statutory authority and the Township does have an investment policy. All cash deposits and investments of the Township are held by the Township in the Township's name.

At the fiscal year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<b>Governmental Activities</b>	<b>Fiduciary - Trust &amp; Agency Fund</b>	<b>Total Primary Government</b>
Cash & Cash Equivalents	\$ 4,361,086	\$ 11,723	\$ 4,372,809

The breakdown between deposits and investments is as follows:

	<b>Primary Government</b>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 4,372,809

The bank balance of the primary government's deposits is \$4,372,809 of which \$1,643,576 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Township's name.

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**3. Cash and Investments – Continued**

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The Township has a deposit policy for custodial credit risk. At the fiscal year end, the Township had approximately \$2,729,233 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not further limit its investment choices.

At the fiscal year end, the deposits and investments were reported in the basic financial statements in the following categories:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Investment Pools	\$ 487,091	AAAm	Standard & Poor's

**4. Capital Assets**

Capital assets activity of the Township's governmental activities was as follows:

	<u>Balance April 1, 2020</u>	<u>Additions</u>	<u>Disposals &amp; Adjustments</u>	<u>Balance March 31, 2021</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated - Land	\$ 81,601	\$ -	\$ -	\$ 81,601
Capital Assets Being Depreciated:				
Buildings & Improvements	2,278,132	51,410	-	2,329,541
Machinery & Equipment	570,908	29,673	-	600,581
Vehicles	1,133,340	560,798	210,346	1,483,792
Total Capital Assets Being Depreciated	<u>3,982,380</u>	<u>641,881</u>	<u>210,346</u>	<u>4,413,915</u>
Accumulated Depreciation:				
Buildings & Improvements	722,662	83,207	-	805,869
Machinery & Equipment	478,442	32,015	-	510,458
Vehicles	847,503	88,118	210,346	725,275
Total Accumulated Depreciation	<u>2,048,607</u>	<u>203,340</u>	<u>210,346</u>	<u>2,041,601</u>
<b>Governmental Activities Capital Assets - Net</b>	<u>\$ 2,015,373</u>	<u>\$ 438,541</u>	<u>\$ -</u>	<u>\$ 2,453,914</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 69,457
Public Safety	129,947
Recreation & Culture	3,936
<b>Total Governmental Activities</b>	<u>\$ 203,340</u>

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**5. Long-Term Debt**

Governmental Activities:	Interest Rate Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Mortgage & Note Payables					
Genesee Co. Drain Commission	1.65% -		136,250		
Maturing through 2025	2.60%	\$ 5,179	\$ (25,298)	\$ 116,131	\$ 25,298
<b>Total Primary Government</b>		<u>\$ 5,179</u>	<u>\$ 110,952</u>	<u>\$ 116,131</u>	<u>\$ 25,298</u>

The Genesee County Drain Commission has made improvements to the following drains and levied multi-year assessments against the Township as follows:

Gilkey Drain	(10 Year Assessment through 2021)	2.6% Interest	\$ 2,589
Goodrich Drain	(6 Year Assessment through 2025)	1.65% Interest	113,542
			<u>\$ 116,131</u>

**6. Interfund Receivables, Payables and Transfers**

The composition of advances is as follows:

	<u>Due From Other Funds</u>		<u>Due To Other Funds</u>
General Fund	\$ 59	Fire Protection Fund	\$ 59
General Fund	600	Police Fund	600
General Fund	90,000	Thread River Paving Fund	90,000
Garbage Fund	11,723	Current Tax Collection Fund	11,723
General Fund	<u>162,625</u>	East Lake Paving Fund	<u>162,625</u>
Total	<u>\$ 265,007</u>		<u>\$ 265,007</u>

The balance payable to the General Fund from Thread River Paving and East Lake Paving is due to amounts advanced by the General Fund to cover paving and related costs for the road special assessments. The General Fund will be reimbursed as special assessments are collected.

