COHOCTAH TOWNSHIP BOARD MEETING
September 11, 2025 at 7:00 PM
Township Hall | Fowlerville, Michigan

The Township will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting upon 72 hour advance notice by contacting Barb Fear, Township Clerk, by email: bfearclerk@gmail.com, phone: (517) 546-0655, or mail: 10518 N Antcliff Rd Fowlerville MI 48836.

AGENDA

CALL TO ORDER

AGENDA APPROVAL

CONSENT AGENDA

1. Minutes 08-14-2025
2. Treasurer's Report
3. Expenditures

CALL TO THE PUBLIC

UNFINISHED BUSINESS

Road Commission

Howell Fire Authority

Hall

Cemetery

Parks and Recreation

NEW BUSINESS

4. Mailing of Tax Receipts
5. Audit Presentation
6. Spicer Group Additional Services

REPORTS

Zoning Board of Appeals

Planning Commission

Violations and Complaints

CALL TO THE PUBLIC

NEXT REGULAR MEETING DATE - OCTOBER 9, 2025

ADJOURN

COHOCTAH TOWNSHIP BOARD MEETING

August 14, 2025 at 7:00 PM

Township Hall | Fowlerville, Michigan

The Township will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting upon 72 hour advance notice by contacting Barb Fear, Township Clerk, by email: bfearclerk@gmail.com, phone: (517) 546-0655, or mail: 10518 N Antcliff Rd Fowlerville MI 48836.

MINUTES

CALL TO ORDER

The meeting was called to order at 7:00PM with the Pledge of Allegiance.

PRESENT: Barb Fear, Phil Charette, Mark Fosdick, Tami Bock, Mark Torigian

AGENDA APPROVAL

Motion made by Charette, Seconded by Torigian to approve the agenda as presented. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian, motion carried.

CONSENT AGENDA

1. Minutes 07-10-2025
2. Treasurer's Report
3. Expenditures

   Motion made by Torigian, Seconded by Bock to approve the Consent Agenda as presented. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian, motion carried.

CALL TO THE PUBLIC

None

UNFINISHED BUSINESS

4. Quarterly Budget Review

   The Quarterly Budget will be reviewed at the October 9, 2025 meeting.

Road Commission

Verbal report given.

Howell Fire Authority

No report.

Hall

5. Painting of Hall

   The Township will be seeking bids for the interior painting of the Hall.

Cemetery

No report.

Parks and Recreation

Verbal report given.

NEW BUSINESS

6. Early Voting Agreement Renewal

   Motion made by Torigian, Seconded by Charette to approve the Early Voting Agreement Renewal. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian, motion carried.

7. L-4029 Tax Rate Request

   Motion made by Fear, Seconded by Torigian to approve the L-4029 Tax Rate Request Resolution. Roll call voting Yea: Fear, Charette, Fosdick, Bock, Torigian. Nays- none, motion carried.

8. Planning Commission Appointments

   Motion made by Fosdick, Seconded by Torigian to appoint Jessica Buttermore to a 3 year term ending 08/28. Voting Yea: Fear, Charette, Fosdick, Torigian,Bock. Motion carried.

   Motion made by Fosdick, Seconded by Charette to appoint Mark Cican to a 3 year term ending 08/2/. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian. Motion carried.

9. Zoning Board of Appeals Appointments

   Motion made by Fosdick, Seconded by Bock to appoint Christina DeFrancisco to a 3 year term ending 08/28. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian. Motion carried.

   Motion made by Fosdick, Seconded by Fear to appoint Jason Huntley to a 3 year term ending 08/28. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian. Motion carried.

10. Auditing Contract Renewal

    Motion made by Torigian, Seconded by Charette to approve the Auditing Contract for a 3 year term. Voting Yea: Fear, Charette, Fosdick, Bock, Torigian. Motion carried.

11. Security Camera's

Zoning Board of Appeals

No report.

REPORTS

Planning Commission

Verbal report given.

Violations and Complaints

Verbal report given.

CALL TO THE PUBLIC

Public comment was received.

NEXT REGULAR MEETING DATE - SEPTEMBER 11, 2025

ADJOURN

There being no further business, the meeting was adjourned at 7:37PM.

TAMI BOCK
COHOCTAH TOWNSHIP TREASURER
10518 ANTCLIFF ROAD
FOWLERVILLE MI 48836
517-546-0655

Aug 2025

RECEIPTS

	BURIAL SVC	$	1,175.60
	INTEREST	$	6.01
	TRASH PICK UP	$	37,654.00
	BARN RENTAL	$	200.00
	OTHER REV	$	57.93
	PARK	$	200.00
	LAND USE	$	300.00
	CEM SITES	$	1,600.00
	PARADE DONATION	$	100.00
	RECEIPTS TOTAL	**$**	**41,293.54**
	CASH ACCOUNT ENDING BALA	$	471,182.00
	CHOICEONE BANK	$	521,440.23
	PNC BANK	$	122,062.44
	GENERAL FUND BALANCE	$	1,114,684.67
	TRUST AND AGENCY BALANCE	$	7,050.00
	CAPITAL IMPROVEMENT FUND	$	231,415.68
	ROAD FUND ENDING BALANCI	$	2,460.34
	ARPA FUND	$	75,749.69

	EXPENDITURES - SEPTEMBER 2025			
	CONSUMERS ENERGY		$ 603.58	
	HARTMAN SEPTIC		$ 300.00	
	FOSTER/SWIFT		$ 18,195.23	
	SPRUNGTOWN OUTDOOR SERV		$ 2,850.00	
	IVSCOMM INC		$ 125.00	
	GRANGER		$ 24,621.00	
	EDWARD CHAUDOIN		$ 40.00	
	CARLISLE/WORTMAN		$ 3,897.50	
	LIVINGSTON COUNTY PRESS		$ 96.88	
	LIVINGSTON COUNTY SHERIFF		$ 2,240.00	
	COFFIELD OIL CO		$ 1,625.68	
	BLACKROCK TECHNOLOGIES		$ 500.00	
	CHASE BANK		$ 966.67	
	SPICER GROUP		$ 2,456.50	
	L DAVENPORT		$ 7.00	
	S BRONSBERG		$ 86.80	
	B FEAR		$ 15.40	
	A KOZAK		$ 98.00	
	T BOCK		$ 25.20	
	SUB TOTAL		**$ 58,750.44**	
	T BOCK		$ 2,302.01	
	A KOZAK		$ 233.66	
	S BRONSBERG		$ 1,349.62	
	K THURNER			$126.98
	K CARMACK		$ 158.58	
	C BEACH		$ 203.17	
	J BUTTERMORE		$ 211.44	
	P CHARETTE		$ 469.40	
	M CICAN		$ 166.23	
	K ENGEL		$ 158.58	
	S NEWTON		$ 79.29	
	M TORIGIAN		$ 526.39	
	M FOSDICK		$ 1,816.05	
	J BLACK		$ 88.10	
	L DAVENPORT		$ 46.18	
	B FEAR		$ 2,165.89	
	T LITZ		$ 816.96	
	C GARBER		$ 2,402.87	
	MERS		$ 1,992.04	
	W/H		$ 4,008.87	
	BENEPAY		$ 75.68	
	SUB TOTAL		**$ 19,271.01**	
	TOTAL GENERAL FND		**$ 78,021.45**	
	CHLORIDE SOLUTIONS			
	ROAD FUND		**$ -**	
	TOTAL EXPENDITURES		**$ 78,021.45**	

PHP

PFEFFER ▪ HANNIFORD ▪ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.
Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

September 11, 2025

Cohoctah Township
Board of Trustees
10518 Antcliff Road
Fowlerville, MI 48836

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of Cohoctah Township for the year ended March 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 March 31, 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 Cohoctah Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024/2025, except those disclosed in Note 13. We noted no transactions entered into by Cohoctah Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the Township’s financial statements were:

Depreciation

Management’s estimate of the depreciation expense is based on the estimated useful lives and salvage value of capital assets.

We have evaluated the key factors and assumptions used to develop the estimate for depreciation expense in determining that it is 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.

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 11, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

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

Very truly yours,

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

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September 11, 2025

To the Board of Trustees
Cohoctah Township
10518 Antcliff Road
Fowlerville, MI 48836

Dear Honorable Board of Trustees:

In planning and performing our audit of the financial statements of Cohoctah 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 Cohoctah Township's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

A deficiency in internal control exists when the design or operation of 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 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 consider the following deficiencies in Cohoctah Township's internal control to be material weaknesses:

1. **Establish Control over the Financial Reporting Process -** Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with United States of America generally accepted accounting principles.

   At times, management may choose to outsource certain accounting functions due to cost or training considerations. Such accounting functions and service providers must be governed by the control policies and procedures of the Township. Management is as responsible for outsourced functions performed by a service provider as it would be if your personnel performed such functions.

Specifically, management is responsible for management decisions and functions: for designating an individual with suitable skill, knowledge, or experience to oversee any outsourced services; and for evaluating the adequacy and results of those services and accepting responsibility for them.

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

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

Response By Management

Management believes the perceived benefit of more control over the financial reporting process does not exceed the related cost. Therefore, management has chosen to continue to request the auditors to prepare the financial statements.

2. **Segregate Accounting Duties** - A good system of internal control provides for a proper segregation of the accounting functions. The Township does not have the proper segregation of duties over cash receipts and disbursements. Proper segregation is not always possible in a small organization, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud. We recommend that management review the current assignment of accounting functions. Where possible, duties should be segregated to reduce the risk or errors or fraud.

   Response By Management

   Management has reviewed and continues to review the current assignment of accounting functions. Management understands the importance of segregating accounting duties in order to reduce the risk of errors or fraud. However, because of limited staff and funds it is difficult to segregate duties to the extent which would be considered the perfect segregation. Management does not believe the benefits of hiring additional staff at this point in time would outweigh the costs of the additional staff.

CONCLUSION

Thank you for your assistance and hospitality toward our firm while conducting the audit of Cohoctah Township.

If you should have any questions, comments or concerns please do not hesitate to call us.

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

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

COHOCTAH TOWNSHIP

10518 Antcliff Rd, Fowlerville, MI 48836 (517)546-0655 Fax (517)548-5029

September 11, 2025

Pfeffer, Hanniford & Palka
Certified Public Accountants
225 East Grand River, Suite 104
Brighton, Michigan 48116

This representation letter is provided in connection with your audit(s) of the financial statements of Cohoctah Township, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of March 31, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 31, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The methods, significant assumptions and date used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with U.S. GAAP.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.

9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

10) Guarantees, whether written or oral, under which the Township is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources).

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the Township from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of Township Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the Township and involves:

    a) Management,

    b) Employees who have significant roles in internal control, or

    c) Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Township's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the Township's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have a process to track the status of any audit findings and recommendations, if applicable.

21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

22) We have identified to you an investigations or legal proceedings that have been initiated with respect to the period under audit.

23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report, if applicable.

24) The Township has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows or resources, and fund balance or net position.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

26) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91.

