



JAMESTOWN CHARTER TOWNSHIP
COUNTY OF OTTAWA, MI
FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021



Vredeveld Haefner LLC
CPAs and Consultants

Jamestown Charter Township

TABLE OF CONTENTS

FINANCIAL SECTION	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10-11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to the Net Position of Governmental Activities on the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position - Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	17
Statement of Cash Flows - Proprietary Funds	18
Statement of Fiduciary Net Position	19
Statement of changes in Fiduciary Net Position	20
Notes to Financial Statements	21-31
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General Fund	33
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Road Special Revenue Fund	34
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Fire Operating Special Revenue Fund	35
Combining Fund Financial Statements	
Nonmajor Governmental Funds	
Combining Balance Sheet	37
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	38
Combining Fiduciary Funds	
Combining Statement of Fiduciary Net Position	39
Combining Statement of Changes in Fiduciary Net Position	40
Other Information	
Continuing Disclosure Filing	41-46



Vredeveld Haefner LLC

CPAs and Consultants
10302 20th Avenue
Grand Rapids, MI 49534
Fax (616) 828-0307

Douglas J. Vredeveld, CPA
(616) 446-7474
Peter S. Haefner, CPA
(616) 460-9388

INDEPENDENT AUDITORS' REPORT

July 22, 2021

Members of the Board of Trustees
Jamestown Charter Township, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Jamestown Charter Township (the Township), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the information on pages 33 through 35 be presented to supplement the basic financial statements. Such information, 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.

Other 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 combining fund financial statements and the continuing disclosure filing are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure filing has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Uredewald Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Jamestown Charter Township (the Township), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The Township's total net position increased by \$2,793,164 as a result of this year's activities. The net position of the governmental activities decreased by \$899,483 and the net position of the business-type activities increased by \$3,692,647.
- Of the \$45,399,101 total net position reported, \$37,722,201 represents the net investment in capital assets, \$2,239,249 was restricted for various purposes, and \$5,437,651 was unrestricted and available to be used at the Board's discretion.
- The general fund's unassigned fund balance at the end of the fiscal year was \$1,203,489 which represents 66% of the actual total general fund expenditures for the current fiscal year.
- The Township continues to experience a large growth rate as a result of both residential and commercial development which has supplemented the Township's taxable value.
- The Township continued its commitment to expanding its pathway system and parks by spending approximately \$90,000 on current construction projects.
- The Township spent just under \$2 million on various road projects during the fiscal year which were paid for with a combination of current year revenues and accumulated savings. No debt was incurred for these projects.
- The Fire fund incurred about \$85,000 in capital costs for the purchase of 13 sets of turn out gear, 2 CPR machines as well improvements to the HVAC system at the fire station.
- The Water fund had capital purchases of about \$720,000 related to the addition of watermain as well as watermain improvements throughout the Township.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jamestown Charter Township's financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets and liabilities, with the difference between the two 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 is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest, etc.).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, and culture and recreation activities. The business-type activities of the Township include the water and sewer systems.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, road fund and fire operating fund which are considered major funds.

Data is combined into a single aggregated presentation for the other non-major governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements and schedules.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules for major funds have been provided as required supplementary information to demonstrate compliance with those budgets.

Proprietary funds. The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer funds, which are considered to be major funds of the Township.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in 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* which consists of this management discussion and analysis and major fund budgetary schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$45,399,101 at the close of the most recent fiscal year.

A significant portion of the Township's net position (12 percent) reflects unrestricted net position which is available for future operations while the largest portion of net position is invested in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

A summary of net position is as follows:

Net Position						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 4,739,298	\$ 5,207,975	\$ 3,977,146	\$ 3,879,869	\$ 8,716,444	\$ 9,087,844
Capital assets	8,208,451	8,356,413	36,349,203	33,162,854	44,557,654	41,519,267
Total assets	12,947,749	13,564,388	40,326,349	37,042,723	53,274,098	50,607,111
Current liabilities	1,004,796	511,952	600,763	570,407	1,605,559	1,082,359
Long-term liabilities	-	210,000	6,269,438	6,708,815	6,269,438	6,918,815
Total liabilities	1,004,796	721,952	6,870,201	7,279,222	7,874,997	8,001,174
Net position:						
Net investment in capital assets	7,998,451	7,746,413	29,723,750	26,117,205	37,722,201	33,863,618
Restricted	2,239,249	2,212,991	-	-	2,239,249	2,212,991
Unrestricted	1,705,253	2,883,032	3,732,398	3,646,296	5,437,651	6,529,328
Total net position	\$11,942,953	\$12,842,436	\$33,456,148	\$29,763,501	\$45,399,101	\$42,605,937

The government's net position increased by \$2,793,164 during the current fiscal year detailed as follows:

