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May 23, 2025

To the Board of Trustees
Township of Laketown

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Laketown (the Township) for the year ended March 31, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, 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 February 17, 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 the Township are described in Note 1 of the financial statements. No new accounting policies were adopted, except for those noted in footnote 16, and the application of existing policies was not changed during 2025. We noted no transactions entered into by the 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 estimates affecting the financial statements were fair value of investments and capital asset depreciation.

> Management's estimate of the capital asset depreciation is based on the estimated useful lives of the Township's capital assets. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. Management has recorded all of our proposed audit adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 May 23, 2025.

Other 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 Township's auditor. 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 management's discussion and analysis and the budgetary comparison schedules, which are 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.

Communication Regarding Internal Control

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township as of and for the year ended March 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of the inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we have identified a deficiency in internal control that we consider to be a material weakness.

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

Material audit adjustments and financial statement preparation:

Criteria: All governmental units in Michigan are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is the responsibility of management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal accounting records), and (2) reporting government-wide and fund financial statements, including the related notes to the financial statements (i.e., external financial reporting).

Condition: We identified and proposed several material audit adjustments that management reviewed and approved. Adjustments were recorded to:

- Accrue receivables at year end
- Adjust property tax revenues and receivables at year end
- Accrue payables at year end
- Correct cash and certificate of deposit balances at year end for posting errors
- Convert the fund-based data necessary to prepare the government-wide financial statements

As is the case with many small and medium-sized governmental units, the Township has historically relied on its independent external auditor to assist with the preparation of the financial statements, the related notes, and the management's discussion and analysis as part of its external financial reporting process. Accordingly, the Township's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditor, who cannot be considered part of the Township's internal controls. This is a repeat finding.

Cause: This condition was caused by the Township's decision to outsource the preparation of its annual financial statements to the external auditor rather than incur the costs of obtaining the necessary training and expertise required for the Township to perform this task internally because outsourcing the task is considered more cost effective.

Effect: The Township's accounting records were initially misstated by amounts material to the financial statements. In addition, the Township lacks complete internal controls over the preparation of its financial statements in accordance with GAAP and relies, at least in part, on assistance from its external auditor with this task.

Auditor's Recommendation: We recommend that management continue to monitor the relative costs and benefits of securing the internal or other external resources necessary to develop material adjustments and prepare a draft of the Township's annual financial statements versus contracting with its auditor for these services.

Management Response: Management has made an ongoing evaluation of the respective costs and benefits of obtaining internal or external resources, specifically for the preparation of financial statements, and has determined that the additional benefits derived from implementing such a system would not outweigh the costs incurred to do so. Management will continue to review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

The Township's response to the internal control finding described above was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Restriction on Use

This information is intended solely for the use of the Board of Trustees of the Township of Laketown and the State of Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

Siegfried Crandall P.C.

Township of Laketown
Allegan County, Michigan

FINANCIAL STATEMENTS

Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Township of Laketown, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Laketown, Michigan (the Township), as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township, as of March 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Change in Accounting Principle

As described in Note 16 to the financial statements, the Township adopted GASB statement 101 during the current year, which resulted in a restatement of net position. Our opinions are not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Siegfried Crandall P.C.

May 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Township of Laketown's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended March 31, 2025. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by $1,093,660 (12 percent) as a result of this year's activities.
- Of the $10,403,686 in total net position reported, $1,470,281 (14 percent) is available to be used to meet the Township's ongoing obligations to its citizens and customers, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was $1,508,741, which represents 82 percent of the actual total General Fund expenditures and transfers out for the current fiscal year.

Overview of the financial statements

The Township's annual report is comprised of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
  - Governmental funds statements explain how government services, like general government and public safety, were financed in the short-term, as well as what remains for future spending.
  - Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as a custodian for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2025 and 2024 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets and liabilities) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements present governmental activities. These activities include functions most commonly associated with government (e.g., general government, public safety, public works, etc.). Property taxes and state grants generally fund these services.

Fund financial statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes (like the Fire, Roads, and Drain Fund) or to show that it is properly using certain other revenues (like the taxes collected for the fire millages).

The Township has two types of funds:

- *Governmental funds*. The Township's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances and activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position

Total net position at the end of the fiscal year was $10,403,686. However, $8,751,359 of this total represents an investment in capital assets and $182,046 is restricted for various purposes. Consequently, unrestricted net position was $1,470,281, or 14 percent of the total.

Condensed financial information
Net position

	Governmental activities	
	2025	*2024*
Current and other assets	**$ 1,953,567**	$ 1,923,281
Capital assets	**9,185,180**	8,190,134
Total assets	**11,138,747**	10,113,415
Current and other liabilities	**286,053**	311,645
Long-term debt	**433,821**	491,744
Total liabilities	**719,874**	803,389
Deferred inflows of resources	**15,187**	-
Net position:		
Investment in capital assets	**8,751,359**	7,698,390
Restricted	**182,046**	380,583
Unrestricted	**1,470,281**	1,231,053
Total net position	**$ 10,403,686**	$ 9,310,026

Changes in net position

The Township's total revenues for the current fiscal year are $4,404,665. Approximately 54 percent of the Township's revenues comes from property taxes and 15 percent comes from state shared revenue. Revenues related to charges for services represent 15 percent of total revenues in the current year.

The total cost of the Township's programs, covering a wide range of services, totaled $3,311,005. About 23 percent of the Township's costs are related to public safety. The general government and public works functions account for 41 and 28 percent of the Township's total expenses, respectively.

Changes in net position(continued)

Condensed financial information
Changes in net position

	Governmental activities	
	2025	*2024*
Program revenues:		
Charges for services	**$ 677,343**	$ 600,616
Operating grants and contributions	**15,762**	13,048
Capital grants and contributions	**575,485**	111,222
General revenues:		
Property taxes	**2,371,310**	2,203,172
State shared revenue	**639,457**	645,567
Franchise fees	**92,978**	101,007
Interest income	**32,330**	29,859
Total revenues	**4,404,665**	3,704,491
Expenses:		
General government	**1,347,239**	1,353,698
Public safety	**750,048**	728,700
Public works	**915,737**	982,741
Recreation and culture	**272,357**	190,125
Community and economic development	**7,055**	6,082
Interest on long-term debt	**18,569**	22,102
Total expenses	**3,311,005**	3,283,448
Changes in net position	**$ 1,093,660**	$ 421,043
Net position, end of year	**$ 10,403,686**	$ 9,310,026

Governmental activities
Governmental activities increased the Township's net position by $1,093,660 in the current fiscal year compared to an increase of $421,043 in the prior year. The net position increased during both years because revenues continue to be sufficient to cover expenses.