The details for interfund transfers are as follows:

**None**

**7. Subsequent Events**

On March 11, 2021, President Biden signed the American Rescue Plan (ARP), a COVID Relief Package that will provide \$350 Billion in aid to state and local governments over the next two years. The Township is eligible to receive the aid in two 50% installments (if applied for). The first payment is anticipated to be sent within 60 days of the enactment of the ARP, and the second installment will be approximately 1 year later. The total amount eligible to be received by the Township is estimated at \$776,000.

**Township of Atlas**  
Notes to the Financial Statements  
For the Fiscal Year Ended March 31, 2021

**8. Risk Management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

**9. Deficit Fund Balance or Retained Earnings Balances of Individual Funds**

There is a deficit Fund Balance in the Thread River Paving Fund of \$19,474. This deficit is caused by a timing issue with the payment of the paving work in this special assessment versus when the money will be collected from the residents of that district. This deficit fund balance will slowly recover over the 10-year life of the assessment.

**10. Tax Abatements**

For the year ended March 31, 2021, the Township does not have any tax abatement programs.

**Required Supplemental Information**

**Township of Atlas**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 General Fund  
 For The Fiscal Year Ended March 31, 2021

	<b>General Fund</b>			<b>Variance with Amended Budget</b>
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Property Taxes	\$ 385,000	\$ 412,000	\$ 408,870	\$ (3,130)
Special Assessment	310,968	314,460	310,647	(3,813)
Intergovernmental Revenue	541,715	552,962	556,563	3,601
Franchise Fees	55,000	55,000	47,774	(7,226)
Charges for Services	65,800	63,600	61,262	(2,338)
Interest Earnings	7,800	8,136	4,311	(3,825)
Other Revenues	27,000	92,197	66,122	(26,075)
<b>Total Revenues</b>	<b>1,393,283</b>	<b>1,498,355</b>	<b>1,455,549</b>	<b>(42,806)</b>
<b>Expenditures</b>				
<b>General Government</b>				
Township Board	198,085	165,370	160,751	4,619
Supervisor	49,891	50,302	49,244	1,058
Elections	19,500	29,959	29,905	54
Assessor	48,700	50,238	49,972	266
Clerk & Deputy Clerk	69,582	68,852	68,454	398
Board of Review	3,034	3,398	2,790	608
Treasurer & Deputy Treasurer	100,351	102,091	101,752	339
Building & Grounds	45,500	32,081	29,602	2,479
Cemetery	5,000	1,600	1,600	-
<b>Total General Government</b>	<b>539,643</b>	<b>503,891</b>	<b>494,069</b>	<b>9,822</b>
<b>Public Safety</b>				
Street Lighting	10,000	13,500	13,433	67
Building Department	52,455	53,769	53,714	55
Planning & Zoning	28,200	31,251	31,146	105
<b>Total Public Safety</b>	<b>90,655</b>	<b>98,520</b>	<b>98,293</b>	<b>227</b>
<b>Public Works</b>				
Roads & Drains	445,107	266,252	262,276	3,976
Garbage Assessment	247,968	252,100	252,080	20
Aquatic Weed Control	62,060	62,060	50,334	11,726
<b>Total Public Works</b>	<b>755,135</b>	<b>580,412</b>	<b>564,690</b>	<b>15,722</b>
<b>Recreation &amp; Culture</b>	<b>22,100</b>	<b>20,850</b>	<b>18,327</b>	<b>2,523</b>
<b>Capital Outlay</b>	<b>60,000</b>	<b>51,500</b>	<b>51,410</b>	<b>90</b>
<b>Debt Service - Principal</b>	<b>25,900</b>	<b>25,900</b>	<b>25,298</b>	<b>602</b>
<b>Debt Service - Interest</b>	<b>2,100</b>	<b>2,100</b>	<b>2,056</b>	<b>44</b>
<b>Total Expenditures</b>	<b>1,495,533</b>	<b>1,283,173</b>	<b>1,254,143</b>	<b>29,030</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(102,250)</b>	<b>215,182</b>	<b>201,405</b>	<b>(13,777)</b>
<b>Other Financing Sources (Uses)</b>				
Loan Proceeds	136,250	136,250	136,250	-
Operating Transfers In (Out)	(34,000)	(34,000)	-	34,000
<b>Excess of Revenues &amp; Operating Transfers Over (Under) Expenditures &amp; Operating Transfers Out</b>	<b>-</b>	<b>317,432</b>	<b>337,655</b>	<b>20,223</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,015,624</b>	<b>2,015,624</b>	<b>2,132,173</b>	<b>116,549</b>
<b>Fund Balance - End of Year</b>	<b>\$ 2,015,624</b>	<b>\$ 2,333,056</b>	<b>\$ 2,469,828</b>	<b>\$ 136,772</b>