Changes in Net Position						
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue:						
Program revenue:						
Charges for services	\$ 788,220	\$ 703,537	\$2,502,965	\$2,709,156	\$3,291,185	\$3,412,693
Operating grants and contributions	90,482	39,454	-	6,421	90,482	45,875
Capital grants and contributions	-	-	3,402,216	1,457,242	3,402,216	1,457,242
General revenue:						
Property taxes	1,954,123	1,800,330	-	-	1,954,123	1,800,330
State sources	626,904	630,318	-	-	626,904	630,318
Unrestricted investment earnings	9,026	51,087	6,269	14,961	15,295	66,048
Other	37,606	37,131	515	8,605	38,121	45,736
Total revenue	3,506,361	3,261,857	5,911,965	4,196,385	9,418,326	7,458,242
Expenses:						
General government	471,941	477,928	-	-	471,941	477,928
Public safety	1,064,819	1,085,748	-	-	1,064,819	1,085,748
Public works	2,056,968	1,395,964	-	-	2,056,968	1,395,964
Community and economic development	293,770	226,215	-	-	293,770	226,215
Culture and recreation	509,475	460,607	-	-	509,475	460,607
Interest on long-term debt	8,871	18,593	-	-	8,871	18,593
Sewer fund	-	-	1,394,185	1,233,596	1,394,185	1,233,596
Water fund	-	-	825,133	823,775	825,133	823,775
Total expenses	4,405,844	3,665,055	2,219,318	2,057,371	6,625,162	5,722,426

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Change in net position	\$ (899,483)	\$ (403,198)	\$ 3,692,647	\$ 2,139,014	\$ 2,793,164	\$ 1,735,816
Net position - beginning of year	12,842,436	13,245,634	29,763,501	27,624,487	42,605,937	40,870,121
Net position - end of year	\$11,942,953	\$12,842,436	\$33,456,148	\$29,763,501	\$45,399,101	\$42,605,937

Governmental Activities. During the year, the Township incurred \$2,056,968 (47%) of its governmental activities' expenses in public works and \$1,064,819 (24%) in public safety. General government expenses amounted to \$471,941 (11%) of governmental activities while community and economic development, culture and recreation and interest on long-term debt made up the remaining 18% of governmental activities expenses.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,946,252, a decrease of \$1,154,854 in comparison with the prior year. Of the \$3,946,252, \$1,707,003 is reported in the general fund.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,203,489. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 66% of total general fund expenditures. The fund balance of the Township's general fund decreased by \$1,181,112 during the current fiscal year due to significant transfer for road projects.

The Road fund is used to account for a 1.4861 mill tax levied by the Township for the construction and maintenance of local roads. At the end of the current fiscal year fund balance was \$866,258; an increase of \$16,878 from the prior year. The increase is a result of significant transfers from the general fund to cover costs of road projects during the year.

The Fire Operating fund is used to account for fire department operations of the Township. At the end of the current fiscal year fund balance was \$497,034; a decrease of \$109,133 over the prior year due to an increase in salaries along with other minor increases in expenditures.

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Unrestricted net position of the sewer and water funds at the end of the year amounted to \$2,823,923 and \$908,475, respectively. The Sewer fund had an increase in net position for the year of \$2,083,647. The Water fund had an increase in net position for the year of \$1,609,000.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2021, amounted to \$44,557,654 (net of accumulated depreciation).

The Township's capital assets are summarized as follows:

	Governmental Activities	Business-type Activities	Total
Land	\$ 1,282,386	\$ -	\$ 1,282,386
Construction in progress	51,973	429,970	481,943
Shared costs – drains	68,100	-	68,100
Pathways	3,068,841	-	3,068,841
Buildings and improvements	4,105,473	17,191	4,122,664
Vehicles	2,162,960	-	2,162,960
Library books	375,189	-	375,189
Furniture and equipment	1,062,477	-	1,062,477
Sewer system	-	28,306,302	28,306,302
Water system	-	18,973,210	18,973,210
Accumulated depreciation	(3,968,948)	(11,377,470)	(15,346,418)
Total	\$ 8,208,451	\$ 36,349,203	\$ 44,557,654

Additional information on the Township's capital assets can be found in the notes to the financial statements.

Debt. At the end of the current fiscal year, the Township had total debt outstanding as follows:

	Governmental Activities	Business-type Activities	Total
Contracts and notes payable	\$210,000	\$6,625,453	\$6,835,453

The Township made principal payments on contracts and notes outstanding totaling \$820,196. Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Budgetary Highlights

Significant budget adjustments were made for the following:

- The Township amended the General fund revenues to reflect an increase in building activity, contributions from developers, as well as Federal grant monies received. The most significant general fund budget adjustments were to provide for increased inspections and planning activity as well as additional park and pathway improvements.
- The Road fund budget was amended to increase transfers from the capital improvement fund to help fund 2 large road paving projects that will be completed in fiscal year 2022.
- The Sewer and Water funds budgeted revenues were amended by \$371,000 and \$144,000, respectively, to account for an increase in connections to the system and related utility charges.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2021-22 fiscal year:

- The Township plans to primarily use current revenues to provide essential services in fiscal year 2021-22 in order to maintain current fund balances.
- 2021 Taxable Values have been established and any negative impact from the COVID-19 pandemic on property taxes will not be felt until Fiscal Year 2023. Property values are expected to increase by about 3% in 2021-2022 to the current estimated taxable value of about \$447.4 million.
- State Shared Revenues are also expected to increase due to the 2020 census numbers that should be available in the fall of 2021.
- Expenditures are expected to increase by nominal amounts compared to fiscal year 2021.