Total revenues increased by $700,174, primarily due to an increase of $464,263 in capital grants along with a $168,138 increase in property tax revenues. Expenses increased by $27,557, primarily due to a $82,232 increase in recreation and culture due to a pathway project, netted against a $67,004 decrease in public works expense as road projects were less in the current year.

The total cost of governmental activities this year was $3,311,005. After subtracting the direct charges to those who directly benefited from the programs ($677,343), operating grants ($15,762) and capital grants ($575,485), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was $2,042,415.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

At the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $1,699,449, a decrease of $147,874 compared to the prior year.

The General Fund is the primary operating fund of the Township. At the end of the fiscal year, its fund balance was $1,508,741, an increase of $44,671. Fund balance increased because revenues ($1,929,149) exceeded expenditures ($1,833,041) and transfers out ($51,437) during the current year.

The Fire, Roads, Drains and Bike Path Fund, a special revenue fund, accounts for revenues restricted for those listed functions. At the end of the fiscal year, its fund balance was $0, a decrease of $271,943. Total revenues, in the amount of $1,772,385 and transfers in of $51,437, were not sufficient to cover the fund's expenditures of $2,095,765 in the current year.

The Goshorn Sewer Debt Service Fund, a debt service fund, accounts for resources that are used to pay sewer debt. The fund is funded sewer connections. Revenues of $7,178 were higher than transfers out of $1,224, its fund balance at year end was $7,178.

General Fund budgetary highlights
The Township amended the General Fund budget to reflect changes which occurred during the year. Expenditures were decreased by $76,609, primarily due to a decrease in expected general government costs.

Total revenues were $49,273 more than budgeted. Total expenditures were $40,766 less than the amounts appropriated as most functions were under budget.

These variances, along with a $51,437 negative variance associated with other financing sources/uses, resulted in a $38,602 positive budget variance, with a $44,671 increase in fund balance compared to a budget that anticipated a $6,069 increase in fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Township's investment in capital assets for its governmental activities as of March 31, 2025, amounts to $9,185,180 (net of accumulated depreciation). This investment includes a broad range of assets, including land, buildings, and equipment.

Major capital asset events during the current fiscal year included the following:

- Bike path improvements were made for $1,218,487
- The Township purchased a new generator for $39,000

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

Debt

The Township had $433,821 in long-term debt at the end of the fiscal year, a decrease of $57,923 as timely principal payment were made.

The township also reported $52,032 in compensated absences at the end of the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Township's 2026 fiscal year budget does not anticipate significant changes in the amounts or composition of its major revenue sources. The Township has budgeted expenditures for the upcoming year at amounts sufficient to support its ongoing programs and activities, while maintaining the current levels of its resources.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Steven Ringelberg, (Interim)Township Manager Phone: (616) 335-3050
Township of Laketown
4338 Beeline Road
Holland, Michigan 49423

BASIC FINANCIAL STATEMENTS

Township of Laketown

STATEMENT OF NET POSITION

March 31, 2025

	Governmental activities
ASSETS	
Current assets:	
Cash	$ 1,730,684
Receivables	208,997
Total current assets	1,939,681
Noncurrent assets:	
Receivables	13,886
Capital assets not being depreciated - land	3,936,330
Capital assets, net of accumulated depreciation	5,248,850
Total noncurrent assets	9,199,066
Total assets	11,138,747
LIABILITIES	
Current liabilities:	
Payables	234,021
Current portion of compensated absences	45,354
Current portion of long-term obligations	56,633
Total current liabilities	336,008
Noncurrent liabilities:	
Compensated absences	6,678
Notes payable	377,188
Total noncurrent liabilities	383,866
Total liabilities	719,874
DEFERRED INFLOWS OF RESOURCES - LEASES	15,187
NET POSITION	
Net investment in capital assets	8,751,359
Restricted for:	
Public works	182,046
Unrestricted	1,470,281
Total net position	$ 10,403,686

See notes to financial statements

STATEMENT OF ACTIVITIES

Year ended March 31, 2025

		Program revenues			Net (expenses) revenues and change in net position
	Expenses	*Charges for services*	*Operating grants and contributions*	*Capital grants and contributions*	*Governmental activities*
Functions/Programs					
Governmental activities:					
General government	$ 1,347,239	$ 322,740	$ -	$ -	$ (1,024,499)
Public safety	750,048	206,265	-	-	(543,783)
Public works	915,737	141,463	15,762	-	(758,512)
Recreation and culture	272,357	-	-	575,485	303,128
Community and economic development	7,055	6,875	-	-	(180)
Interest of long term debt	18,569	-	-	-	(18,569)
Total governmental activities	$ 3,311,005	$ 677,343	$ 15,762	$ 575,485	$ (2,042,415)

General revenues:	
Property taxes	2,371,310
State shared revenue	639,457
Franchise fees	92,978
Interest income	32,330
Total general revenues	3,136,075
Change in net position	1,093,660
Net position - beginning, as previously stated	9,375,078
Change in accounting principle	(65,052)
Net position - beginning, as restated	9,310,026
Net position - ending	$ 10,403,686

See notes to financial statements

Township of Laketown

BALANCE SHEET - *governmental funds*

March 31, 2025

	General	*Fire Roads Drains Bike Path*	*Goshorn Sewer Debt Service*	*Nonmajor funds*	*Total governmental funds*
ASSETS					
Cash	$ 1,450,146	$ 89,167	$ 6,126	$ 185,245	$ 1,730,684
Receivables	165,806	45,415	5,844	5,818	222,883
Total assets	$ 1,615,952	$ 134,582	$ 11,970	$ 191,063	$ 1,953,567
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Payables	$ 92,024	$ 134,582	$ -	$ 1,715	$ 228,321
Deferred inflows - unavailable assessments and leases	15,187	-	4,792	5,818	25,797
Fund balances:					
Restricted for:					
Public works	-	-	-	182,046	182,046
Assigned for:					
Debt services	-	-	7,178	1,484	8,662
Unassigned	1,508,741	-	-	-	1,508,741
Total fund balances	1,508,741	-	7,178	183,530	1,699,449
Total liabilities, deferred inflows of resources and fund balances	$ 1,615,952	$ 134,582	$ 11,970	$ 191,063	$ 1,953,567