**Township of Atlas**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Fire Protection Fund  
 For The Fiscal Year Ended March 31, 2021

	<b>Fire Protection Fund</b>			
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Revenues</b>				
Property Taxes	\$ 315,000	\$ 365,000	\$ 347,972	\$ (17,028)
Interest Earnings	2,500	2,500	873	(1,627)
Other Revenue	1,695	1,695	2,297	602
<b>Total Revenues</b>	<b>319,195</b>	<b>369,195</b>	<b>351,142</b>	<b>(18,053)</b>
<b>Expenditures</b>				
Public Safety	267,165	188,089	184,610	3,479
Capital Outlay	293,296	604,828	590,472	14,356
<b>Total Expenditures</b>	<b>560,461</b>	<b>792,917</b>	<b>775,082</b>	<b>17,835</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(241,266)</b>	<b>(423,722)</b>	<b>(423,940)</b>	<b>(218)</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	-	49,900	44,910	(4,990)
Operating Transfers In (Out)	-	161,772	-	(161,772)
<b>Excess of Revenues &amp; Operating Transfers Over (Under) Expenditures &amp; Operating Transfers Out</b>	<b>(241,266)</b>	<b>(212,050)</b>	<b>(379,030)</b>	<b>(166,980)</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,068,455</b>	<b>1,068,455</b>	<b>1,086,802</b>	<b>18,347</b>
<b>Fund Balance - End of Year</b>	<b>\$ 827,189</b>	<b>\$ 856,405</b>	<b>\$ 707,773</b>	<b>\$ (148,633)</b>



**Township of Atlas**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Police Fund  
 For The Fiscal Year Ended March 31, 2021

	<b>Police Fund</b>			
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>Revenues</u></b>				
Property Taxes	\$ 667,419	\$ 667,419	\$ 730,741	\$ 63,322
Interest Earnings	-	-	994	994
Other Revenues	2,200	2,200	3,773	1,573
<b>Total Revenues</b>	<b>669,619</b>	<b>669,619</b>	<b>735,509</b>	<b>65,890</b>
<b><u>Expenditures</u></b>				
Public Safety	669,619	669,619	616,657	52,962
<b>Total Expenditures</b>	<b>669,619</b>	<b>669,619</b>	<b>616,657</b>	<b>52,962</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>118,853</b>	<b>118,853</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers In (Out)	-	-	-	-
<b>Excess of Revenues &amp; Operating Transfers Over (Under) Expenditures &amp; Operating Transfers Out</b>	<b>-</b>	<b>-</b>	<b>118,853</b>	<b>118,853</b>
<b>Fund Balance - Beginning of Year</b>	<b>677,625</b>	<b>677,625</b>	<b>668,045</b>	<b>(9,580)</b>
<b>Fund Balance - End of Year</b>	<b>\$ 677,625</b>	<b>\$ 677,625</b>	<b>\$ 786,898</b>	<b>\$ 109,273</b>

**Township of Atlas**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 East Lake Paving Fund  
 For The Fiscal Year Ended March 31, 2021