- Wages reflect a small increase for fire personnel as well as a new part time deputy supervisor position.
- The fire station debt will be paid off in fiscal year 2022 which will free up about \$200,000 in the General fund.
- The Fire fund includes monies for a new fire truck at a cost of about \$50,000.
- The Road fund has about \$1.2 million budgeted for the completion of 2 large paving projects.
- The Capital Improvement Fund has about \$250,000 budgeted for continued park and pathway projects.
- Sewer and water charges for services are expected to remain comparable to 2021.
- The Township continues to review all budget line-items for opportunities to reduce expenditures. The ongoing costs of providing essential services for citizens of the Township will again need to be monitored in order to maintain the financial condition and operational capabilities of the Township.

Requests for Information

This financial report is designed to provide a general overview of Jamestown Charter Township's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Laurie VanHaitsma, Supervisor, Jamestown Charter Township, 2380 Riley Street, Hudsonville, Michigan, 49426, (616) 896-8376.

BASIC FINANCIAL STATEMENTS

JAMESTOWN CHARTER TOWNSHIP

STATEMENT OF NET POSITION

MARCH 31, 2021

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash and cash equivalents	\$ 4,483,583	\$ 3,655,965	\$ 8,139,548
Receivables			
Accounts	113,496	267,987	381,483
Taxes	35,319	-	35,319
Special assessments (current portion)	-	12,704	12,704
Due from other governments	105,830	-	105,830
Prepaid items	1,070	-	1,070
Total current assets	4,739,298	3,936,656	8,675,954
Noncurrent assets			
Special assessments receivable	-	40,490	40,490
Capital assets:			
Non-depreciable	1,334,359	429,970	1,764,329
Depreciable capital assets, net	6,874,092	35,919,233	42,793,325
Total noncurrent assets	8,208,451	36,389,693	44,598,144
Total assets	12,947,749	40,326,349	53,274,098
Liabilities			
Accounts payable	753,635	95,048	848,683
Accrued payroll and benefits	39,411	236	39,647
Accrued interest payable	1,750	76,037	77,787
Current portion of long-term liabilities	210,000	429,442	639,442
Total current liabilities	1,004,796	600,763	1,605,559
Long-term liabilities			
Unamortized contract premium	-	73,427	73,427
Contracts and notes payable	-	6,196,011	6,196,011
Total long-term liabilities	-	6,269,438	6,269,438
Total liabilities	1,004,796	6,870,201	7,874,997
Net position			
Net investment in capital assets	7,998,451	29,723,750	37,722,201
Restricted for			
Public safety	496,974	-	496,974
Public works	866,258	-	866,258
Recreation and culture	376,475	-	376,475
Capital projects	499,482	-	499,482
Unrestricted	1,705,313	3,732,398	5,437,711
Total net position	\$ 11,942,953	\$ 33,456,148	\$ 45,399,101

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

JAMESTOWN CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities					
General government	\$ 471,941	\$ 153,922	\$ 9,172	\$ -	\$ (308,847)
Public safety	1,064,819	310,168	49,644	-	(705,007)
Public works	2,056,968	308,563	-	-	(1,748,405)
Community and economic development	293,770	14,470	-	-	(279,300)
Culture and recreation	509,475	1,097	31,666	-	(476,712)
Interest on long-term debt	8,871	-	-	-	(8,871)
Total governmental activities	<u>4,405,844</u>	<u>788,220</u>	<u>90,482</u>	<u>-</u>	<u>(3,527,142)</u>
Business-type activities					
Sewer	1,394,185	1,626,865	-	1,847,551	2,080,231
Water	825,133	876,100	-	1,554,665	1,605,632
Total business-type activities	<u>2,219,318</u>	<u>2,502,965</u>	<u>-</u>	<u>3,402,216</u>	<u>3,685,863</u>
Total primary government	<u>\$ 6,625,162</u>	<u>\$ 3,291,185</u>	<u>\$ 90,482</u>	<u>\$ 3,402,216</u>	<u>\$ 158,721</u>

(Continued)