Reconciliation of the balance sheet to the statement of net position:

Total fund balance - total governmental funds	$ 1,699,449
Amounts reported for *governmental activities* in the statement of net position (page 12) are different because:	
Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.	9,185,180
Special assessments receivable and other receivables are not available to pay for the current period's expenditures and are deferred in the funds.	10,610
Long-term liabilities, including bonds payable and compensated absences and termination benefits, are not due and payable in the current period and, therefore, are not reported in the funds.	(485,853)
Interest related to long-term liabilities is not due and payable in the current period and, therefore, is not reported in the funds.	(5,700)
Net position of *governmental activities*	$ 10,403,686

See notes to financial statements

Township of Laketown

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *governmental funds*

Year ended March 31, 2025

	General	*Fire Roads Drains Bike Path*	*Goshorn Sewer Debt Service*	*Nonmajor funds*	*Total governmental funds*
REVENUES					
Property taxes	$ 807,862	$ 1,772,385	$ -	$ -	$ 2,580,247
Special assessments	9,824	-	7,178	11,229	28,231
Licenses and permits	299,368	-	-	-	299,368
State grants	655,219	-	-	-	655,219
Charges for services	29,267	-	-	116,793	146,060
Interest and rentals	42,423	-	-	1,107	43,530
Other	85,186	-	-	-	85,186
Total revenues	1,929,149	1,772,385	7,178	129,129	3,837,841
EXPENDITURES					
Current:					
General government	1,416,907	75,609	-	-	1,492,516
Public safety	88,737	655,473	-	-	744,210
Public works	28,084	711,293	-	56,909	796,286
Community and economic development	7,055	-	-	-	7,055
Recreation and culture	77,909	-	-	-	77,909
Capital outlay	147,545	643,002	-	-	790,547
Debt service:					
Principal	49,228	8,695	-	-	57,923
Interest	17,576	1,693	-	-	19,269
Total expenditures	1,833,041	2,095,765	-	56,909	3,985,715
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	96,108	(323,380)	7,178	72,220	(147,874)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	51,437	-	2,670	54,107
Transfers out	(51,437)	-	(1,224)	(1,446)	(54,107)
Net other financing sources (uses)	(51,437)	51,437	(1,224)	1,224	-
NET CHANGES IN FUND BALANCES	44,671	(271,943)	5,954	73,444	(147,874)
FUND BALANCES - BEGINNING	1,464,070	271,943	1,224	110,086	1,847,323
FUND BALANCES - ENDING	$ 1,508,741	$ -	$ 7,178	$ 183,530	$ 1,699,449

Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:	
Net change in fund balance - total governmental funds	$ (147,874)
Amounts reported for *governmental activities* in the statement of activities (page 13) are different because:	
Capital assets:	
Assets acquired	1,264,169
Provision for depreciation	(269,123)
Long-term debt:	
Principal repayments	57,923
Deferred inflows of resources - net decrease in unavailable revenue	(8,661)
Changes in other assets/liabilities:	
Decrease in interest payable	700
Net decrease in compensated absences	39,622
Net decrease in termination benefits	156,904
Change in net position of *governmental activities*	$ 1,093,660

See notes to financial statements

Township of Laketown

STATEMENT OF FIDUCIARY NET POSITION - *custodial funds*

March 31, 2025

	Tax Collection
ASSETS	
Cash	$ 10,108
LIABILITIES	
Due to other governments	10,108
NET POSITION	
Restricted for other governments	$ -

See notes to financial statements

Township of Laketown

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - *custodial funds*

Year ended March 31, 2025

	Tax Collection
ADDITIONS	
Property taxes collected for other governments	$ 18,035,992
DEDUCTIONS	
Property taxes distributed to other governments	18,035,992
NET CHANGE IN FIDUCIARY NET POSITION	-
NET POSITION - BEGINNING	-
NET POSITION - ENDING	$ -

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Laketown, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:
As required by generally accepted accounting principles, these financial statements present only the Township (located in Allegan County), as management has determined that there are no other entities for which the Township is financially accountable.

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 Township. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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 if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Township generally considers property tax revenues to be available if they are expected to be 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, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses, and permits, charges for services, 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. All other revenue items are considered to be measurable only when cash is received by the Township.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (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 Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire, roads, drains and bike path Fund, a special revenue fund, accounts for the proceeds of specific revenue sources, property taxes, which are legally restricted to expenditures on behalf of the Laketown's fire, road, drain and bike path costs.

The Goshorn Sewer Debt Fund, a Debt service fund, accounts for resources to be used to pay sewer debt. The fund is funded by transfers in from sewer connections and general fund.

Additionally, the Township report a custodial fund that are used to account for assets held by the Township in a fiduciary capacity for other governments. The Township's custodial fund includes the Tax Collection fund.

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, deferred inflows of resources, and equity:

Cash and investments - Cash consists of cash on hand, demand deposits, and highly-liquid, short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

Receivables - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

Prepaids - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund statements and the government-wide financial statements.

Capital assets - Capital assets, which include land, buildings, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

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

Buildings and improvements	20 - 40 years
Land improvements	15 years
Machinery and equipment	5 - 15 years
Office furniture and equipment	5 - 20 years
Vehicles	3 - 25 years
Road and sidewalks	15 - 25 years
Water and sewer systems	10 - 50 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, deferred inflows of resources, and equity (continued):

Deferred inflows of resources - The governmental funds balance sheet includes a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenue will not be recognized until a future event occurs. The Township has one item, unavailable special assessment revenue, which is included in this category. Unavailable special assessment revenue, which is not recognized until available (collected not later than 60 days after the end of the Township's fiscal year), is deferred and recognized as an inflow of resources in the period that the revenue becomes available.