	East Lake Paving Fund			
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenues</b>				
Special Assessments	\$ -	\$ 15,409	\$ 15,410	\$ -
Interest Earnings	-	271	293	22
<b>Total Revenues</b>	-	15,680	15,703	22
<b>Expenditures</b>				
Public Works	-	15,703	15,703	-
<b>Total Expenditures</b>	-	15,703	15,703	-
Excess of Revenues Over (Under) Expenditures	-	(23)	-	22
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues & Operating Transfers Over (Under) Expenditures & Operating Transfers Out	-	(23)	-	22
<b>Fund Balance - Beginning of Year</b>	12,874	12,874	-	(12,874)
<b>Fund Balance - End of Year</b>	\$ 12,874	\$ 12,852	\$ -	\$ (12,852)

**Township of Atlas**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Thread River Paving Fund  
 For The Fiscal Year Ended March 31, 2021

	<b>Thread River Paving Fund</b>			<b>Variance with Amended Budget</b>
	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	
<b><u>Revenues</u></b>				
Special Assessments	\$ -	\$ 60,445	\$ 60,445	\$ -
Interest Earnings	-	75	82	7
<b><u>Total Revenues</u></b>	<b>-</b>	<b>60,520</b>	<b>60,526</b>	<b>7</b>
<b><u>Expenditures</u></b>				
Public Works	-	80,000	80,000	-
<b><u>Total Expenditures</u></b>	<b>-</b>	<b>80,000</b>	<b>80,000</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	-	(19,480)	(19,474)	7
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues & Operating Transfers Over (Under) Expenditures & Operating Transfers Out	-	(19,480)	(19,474)	7
<b><u>Fund Balance - Beginning of Year</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balance - End of Year</u></b>	<b>\$ -</b>	<b>\$ (19,480)</b>	<b>\$ (19,474)</b>	<b>\$ 7</b>

**Other Supplemental Information**

# Township of Atlas

Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 March 31, 2021

	Special Revenue Funds						Capital Projects Fund		Total Nonmajor Governmental Funds
	Sewer Receiving Fund	Atlas Meadows Septic Fund	Willow Gate Fund	Recreational Pathways Fund	Arbor On The Lake Fund	Gale Lake Assessment Fund	Sewer Capital Projects Fund		
<b>Assets</b>									
Cash & Cash Equivalents	\$ 43,920	\$ 13,184	\$ 19,045	\$ 237,262	\$ -	\$ 6,094	\$ 165,752	\$ 485,257	
Accounts Receivable	9,939	770	-	2,151	-	285	-	13,144	
<b>Total Assets</b>	<b>\$ 53,859</b>	<b>\$ 13,954</b>	<b>\$ 19,045</b>	<b>\$ 239,413</b>	<b>\$ -</b>	<b>\$ 6,379</b>	<b>\$ 165,752</b>	<b>\$ 498,401</b>	
<b>Liabilities &amp; Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable	\$ 6,029	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,029	
<b>Total Liabilities</b>	<b>6,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,029</b>	
<b>Fund Balances</b>									
Restricted For:									
Sewer Improvements & Operations	47,830	13,954	19,045	-	-	-	165,752	246,581	
Recreational Pathways	-	-	-	239,413	-	-	-	239,413	
Aquatic Weed Treatment	-	-	-	-	-	6,379	-	6,379	
<b>Total Fund Balances</b>	<b>47,830</b>	<b>13,954</b>	<b>19,045</b>	<b>239,413</b>	<b>-</b>	<b>6,379</b>	<b>165,752</b>	<b>492,373</b>	
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 53,859</b>	<b>\$ 13,954</b>	<b>\$ 19,045</b>	<b>\$ 239,413</b>	<b>\$ -</b>	<b>\$ 6,379</b>	<b>\$ 165,752</b>	<b>\$ 498,401</b>	

# Township of Atlas

Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For The Fiscal Year Ended March 31, 2021