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

JAMESTOWN CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2021

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Changes in net position			
Net (expense) revenue	\$ (3,527,142)	\$ 3,685,863	\$ 158,721
General revenues			
Property taxes	1,954,123	-	1,954,123
State shared revenues	626,904	-	626,904
Unrestricted interest	9,026	6,269	15,295
Miscellaneous	37,606	515	38,121
Total general revenues	2,627,659	6,784	2,634,443
Change in net position	(899,483)	3,692,647	2,793,164
Net position, beginning of year	12,842,436	29,763,501	42,605,937
Net position, end of year	<u>\$ 11,942,953</u>	<u>\$ 33,456,148</u>	<u>\$ 45,399,101</u>

(Concluded)

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

JAMESTOWN CHARTER TOWNSHIP

GOVERNMENTAL FUNDS BALANCE SHEET

MARCH 31, 2021

	<u>General</u>	<u>Road</u>	<u>Fire Operating</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Assets					
Cash and cash equivalents	\$ 1,528,435	\$ 1,507,337	\$ 516,547	\$ 931,264	\$ 4,483,583
Receivables					
Accounts	113,496	-	-	-	113,496
Taxes	8,883	11,579	7,697	7,160	35,319
Due from other funds	84,061	-	-	-	84,061
Due from other governments	105,830	-	-	-	105,830
Prepaid	1,010	-	60	-	1,070
Total assets	<u>\$ 1,841,715</u>	<u>\$ 1,518,916</u>	<u>\$ 524,304</u>	<u>\$ 938,424</u>	<u>\$ 4,823,359</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 121,658	\$ 590,695	\$ 6,329	\$ 34,953	\$ 753,635
Accrued payroll and benefits	13,054	-	20,301	6,056	39,411
Due to other funds	-	61,963	640	21,458	84,061
Total liabilities	<u>134,712</u>	<u>652,658</u>	<u>27,270</u>	<u>62,467</u>	<u>877,107</u>
Fund balances					
Nonspendable					
Prepaid	1,010	-	60	-	1,070
Restricted					
Accumulated construction code fees	7,482	-	-	-	7,482
Public safety	-	-	496,974	-	496,974
Public works	-	866,258	-	-	866,258
Recreation and culture	-	-	-	376,475	376,475
Capital acquisitions	-	-	-	499,482	499,482
Assigned					
Future years expenditures	83,205	-	-	-	83,205
Capital improvements	411,817	-	-	-	411,817
Unassigned	1,203,489	-	-	-	1,203,489
Total fund balances	<u>1,707,003</u>	<u>866,258</u>	<u>497,034</u>	<u>875,957</u>	<u>3,946,252</u>
Total liabilities and fund balances	<u>\$ 1,841,715</u>	<u>\$ 1,518,916</u>	<u>\$ 524,304</u>	<u>\$ 938,424</u>	<u>\$ 4,823,359</u>

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

JAMESTOWN CHARTER TOWNSHIP

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

MARCH 31, 2021

Fund balances - total governmental funds	\$ 3,946,252
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Add - land	1,282,386
Add - construction in progress	51,973
Add - capital assets (net of accumulated depreciation)	6,874,092
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - notes payable	(210,000)
Deduct - accrued interest on notes payable	<u>(1,750)</u>
Net position of governmental activities	<u>\$ 11,942,953</u>

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

JAMESTOWN CHARTER TOWNSHIP

GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2021

	<u>General</u>	<u>Road</u>	<u>Fire Operating</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Revenues					
Property taxes	\$ 459,154	\$ 654,786	\$ 435,291	\$ 404,892	\$ 1,954,123
Federal	32,016	-	17,628	-	49,644
State	636,076	-	-	8,612	644,688
Charges for services	403,585	-	45	-	403,630
Licenses and permits	306,580	-	-	-	306,580
Fines	3,543	-	-	20,494	24,037
Interest	3,942	80	4,831	173	9,026
Rentals	30,310	-	-	-	30,310
Special assessments	43,060	-	-	-	43,060
Miscellaneous	29,466	-	3,158	8,639	41,263
Total revenues	<u>1,947,732</u>	<u>654,866</u>	<u>460,953</u>	<u>442,810</u>	<u>3,506,361</u>
Expenditures					
Current					
General government	461,895	-	-	-	461,895
Public safety	426,479	-	466,086	1,122	893,687
Public works	67,863	1,989,105	-	-	2,056,968
Community and economic development	293,770	-	-	-	293,770
Culture and recreation	133,552	-	-	251,979	385,531
Debt service					
Principal	400,000	-	-	-	400,000
Interest	12,204	-	-	-	12,204
Capital outlay	25,964	-	-	131,196	157,160
Total expenditures	<u>1,821,727</u>	<u>1,989,105</u>	<u>466,086</u>	<u>384,297</u>	<u>4,661,215</u>
Revenues over (under) expenditures	<u>126,005</u>	<u>(1,334,239)</u>	<u>(5,133)</u>	<u>58,513</u>	<u>(1,154,854)</u>
Other financing sources (uses)					
Transfers in	104,000	1,351,117	-	60,000	1,515,117
Transfers out	<u>(1,411,117)</u>	<u>-</u>	<u>(104,000)</u>	<u>-</u>	<u>(1,515,117)</u>
Total other financing sources (uses)	<u>(1,307,117)</u>	<u>1,351,117</u>	<u>(104,000)</u>	<u>60,000</u>	<u>-</u>
Net changes in fund balances	(1,181,112)	16,878	(109,133)	118,513	(1,154,854)
Fund balances, beginning of year	<u>2,888,115</u>	<u>849,380</u>	<u>606,167</u>	<u>757,444</u>	<u>5,101,106</u>
Fund balances, end of year	<u>\$ 1,707,003</u>	<u>\$ 866,258</u>	<u>\$ 497,034</u>	<u>\$ 875,957</u>	<u>\$ 3,946,252</u>