Net position - Net position represents the difference between assets and liabilities. The Township reports three categories of net position, as follows: (1) *Investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

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

Fund equity - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are not in spendable form. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Township Board retains the authority to assign fund balance. Unassigned fund balance is the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. It is the Township's policy to recognize revenue from the tax levy in the current year when the proceeds are budgeted and made available for the financing of operations.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Township's governmental funds. The budget document presents information by function, department, and line-item. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth the reportable budget variances:

Fund	*Function*	*Activity*	*Final budget*	*Actual*	*Variance*
General	General government	Legislative	$ 100,290	$ 118,371	18,081
		Manager	361,541	373,488	11,947
		Clerk	53,885	58,130	4,245
	Public works	Street lights	14,000	18,402	4,402
	Capital outlay		133,000	147,545	14,545
	Other financing sources	Transfers out	-	51,437	51,437
Fire, Roads, Drains	Public works	Drains	100,000	108,829	8,829
and Bike Path	Public works	Street	525,000	573,039	48,039
	Public works	Bike paths	15,000	29,425	14,425
	Capital outlay		590,000	643,002	53,002

NOTE 3 - CASH AND INVESTMENTS

At March 31, 2025, the Township's cash and investments consist of the following:

	Governmental activities	*Custodial activities*	*Totals*
Deposits with financial institutions	$ 1,730,684	$ 10,108	$ 1,740,792

Deposits - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township's investment policy does not specifically address custodial credit risk for deposits. As of March 31, 2025, $1,341,834 of the Township's bank balances of $1,842,713 including those of the joint venture (Graafschap Fire Department) was exposed to custodial credit risk because it was uninsured and uncollateralized. Due to the use of pooled accounts, it is not practicable to allocate custodial credit risk between the primary government and its joint venture.

NOTE 4 - RECEIVABLES

Receivables as of March 31, 2025, for the Township's individual funds, were as follows:

Fund	*Accounts*	*Property taxes*	*Special Assessments*	*Inter-governmental*	*Totals*
General	$ 38,387	$ 18,103	$ -	$ 109,316	$ 165,806
Fire, roads, drains, and bike path	-	45,415	-	-	45,415
Goshorn sewer debt	-	-	5,844	-	5,844
Nonmajor funds	-	-	5,818	-	5,818
Totals	$ 38,387	$ 63,518	$ 11,662	$ 109,316	$ 222,883
Noncurrent portion	$ -	$ -	$ 13,886	$ -	$ -

All receivables are considered to be fully collectible and are due within one year.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2025, was as follows:

	Beginning balance	*Increases*	*Decreases*	*Ending balance*
Capital assets not being depreciated - land	$ 3,936,330	$ -	$ -	$ 3,936,330
Capital assets being depreciated:				
Buildings and improvements	1,699,177	-	-	1,699,177
Land improvements	1,152,592	6,682	-	1,159,274
Machinery and equipment	114,015	39,000	-	153,015
Office furniture and equipment	156,949	-	-	156,949
Vehicles	26,974	-	-	26,974
Infrastructure	4,581,555	1,218,487	-	5,800,042
Subtotal	7,731,262	1,264,169	-	8,995,431
Less accumulated depreciation for:				
Buildings and improvements	(1,007,422)	(63,899)	-	(1,071,321)
Land improvements	(765,892)	(47,181)	-	(813,073)
Machinery and equipment	(45,787)	(14,763)	-	(60,550)
Office furniture and equipment	(146,739)	(3,953)	-	(150,692)
Vehicles	(26,974)	-	-	(26,974)
Infrastructure	(1,484,644)	(139,327)	-	(1,623,971)
Subtotal	(3,477,458)	(269,123)	-	(3,746,581)
Total capital assets being depreciated, net	4,253,804	995,046	-	5,248,850
Governmental activities capital assets, net	$ 8,190,134	$ 995,046	$ -	$ 9,185,180

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	$ 40,226
Public safety	5,838
Public works	119,451
Recreation and culture	103,608
Total governmental activities	$ 269,123

NOTE 6 - PAYABLES

Payables as of March 31, 2025, for the Township's individual funds were as follows:

Fund	*Accounts*	*Payroll*	*Totals*
General	$ 52,888	$ 39,136	$ 92,024
Fire, roads, drains, and bike bath	134,582	-	134,582
Nonmajor	1,715	-	1,715
Totals	$ 189,185	$ 39,136	$ 228,321

NOTE 7 – LEASES RECEIVABLE

The Township has entered into an agreement with Friends of the Felt to lease a generator under an operating lease. As described in Note 13, the lease payments are equal to the Township's capital lease payments and are pledged solely for debt service. The title of the generator will remain with the Township throughout the course of the lease and after its completion. For the year ended March 31, 2025 the Township reported $7,593 in lease rentals.

As of March 31, 2025, future minimum rentals are as follows:

Year ended March 31:	
2026	$ 7,593
2027	7,594
Total minimum lease payments	$ 15,187

NOTE 8 – LONG-TERM DEBT

Long-term obligation activity for the year ended March 31, 2025, can be summarized as follows:

Governmental activities:	Original Issue	Current Balance
General obligation bonds		
2019 Kelly Lake Intercounty Drainage District, interest rate of 3.01%, maturing 2029	89,996	47,537
2011 Qualified Energy Conservation Improvement Bonds, interest rates from 0.30% to 4.25%, maturing 2026	105,000	20,000
2022 West Michigan Community bank loan Interest rate of 5.45% maturing 2028	275,000	247,364
Financed equipment		
Generator		14,364
Solar energy		104,556
Compensated absences		52,032
Total governmental activities long-term obligations		$ 485,853

	Beginning balance	*Additions*	*Net Change*	*Reductions*	*Ending balance*	*Amounts due within one year*
Governmental activities:						
Bonds and notes:						
2019 Kelly lake drainage district	$ 56,232	$ -	$ -	$ (8,695)	$ 47,537	$ 8,957
2011 Qualified Energy Imp Bonds	30,000	-	-	(10,000)	20,000	10,000
2015 Solar lease agreement	123,852	-	-	(19,296)	104,556	16,752
Generator IPA	21,155	-	-	(6,791)	14,364	7,049
2022 Note payable	260,505	-	-	(13,141)	247,364	13,875
Total bonds and notes	491,744	-	-	(57,923)	433,821	56,633
Termination benefits	156,904	-	-	(156,904)	-	-
Compensated absences	91,654	-	(39,622)	-	52,032	45,354
Total governmental activities long-term obligations	$ 740,302	$ -	$ (39,622)	$ (214,827)	$ 485,853	$ 101,987