27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

30) The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

31) The Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

33) The financial statements include all fiduciary activities required by GASBS No. 84.

34) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.

35) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

37) Investments, derivative instruments, land and other real estate held by endowments are properly valued.

38) Provisions for uncollectible receivables have been properly identified and recorded.

39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

40) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

42) Special and extraordinary items are appropriately classified and reported.

43) Deposits, investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

44) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

45) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.

46) We have appropriately disclosed the Township's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

47) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

48) We have appropriately identified, recorded, and disclosed all leases in accordance with GASB No 87, Leases.

49) The Township determined that is has no materially recognizable SBITAs.

50) We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASBS) No, 102, Certain Risk Disclosure, No. 103, Financial Reporting Model Improvements, and No. 104, Disclosure of Certain Capital Assets, as discussed in Note 14. The Township is therefore unable to disclose the impact that adopting GABS No. 102, 103 and 104 will have on its financial position and the results of its operations when the Statement is adopted.

51) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

52) We have assessed the leave policy of the township in relation to GASB No. 101, Compensated Absences. Implementation. The Township has no compensated absences that qualify for this pronouncement.

53) With respect to the supplementary information (combining statements, individual fund statements, etc.),

   a) We acknowledge our responsibility for presenting the supplementary information (combining statements, individual fund statements, etc.) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information (combining statements, individual fund statements, etc.), including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

54) In regard to the nonattest services provided by you, we have:

   a) Assumed all management responsibilities
   b) Designated Mark Fosdick, Tamela Bock and Barb Fear, who have suitable skill, knowledge and experience to oversee the services
   c) Evaluated the adequacy and results of the services performed
   d) Accepted responsibility for the results of the services
   e) Ensured that the data and the records are complete, and we have sufficient information to oversee services.

55) We have furnished you the information to prepare the following:

- F-65 (MI) Annual Local Unit Report
- Municipal Finance Qualifying Statement
- Report on Audit of Financial Statements

We have reviewed, approved and accepted responsibility for the reports. We are responsible for the timely filing of the reports.

Very truly yours,
Cohoctah Township

Supervisor

Clerk

Treasurer

COHOCTAH TOWNSHIP

Annual Financial Report

For the Year Ended March 31, 2025

COHOCTAH TOWNSHIP

TOWNSHIP OFFICIALS

Supervisor - Mark Fosdick
Treasurer - Tami Bock
Clerk - Barb Fear

TOWNSHIP BOARD OF TRUSTEES

Tami Bock
Phil Charette
Mark Fosdick
Barb Fear
Mark Torigian

TOWNSHIP ATTORNEYS

Foster Swift Collins & Smith PC

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

TABLE OF CONTENTS

PHP

PFEFFER ▪ HANNIFORD ▪ PALKA
Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.
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225 E. Grand River - Suite 104
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FAX (810) 229-5578

INDEPENDENT AUDITOR'S REPORT

September 11, 2025

To the Board of Trustees
Cohoctah Township
10518 Antcliff Road
Fowlerville, MI 48836

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cohoctah Township, Michigan, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise Cohoctah Township, Michigan's basic financial statements as listed in the table of contents. In our opinion, the accompanying 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 Cohoctah Township, Michigan, as of March 31, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 on pages 7-11 and 34-35 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 accompanying supplementary information such as the combining and individual 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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

Within this section of Cohoctah Township's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the fiscal year ended March 31, 2025. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The first of these government-wide statements is the Statement of Net Position. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township, as a whole, is improving or deteriorating. Evaluation of the overall health of the Township may extend to various nonfinancial factors as well.

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

Governmental activities include such activities as general government, public safety, and planning and zoning departments. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

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

Fund Financial Statements

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

The Township has two kinds of funds:

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

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

Notes to the financial statements

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

Other information

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

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

Financial Analysis of the Township as a Whole

The Township's net position at the end of the fiscal year was $2,495,886. This is a decrease of $146,301 over last year's net position of $2,642,187.

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

Summary of Net Position

	Governmental Activities	
	3/31/2025	3/31/2024
Assets		
Current and other assets	$ 1,648,389	$ 1,774,612
Capital assets	960,687	986,574
Total assets	2,609,076	2,761,186
Liabilities		
Accounts payable	31,956	38,145
Due to others	4,263	5,104
Unearned revenues	75,750	75,750
Total liabilities	111,969	118,999
Net position:		
Invested in capital assets, net of related debt	960,687	986,574
Unrestricted	1,535,199	1,655,613
Total net position	$ 2,495,886	$ 2,642,187

The governmental funds experienced a decrease in net position of $146,301 for the year ended March 31, 2025, as compared to a decrease of $15,333 in the prior year. This decrease in net position is primarily due to an increase in expenses for the Township compared to the prior year. In the 2025 fiscal year, the township had an increase in costs for refuse and road maintenance projects.

Financial Analysis of the Township's Major Funds

Cohoctah Township determined it has two major governmental funds, the General Fund and the Road Fund. In the fiscal year ending March 31, 2025, the General Fund had a decrease in its fund balance by $4,916. This was due to an decrease in state shared revenues collected, and an increase in refuse costs.

The Road Fund decreased its fund balance by $115,498. This was primarily due to expenses this year for multiple road projects and chloride dust control expenses.

General Fund Budgetary Highlights

The Township approved a budget prior to the start of the fiscal year. The Township Board made immaterial amendments during the year to bring it closer to economic reality. There were a few budget overruns during the year. See the notes to required supplementary information.

Summary of Changes in Net Position

	Governmental Activities	
	3/31/2025	**3/31/2024**
Revenues:		
Program revenues		
Charges for services	$ 252,032	$ 245,842
General revenues		
Property taxes	350,526	336,904
State revenues	358,591	362,409
Interest income	36,033	22,496
Reimbursements	10,001	1,862
Other income	13,452	23,066
Total revenues	1,020,635	992,579
Expenses		
General government	738,016	595,162
Public works	26,874	24,874
Refuse	324,538	304,453
Cemetery	26,008	39,990
Community planning and zoning	26,819	14,832
Recreation	24,681	28,601
Total expenses	1,166,936	1,007,912
Changes in net position	(146,301)	(15,333)
Beginning net position	2,642,187	2,657,520
Ending net position	$ 2,495,886	$ 2,642,187

Capital Asset and Debt Administration

The Township added one new capital asset during the year. They purchased new security cameras that totaled $10,515 in fiscal year 2025. There were no disposals during the year.

Capital Asset and Debt Administration - continued

The governmental funds issued no debt during the year and has no outstanding debt.

Economic Conditions and Future Activities

Total tax revenue increased a little over 4% in the General Fund and Road Fund; which is due to an increase in taxable value and an decrease in the millage rates for General Fund and Road Fund. State Shared Revenues decreased by 1%. This is based on a percentage of the sales tax collected by the State of Michigan, based on population.

The Township received $350,398 in total funds under the State and Local Fiscal Recovery Program ("SLFRP") in relation to the American Rescue Plan Act ("ARPA"), which was passed to help communities recover from negative impacts of the Covid-19 pandemic. These funds were received over the 2022 fiscal year and the 2023 fiscal year. Of that amount received, $274,648 was spent during the 2023 fiscal year on broadband internet for the Township, a cement pad, and security camera equipment for the Cohoctah Township Park. No ARPA amounts were spent during the 2024 or 2025 fiscal year. The $75,750 remaining funds were obligated by December 31, 2024, for additional broadband internet infrastructure throughout the community.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and to comply with finance-related regulations. If you have any further questions about this report or require additional information, please contact Cohoctah Township at 10518 Antcliff Road, Fowlerville, Michigan 48836.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
MARCH 31, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,565,335
Taxes receivable	21,581
State shared revenues receivable	57,632
Due from others	3,841
Capital assets	
Non-depreciable	512,942
Depreciable, net of accumulated depreciation	447,745
Total assets	2,609,076
LIABILITIES	
Accounts payable	31,956
Due to others	4,263
Unearned revenues	75,750
Total liabilities	111,969
NET POSITION	
Invested in capital assets, net of related debt	960,687
Unrestricted	1,535,199
Total net position	$ 2,495,886

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

COHOCTAH TOWNSHIP

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Governmental activities:			
General government	$ (738,016)	$ 7,683	$ (730,333)
Public works	(26,874)		(26,874)
Refuse	(324,538)	232,420	(92,118)
Cemetery	(26,008)	11,929	(14,079)
Community planning and zoning	(26,819)		(26,819)
Recreation	(24,681)		(24,681)
Total governmental activities	$ (1,166,936)	$ 252,032	(914,904)
	General Revenues:		
	Property taxes		350,526
	Licenses and permits		3,650
	State revenues		358,591
	Interest income		36,033
	Reimbursements		10,001
	Other income		5,220
	Rental income		4,582
	Total general revenues		768,603
	Changes in net position		(146,301)
	Net position, April 1, 2024		2,642,187
	Net position, March 31, 2025		$ 2,495,886

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

FUND FINANCIAL STATEMENTS

COHOCTAH TOWNSHIP

BALANCE SHEET
GOVERNMENTAL FUND
MARCH 31, 2025

	General Fund	Road Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,536,083	$ 29,252	$ 1,565,335
Receivables:			
Taxes	7,035	14,546	21,581
State shared revenues	57,632		57,632
Due from others	1,323		1,323
Due from other funds	1,297	2,326	3,623
Total assets	$ 1,603,370	$ 46,124	$ 1,649,494
LIABILITIES			
Accounts payable	$ 31,956	$	$ 31,956
Due to other funds	2,326		2,326
Due to others	4,263		4,263
Unearned revenues	75,750		75,750
Total liabilities	114,295		114,295
FUND BALANCES			
Committed for:			
Capital improvement	118,336		118,336
Assigned	75,750		75,750
Assigned for future budget deficit	277,810	46,124	323,934
Unassigned	1,017,179		1,017,179
Total fund balances	1,489,075	46,124	1,535,199
Total liabilities and fund balances	$ 1,603,370	$ 46,124	$ 1,649,494

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

COHOCTAH TOWNSHIP

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2025

Total fund balance per balance sheet		$ 1,535,199
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds:		
Historical costs	$ 1,302,543	
Accumulated depreciation	(341,856)	
Capital assets, net of depreciation		960,687
Net position of governmental activities		$ 2,495,886

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

COHOCTAH TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2025

	General Fund	Road Fund	Total
REVENUES			
Taxes	$ 119,058	$ 231,468	$ 350,526
Licenses and permits	3,650		3,650
State revenues	357,211	1,380	358,591
Charges for services	252,032		252,032
Interest	36,002	31	36,033
Reimbursements	10,001		10,001
Rental income	4,582		4,582
Miscellaneous	5,220		5,220
Total revenues	787,756	232,879	1,020,635
EXPENDITURES			
Current			
General government	353,237	348,377	701,614
Public works	26,874		26,874
Refuse	324,538		324,538
Cemetery	26,008		26,008
Community planning and zoning	26,819		26,819
Recreation	24,681		24,681
Capital outlay			
General government	10,515		10,515
Total expenditures	792,672	348,377	1,141,049
Excess of revenues over (under) expenditures	(4,916)	(115,498)	(120,414)
OTHER FINANCING SOURCES (USES)			
Transfer in	190,000	190,000	380,000
Transfer (out)	(190,000)	(190,000)	(380,000)
Total other financing sources (uses)			
Net change in fund balance	(4,916)	(115,498)	(120,414)
FUND BALANCE, APRIL 1, 2024	1,493,991	161,622	1,655,613
FUND BALANCE, MARCH 31, 2025	$ 1,489,075	$ 46,124	$ 1,535,199

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

COHOCTAH TOWNSHIP

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

Net change in fund balance - governmental fund		$ (120,414)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlay exceeded depreciation is as follows:		
Capital outlay	$ 10,515	
Depreciation expense	(36,402)	
Total		(25,887)
Change in net position of governmental activities		$ (146,301)

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

COHOCTAH TOWNSHIP

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
MARCH 31, 2025

		Current Tax Fund
ASSETS		
Cash	$	1,434
Accounts receivable		121
Total assets	$	1,555
LIABILITIES		
Due to others	$	258
Due to other funds	$	1,297
Total liabilities	$	1,555

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Cohoctah Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. BASIC FINANCIAL STATEMENTS

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

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental fund types are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Generally, the effect of interfund activity has been removed from the government-wide financial statements.