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

JAMESTOWN CHARTER TOWNSHIP

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2021

Net changes in fund balances - total governmental funds	\$ (1,154,854)
---------------------------------------------------------	----------------

Amounts reported for *governmental activities* in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	186,151
Deduct - depreciation expense	(334,113)

Contract or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of contract or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - principal payments on debt	400,000
----------------------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Add - decrease in accrued interest	<u>3,333</u>
------------------------------------	--------------

Change in net position of governmental activities	<u>\$ (899,483)</u>
---------------------------------------------------	---------------------

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

JAMESTOWN CHARTER TOWNSHIP

PROPRIETARY FUNDS STATEMENT OF NET POSITION

MARCH 31, 2021

	<u>Enterprise Funds</u>		<u>Enterprise Fund Total</u>
Assets	<u>Sewer</u>	<u>Water</u>	
Current assets			
Cash and cash equivalents	\$ 2,869,425	\$ 786,540	\$ 3,655,965
Receivables			
Accounts	174,497	93,490	267,987
Special assessments (current portion)	5,882	6,822	12,704
Due from other funds	-	29,297	29,297
Total current assets	<u>3,049,804</u>	<u>916,149</u>	<u>3,965,953</u>
Noncurrent assets			
Special assessments receivable	11,314	29,176	40,490
Capital assets:			
Non-depreciable	-	429,970	429,970
Depreciable capital assets, net	<u>21,927,569</u>	<u>13,991,664</u>	<u>35,919,233</u>
Total noncurrent assets	<u>21,938,883</u>	<u>14,450,810</u>	<u>36,389,693</u>
Total assets	<u>24,988,687</u>	<u>15,366,959</u>	<u>40,355,646</u>
Liabilities			
Current liabilities			
Accounts payable	72,428	22,620	95,048
Accrued payroll and benefits	118	118	236
Accrued interest payable	61,925	14,112	76,037
Due to other funds	29,297	-	29,297
Current portion of long-term liabilities	<u>231,145</u>	<u>198,297</u>	<u>429,442</u>
Total current liabilities	<u>394,913</u>	<u>235,147</u>	<u>630,060</u>
Long-term liabilities			
Contracts payable	4,485,484	1,710,527	6,196,011
Unamortized contract premium	<u>73,427</u>	<u>-</u>	<u>73,427</u>
Total long-term liabilities	<u>4,558,911</u>	<u>1,710,527</u>	<u>6,269,438</u>
Total liabilities	<u>4,953,824</u>	<u>1,945,674</u>	<u>6,899,498</u>
Net position			
Net investment in capital assets	17,210,940	12,512,810	29,723,750
Unrestricted	<u>2,823,923</u>	<u>908,475</u>	<u>3,732,398</u>
Total net position	<u>\$ 20,034,863</u>	<u>\$ 13,421,285</u>	<u>\$ 33,456,148</u>

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

JAMESTOWN CHARTER TOWNSHIP

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED MARCH 31, 2021

	Enterprise Funds		Enterprise Fund Total
	Sewer	Water	
Operating revenue			
Charges for services			
Water sales	\$ -	\$ 661,569	\$ 661,569
Sewage disposal services	923,156	-	923,156
Total charges for services	923,156	661,569	1,584,725
Other revenue	505	10	515
Total operating revenue	<u>923,661</u>	<u>661,579</u>	<u>1,585,240</u>
Operating expense			
System operations and maintenance	325,714	234,250	559,964
Personnel costs	2,357	2,357	4,714
Professional services	338,265	104,628	442,893
Depreciation	568,200	412,836	981,036
Total operating expense	<u>1,234,571</u>	<u>754,071</u>	<u>1,988,642</u>
Operating income (loss)	<u>(310,910)</u>	<u>(92,492)</u>	<u>(403,402)</u>
Non-operating revenue (expense)			
Interest income	2,911	3,358	6,269
Interest expense	(159,614)	(71,062)	(230,676)
Total non-operating revenue (expense)	<u>(156,703)</u>	<u>(67,704)</u>	<u>(224,407)</u>
Income (loss) before transfers and capital contributions	<u>(467,613)</u>	<u>(160,196)</u>	<u>(627,809)</u>
Capital contributions			
Connection fees and charges	703,709	214,531	918,240
Developer contribution	1,847,551	1,554,665	3,402,216
Total capital contributions	<u>2,551,260</u>	<u>1,769,196</u>	<u>4,320,456</u>
Changes in net position	2,083,647	1,609,000	3,692,647
Net position, beginning of year, as restated	<u>17,951,216</u>	<u>11,812,285</u>	<u>29,763,501</u>
Net position, end of year	<u>\$ 20,034,863</u>	<u>\$ 13,421,285</u>	<u>\$ 33,456,148</u>