NOTE 8 – LONG-TERM DEBT (continued)

All debt is considered direct placement, direct borrowing.
Annual debt service requirements to maturity for the bonds and notes are as follows:

Year ended	*Governmental activities*	
March 31:	*Principal*	*Interest*
2026	56,633	17,085
2027	59,534	15,209
2028	43,591	11,480
2029	45,023	11,914
2023	46,494	10,443
2031 - 2035	114,564	33,327
2036 - 2038	67,982	5,299
Totals	$ 433,821	$ 104,757

Termination Benefits - It is the Township's policy (effective April 2009) to pay a one-time retirement payment (compensation) upon retirement to all eligible employees. The liability for these termination benefits is reported at total future payments (non-discounted), as benefits offered do not specify when payment will be made. At March 31, 2025, no township employees is eligible for such termination benefits. The liability for termination benefits totaled $0 at March 31, 2025 as the only eligible employee was paid out during retirement in 2025.

Compensated Absences - Amounts due for compensated absences are liquidated as they become payable by the governmental funds from which the related employee compensation is paid. The liability is liquidated primarily from the General Fund as it contains the most significant compensated absence balance of the governmental funds.

Conduit Debt Obligations – In prior years, the Township has entered into financing agreements for the purpose of assisting with the financing need by Graafschap Fire Department to acquire vehicles and equipment. The debt is secured by the equipment financed. The Township has a proportionate share of liability for the debt in the event of default by Graafschap Fire Department.

NOTE 9 – DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation (defined contribution) plan with Northwestern Mutual Life Insurance Comp created in accordance with Internal Revenue Code Section 457 (through Laketown Township, the plan sponsor). The plan, available to all Township employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Trusts have been created for the plan assets, thereby insulating the assets from the unit of government's general creditors. The Township has no fiduciary or administrative responsibility for the plan; therefore, the plan assets are not reflected as an agency fund in the accompanying financial statements. The Township contributes 150% of an eligible employee's contribution to the plan, up to a maximum Township contribution of 11.25% of eligible compensation (employee maximum contribution is 7.5% of eligible compensation). For the year ended March 31, 2025, the Township's contribution amounted to $89,406 and the eligible employees contributed $152,662.

NOTE 10 - TAX REVENUE

The 2024 taxable valuation of the Township approximated $584,818,000, on which ad valorem taxes levied consisted of 1.0000 mills for operating purposes 2.9638 mills for Fire, Roads, Drains and Bike Path operations, raising approximately $585,000 for operating purposes, $1,734,000 for fire, roads, drains and bike path. These amounts are recognized in the fund financial statements as property tax revenue.

NOTE 11 - INTERFUND TRANSFERS

The Township recorded interfund transfers of unrestricted resources from the General Fund, in the amount of $51,437, in support the fire, roads, drains and bike path fund. A transfer from the Goshorn debt fund to a nonmajor fund in the amount of $1,224 was also recorded to pay for debt service payments.

NOTE 12 - JOINT VENTURE

The Township is a member of the Graafschap Fire Department (the Department), a joint venture of the Township and Fillmore Township, to provide fire protection within the participating townships. Costs of operations and capital expenditures are supported by contributions from the participating townships. Contributions from the participating townships are based on the prior year's fire protection runs and tax base in each township. The Department is managed by a board that consists of two members from each of the participating townships. For the year ended March 31, 2025, costs were allocated 78% to Laketown Township and 22% to Fillmore Township. During the year ended March 31, 2025, the Township contributed $655,473 to the Department. As of March 31, 2025, the Department has net position of $1,120,390 and noncurrent liabilities of $186,730. The Department's (General Fund) fund balance decreased by $171,649, from $142,865 to a deficit of $28,784, for the year ended March 31, 2025. The Department's net position decreased by $36,226, from $1,092,700 to $1,056,474, for the year ended March 31, 2025. Separate financial statements of the joint venture may be obtained from either of the participating townships.

NOTE 13 – RELATED ORGANIZATIONS

Organizations for which a primary government is accountable because it appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. Friends of the Felt Estate (a non-profit organization) is a related organization of the Township. The Township does not appoint a voting majority of the Directors of Friends of the Felt Estate, but the Township manager is represented on the organization board of directors, but the Township has no further accountability. As discussed in Note 7, the Township has a lease receivable with Friends of the Felt Estate.

NOTE 14 - CONSTRUCTION CODE ACT

A summary of construction code enforcement transactions for the year ended March 31, 2025, is as follows:

Cumulative deficit - beginning of year	$ (416,071)
Fiscal year 2025 activity:	
Revenues	204,665
Expenses	(289,615)
Excess of revenues over expenses	(84,950)
Cumulative deficit revenues - end of year	$ (501,021)

NOTE 15 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE

The Township adopted GASB 101, Compensated Absences, during the current year. As a result of implementing GASB 101, the beginning net position of the governmental activities have been restated as follows:

	Governmental Activities
Beginning of year, as previously reported	9,375,078
Change in accounting principle	(65,052)
Beginning of year, as restated	9,310,026

NOTE 17 - UPCOMING ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. This statement is effective for fiscal years ending June 30, 2026, and after. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; and budgetary comparison information.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Laketown

BUDGETARY COMPARISON SCHEDULE - *General Fund*

Year ended March 31, 2025

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
Property taxes				
Taxes	$ 599,000	$ 599,000	$ 598,007	$ (993)
Admin fees	205,000	205,000	208,937	3,937
Other	360	360	918	558
Total property taxes	804,360	804,360	807,862	3,502
Special assessments	11,000	11,000	9,824	(1,176)
Licenses and permits				
Franchise fees	105,000	105,000	92,978	(12,022)
Inspections	160,000	160,000	204,665	44,665
Other	2,000	2,000	1,725	(275)
Total licenses and permits	267,000	267,000	299,368	32,368
State grants				
State shared revenue	670,000	670,000	639,457	(30,543)
Other	-	-	15,762	15,762
Total state grants	670,000	670,000	655,219	(14,781)
Charges for services				
Other	23,200	23,200	29,267	6,067
Interest and rentals				
Interest	15,000	15,000	31,223	16,223
Rentals	24,000	24,000	11,200	(12,800)
Total interest and rentals	39,000	39,000	42,423	3,423
Other				
Reimbursements	65,316	65,316	76,043	10,727
Other	-	-	9,143	9,143
Total other	65,316	65,316	85,186	19,870
Total revenues	1,879,876	1,879,876	1,929,149	49,273