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

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

Also, part of the basic financial statements are fund financial statements for the governmental funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures of fund category and of the governmental funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds are combined in a single column on the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road Fund is for the Township road improvement. It collects taxes for a special approved mileage and expenses for approved road improvements.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, licenses, fees and permits, intergovernmental revenues, charges for services and interest.

B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

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

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

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. BUDGETARY DATA

The Township's original budget was adopted prior to April 1, 2024. A budget was adopted for the General Fund and Road Fund as required. Amendments made during the fiscal year are reflected in the budget column.

The Township adopts its budget by functional activity which is the level of classification detail at which expenditures may not legally exceed appropriations. Expenditures did exceed budgeted appropriations, see notes to required supplementary information.

D. PROPERTY TAX REVENUE RECOGNITION

The Township property tax is levied each December 1 on the taxable value of property located in the Township as of the preceding December 31. Assessed values are established annually by the County and are equalized by the State at an estimated 50 percent of current market value. Real and personal property in the Township for the 2024 levy was assessed and equalized at $156,757,757. Taxes are due and payable by February 28. Delinquent real property taxes are returned to the County Treasurer for collection. Information related to the 2024 tax levy is as follows:

	Millage Rate
Township operations	0.7152
Roads	1.4789
Total Township millage	2.1941

E. CAPITAL ASSETS

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

Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life greater than one year. Land is considered a capital asset regardless of initial cost. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

Buildings, structures and improvements	10 to 50 years
Machinery and equipment	5 to 40 years

Any capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. MANAGEMENT ESTIMATES

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

G. RISK MANAGEMENT

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

H. CASH AND CASH EQUIVALENTS

The Township considers its deposits and restricted deposits and investments held with maturities of three months or less are considered to be cash equivalents.

I. DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through September 11, 2025, which is the date the financial statements were available to be issued.

J. FUND EQUITY

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

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

NOTE 2 - FINANCIAL REPORTING ENTITY

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) standards, certain other governmental organizations are not considered to be part of the reporting entity for financial statement purposes.

The criteria established by GASB standards for various governmental organizations to be included in the reporting entity's financial statements include accountability, control, and significant financial relationships.

The accompanying financial statements of Cohoctah Township as of March 31, 2025, include any and all boards, agencies, funds and account groups under the jurisdiction of the Cohoctah Township Board.

NOTE 3 - INTERFUND BALANCES

Interfund balances between individual funds of the Township, as reported in the fund financial statements, as of March 31, 2025. Interfund receivables and payables were as follows:

	Interfund Receivable		Interfund Payable	Purpose
General Fund	$ 1,297	Current Tax Collection Fund	$ 1,297	Repay expenses
General Fund	52	Trust & Agency Fund	52	Repay expenses
Road Fund	2,326	General Fund	2,326	Allocate PPT payment
Total	$ 3,675		$ 3,675	

Interfund receivables and payables were eliminated between combined funds on the fund financial statement balance sheet presentation.

Interfund transfers were eliminated between combined funds on the fund financial statement of revenues, expenditures and changes in fund balance presentation.

Transfer In	Transfer out	Amount	Purpose
General Fund	Road Fund	$ 190,000	Fund road improvements
Road Fund	General Fund	190,000	Fund road improvements
	Total	$ 380,000	

NOTE 4 - CAPITAL ASSETS

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

	Balance 4/1/2024	Additions	Deletions	Balance 3/31/2025
Governmental Funds				
Capital assets not being depreciated				
Land	$ 447,745	$	$	$ 447,745
Other capital assets:				
Building and improvements	554,394			554,394
Broadband internet	245,000			245,000
Vehicles and equipment	44,889	10,515		55,404
Total other capital assets at historical cost	844,283	10,515		854,798
Less accumulated depreciation for:				
Buildings and improvements	(279,283)	(19,367)		(298,650)
Broadband internet	(8,983)	(4,900)		(13,883)
Vehicles and equipment	(17,188)	(12,135)		(29,323)
Total accumulated depreciation	(305,454)	(36,402)		(341,856)
Other capital assets, net	538,829	(25,887)		512,942
Governmental activities capital asset, net	$ 986,574	$ (25,887)	$	$ 960,687

Depreciation was charged to functions as follows:

General government	$ 32,092
Fire protection	4,310
	$ 36,402

Depreciation expense is being recorded in the government-wide statement of activities based upon the activity utilizing the assets. The Township uses the straight line method to depreciate capital assets over their estimated useful lives.

NOTE 5 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, (Public Act 20 of 1943, as amended) authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; 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 by two standard rating agencies 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. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township's deposits are in accordance with statutory authority.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investments in all of the investments mentioned in the preceding paragraph.

As of March 31, 2025, deposits and investments consist of the following:

Deposits	Total	Cash	Investments
Checking accounts	$ 403,526	$ 403,526	$
Savings	284,410	284,410	
Money Market	11,639	11,639	
ICS Demand Deposit	752,070	752,070	
Certificates of deposit	122,062		122,062
Total deposits	$ 1,573,707	$ 1,451,645	$ 122,062

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

Statement of Net Position	
Cash	$ 1,565,335
Fiduciary Funds	
Cash	1,434
Total cash and investments	$ 1,566,769

The carrying amount of cash reported in the financial statements is stated at $1,566,769 as of March 31, 2025. The difference between the carrying amounts and amounts mentioned above stem from deposits in transit and outstanding checks.

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NOTE 5 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Deposits - Custodial Credit Risk

This is the risk that in the event of a bank failure, the Township will be able to recover its deposits. 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.

As of March 31, 2025, deposits in banks totaled $1,573,707, which was exposed to custodial credit risks as follows:

Insured by FDIC	$ 1,385,772
Uninsured and uncollateralized	187,935
	$ 1,573,707

Investments - Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments, collateral or securities that are in the possession of an outside party. The Township does not have a policy to cover custodial credit risk of investments. The Township evaluates each financial institution with which it invests and assesses the level of risk of each institution. Investments are made only at those institutions with an acceptable estimated risk level.

Concentration of Credit Risk

Concentration of credit risk is the risk attributed to the magnitude of a Township’s investment in a single issuer. The Township’s investment policy requires diversification with a primary focus on safety. However, the policy does not place a fixed percentage limit for any one issuer.

The Township has one investment that exceed 5% of total portfolio assets available for investment. That is a CD through PNC Bank, with a fair value of $122,062 as of March 31, 2025.

Interest Rate Risk

Interest rate risk is the risk that changes in market will adversely affect the fair values of investments and cash deposits. The Township’s investment policy requires this risk to be minimized by investing primarily in short-term deposits and investments thus avoiding the need to sell prior to maturity.

As of March 31, 2025 the Township had the following investments subject to interest rate risk:

Investment Type	Fair Value	Maturities (in-Years) < 1
Non-negotiable Certificate of Deposit	$ 122,062	$ 122,062

NOTE 5 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS - continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township investment policy limits investments to those authorized by Public Act 20 of 1943. Commercial paper must be rated within the two (2) highest classifications established by not less than two (2) standard ratings services. Ratings are not required for US Treasuries and money market accounts. As of March 31, 2025, the Township's investments were exposed to credit risk as follows:

Investment Type	Rating by Standard & Poor	Amount
Non-negotiable Certificate of Deposit	Unrated	$ 122,062

NOTE 6 – FAIR VALUE MEASUREMENTS

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

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

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

Level 1 – Fair Value Measurements
The fair value of non-negotiable certificates of deposits is based on readily available quoted prices for identical assets. The Townships' investments are reported at fair value in the accompanying balance sheets. The following table presents fair value measurement information for certain financial instruments. The carrying value of receivables, cash and cash equivalents, and the current liabilities included in the accompanying balance sheets approximated fair value at March 31, 2025 and are thus not included in the following table.

Investment by Fair Value Level	Fair Value Measurements Level 1	Total Investment 3/31/2025
Non-negotiable Certificate of Deposit	$ 122,062	$ 122,062

NOTE 7 - AGREEMENT TO LEASE COHOCTAH TOWNSHIP FIRE SUB-STATION

Cohoctah Township entered into a lease agreement to lease space to the Howell Area Fire Authority in the Cohoctah Township Fire Sub-station. The Authority is responsible for its operating expenses such as utilities, maintenance and repairs and replacements. The Township agreed not to collect the lease this year.

NOTE 8 - CONTINGENCIES

The Township is involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the Township.

NOTE 9 - DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan was administered by MERS Uniform 457 Supplement Retirement plan. Contributions are made monthly.

NOTE 10 - DEFINED CONTRIBUTION PLAN

The Township began to offer its employees the MERS Defined Contribution Plan for Michigan Township Employees, starting in September of 2022. This is a single-employer plan. All Township Elected officials, Deputies and Appointed officials are eligible to participate in the plan. The Township contributes 10% of gross compensation.

Total Current Year Contributions:	$16,670

NOTE 11 - FEDERAL GRANTS

The Township received $350,398 in funds the prior fiscal years, under the State and Local Fiscal Recovery Program (“SLFRP”) in relation to the American Rescue Plan Act (“ARPA”), which was passed to help communities recover from negative impacts of the Covid- 19 pandemic. The Township spent $274,648 in ARPA funds on Broadband internet for the community; a new cement pad and a camera security system for the Cohoctah Township Park in prior fiscal years. No amounts were spent in fiscal year 2024 or 2025. Accordingly, amounts that were unspent as of March 31, 2025 were recorded as unearned revenue in the General Fund, totaling $75,750. The Township has obligated these remaining funds as of December 31, 2024 for additional broadband internet installation for the community.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 11, 2025, which is the date the financial statements were available to be issued. Management has determined that the Township does not have any material recognizable or non-recognizable events.