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

JAMESTOWN CHARTER TOWNSHIP

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

	Enterprise Funds		Enterprise Fund Total
	Sewer	Water	
Cash flows from operating activities			
Receipts from customers and users	\$ 870,260	\$ 630,153	\$ 1,500,413
Payments to employees	(2,396)	(2,396)	(4,792)
Payments to suppliers	(638,056)	(339,230)	(977,286)
Net cash provided by (used in) operating activities	<u>229,808</u>	<u>288,527</u>	<u>518,335</u>
Cash flows from capital and related financing activities			
Connection charges	703,709	214,531	918,240
Special assessments collected	17,315	6,821	24,136
Principal paid on contracts	(223,683)	(196,513)	(420,196)
Interest paid on contracts	(172,786)	(72,243)	(245,029)
Purchase of capital assets	-	(765,169)	(765,169)
Net cash provided by (used in) capital and related financing activities	<u>324,555</u>	<u>(812,573)</u>	<u>(488,018)</u>
Cash flows from noncapital financing activities			
Loan to/from other funds	<u>29,672</u>	<u>(29,672)</u>	<u>-</u>
Cash flows from investing activities			
Interest income	<u>2,911</u>	<u>3,358</u>	<u>6,269</u>
Net increase (decrease) in cash and pooled investments	586,946	(550,360)	36,586
Cash and cash equivalents, beginning of year	<u>2,282,479</u>	<u>1,336,900</u>	<u>3,619,379</u>
Cash and cash equivalents, end of year	<u>\$ 2,869,425</u>	<u>\$ 786,540</u>	<u>\$ 3,655,965</u>
Cash flows from operating activities			
Operating income (loss)	\$ (310,910)	\$ (92,492)	\$ (403,402)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	568,200	412,836	981,036
Change in operating assets and liabilities which provided (used) cash:			
Accounts receivable	(53,401)	(31,426)	(84,827)
Accounts payable	25,958	(352)	25,606
Accrued liabilities	(39)	(39)	(78)
Net cash provided by (used in) operating activities	<u>\$ 229,808</u>	<u>\$ 288,527</u>	<u>\$ 518,335</u>
Schedule of non-cash capital and related financing activities:			
Developer contributed capital	\$ 1,847,551	\$ 1,554,665	\$ 3,402,216

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

JAMESTOWN CHARTER TOWNSHIP

FIDUCIARY FUNDS *STATEMENT OF FIDUCIARY NET POSITION*

MARCH 31, 2021

	Custodial Funds
Assets	
Cash and pooled investments	\$ 152,459
Total assets	<u>\$ 152,459</u>
Liabilities	
Accounts payable	\$ 1,467
Escrow deposits	132,371
Due to other governmental units	<u>18,621</u>
Total liabilities	<u>152,459</u>
Net position	
Restricted	<u><u>\$ -</u></u>

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

JAMESTOWN CHARTER TOWNSHIP

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED MARCH 31, 2021

	Custodial Funds
Additions	
Property taxes collected for other governments	\$ 12,926,605
Escrow deposits collected	<u>69,225</u>
Total Additions	<u>12,995,830</u>
Deductions	
Property taxes distributed to other governments	12,926,605
Escrow fund used to cover expenses	<u>69,225</u>
Total deductions	<u>12,995,830</u>
Net increase	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

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

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Jamestown Charter Township (the Township) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the Township.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for state shared revenue, reimbursement-based grants, and interest which use a one-year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation or amortization on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major governmental funds:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *Road Fund* is used to account for a special property tax levied by the Township for the construction and maintenance of local streets.

The *Fire Operating Fund* is used to account for a special property tax levied by the Township for the operation of the fire department.

The Township reports the following major proprietary funds:

The *Sewer Enterprise Fund* is used to account for the operations of the Township's Wastewater Department that provides sewer services on a user charge basis.

The *Water Enterprise Fund* is used to account for the operations of the Township's Water Department that provides water services on a user charge basis.

Additionally, the Township reports the following fund types:

The *Library Special Revenue Fund* is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for library operations.

The *Capital Projects Fund* accounts for the accumulation and disbursement of resources for the construction of various capital items.

The *Custodial Funds* are used to account for the collection and disbursement of funds that are collected on behalf of the outside governments or other parties.

