Kelli Santilli, Treasurer Karen December, Trustee

powell Township

Darlene Turner, Supervisor

Mitchell Walker, Clerk Denise Hudson, Trustee

Powell Township Government

101 Bensinger PO Box 319 Big Bay, MI 49808 (906) 345-9345 Powelltownship.org

MEMORANDUM

To: Powell Township Board

From: Darlene Turner, Supervisor

Subject: Response to state on Audit Deficiency FY 2024

BACKGROUND.

The Township has a deficit in the Road Milage due to borrowing from the General Fund. The Road Milage Fund continues to repay the General Fund annually with collected tax revenue each year. We will file a deficit elimination plan with the state each year and will continue to do so until the deficit is eliminated in 2029. (Attached is the deficit elimination plan approved by Powell Township Board and filed with the state).

Instance of Noncompliance

Cause: The local street fund took an advance from the General Fund in the fiscal year 2023 to complete a road project.

Effect: The township is not in compliance with the state law.

RECOMMENDATION

Powell Township Supervisor to sign and file the attached letter to the State of Michigan in response to the audit deficiency.

ALTERNATIVE

Do Nothing and not be in compliance with the State of Michigan financial regulations.

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RESOULTION for DEFICIT ELMINATION FOR LOCAL ROADS MILLAGE

WHEREAS the Powell Township Local Road Fund Millage has (244,082) deficit fund Balance on March 31,2024; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination plan be formulated by the local unit of government and filed the Michigan Department of Treasury:

NOW THEREFORE, IT IS RESOLVED that the Powell Township Local Road Millage Fund Deficit elimination Plan is:

Powell Township
Deficit Elimination Plan
3/31/2023

Unrestricted Equity

FY - End	_	2023		2024		2025		2026		2027	 2028		2029		2030		2030	
		ACTUAL		ACTUAL		BUDGET		BUDGET		BUDGET	BUDGET		BUDGET		BUDGET		BUDGET	
Beginning Equity	\$	119,864	\$	(350,434)	\$	(244,082)	\$	(143,267)	\$	(37,743)	\$ 75,673	\$	196,367	\$	327,260	\$	464,920	
Property Taxes - 5% Increase	\$	160,848	\$	173,175	\$	178,370	\$	183,721	\$	189,233	\$ 194,910	\$	200,757	\$	206,780	\$	212,983	
Contribution from Local Source	\$	200,000	\$		\$		\$	•	\$		\$ -	\$		\$	-	\$	12	
Interest	\$	667	\$	7,356	\$	Æ	\$	2	\$	-	\$ ž	\$		\$	*	\$		
Capital Outlay	\$	(770,119)	\$	-	\$		\$		\$	ů.	\$ -	\$	•	\$		\$		
Debt Payment - Principal	\$	(61,694)	\$	(52,058)	\$	(54,897)	\$	(58,683)	\$	(59,630)	\$ (61,523)	\$	(64,362)	\$	(65,309)	ś	(67,201)	
Debt Payment - Interest	\$		\$	(11,463)	\$	(10,359)	\$	(9,116)	\$	(7,748)	\$ (6,271)	\$	(5,502)	\$	(3,812)		(2,016)	
Advance Payment - Interest	\$		\$	(10,658)	\$	(12,299)	\$	(10,398)	\$	(8,439)	\$ (6,422)	\$	÷	\$	-	\$	3	
Net Income (Loss)	\$	(470,298)	\$	106,352	\$	100,815	\$	105,524	\$	113,416	\$ 120,694	\$	130,894	\$	137,659	\$	143,767	
Endding Equity	\$	(350,434)	\$	(244,082)	\$	(143,267)	\$	(37,743)	\$	75,673	\$ 196,367	\$	327,260	\$	464,920	\$	608,687	
Advance Principal	\$	÷	\$	(65,023)	\$	(63,381)	\$	(65,283)	\$	(67,241)	\$ (69,259)	\$	(71,336)	\$	(73,476)	\$	•	
Advance Balance	\$	475,000	\$	409,977	\$	346,596	\$	281,313	\$	214,072	\$ 144,813	\$	73,476	\$	-	\$	•	
Debt Balance	\$	483,662	\$	431,604	\$	376,707	\$	318,024	\$	258,394	\$ 196,871	\$	132,509	\$	67,201	\$	9 - 9	

RESOLUTION for DEFICIT ELIMINATION

Be it further resolved that Powell Township Supervisor, Darlene Turner, submits the Deficit Elimination Plan to the Michigan Department of Treasury for Certification.

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Date: 10/25/24

Supervisor, Darlene Turner
Clerk, Mitch Walker Y ==
Treasurer, Kelli Santilli
Trustee, Denise HudsonABS ==>>
Trustee, Karen December
I, Mitchell Walker, clerk of Powell Township, Michigan, do hereby certify that the above is a true and correct copy of the Resolution for Deficit Elimination with the Michigan Department of Treasury, which resolution was adopted by the Powell Township Board of Trustees at a meeting held
MWall
Mitchell Walker, Powell Township Clerk