NOTE 13 - RECENTLY ADOPTED ACCOUNTING STANDARDS

In June 2022, the GASB Issued Statement No. 100, *Accounting Changes and Error Corrections an amendment on GASB Statement No. 62.* This statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported

NOTE 13 - RECENTLY ADOPTED ACCOUNTING STANDARDS - continued

by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences

The Township implemented these standards for the year ended March 31, 2025, and has determined that they did not have a significant impact on the financial statements for the year ended March 31, 2025.

NOTE 14 - UPCOMING GASB PRONOUNCEMENTS

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to being to occur within 12 months of the date the financial statements are issued. If a government determines that criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Township is currently evaluating the impact this Statement will have on the financial statements when it is adopted during the year ending March 31, 2026.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement established new accounting and financial reporting requirements – or modified existing requirements – related to management's discussion and analysis (MD&A), unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses and changes in fund position, information about major components and budgetary comparison information. The Township is currently evaluating the impact this standard will have on the financial statements when it is adopted during the year ending March 31, 2026.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Leased assets recognized in accordance with Statement No. 87*, Lease*s, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of the underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-based Information Technology Arrangements*, also should be separately disclosed. In addition, the Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosure for capital assets held for sale. The Township is currently evaluating the impact this Statement will have on the financial statements when it is adopted during the year ending March 31, 2027.

EQUIRED SUPPLEMENTARY INFORMATION

COHOCTAH TOWNSHIP

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget Amount			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Taxes	$ 115,000	$ 120,600	$ 119,058	$ (1,542)
Licenses and permits	2,010	2,010	3,650	1,640
State revenues	366,663	366,663	357,211	(9,452)
Charges for services	295,300	289,700	252,032	(37,668)
Interest income	1,310	1,310	36,002	34,692
Reimbursements	13,000	13,000	10,001	(2,999)
Rental income	2,880	2,880	4,582	1,702
Miscellaneous	126,450	126,450	5,220	(121,230)
Total revenues	922,613	922,613	787,756	(134,857)
EXPENDITURES				
General government:				
Township board	104,700	134,700	120,954	13,746
Supervisor	24,000	24,000	24,000	
Election	20,500	20,500	19,112	1,388
Attorney	80,000	80,000	32,892	47,108
Assessor	43,000	43,000	39,353	3,647
Clerk	37,200	37,200	35,728	1,472
Board of review	3,000	3,000	2,157	843
Treasurer	38,200	38,200	34,112	4,088
Buildings and grounds	16,000	16,000	7,837	8,163
Payroll expenses	11,000	13,000	15,579	(2,579)
Deferred compensation	15,000	15,000	16,670	(1,670)
Miscellaneous	1,078,553	1,078,553	73	1,078,480
Insurance and bonds	12,000	12,000	11,327	673
Contingencies	90,000	21,000	3,958	17,042
Public works:				
Drains at large	35,000	22,000	21,005	995
Streetlights	6,600	6,600	5,869	731
Refuse:				
Trash pick up	300,000	336,000	324,538	11,462
Cemetery:				
Cemetery	34,100	38,100	26,008	12,092
Community planning and zoning:				
Planning and zoning	20,150	30,150	26,819	3,331
Recreation:				
Recreation	51,500	51,500	24,681	26,819
Total expenditures	2,020,503	2,020,503	792,672	1,227,831
Excess of revenues over (under) expenditures	(1,097,890)	(1,097,890)	(4,916)	1,092,974
OTHER FINANCING SOURCES (USES)				
Transfer in			190,000	190,000
Transfer (out)	(100,000)	(100,000)	(190,000)	(90,000)
Net change in fund balance	(1,197,890)	(1,197,890)	(4,916)	1,192,974
FUND BALANCE, APRIL 1, 2024	1,493,991	1,493,991	1,493,991	
FUND BALANCE, MARCH 31, 2025	$ 296,101	$ 296,101	$ 1,489,075	$ 1,192,974

COHOCTAH TOWNSHIP

ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget Amount			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 220,000	$ 220,000	$ 231,468	$ 11,468
State revenues			1,380	1,380
Interest income	30	30	31	1
Total revenues	220,030	220,030	232,879	12,849
EXPENDITURES				
Road improvements	430,000	430,000	348,377	81,623
Excess of revenues over (under) expenditures	(209,970)	(209,970)	(115,498)	94,472
OTHER FINANCING SOURCES (USES)				
Transfer in			190,000	190,000
Transfer (out)			(190,000)	(190,000)
Net change in fund balance	(209,970)	(209,970)	(115,498)	94,472
FUND BALANCE, APRIL 1, 2024	161,622	161,622	161,622	
FUND BALANCE, MARCH 31, 2025	$ (48,348)	$ (48,348)	$ 46,124	$ 94,472

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MARCH 31, 2025

NOTE - BUDGETARY INFORMATION

Budget Overruns

	Final Budget	Actual Expenditures	Variance (Unfavorable)
General Fund			
Payroll expenses	$ 13,000	$ 15,579	$ (2,579)
Deferred compensation	15,000	16,670	(1,670)
	$ 28,000	$ 32,249	$ (4,249)

SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS

COHOCTAH TOWNSHIP

COMBINING BALANCE SHEETS
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
MARCH 31, 2025

	General Fund Pre GASB 54 Consolidation	Capital Improvement Fund	Trust and Agency Fund	Eliminations	Total Restated General Fund
ASSETS					
Cash and cash equivalents	$ 1,413,432	$ 118,336	$ 4,315	$	$ 1,536,083
Receivable					
Taxes	7,035				7,035
State shared revenues	57,632				57,632
Due from others	1,323				1,323
Due from other funds	1,349			(52)	1,297
Total assets	$ 1,480,771	$ 118,336	$ 4,315	$ (52)	$ 1,603,370
LIABILITIES					
Accounts payable	$ 31,956	$		$	$ 31,956
Due to other funds	2,326		52	(52)	2,326
Due to others			4,263		4,263
Unearned revenues	75,750				75,750
Total liabilities	110,032		4,315	(52)	114,295
FUND BALANCE					
Committed					
Capital improvement		118,336			118,336
Assigned	75,750				75,750
Assigned for future budget deficit	277,810				277,810
Unassigned	1,017,179				1,017,179
Total fund balance	1,370,739	118,336			1,489,075
Total liabilities and fund balance	$ 1,480,771	$ 118,336	$ 4,315	$ (52)	$ 1,603,370

COHOCTAH TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FUNDS INCLUDED IN GASB 54 CONSOLIDATION
FOR THE YEAR ENDED MARCH 31, 2025

	General Fund Pre GASB 54 Consolidation	Capital Improvement Fund	Totals Restated General Fund
REVENUES			
Taxes	$ 119,058	$	$ 119,058
License and permits	3,650		3,650
State revenues	357,211		357,211
Charges for services	252,032		252,032
Interest income	31,770	4,232	36,002
Reimbursements	10,001		10,001
Rental income	4,582		4,582
Miscellaneous	5,220		5,220
Total revenues	783,524	4,232	787,756
EXPENDITURES			
Current			
General government	353,237		353,237
Public works	26,874		26,874
Refuse	324,538		324,538
Cemetery	26,008		26,008
Community planning and zoning	26,819		26,819
Recreation	24,681		24,681
Capital outlay:			
General government	10,515		10,515
Total expenditures	792,672		792,672
Excess of revenues over (under) expenditures	(9,148)	4,232	(4,916)
OTHER FINANCING SOURCES (USES)			
Transfer in	190,000		190,000
Transfer (out)	(190,000)		(190,000)
Total other financing sources (uses)			
Net changes in fund balances	(9,148)	4,232	(4,916)
FUND BALANCE, APRIL 1, 2024	1,379,887	114,104	1,493,991
FUND BALANCE, MARCH 31, 2025	$ 1,370,739	$ 118,336	$ 1,489,075

INDIVIDUAL FUNDS

GENERAL FUND (PRE GASB 54 RESTATEMENT)

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

COHOCTAH TOWNSHIP

GENERAL FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2025

ASSETS	
Cash	$ 1,413,432
Receivables:	
Taxes	7,035
State shared	57,632
Due from others	1,323
Due from other funds	1,349
Total assets	$ 1,480,771
LIABILITIES	
Accounts payable	$ 31,956
Due to other funds	2,326
Unearned revenues	75,750
Total liabilities	110,032
FUND BALANCE	1,370,739
Total liabilities and fund balance	$ 1,480,771

DRAFT

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

COHOCTAH TOWNSHIP

GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes	$ 120,600	$ 119,058	$ (1,542)
Licenses and permits	2,010	3,650	1,640
State revenues	366,663	357,211	(9,452)
Charges for services	289,700	252,032	(37,668)
Interest income	200	31,770	31,570
Reimbursements	13,000	10,001	(2,999)
Rental income	2,880	4,582	1,702
Miscellaneous	126,450	5,220	(121,230)
Total revenues	921,503	783,524	(137,979)
EXPENDITURES			
General government:			
Township board	134,700	120,954	13,746
Supervisor	24,000	24,000	
Election	20,500	19,112	1,388
Attorney	80,000	32,892	47,108
Assessor	43,000	39,353	3,647
Clerk	37,200	35,728	1,472
Board of review	3,000	2,157	843
Treasurer	38,200	34,112	4,088
Buildings and grounds	16,000	7,837	8,163
Payroll expenses	13,000	15,579	(2,579)
Deferred compensation	15,000	16,670	(1,670)
Miscellaneous	1,078,553	73	1,078,480
Insurance and bonds	12,000	11,327	673
Contingencies	21,000	3,958	17,042
Public works:			
Drains at large	22,000	21,005	995
Streetlights	6,600	5,869	731
Refuse:			
Trash pick up	336,000	324,538	11,462
Cemetery:			
Cemetery	38,100	26,008	12,092
Community planning and zoning:			
Planning and zoning	30,150	26,819	3,331
Recreation:			
Recreation	51,500	24,681	26,819
Total expenditures	2,020,503	792,672	1,227,831
Excess of revenues over (under) expenditures	(1,099,000)	(9,148)	1,089,852
OTHER FINANCING SOURCES (USES)			
Transfer in		190,000	190,000
Transfer (out)	(100,000)	(190,000)	(90,000)
Net change in fund balance	(1,199,000)	(9,148)	1,189,852
FUND BALANCE, APRIL 1, 2024	1,379,887	1,379,887	
FUND BALANCE, MARCH 31, 2025	$ 180,887	$ 1,370,739	$ 1,189,852