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Budgets and Budgetary Accounting

Comparisons to budget are presented for the General and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Superintendent submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the General and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year-end.
5. Supplemental appropriations, when required to provide for appropriate expenditures, are matched by additional anticipated revenues or an appropriation of available fund balance and must be approved by the Township Board. All appropriations lapse at year-end. Supplemental appropriations were necessary during the year.

The appropriated budget is adopted at the activity level.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Township considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Capital Assets

Capital assets, which include land, buildings and improvements, pathways, library books, furniture and equipment, vehicles, and infrastructure assets (e.g., water and sewer systems), are reported in the governmental and business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (\$10,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with an equivalent service potential in an orderly market transaction) on the date received.

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Shared costs – drains	20
Pathways	20-40
Buildings and improvements	25-50
Vehicles	20
Library books	10
Furniture and equipment	5-20
Sewer and water systems	50

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. For bonds issued after the implementation of GASB Statement No. 34, bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures/expense regardless of function or activity.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the Township's governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by formal resolution of the Township's governing board. The Board has not delegated authority for the ability to assign fund balance.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

The Township adopted a policy to maintain a minimum unassigned fund balance in its general fund of 25% of the current year's operating expenditures except in the case of emergency or financial distress. If the unassigned fund balance falls below the minimum 25%, the Township will reduce recurring expenditures to eliminate any structural deficit, increase revenues or pursue other funding sources to replenish the funding deficiency. Unassigned fund balance in the general fund at March 31, 2021 was 69% of the current year's operating expenditures.

Net Position and Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Property Taxes

Township property taxes attach as an enforceable lien on property as of December 1 of each year and are due without penalty on or before February 14. Tax bills include the Township's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the County for collection, which advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer. Property taxes levied in December are recognized as revenue in that year.

Interfund Transactions

During the course of normal operations, the Township has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Charges between enterprise funds and other functions of the Township are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

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. During the year ended March 31, 2021, the Township carried commercial insurance to cover risks of losses. The Township has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

2. STATUTORY COMPLIANCE

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgeted funds have been shown at the activity level. The approved budgets of the Township for these budgeted funds were adopted at the activity level.

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Unfavorable)</u>
General Fund			
Construction code inspections	\$ 254,077	\$ 273,747	\$ (19,670)
Pathways	107,431	119,945	(12,514)
Capital outlay	23,000	25,964	(2,964)
Transfers out	875,000	1,411,117	(536,117)
Road Special Revenue Fund			
Public works	1,797,150	1,989,105	(191,955)

3. DEPOSITS

The captions on the financial statements relating to deposits are as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and cash equivalents	\$8,139,548	\$152,459	\$8,292,007

Cash and cash equivalents consist of demand accounts and certificates of deposit which are classified as deposits for risk reporting purposes. The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts except as noted are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have, a policy for deposit custodial credit risk. As of year-end, \$7,691,957 of the Township's bank balance of \$8,628,945 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

4. INTERFUND TRANSACTIONS

Interfund receivables and payables of individual funds at March 31, 2021 were as follows:

	<u>Receivable fund</u>		
	<u>General fund</u>	<u>Water fund</u>	<u>Total</u>
<u>Payable fund</u>			
Road fund	\$61,963	\$ -	\$ 61,963
Fire Operating fund	640	-	640
Nonmajor governmental funds	21,458	-	21,458
Sewer fund	-	29,297	29,297
	\$84,061	\$29,297	\$113,358

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Interfund balances represent short-term borrowings to assist the borrowing fund with additional cash flow.

Transfers in and out for the year ended March 31, 2021, are as follows:

<u>Transfer out</u>	<u>Transfer in</u>			<u>Total</u>
	<u>General fund</u>	<u>Road fund</u>	<u>Nonmajor governmental funds</u>	
General fund	\$ -	\$1,351,117	\$60,000	\$1,411,117
Fire operating fund	104,000	-	-	104,000
Total	\$104,000	\$1,351,117	\$60,000	\$1,515,117

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

5. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance April 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2021</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$1,282,386	\$ -	\$ -	\$1,282,386
Construction in progress	28,945	23,028	-	51,973
Total capital assets, not being depreciated	1,311,331	23,028	-	1,334,359
Capital assets, being depreciated				
Shared costs – drains	68,100	-	-	68,100
Pathways	3,061,897	6,944	-	3,068,841
Buildings and improvements	4,105,473	-	-	4,105,473
Vehicles	2,162,960	-	-	2,162,960
Library books	355,237	19,952	-	375,189
Furniture and equipment	926,250	136,227	-	1,062,477
Total capital assets, being depreciated	10,679,917	163,123	-	10,843,040
Less accumulated depreciation for				
Shared costs – drains	27,650	3,404	-	31,054
Pathways	716,238	90,414	-	806,652
Buildings and improvements	948,087	82,919	-	1,031,006
Vehicles	1,034,671	89,007	-	1,123,678
Library books	281,377	14,459	-	295,836
Furniture and equipment	626,812	53,910	-	680,722
Total accumulated depreciation	3,634,835	334,113	-	3,968,948
Net capital assets, being depreciated	7,045,082	(170,990)	-	6,874,092
Governmental Activities capital assets, net	\$8,356,413	\$(147,962)	\$ -	\$8,208,451