EXPENDITURES	***Original budget***	***Final budget***	***Actual***	***Variance with final budget positive (negative)***
General government:				
Legislative	$ 146,290	$ 100,290	$ 118,371	$ (18,081)
Supervisor	23,720	23,720	18,393	5,327
Manager	361,541	361,541	373,488	(11,947)
Election	84,740	84,740	81,598	3,142
Assessor	111,260	111,260	107,775	3,485
Clerk	53,885	53,885	58,130	(4,245)
Board of review	3,200	3,200	2,054	1,146
Treasurer	22,570	22,570	20,478	2,092
Hall and grounds	112,850	157,850	151,468	6,382
Administration	622,960	547,351	485,152	62,199
Total general government	1,543,016	1,466,407	1,416,907	49,500
Public safety:				
Code inspections	91,000	91,000	88,737	2,263
Public works:				
Street lighting	14,000	14,000	18,402	(4,402)
Sanitation	1,000	1,000	1,000	-
Cemetery	10,000	10,000	8,682	1,318
Total public works	25,000	25,000	28,084	(3,084)
Community and economic development - planning and zoning	10,100	10,100	7,055	3,045
Recreation and culture	89,800	89,800	77,909	11,891
Capital outlay	133,000	133,000	147,545	(14,545)
Debt service - principal	57,000	57,000	49,228	7,772
Debt service - interest	1,500	1,500	17,576	(16,076)
Total expenditures	1,950,416	1,873,807	1,833,041	40,766
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(70,540)	6,069	96,108	90,039
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(51,437)	(51,437)
NET CHANGES IN FUND BALANCES	(70,540)	6,069	44,671	38,602
FUND BALANCES - BEGINNING	1,464,070	1,464,070	1,464,070	-
FUND BALANCES - ENDING	$ 1,393,530	$ 1,470,139	$ 1,508,741	$ 38,602

Township of Laketown

BUDGETARY COMPARISON SCHEDULE - *Fire, Roads, and Drains Fund*

Year ended March 31, 2025

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
Property taxes	$ 1,797,000	$ 1,797,000	$ 1,772,385	$ (24,615)
EXPENDITURES				
General Government	75,609	75,609	75,609	-
Public safety - fire	655,473	655,473	655,473	-
Public works				
Drains	100,000	100,000	108,829	(8,829)
Streets	525,000	525,000	573,039	(48,039)
Bike path	15,000	15,000	29,425	(14,425)
Total public works	640,000	640,000	711,293	(71,293)
Debt services				
Principal	8,695	8,695	8,695	-
Interest	1,705	1,705	1,693	12
Capital outlay	590,000	590,000	643,002	(53,002)
Total expenditures	1,971,482	1,971,482	2,095,765	(124,283)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(174,482)	(174,482)	(323,380)	(148,898)
OTHER FINANCING SOURCES				
Transfers in - General Fund	-	-	51,437	51,437
NET CHANGES IN FUND BALANCES	(174,482)	(174,482)	(271,943)	(97,461)
FUND BALANCES - BEGINNING	271,943	271,943	271,943	-
FUND BALANCES - ENDING	$ 97,461	$ 97,461	$ -	$ (97,461)

SUPPLEMENTARY INFORMATION

Township of Laketown

COMBINING BALANCE SHEET - *nonmajor governmental funds*

March 31, 2025

	Special revenue			
	Sewer connection	***Water connection***	***Castle Park Water Debt***	***Total governmental funds***
ASSETS				
Cash	$ 165,794	$ 17,967	$ 1,484	$ 185,245
Receivables	-	-	5,818	5,818
Total assets	$ 165,794	$ 17,967	$ 7,302	$ 191,063
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payables	$ 90	$ 1,625	$ -	$ 1,715
Deferred inflows - unavailable assessments	-	-	5,818	5,818
Fund balances:				
Restricted for public works	165,704	16,342	-	182,046
Assigned for:				
Debt services	-	-	1,484	1,484
Total fund balances	165,704	16,342	1,484	183,530
Total liabilities and fund balances	$ 165,794	$ 17,967	$ 7,302	$ 191,063

See notes to financial statements

Township of Laketown

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *nonmajor governmental funds*

Year ended March 31, 2025

	Special revenue			
	Sewer connection	***Water connection***	***Castle Park Water Debt***	***Total governmental funds***
REVENUES				
Special assessments	$ 9,745	$ -	$ 1,484	$ 11,229
Charges for services	73,145	43,648	-	116,793
Interest and rentals	546	561	-	1,107
Total revenues	83,436	44,209	1,484	129,129
EXPENDITURES				
Current:				
Public works	10,693	46,216	-	56,909
Total expenditures	10,693	46,216	-	56,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	72,743	(2,007)	1,484	72,220
OTHER FINANCING SOURCES (USES)				
Transfers in	1,224	1,446	-	2,670
Transfers out	-	-	(1,446)	(1,446)
Net other financing sources (uses)	1,224	1,446	(1,446)	1,224
NET CHANGES IN FUND BALANCES	73,967	(561)	38	73,444
FUND BALANCES - BEGINNING	91,737	16,903	1,446	110,086
FUND BALANCES - ENDING	$ 165,704	$ 16,342	$ 1,484	$ 183,530

See notes to financial statements

Qualifying Statement

Local Unit Basic Information

County:	Allegan	Type:	Township	Local Unit Name:	Laketown Township
Municode	03-1-110	FY Ending:	2025	Year End Month:	3

Audit Filed Under MUNI:

Audit Filed Under MUNI name:

1. During the fiscal year for which this qualifying statement is being submitted, was the municipality required by the terms of a court order OR judgment to levy a tax?