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

GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
TAXES	$ 120,600	$ 119,058	$ (1,542)
LICENSES AND PERMITS	2,010	3,650	1,640
STATE REVENUES			
State shared revenues		350,169	
Personal property tax reimbursement		478	
Local community stabilization		6,564	
Total state revenues	366,663	357,211	(9,452)
CHARGES FOR SERVICES			
Franchise fees		7,241	
Burial service and cemetery plots		11,929	
Miscellaneous		442	
Trash pick up		232,420	
Total charges for services	289,700	252,032	(37,668)
INTEREST INCOME	200	31,770	31,570
RENTAL INCOME	2,880	4,582	1,702
REIMBURSEMENTS	13,000	10,001	(2,999)
MISCELLANEOUS	126,450	5,220	(121,230)
Total revenues	$ 921,503	$ 783,524	$ (137,979)

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

COHOCTAH TOWNSHIP

GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Township board			
Trustee wages	$	$ 27,807	$
Supplies		190	
Contracted services		60,625	
Telephone		3,594	
Conferences		2,216	
Publishing		2,499	
Sheriff patrol		20,720	
Dues		3,303	
Total township board	134,700	120,954	13,746
Supervisor	24,000	24,000	
Election			
Wages		8,588	
Supplies		9,444	
Publishing		276	
Repairs and maintenance		804	
Total election	20,500	19,112	1,388
Attorney	80,000	32,892	47,108
Assessor	43,000	39,353	3,647

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

COHOCTAH TOWNSHIP

GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
Clerk			
Salary		32,000	
Deputy wages		3,250	
Mileage		404	
Supplies		74	
Total clerk	37,200	35,728	1,472
Board of review	3,000	2,157	843
Treasurer			
Salary		24,000	
Deputy		3,297	
Mileage		1,382	
Supplies		735	
Contracted services		4,698	
Total treasurer	38,200	34,112	4,088
Building and grounds			
Supplies		931	
Telephone		2,456	
Utilities		1,433	
Repairs and maintenance		3,017	
Total buildings and grounds	16,000	7,837	8,163
Payroll expenses	13,000	15,579	(2,579)
Deferred compensation	15,000	16,670	(1,670)
Miscellaneous	1,078,553	73	1,078,480
Insurance and bonds	12,000	11,327	673
Contingencies	21,000	3,958	17,042
TOTAL GENERAL GOVERNMENT	1,536,153	363,752	1,172,401

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

COHOCTAH TOWNSHIP

GENERAL FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - continued
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS			
Drains at large	22,000	21,005	995
Streetlights	6,600	5,869	731
TOTAL PUBLIC WORKS	28,600	26,874	1,726
REFUSE	336,000	324,538	11,462
CEMETERY			
Burials		7,083	
Wages		1,187	
Supplies		73	
Lawn care and maintenance		17,665	
TOTAL CEMETERY	38,100	26,008	12,092
COMMUNITY PLANNING AND ZONING			
Wages		25,063	
Publishing		832	
Mileage		750	
Supplies		174	
TOTAL COMMUNITY PLANNING AND ZONING	30,150	26,819	3,331
RECREATION			
Wages		2,996	
Lawn care		6,475	
Recreation - contracted		5,947	
Community promotion		5,867	
Utilities		1,098	
Park maintenance and improvement		2,298	
TOTAL RECREATION	51,500	24,681	26,819
Total expenditures	$ 2,020,503	$ 792,672	$ 1,227,831

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

CAPITAL IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)

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

COHOCTAH TOWNSHIP

CAPITAL IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2025

ASSETS	
Cash	$ 118,336
FUND BALANCE	
Committed - capital improvement	$ 118,336

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

COHOCTAH TOWNSHIP

CAPITAL IMPROVEMENT FUND (PRE GASB 54 RESTATEMENT)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest income	$ 1,110	$ 4,232	$ 3,122
EXPENDITURES			
Excess of revenues over (under) expenditures	1,110	4,232	3,122
FUND BALANCE, APRIL 1, 2024	114,104	114,104	
FUND BALANCE, MARCH 31, 2025	$ 115,214	$ 118,336	$ 3,122

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

ROAD FUND

COHOCTAH TOWNSHIP

ROAD FUND
BALANCE SHEET
MARCH 31, 2025

ASSETS		
Cash	$	29,252
Receivables:		
Taxes		14,546
Due from other funds		2,326
Total assets	$	46,124
FUND BALANCE	$	46,124

COHOCTAH TOWNSHIP

ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2025

	Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Taxes	$ 220,000	$ 231,468	$
State revenues		1,380	
Interest income	30	31	
Total revenues	220,030	232,879	12,849
EXPENDITURES			
Road improvements	430,000	348,377	81,623
Excess of revenues over (under) expenditures	(209,970)	(115,498)	94,472
OTHER FINANCING SOURCES (USES)			
Transfer in		190,000	190,000
Transfer (out)		(190,000)	(190,000)
Net change in fund balance	(209,970)	(115,498)	94,472
FUND BALANCE, APRIL 1, 2024	161,622	161,622	
FUND BALANCE, MARCH 31, 2025	$ (48,348)	$ 46,124	$ 94,472

CURRENT TAX COLLECTION FUND

COHOCTAH TOWNSHIP

CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2025

ASSETS		
Cash	$	1,434
Accounts receivable		121
Total assets	$	1,555
LIABILITIES		
Due to others	$	258
Due to other funds		1,297
Total liabilities	$	1,555

TRUST AND AGENCY FUND (PRE GASB 54 RESTATEMENT)

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

COHOCTAH TOWNSHIP

TRUST AND AGENCY FUND (PRE GASB 54 RESTATEMENT)
BALANCE SHEET
MARCH 31, 2025

ASSETS		
Cash	$	4,315
Total assets	$	4,315
LIABILITIES		
Due to others	$	4,263
Due to other funds		52
Total liabilities	$	4,315

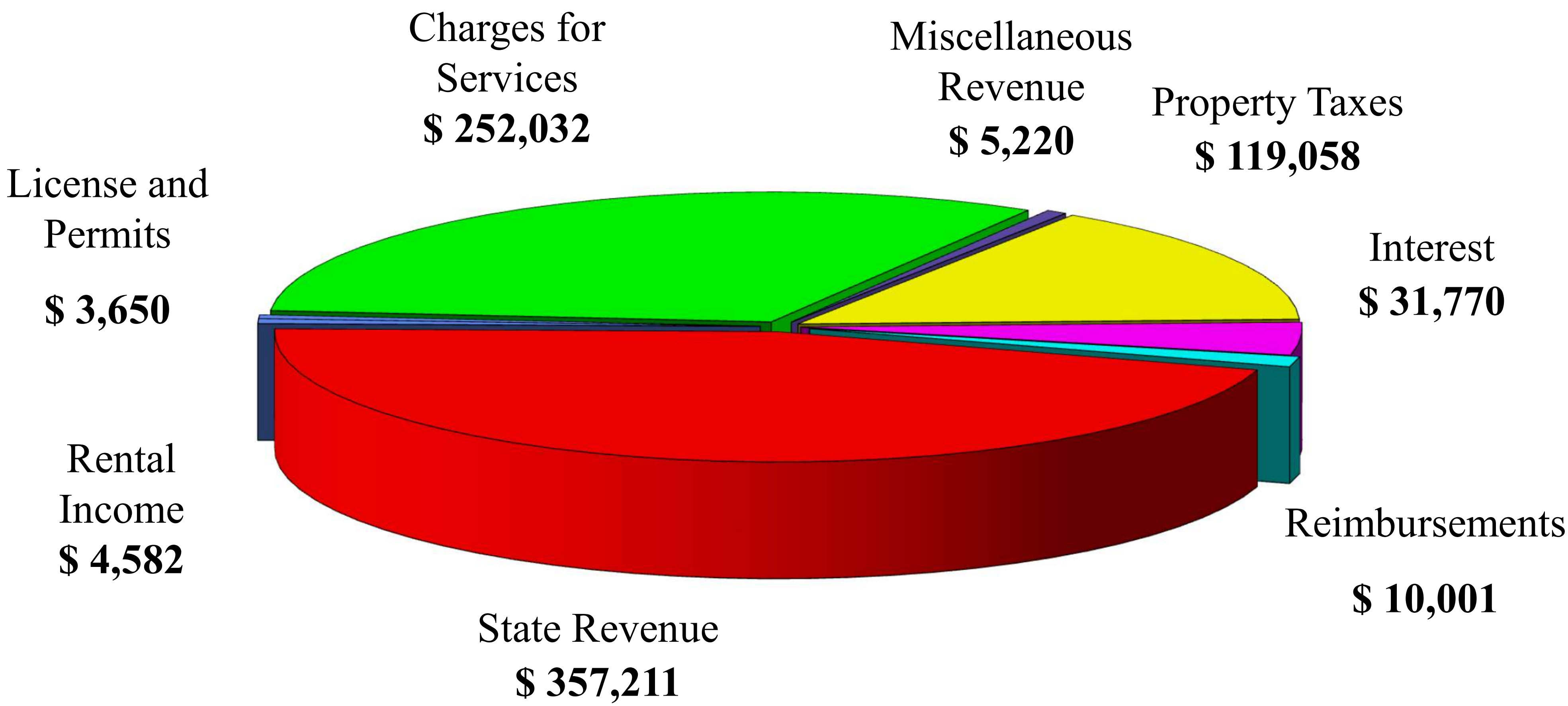
This supplementary information shows the Trust and Agency Fund prior to the implementation of GASB 54, and as such does not present the results on the basis of generally accepted accounting principles but is presented solely for supplemental information.