	Special Revenue Funds						Capital Projects Fund		Total Nonmajor Governmental Funds
	Sewer Receiving Fund	Atlas Meadows Septic Fund	Willow Gate Fund	Recreational Pathways Fund	Arbor On The Lake Fund	Gale Lake Assessment Fund	Sewer Capital Projects Fund		
		-	-	-	-	-	-		
<b>Revenues</b>									
Property Taxes	-	-	-	\$ 43,915	-	-	-	\$ 43,915	
Special Assessments	-	10,395	9,252	-	-	6,840	-	26,487	
Charges for Services	51,741	-	-	-	-	-	-	51,741	
Interest Earnings	-	2	3	383	471	3	366	1,227	
Other Revenues	-	-	-	-	-	-	-	-	
<b>Total Revenues</b>	<u>51,741</u>	<u>10,397</u>	<u>9,255</u>	<u>44,298</u>	<u>471</u>	<u>6,843</u>	<u>366</u>	<u>123,370</u>	
<b>Expenditures</b>									
Public Works	49,749	8,984	8,299	-	471	6,434	-	73,937	
<b>Total Expenditures</b>	<u>49,749</u>	<u>8,984</u>	<u>8,299</u>	<u>-</u>	<u>471</u>	<u>6,434</u>	<u>-</u>	<u>73,937</u>	
<b>Excess of Revenues Over (Under) Expenditures</b>	1,992	1,412	955	44,298	-	409	366	49,433	
<b>Other Financing Sources (Uses)</b>									
Transfers In (Out)	-	-	-	-	-	-	-	-	
<b>Net Change in Fund Balances</b>	1,992	1,412	955	44,298	-	409	366	49,433	
<b>Fund Balances - Beginning of Year</b>	45,838	12,541	18,090	195,115	-	5,970	165,385	442,940	
<b>Fund Balances - End of Year</b>	<u>\$ 47,830</u>	<u>\$ 13,954</u>	<u>\$ 19,045</u>	<u>\$ 239,413</u>	<u>\$ -</u>	<u>\$ 6,379</u>	<u>\$ 165,752</u>	<u>\$ 492,373</u>	

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July 27, 2021

**Township of Atlas**  
PO Box 277  
Goodrich, MI 48438

To the Members of the Board:

In planning and performing our audit of the financial statements of the governmental activities and each major fund, as of and for the fiscal year ended March 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the **Township of Atlas's** internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit'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 deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses may exist that we have not identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the **Township of Atlas's** internal control to be a significant deficiency:

**Segregation of Duties** – Due to the limited number of people, many critical duties are combined and given to the available employees/board members. To the extent possible, duties should be segregated to serve as a check and balance to maintain the best control possible. We recommend the Township segregate duties whenever possible.

This information is intended solely for the information and use of management, **Township of Atlas**, and others within the organization, and is not intended to be, nor should it be used by anyone other than these specified parties.

Sincerely,

*King & King CPAs LLC*

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July 27, 2021

**Township of Atlas**  
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To the Members of the Board:

We have audited the financial statements of the governmental activities and each major fund of the **Township of Atlas** for the fiscal year ended March 31, 2021, and have issued our report thereon dated July 27, 2021. Professional standards require that we provide you with the following information related to our audit.

## **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated March 29, 2021, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted auditing standards. Our audit of the financial statements does not relieve you or management of your responsibilities.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you.

## **Significant Audit Findings**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of auditing standards and their application. The significant accounting policies used by the **Township of Atlas** 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 the fiscal year ended March 31, 2021. We noted no transactions entered into by the governmental unit during the fiscal year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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.

### *Difficulties Encountered in Performing the Audit*

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



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## **Audit Adjustments (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 the 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 July 27, 2021.

### *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 the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, 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.

### *Restriction on Use*

This information is intended solely for the information and use of management, the Board of the **Township of Atlas**, and Federal and State agencies and is not intended to be, nor should it be used by anyone other than these specified parties.

Sincerely,

*King & King CPAs LLC*  
**KING & KING CPAs LLC**