   ( ) Yes. We levy a tax under the terms of a court order or judgment levy.
   (X) No. We do not levy a tax under the terms of a court order or judgment levy.

   If Yes,
   Do you levy more than one tax under the terms of a court order or judgment levy?

   ( ) Yes. We levy more than one tax under the terms of a court order or judgment levy.
   ( ) No. We only levy one tax under the terms of a court order or judgment levy.

2. a) Enter the total fund balance remaining in all UNLIMITED tax levy funded debt retirement funds at the end of the fiscal year for which this qualifying statement is being submitted. An UNLIMITED tax levy debt is a voter approved debt that is secured by a pledge of ad valorem property taxes that are not limited in rate or amount. This information may be found in the municipality's annual audit.

   $ -

2. b) Enter the total amount of principal and interest payments for all outstanding municipal securities funded from an UNLIMITED tax levy due the fiscal year immediately following the fiscal year for which this qualifying statement is being submitted. This information may be found in the notes to the municipality's annual audit. Do not include limited tax debt.

   $ -

3. Is the municipality currently exceeding its statutory or constitutional debt limits? The statutory and constitutional debt limit is the maximum borrowing power of a governmental entity.

   ( ) Yes. We are currently exceeding our statutory or constitutional debt limit.
   (X) No. We are not currently exceeding our statutory or constitutional debt limit.

   If Yes,
   Provide details about why you are exceeding your statutory or constitutional debt limit.

4. Are all outstanding securities of the municipality authorized by statute?

   ( ) Yes. All outstanding municipal securities are authorized by statute.
   ( ) No. We have outstanding municipal securities that are not authorized by statute.
   (X) N/A. We currently do not have any outstanding municipal securities.

   If No,
   Provide details about the outstanding securities not authorized by statute.

5. Is the municipality in violation of any provision in the covenants for an outstanding security currently or in the fiscal year for which this qualifying statement is being submitted?

   ( ) Yes. We are in violation of provisions in the covenants for an outstanding security.
   (X) No. We are not in violation of provisions in the covenants for an outstanding security.

   If Yes,
   Provide details about the covenants violated and what outstanding securities were impacted.

6. During the fiscal year for which this qualifying statement is being submitted, was the municipality delinquent (greater than 30 days beyond the due date) more than one time IN ANY of the following:

Transferring employee taxes withheld to the appropriate agency?

[ ] Yes
[X] No

If Yes,
Provide details as to why you were delinquent in transferring employee taxes withheld to the appropriate agency.

In making all required pension, retirement, or benefit plan contributions?

[ ] Yes
[X] No

If Yes,
Provide details as to why you were delinquent in making all required pension, retirement, or benefit plan contributions.

Transferring taxes collected as an agent for another taxing entity to that taxing unit?

[ ] Yes
[X] No

If Yes,
Provide details as to why you were delinquent in transferring taxes collected as an agent for another taxing entity to that taxing unit.

7. a) Enter the total dollar amount of the property taxes levied by the municipality that became delinquent as of the most recent March 1st. This amount should agree with the delinquent taxes of the municipality identified on the settlement report to the county treasurer from the tax-collecting unit.

$ 60,738

7. b) Enter the total dollar amount of property taxes that were levied by the municipality in the tax year, related to the delinquencies. These property taxes should include both operating and debt taxes levied by the municipality. For schools include sinking fund taxes levied. The property taxes should not include specific taxes (e.g. Industrial Facility Taxes, Neighborhood Enterprise Zone, etc.), special assessments, SET Taxes, or Tax Administrative Fees.

$ 2,317,447

8. Did the municipality submit a qualifying statement or an application for any other municipal security to the Department of Treasury in the preceding 12 months that was materially false or incorrect?

[ ] Yes. We submitted a qualifying statement or an application that was materially false or incorrect.
[X] No. We did not submit a qualifying statement or an application that was materially false or incorrect.

If Yes,
Provide details about what was materially false or incorrect.

9. Is the municipality in default on the payment of any debt for which it is financially liable? Default occurs when the borrower has not made a scheduled payment of principal or interest.

[ ] Yes. We are currently in default for debt which we are financially liable.
[X] No. We are not in default for any debt which we are financially liable.

If Yes,
Provide details about the municipal security for which you are currently in default.

10. Did the municipality end the fiscal year for which this qualifying statement is being submitted with an unrestricted deficit (sum of committed, assigned, and unassigned) in any fund in its most recent audited financial statements?

[ ] Yes
[X] No

If Yes,

[ ] Does this deficit require a deficit elimination plan in accordance with Department of Treasury Numbered Letter 2016-1?

If Yes,
Select the one that applies.

[ ] We have submitted our deficit elimination plan to the Department of Treasury and the plan was approved.
[ ] We have not yet submitted our deficit elimination plan to the Department of Treasury.
[ ] We have submitted our deficit elimination plan to the Department of Treasury and are awaiting a determination.
[ ] We have submitted our deficit elimination plan to the Department of Treasury and the plan was denied.

11. As determined by a court of competent jurisdiction, did the municipality violate any State or Federal finance or tax related statutes during the fiscal year for which this qualifying statement is being submitted?

[ ] Yes. We have been found to be in violation of State or Federal finance or tax related statutes during the fiscal year this qualifying statement is being submitted.
[X] No. We are not in violation of any State or Federal finance or tax related statutes during the fiscal year this qualifying statement is being submitted.

If Yes,
Provide details about the State or Federal finance or tax related statutes that have been violated.

12. Has the municipality been in compliance with the provisions of Public Act 34 of 2001 during the fiscal year for which the qualifying statement is being submitted? This includes but is not limited to the filing of a prior approval application and the payment of filing fees under Section 303(7), and the timely filing (within 15 business days after issuance) of a security report and other required documents and the payment of filing fees feesunder Section 319.

[X] Yes. We are in compliance with the provisions of Public Act 34 of 2001.
[ ] No. We are not in compliance with the provision of Public Act 34 of 2001.

If No,
Provide details describing why you are not in compliance with Public Act 34 of 2001.

13. During the fiscal year for which this qualifying statement is being submitted, did the municipality issue a funding security to avoid a potential default on an outstanding security?