Cohoctah Township

Audit Presentation
March 31, 2025

PHP
PFEFFER, HANNIFORD & PALKA
Certified Public Accountants
BRIGHTON, MICHIGAN

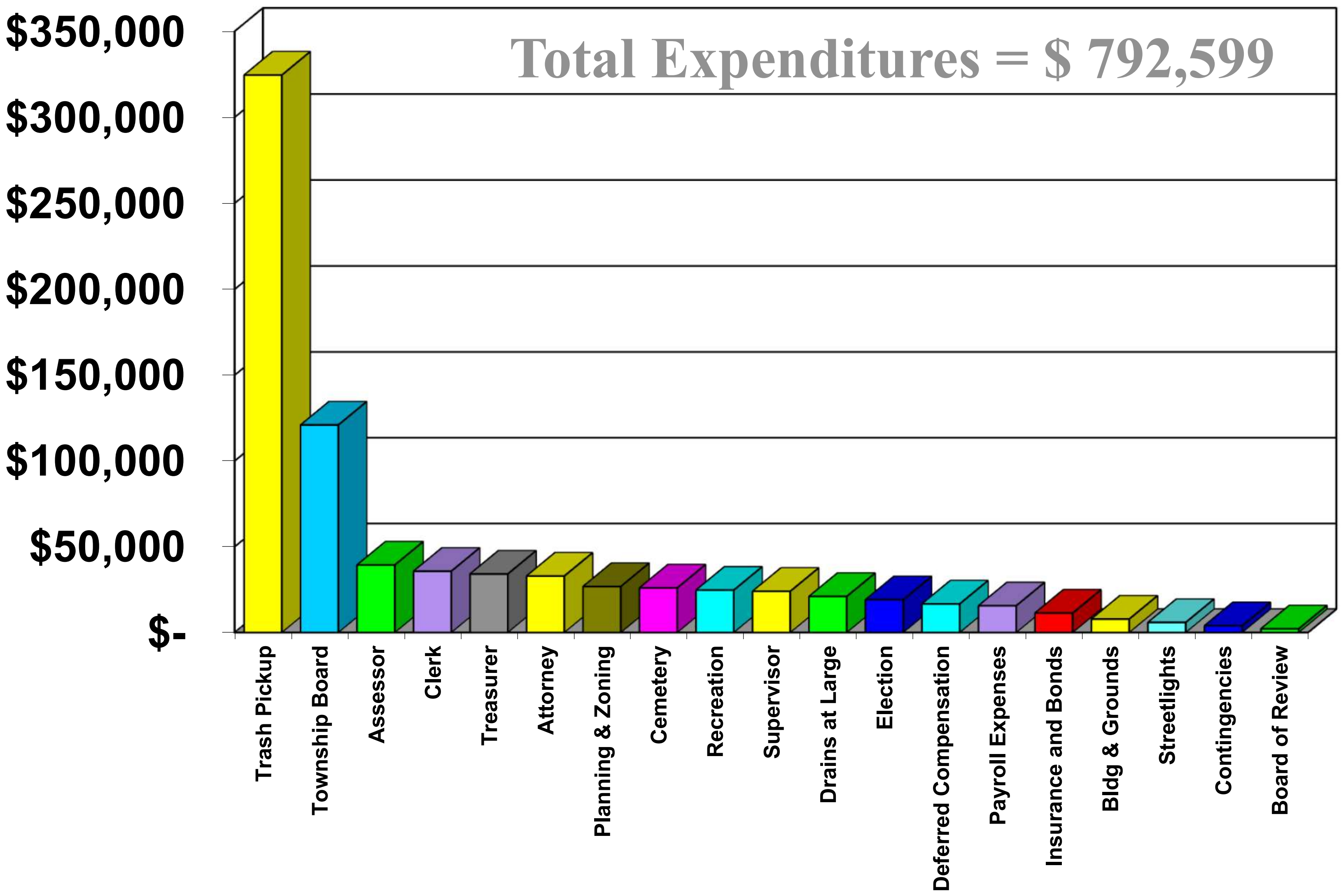
Cohoctah Township
General Fund Revenues – Pre GASB 54
For The Year Ended March 31, 2025



Total Revenues = $ 783,524

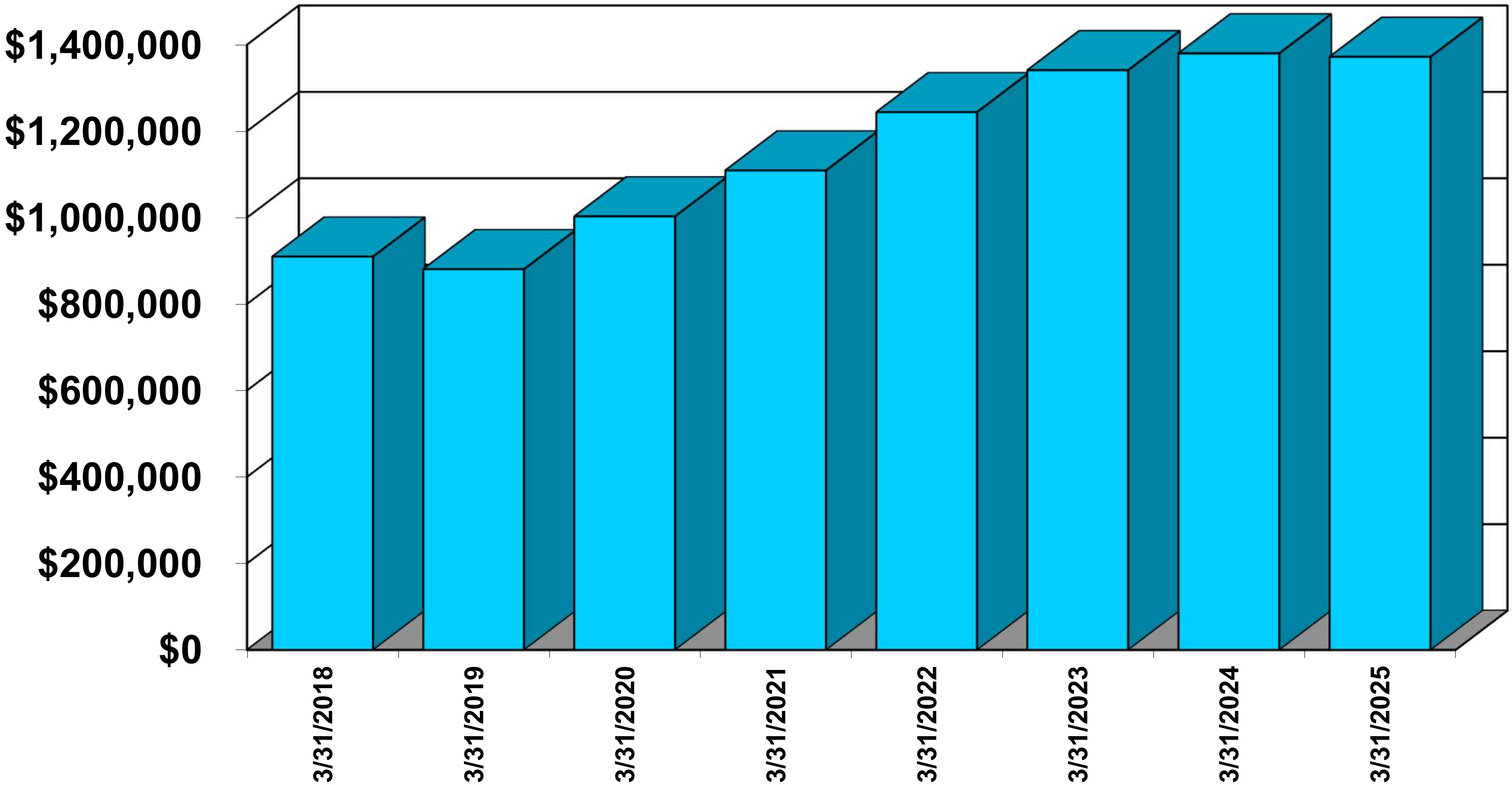
The General Fund is presented in amounts prior to the implementation of GASB 54

Cohoctah Township
General Fund Expenditures – Pre GASB 54
For The Year Ended March 31, 2025



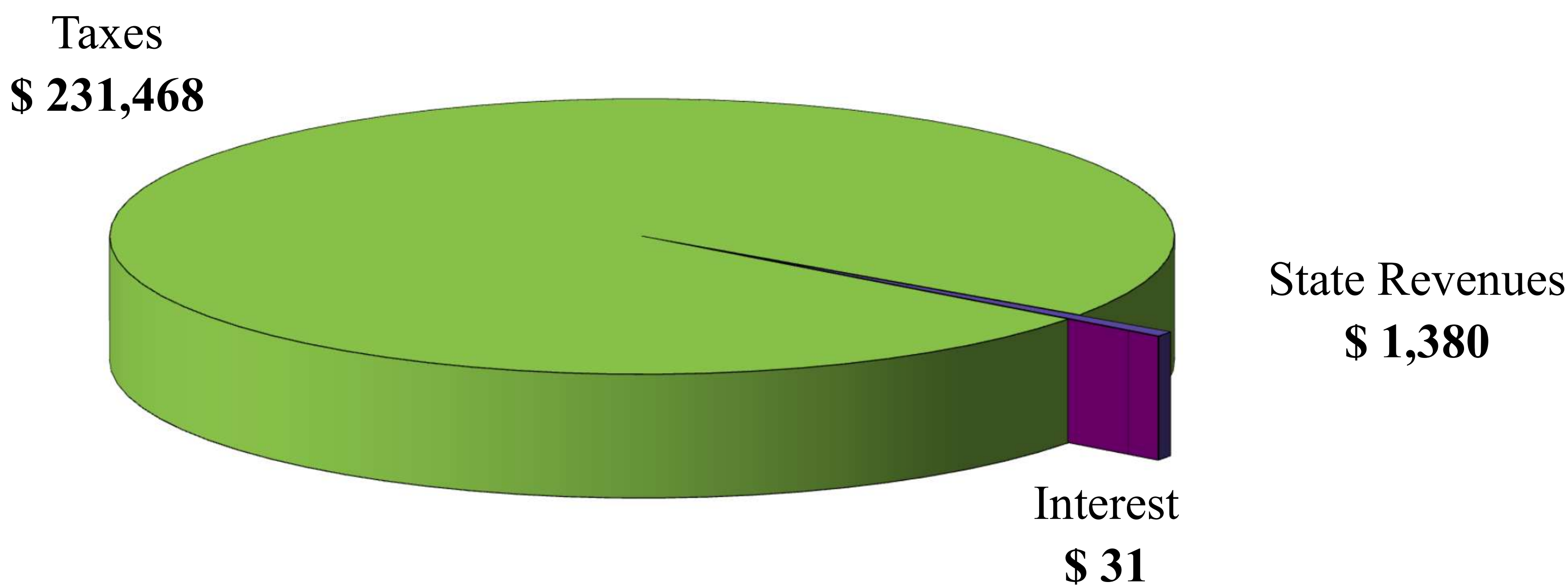
The General Fund is presented in amounts prior to the implementation of GASB 54

Cohoctah Township
General Fund – Fund Balance – Pre GASB 54
March 31, 2018 – 2025



The General Fund is presented in amounts prior to the implementation of GASB 54

Cohoctah Township
Road Fund Revenues
For The Year Ended March 31, 2025



Total Revenues = $ 232,879

Total Expenses = $ 348,377

August 21, 2025

Mark Fosdick
Cohoctah Township Supervisor
10518 Antcliff Rd.
Fowlerville, MI 48836

RE: Headland Solar Project – Additional Services
Cohoctah Township, Livingston County, Michigan
Letter Agreement for Professional Engineering Services

Mr. Fosdick:

At your request, we propose to provide professional engineering services relating to the review of Ranger Power's Headland Solar Project Permit Application. Our services will be related to environmental impacts due to the proposed installation of solar facilities.

BACKGROUND
We have completed our initial review and report on the environmental impacts of the proposed Headland Solar facility under the initial contract with Cohoctah Township dated May 12, 2025. It is to our understanding that Cohoctah Township would like us to continue to assist related to the review and public engagement related to the solar facilities. Therefore, we propose the scope below to continue to assist you in the review of the proposed solar facilities.

SCOPE OF PROFESSIONAL SERVICES
Based upon our correspondence with you, Spicer Group proposes to provide as-needed professional engineering services related to the environmental review, consultation, and summary of the submittals and plans for the Headland Solar Project. Generally, our proposed scope of work for this type of project will include the following:

- Environmental review of submittals provided by Cohoctah Township
- Coordination and meeting with Cohoctah Township Staff
- Coordination with Cohoctah Township's attorney and planning consultant
- Coordination with Ranger Power, if needed
- Coordination and meeting with County Drain Commissioner staff, if needed
- Final revisions of the Summary Report
- Attendance at public meetings

Fee Schedule
Our fees are based on our standard hourly rates; therefore, invoices will be for the actual hours of service provided on this project. Due to the nature of this work, we propose to bill you hourly as-needed for our work regarding this matter, with a not to exceed amount of $10,000.

