

TOWNSHIP OF SCIO
WASHTENAW COUNTY, MICHIGAN
RESOLUTION #2023-12

TO CORRECT NONCOMPLIANCE with PA 2 of 1968 UNIFORM BUDGET and ACCOUNTING ACT for FIRE FUND

At a Regular Meeting of the Township Board of Scio Township, Washtenaw County, Michigan, held at the Scio Township Hall, 827 N. Zeeb Road, in said Township, on February 28, 2023, at 7:00pm.

Members Present: Hathaway, Palmer, Flintoft, Brazeau, Kerry, Knol, Reiser.

Members Absent: None.

The following preamble and resolution were offered by Trustee Reiser and supported by Trustee Kerry.

WHEREAS, in 2020 and 2021 the Township completed \$3.3 million of necessary renovations of the 1055 North Zeeb Road facility which serves as the Township's Fire Station and Washtenaw County Sheriff's Office substation; and,

WHEREAS, on July 28th 2020 the Board of Trustees authorized \$1.8 million of available cash from the unassigned fund balances of the Fire Fund, Public Safety Fund, and General Fund; and,

WHEREAS, on November 10th 2020 the Board of Trustees authorized an additional \$1.5 million of available cash from the unassigned fund balance of the General Fund, by 'authorizing a loan of \$1.5 million from the General Fund to the Fire Fund for the purpose of financing Phase 2 Fire Station improvements, to be paid back over a 20-year period with an annual payment of not less than \$75,000 per year from Fire Fund.'

WHEREAS, the Fire Fund is a special revenue fund to account for the activity of the fire special assessment levy; and in accordance with the uniform chart of accounts prescribed by the State Treasurer, the Clerk established a capital projects fund the Fire Station Renovation Fund, to account for the activity of the 1055 North Zeeb Road facility renovations;

WHEREAS, the Township's audited *Financial Report with Supplemental Information as of March 31, 2021* reflects all fire station renovation activity in the Fire Station Renovation Fund, including the resulting liability of \$1,500,000 'advance from other fund' and the General Fund fund balance of \$1,500,000 'long-term advances to other funds'; and,

WHEREAS, beginning in mid-March 2022, the Supervisor and Treasurer have said that the Township's posting of the liability in the Fire Station Renovation Fund was an accounting error, and that the liability of the \$1,500,000 properly belongs in the Fire Fund, not the Fire Station Renovation Fund; and,

WHEREAS, on July 25th 2022, the Clerk authorized a consulting CPA to make an adjusting journal entry for the prior fiscal year ending March 31, 2022, to move the \$1,500,000 General Fund advance from the Fire Station Renovation Fund to the Fire Fund; and,

WHEREAS, the Township's audited *Financial Report with Supplemental Information as of March 31, 2022* reflects this transfer of fire station renovation activity to the Fire Fund, now reporting a Fire Fund liability of \$1,425,000 'advance from other fund' and the General Fund fund balance of \$1,425,000 'long-term advances to other funds'; and,

WHEREAS, because this new liability created a deficit in the Fire Department Fund, the Township's auditors found, and State Treasury Department concurred, that the Township is not in compliance with the Public Act 2 of 1968 the Uniform Budget and Accounting Act;

NOW, THEREFORE BE IT RESOLVED, that the outstanding balance of \$1,425,000 'interfund loan' from the General Fund to the Fire Fund be forgiven; and,

BE IT FURTHER RESOLVED that the both the Fire Fund liability of \$1,425,000 'advance from other fund' and the General Fund fund balance of \$1,425,000 'long-term advances to other funds' be eliminated.

ROLL CALL VOTE:

YES: Hathaway, Flintoft, Brazeau, Kerry, Knol, Reiser.

NO: Palmer.

ABSENT: None.

RESOLUTION DECLARED ADOPTED.



Jessica M. Flintoft
Clerk of Scio Township

DATED: February 28, 2023

CERTIFICATE

I, Jessica Flintoft, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of Scio Township, County of Washtenaw, State of Michigan, at a Regular Meeting held on February 28, 2023 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Jessica M. Flintoft, Clerk
Scio Township

DATED: 3/2/23