[ ] Yes. We issued a refunding security to avoid a potential default on an outstanding security.
[X] No. We did not issue a refunding security to avoid a potential default on an outstanding security.

If Yes,
Provide details as to why a refunding was necessary to avoid a potential default.

Certify and submit

Chief Administrative Officer	Steven Ringelberg	Email Address	steven@laketowntwp.org
Clerk or other contact if no clerk	James Delaney	Email Address	P174
Certified Public Accountant	Joshua Gabrielse	Email Address	jgabrielse@scpro.net
Firm Name	Siegfried Crandall P.C.		

[X] I certify that the Chief Administrative officer is aware of the information included in this filing and has asserted to me that this is complete and accurate in all respects. It is understood (by the CAO and/or myself) that providing false information for this is a misdemeanor pursuant to the Michigan Penal Code (MCL 750 489)

Auditing Procedures Report Worksheet

Local Unit Basic Information

County:	Allegan	Type:	Township	Local Unit Name:	Township of Laketown
Municode:	03-1-110	FY Ending:	2025	Year End Month:	3

REPORTING

Enter Opinion Date: 5/23/25

Select type of audit opinion for the following: Choices: **Unmodified / Qualified / Adverse / Disclaimer / N/A**

Governmental activities:	unmodified	Business-type activities:	N/A
Aggregate discretely presented component units:	N/A	Major fund(s):	unmodified
Aggregate remaining fund information:	unmodified	Aggregate discretely presented component units and remaining fund information:	N/A

	YES	NO	N/A
Has the local unit complied with generally accepted accounting principles (GAAP)?	X		
Are all required component units/funds/significant others of the local unit included in the financial statements and disclosed in the reporting entity notes to the financial statements when applicable?	X		
If NO, Please check and list all of the following that are missing:			
____ Component Units ____ Funds ____ Significant Others			
Is this unit in compliance with the *Uniform Chart of Accounts* issued by the Department of Treasury?	X		
Nothing came to my attention that caused me to believe that the local unit failed to comply with guidance issued by the Local Government Financial Services Division (ie., Uniform Reporting Format, Accounting Manual, Audit Manual, Budget Manual, Numbered Letters, MCGAA Statements). If nothing came to your attention, mark yes.	X		

STATUTORY

Nothing came to my attention that caused me to believe that the local unit failed to comply with charters or ordinances. If nothing came to your attention, mark yes.	X		
If NO, Indicate section of charter or ordinance with which the local unit is not in compliance:			
Does the local unit have a court ordered judgment tax levy or judgment bond?		X	
If YES, Is this a one year levy?			
Has the local unit distributed tax revenues that were collected for another taxing unit timely as required by the general property tax act?	X		
Has the current year pension actuarially determined contribution been paid by the unit required by the State Constitution Article 9, Section 24?			X
Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the manual for Audits of Local Units of Government in Michigan, as revised (see Appendix H of manual)?	X		
If NO, Has a description of the illegal or unauthorized expenditures been included in the audit?			
If YES, Please provide page number:			
If NO, Describe			
Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of the audit that have not been previously communicated to the Local Government Financial Services Division?	X		
If NO, Has a written report (forensic audit) been produced?			
Has law enforcement been notified?			
Does the audit report identify violations of other statutes not described in above?		X	
If YES, Describe:			

BORROWING / DEBT / DEFICIT

Does the local unit have a negative fund balance in any of its unrestricted (unassigned, assigned and committed) fund balances/unrestricted fund net position (not government-wide statements)?		X	
If YES, You must complete the "Deficit Worksheet' section below.			
Is the local unit in compliance with Public Act 34 of 2001, Revised Municipal Finance Act (ie., authorized borrowing, annual filing of a qualifying statement, filing of a security report within 15 days of any issuance)?	X		
Is the local unit in compliance with orders issued under Public Act 243 of 1980, Emergency Municipal Loan Act?			X

BUDGET

	YES	NO	N/A
Did the local unit adopt a budget for all required funds (MCL 141.436)?	X		
Was a public hearing on the budget held in accordance with State statute?	X		
Were the local unit's actual expenditures within the amounts authorized in the budget?		X	

If NO,

	YES	NO
Are there any individual expenditures or other financing uses that exceed 10% of total expenditures?	X	

If YES,

	YES	NO
Are any of those over budget by 10% or more?		X

INTERNAL CONTROLS

	YES	NO
Has the board or council approved all disbursements prior to payment as required by charter or statute?	X	
Do all deposits / investments comply with statutory requirements including the adoption of an investment policy?	X	
To your knowledge, were the bank reconciliations performed timely?	X	
Are there any reported deficiencies other than segregation of duties and/or the preparation of financial statements?		X

If YES,

How many are: Enter a number from **0 to 20+**:
Material weaknesses? Significant deficiencies? Statutory non-compliance?

	YES	NO
Are any reported deficiencies repeated from the prior year?	X	
Were there any reported deficiencies including those that would be related to internal controls, statutory compliance, or other areas of concern?	X	

FINANCIAL STATEMENTS
Please enter the following:

General Fund Revenue:	$ 1,929,149	Governmental net position:	$ 10,403,686
General Fund Expenditure (Must be positive:	$ 1,833,041	Business type net position:	$ -
General Fund Other financing net sources/ (uses) (Can be positive or negative):	$ (51,437)	Component units total net position:	$ -
General Fund Beginning Balance:	$ 1,464,070	Governmental Activities Long-Term Debt:	$ 485,853
General Fund Ending Balance:	$ 1,508,741	Major Fund Deficit Amount:	$ -
Calculated General Fund Ending Balance:	$ 1,508,741	Governmental fund revenues	$ 3,837,841

If the Calculated General Fund Ending Balance is different than the entered General Fund Ending Balance then please explain the difference:

Certified Public Accountant Information

X We affirm that we are certified public accountants licensed to practice in Michigan.

X We affirm that all answers are correct to the best of our knowledge.

X We further affirm that all material weaknesses, significant deficiencies, and statutory noncompliance violations as well as all budget violations that were reported to the auditee are reported to the Michigan Dept of Treasury.

CPA Name: Joshua Gabrielse Ten Digit License Number: 1101034266

Please provide a primary email address for the local unit contact: steven@laketowntwp.org

The Township has no DB pension or OPEB plans.