We will submit monthly invoices to you for services furnished and for any reimbursable expenses. Should we approach the amount of the fee for any reason before we are finished with the work, if the scope changes or our understanding is incorrect, we will notify you and discuss with you the option of adjusting the amount of the fee or adjusting the scope of services.

In addition to the additional services form, attached to this letter is a copy of our general conditions for our services which are part of this agreement. Any changes to this agreement must be agreed to by both of us in writing.

If this proposal meets with your approval, please acknowledge this approval with an authorized signature below and return it to our office. We deeply appreciate your confidence in Spicer, and we look forward to working with you and for you on your project.

Sincerely,

Richard V. Graham III, P.E.
Project Manager

Phil Westmoreland, P.E
Principal

SPICER GROUP, INC.
125 Helle Blvd, Suite 2
Dundee, MI 48131
Phone: (734) 823-3308

Encl: Spicer Group General Conditions
CC: 138850SG2025

Above proposal accepted and approved by Owner.

Cohoctah Township

By:

Authorized Signature

Date:

GENERAL CONDITIONS FOR PROFESSIONAL SERVICES

SECTION 1 - GENERAL

1.1 **The Agreement.** This Agreement is made by and between SPICER GROUP, INC. (hereinafter referred to as "PROFESSIONAL") and the client who accepted the attached proposal (hereinafter referred to as "CLIENT"). The Agreement between the parties consists of these General Conditions for Professional Services, as well as the attached proposal, and any exhibits or attachments noted in the proposal. Together, these items shall constitute the entire Agreement between the parties and supersedes any prior negotiations, correspondence, or agreements either written or oral. Any changes to this Agreement must be mutually agreed to in writing between the parties. CLIENT represents that it has full authority to enter into this Agreement and that the representative signing this Agreement for CLIENT has full authority to do so. CLIENT further represents that it has all right, title and interest to the project to which the services under this Agreement are being provided.

1.2 **Ownership of Instruments of Service.** All reports, plans, specifications, computer files, field data, notes and other documents and instruments prepared by PROFESSIONAL are instruments of service and shall remain the property of PROFESSIONAL. PROFESSIONAL shall retain all common law, statutory and other reserved rights, including the copyrights thereto.

1.3 **Covenant not to Hire.** CLIENT agrees that during the term of this Agreement and for a period of one (1) year thereafter that it will not hire for its own employment any person employed by PROFESSIONAL.

1.4 **Standard of Care.** Services performed by PROFESSIONAL under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under the same or similar conditions. PROFFESIONAL provides no warranty, guarantee or other representation, express, implied or otherwise, in connection with this Agreement, or in any report, opinion, document or other deliverable or instruments of service.

1.5 **Defects in Service.** CLIENT and CLIENT's personnel, contractors and subcontractors shall, upon discovery, promptly notify PROFESSIONAL in writing of any defects or deficiencies in PROFESSIONAL's services, in order that PROFESSIONAL may take measures which in PROFESSIONAL's opinion will minimize the consequences of such defect or deficiency in service. PROFESSIONAL shall not be responsible for additional costs due to delay in reporting defects in service.

1.6 **Reimbursable Expenses.** Reimbursable expenses mean the actual expenses incurred by PROFESSIONAL or PROFESSIONAL's independent professional associates or consultants, directly or indirectly in connection with the project, such as expenses for; transportation and subsistence incidental thereto; obtaining bids or proposals from contractor(s); providing and maintaining field office facilities including furnishings and utilities; subsistence and transportation of Resident Project Representatives and their assistants; toll telephone calls and courier services; reproduction of reports, drawings, specifications, bidding documents, and similar project-related items; and, if authorized in advance by CLIENT, overtime requiring higher than regular rates.

1.7 **Standard Hourly Rates.** The standard hourly rates used as a basis for payment mean those rates in effect at the time that the service is performed, for all PROFESSIONAL's personnel engaged directly on the project, including, but not limited to, architects, engineers, surveyors, designers, planners, drafters, specification writers, estimators, other technical and business personnel. The Standard Hourly Rates include salaries and wages, direct and indirect payroll costs and fringe benefits. The Standard Hourly Rates of personnel of PROFESSIONAL will be adjusted periodically to reflect changes in personnel and in PROFESSIONAL's overall compensation procedures and practices.

1.8 **Limitation of Liability.** In recognition of the relative risks and benefits of the project to both PROFESSIONAL and CLIENT, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, and not withstanding any other provision of this Agreement, that the total liability, in the aggregate, of PROFESSIONAL and PROFESSIONAL's officers, directors, partners, employees and subconsultants, and any of them, to the CLIENT and anyone claiming by or through the CLIENT, for any and all claims, losses, costs or damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees, costs and expenses, shall not exceed $10,000, or the total compensation received by PROFESSIONAL under this Agreement, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

1.9 **Indemnification**. PROFESSIONAL agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CLIENT, its officers, directors and employees from and against damages or liabilities, to the extent caused by the PROFESSIONAL's negligent performance of professional services under this Agreement including that of its subconsultants or anyone for whom the PROFESISONAL is legally liable.

CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the PROFESSIONAL, its officers, directors, employees and subconsultants from and against damages or liabilities, to the extent caused by CLIENT's negligent acts, errors or omissions in connection with the project as well as the acts, errors or omissions of its contractors, subcontractors or consultants or anyone for whom CLIENT is legally liable.

Neither CITY nor PROFESSIONAL shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

1.10 **Severability.** Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.

1.11 **Survival.** Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

1.12 **Assignment.** Neither party to this Agreement shall transfer, sublet or assign any rights under or interest in this Agreement (including but not limited to monies that are due or monies that may be due) without the prior written consent of the other party. Subcontracting to subconsultants normally contemplated by the PROFESSIONAL shall not be considered an assignment for purposes of this Agreement.

1.13 **Betterment**. In no event will the PROFESSIONAL be responsible for any cost or expense that provides betterment, upgrades, or added value to the project, regardless of whether PROFESSIONAL or PROFESSIONAL's officers, directors, partners, employees or subconsultants is determined to have caused or contributed to such cost or expense.

1.14 **Mediation.** Any claims or disputes made during design, construction or after completion of the project between the CLIENT and PROFESSIONAL shall be submitted to non-binding mediation. CLIENT and PROFESSIONAL agree to include a similar mediation agreement with all contractors, subcontractors, consultants, suppliers and fabricators, thereby providing mediation as the primary method for dispute resolution between all parties. Unless otherwise agreed in writing, the mediation shall be governed by the current Construction Industry Mediation Rules of the American Arbitration Association ("AAA"). Mediation shall be a condition precedent to the initiation of any other dispute resolution process, including court actions.

1.15 **Changed Conditions.** If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to PROFESSIONAL are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, PROFESSIONAL may request an appropriate adjustment of this Agreement. PROFESSIONAL shall notify CLIENT of the changed conditions necessitating an adjustment, and PROFESSIONAL and CLIENT shall promptly and in good faith enter into discussions for an appropriate adjustment of this Agreement to address the changed conditions.

1.16 **Hazardous Materials.** Both parties acknowledge that PROFESSIONAL's scope of services does not include any services related to the presence of any hazardous or toxic materials. As such, under no circumstance shall PROFFESIONAL have any responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the project site or any adjacent area that may affect the project.

1.17 Governing Law & Jurisdiction. CLIENT and PROFESSIONAL agree that this Agreement and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of Michigan.

SECTION 2 – FINANCIAL & USE OF DOCUMENTS

2.1 **Billing and Payment Terms.** *Payment Due:* Invoices shall be submitted by PROFESSIONAL (monthly) payment is due upon presentation and shall be considered past due if not paid within thirty (30) calendar days of the due date. *Interest:* If payment in full is not received by PROFESSIONAL within thirty (30) calendar days of the due date, invoices shall bear interest at one-and one-half (1.5) percent of the PAST DUE amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

2.2 **Suspension of Services.** If CLIENT fails to make payments when due or otherwise is in breach of this Agreement, PROFESSIONAL may elect to suspend performance of service upon ten (10) calendar days notice to CLIENT. PROFESSIONAL shall have no liability whatsoever to CLIENT for any costs or damages as a result of such suspension caused by any breach of this Agreement by CLIENT. Upon payment in full by CLIENT, PROFESSIONAL shall resume services under this Agreement, and the time scheduled and compensation shall be equitably adjusted to compensate for the period of suspension plus any other reasonable time and expenses necessary for PROFESSIONAL to resume performance.

2.3 **Termination of Services.** If CLIENT fails to make payment to PROFESSIONAL in accordance with the payment terms herein, this shall constitute a material breach of this Agreement and shall be cause for termination of this Agreement by PROFESSIONAL upon ten (10) calendar days' notice to CLIENT. PROFESSIONAL shall be paid in full for all service performed and expenses incurred through the date of termination upon presentment of PROFESSIONAL's final invoice. CLIENT shall have no right to withhold, back-charge or set-off against any amounts owed to PROFESSIONAL, regardless of whether the invoice or amount owed is for a monthly, suspension or termination related invoice.

2.4 **Collection of Costs.** In the event legal action is necessary to enforce the payment terms of this Agreement, PROFESSIONAL shall be entitled to collect from CLIENT any sums due, plus reasonable attorneys' fees, court costs and other expenses incurred by PROFESSIONAL in connection therewith and, in addition, the reasonable value of PROFESSIONAL's time and expenses spent in connection with such collection action, according to PROFESSIONAL's hourly fee schedule.

2.5 **Delays.** The OWNER agrees that PROFESSIONAL is not responsible for damages arising directly or indirectly from any delays for causes beyond PROFESSIONAL's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in timely manner; failure of performance by CLIENT or CLIENT's contractors or consultants; or discovery of any hazardous substances or differing site conditions.

In addition, if the delays resulting from any such causes increase the cost or time required by PROFESSIONAL to perform its services in an orderly and efficient manner, PROFESSIONAL shall be entitled to an equitable adjustment to its schedule and/or compensation.

2.6 **Delivery and Use of Electronic Files.** In accepting and utilizing any drawings, reports and data on any form of electronic media generated and furnished by the PROFESSIONAL, CLIENT agrees that all such electronic files are instruments of service of PROFESSIONAL, who shall be deemed the author, and shall retain all common law, statutory law and other rights, including copyrights.

CLIENT agrees not to reuse these electronic files, in whole or in part, for any purpose other than for the project. CLIENT agrees not to transfer these electronic files to others without the prior written consent of PROFESSIONAL. CLIENT further agrees to waive all claims against PROFESSIONAL resulting in any way from any unauthorized changes to or reuse of the electronic files for any other project by anyone other than PROFESSIONAL.

CLIENT and PROFESSIONAL agree that any electronic files furnished by either party shall conform to the original specifications. Any changes to the original electronic specifications by either CLIENT or PROFESSIONAL are subject to review and acceptance by the other party. Additional services by PROFESSIONAL made necessary by changes to the electronic file specifications shall entitle PROFESSIONAL to additional compensation.

Electronic files furnished by either party shall be subject to an acceptance period of fourteen (14) days during which the receiving party agrees to perform appropriate acceptance tests. The party furnishing the electronic file shall correct any discrepancies or errors detected and reported within the acceptance period. After the acceptance period, the electronic files shall be deemed to be accepted and neither party shall have any obligation to correct errors or maintain electronic files.

CLIENT is aware that differences may exist between the electronic files delivered and the printed hard-copy construction documents. In the event of a conflict between the signed construction documents prepared by PROFESSIONAL and electronic files, the signed or sealed hard-copy construction documents shall govern.

In addition, CLIENT agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless PROFESSIONAL, its officers, directors, employees and subconsultants from and against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising from any changes made to the electronic file by anyone other than PROFESSIONAL or from any reuse of the electronic files without the prior written consent of PROFESSIONAL.

Under no circumstances shall delivery of electronic files for use by CLIENT be deemed a sale by PROFESSIONAL, and PROFESSIONAL makes no warranties, either expressed or implied, of merchantability and/or fitness for any particular purpose. In no event shall PROFESSIONAL be liable for indirect or consequential damages as a result of CLIENT's use or reuse of the electronic files.

2.7 **Opinions of Probable Construction Costs.** In providing opinions of probable construction cost, CLIENT understands that PROFESSIONAL has no control over the cost or availability of labor, equipment or materials, or over market conditions or the contractor's method of pricing, and that PROFESSIONAL's opinions of probable construction costs are made on the basis of PROFESSIONAL's judgment and experience. PROFESSIONAL makes no warranty, express or implied that the bids or the negotiated cost of any construction work will not vary from PROFESSIONAL's opinion of probable construction costs.

SECTION 3 – PROJECT PERFORMANCE

3.1 **Design Without Construction Administration.** Unless Authorized, it is understood and agreed that PROFESSIONAL's Basic Services under this Agreement do not include project observation or review of the contractor's performance or any other construction phase services, and that such services will be arranged by CLIENT. CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation, and CLIENT waives any claims against PROFESSIONAL that may be in any way connected thereto.

3.2 **Record Drawings.** If authorized by the Agreement, upon completion of the construction work, PROFESSIONAL shall compile for and deliver to CLIENT a reproducible set of Record Documents based upon the marked-up record drawings, addenda, change orders and other data furnished by the contractor. These Record Documents will show significant changes made during construction. Because these Record Documents are based on unverified information provided by other parties, which PROFESSIONAL is entitled to rely upon, PROFESSIONAL cannot and does not warrant or make any other representation as to the accuracy of the Record Documents.

3.3 **Contingency Fund.** CLIENT and PROFESSIONAL agree that certain increased cost and changes may be required because of possible errors, omissions, ambiguities or inconsistencies in the drawings and specifications prepared by PROFESSIONAL and, therefore, that the final construction cost of the project may exceed the estimated construction cost and/or the cost of the work in any construction contract. CLIENT agrees to set aside a minimum reserve in the amount of not less than 10 percent of the project construction costs as a contingency to be used, as required, to pay for any such increased costs and changes. CLIENT further agrees to make no claim directly or through any other party against PROFESSIONAL or its subconsultants with respect to any increased costs within the contingency because of such changes or because of any claims made by the contractor relating to such changes.

3.4 **Lenders' Requirements.** PROFESSIONAL shall not be required to execute any documents subsequent to the signing of this Agreement that in any way might, in the sole judgement of PROFESSIONAL, increase PROFESSIONAL's contractual or legal obligations or risks, or adversely affect the availability or cost of its professional or general liability insurance.

3.5 **Client Requested Substitutions.** Upon request by CLIENT, PROFESSIONAL shall evaluate and make recommendations regarding substitutions of materials, products or equipment proposed by CLIENT's consultants or contractors. PROFESSIONAL shall be compensated for these services, as well as any services required to modify and coordinate the construction documents prepared by PROFESSIONAL with those of PROFESSIONAL's subconsultants and CLIENT's consultants, as additional services. PROFESSIONAL also shall be entitled to an adjustment in schedule caused by this additional effort.

3.6 **Certifications, Guarantees and Warranties.** PROFESSIONAL shall not be required to sign any documents, no matter by whom requested, that would result in PROFESSIONAL having to certify, guarantee or warrant the existence of conditions whose existence the PROFESSIONAL cannot ascertain. CLIENT also agrees not to make resolution of any dispute with PROFESSIONAL or payment of any amount due to PROFESSIONAL in any way contingent upon PROFESSIONAL's signing any such certification.

3.7 **Underground Improvements.** If requested, PROFESSIONAL and/or its subconsultants will provide services to conduct research that, in its professional opinion, is necessary and will prepare a plan indicating the locations for subsurface penetrations with respect to assumed locations of existing underground improvements. Such services by PROFESSIONAL and/or its subconsultant will be performed in a manner consistent with

PROFESSIONAL'S professional standard of care. CLIENT understands and recognizes, however, that such research may not identify all underground improvements and that the information upon which PROFESSIONAL reasonably relies may contain errors or may be incomplete. Therefore, CLIENT agrees, to the fullest extent permitted by law, to waive all claims and causes of action against the Consultant and anyone for whom the Consultant may be legally liable for damages to underground improvements resulting from subsurface penetrations in locations established by PROFESSIONAL that are based on properly filed and available records of said underground improvements.

3.9 **Permits and Approvals.** PROFESSIONAL shall assist CLIENT in applying for those permits and approvals normally required by law for projects similar to the one for which PROFESSIONAL's services are being engaged. This assistance shall consist of completing and submitting forms to the appropriate regulatory agencies having jurisdiction over the construction documents, and other services normally provided by PROFESSIONAL and included in the scope of services of this Agreement.

3.10 **Jobsite Safety.** Neither the professional activities of PROFESSIONAL, nor the presence of PROFESSIONAL or its employees and subconsultants at a construction/project site, shall relieve the contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the construction work in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. PROFESSIONAL and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures. CLIENT agrees that the contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in CLIENT's contract with the contractor. CLIENT also agrees that its contract with the contractor shall provide that CLIENT, PROFESSIONAL, and PROFESSIONAL's subconsultants shall be indemnified by the contractor and shall be made additional insureds under the contractor's policies of general liability insurance.

3.11 **Construction Observation.** PROFESSIONAL shall visit the site, if requested and authorized, at intervals appropriate to the stage of construction, or as otherwise agreed to in writing by CLIENT and PROFESSIONAL, to generally observe the construction work and answer any questions that CLIENT may have. However, PROFESSIONAL shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the construction work, or to determine whether the construction work is being constructed in accordance with the contract documents. If CLIENT desires PROFESSIONAL to perform more frequent or comprehensive observations of the construction work, this Agreement shall be amended to specifically state the additional scope of service, along with the additional compensation to be paid to PROFESSIONAL for performing such service.

PROFESSIONAL shall not supervise, direct or have control over the contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the contractor nor for the contractor's safety precautions or programs in connection with the construction work. These are solely the obligation and responsibility of the contractor.

PROFESSIONAL shall not be responsible for any acts or omissions of the contractor, subcontractor, any entity performing any portions of the construction work, or any agents or employees of any of them. PROFESSIONAL shall not be responsible for the contractor's failure to perform its work in accordance with the contract documents, the construction documents, or any applicable laws, codes, rules or regulations.

3.12 **Verification of Existing Conditions.** Inasmuch as the remodeling and/or rehabilitation of existing structures requires that certain assumptions be made by PROFESSIONAL regarding existing conditions, and because some of these assumptions may not be verifiable without CLIENT expending substantial sums of money or destroying otherwise adequate or serviceable portions of the structure, CLIENT agrees to bear all costs, losses and expenses, including the cost of any necessary additional services of PROFESSIONAL, arising from the discovery of concealed or unknown conditions in any existing structures that are part of the project and PROFESSIONAL'S scope of service.

3.13 **Construction Layout.** If requested by CLIENT, or other authorized party, as detailed in the scope of services or as an additional service to this Agreement, PROFESSIONAL shall provide construction layout stakes sufficient for construction purposes. The stakes will reflect pertinent information from the construction bidding and contract documents. The stakes shall be set in place one time by PROFESSIONAL, staged and scheduled as requested by the contractor. After the stakes are set, it shall be the contractor's exclusive responsibility to protect the stakes from damage or removal. Once the stake is set, if the stake becomes unusable due to the contractor's negligence it shall be reset by PROFESSIONAL at the direction of CLIENT. The cost for resetting the stakes shall be paid to PROFESSIONAL by CLIENT.

3.14 **Right of Entry.** If applicable to the scope of services, CLIENT shall provide for PROFESSIONAL's right to enter from time to time property owned or controlled by CLIENT and/or other(s) in order for PROFESSIONAL to fulfill the scope of services indicated hereunder. CLIENT understands that use of testing or other equipment may unavoidably cause some damage, the correction of which is not the responsibility of PROFESSIONAL.

3.15 **Buried Utilities.** If applicable to the scope of services, CLIENT will furnish to PROFESSIONAL information identifying the type and location of utility lines and other man-made objects beneath the site's surface. PROFESSIONAL will take reasonable precautions to avoid damaging these man-made objects and will, prior to penetrating the site's surface furnish to CLIENT a plan indicating the locations intended for these penetrations with respect to what PROFESSIONAL has been told are the locations of utilities and other man-made objects beneath the site's surface. CLIENT will approve the location of these penetrations prior to their being made and will authorize PROFESSIONAL to proceed.

3.16 **Third-Party Beneficiaries**. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or PROFESSIONAL. PROFESSIONAL'S services under this Agreement are being performed solely for CLIENT'S benefit, and no other party or entity shall have any claim against

PROFESSIONAL because of this Agreement or the performance or nonperformance of services hereunder.

3.17 **Waiver of Consequential Damages**. CLIENT and PROFESSIONAL waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination or suspension of this Agreement.

3.18 **Contractor Submittals**. If requested, PROFESSIONAL shall review contractor's submittals such as shop drawings, product data and samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the plan and specifications issued by PROFESSIONAL. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the contractor's responsibility. PROFESSIONAL's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by PROFESSIONAL, of any construction means, methods, techniques, sequences or procedures. PROFESSIONAL's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

3.19 **Project Information.** PROFESSIONAL shall be entitled to rely on the accuracy and completeness of services and information furnished by CLIENT, including services and information provided by other design professionals or consultants directly to CLIENT. These services and information include, but are not limited to, surveys, tests, reports, diagrams, drawings and legal information.

SECTION 4 – MODIFICATIONS TO THE GENERAL CONDITIONS

4.1 **None.**