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

	Balance April 1, 2020	Additions	Deletions	Balance March 31, 2021
Business-type Activities				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 429,970	\$ -	\$ 429,970
Capital assets being depreciated				
Sewer system	26,535,150	1,771,152	-	28,306,302
Water system	17,006,947	1,966,263	-	18,973,210
Buildings and improvements	17,191	-	-	17,191
Total capital assets, being depreciated	43,559,288	3,737,415	-	47,296,703
Less accumulated depreciation for				
Sewer system	5,815,454	566,127	-	6,381,581
Water system	4,567,182	414,364	-	4,981,546
Buildings and improvements	13,798	545	-	14,343
Total accumulated depreciation	10,396,434	981,036	-	11,377,470
Net capital assets, being depreciated	33,162,854	2,756,379	-	35,919,233
Business-type Activities capital assets, net	\$32,162,854	\$3,186,349	\$ -	\$36,349,203

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

Governmental Activities	
General government	\$ 15,811
Public safety	186,105
Culture and recreation	132,197
Total depreciation expense - governmental activities	\$334,113
Business-type Activities	
Sewer	\$566,672
Water	414,364
Total depreciation expense - business- type activities	\$981,036

6. LEASES

Lessor

During the year ended March 31, 2021, the Township had operating lease agreements with several unrelated third parties for farm land that expire in 2022. The Township's investment in land held for lease is \$1,095,946 at March 31, 2021.

The following is a schedule of annual future minimum lease receipts required under the operating lease with a remaining non-cancelable lease term in excess of one year as of March 31, 2021:

<u>Year</u>	<u>Non-cancelable Operating Leases</u>
2022	<u>\$17,250</u>

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

7. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended March 31, 2021:

	<u>Balance April 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2021</u>	<u>Due Within One Year</u>
Governmental Activities					
\$1,995,000 2017 fire station installment note; due in annual installments of \$385,000 to \$415,000 plus interest at 1.99% through November 2021	\$610,000	\$ -	\$400,000	\$210,000	\$210,000
Business-type Activities					
\$3,650,000 2016 refunding Sewer System contract; due in annual installments of \$160,000 to \$215,000 plus interest at 2.0% to 4.0% through June 2035	\$3,155,000	\$ -	\$ 170,000	\$2,985,000	\$175,000
\$2,026,638 2010 Sewer System contract, due in annual installments of \$45,803 to \$127,065 plus interest at 2.25% to 5.0% through May 2040	1,785,312	-	53,683	1,731,629	56,145
\$1,330,000 2013 Water System contract, due in installments of \$10,000 to \$185,000 plus interest at 2.53% through June 2024	830,000	-	145,000	685,000	145,000
\$1,375,687 2015 Water System contract, due in installments of \$49,952 to \$132,239 plus interest at 3.0% to 5.0% through August 2032	1,275,337	-	51,513	1,223,824	53,297
Total Business-type Activities	\$7,045,649	\$ -	\$420,196	\$6,625,453	\$429,442

The annual requirements to amortize all debt outstanding (excluding bond premiums and discounts and accrued employee benefits) as of March 31, 2021 are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$210,000	\$4,200	\$ 429,442	\$ 229,875
2023	-	-	448,689	215,367
2024	-	-	499,554	199,085
2025	-	-	521,300	180,636
2026	-	-	383,445	162,957
2027-2031	-	-	2,003,722	627,755
2032-2036	-	-	1,757,169	280,439
2037-2041	-	-	582,132	67,368
Thereafter	-	-	-	-
Total	\$210,000	\$4,200	\$6,625,453	\$1,963,482

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

8. PENSION PLANS

Defined Contribution Pension Plans

The Township maintains a defined contribution plan administered by Massachusetts Mutual Life Insurance Company that covers substantially all full-time employees. Participants contribute 6 percent of their salaries to the plan and the Township contributes 6 percent of each eligible employee's salary to the plan. Employees are also able to make additional voluntary contributions. Plan provision and contribution requirements are established and may be amended by the Board. The Township's contribution for the year was \$16,476 and the employees' contribution was \$16,476.

9. TAX ABATEMENTS

The Township entered into property tax abatements agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The agreements entered into by the Township include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended March 31, 2021 the Township abated property tax revenues of approximately \$55,000.

10. CONSTRUCTION CODE FEES

The Township oversees building construction in accordance with the State of Michigan Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and cumulative excess revenues is as follows:

Cumulative excess revenues – April 1, 2020	<u>\$ 59,327</u>
Revenues	245,393
Expenditures	<u>297,238</u>
Excess for the year ended March 31, 2021	<u>(51,845)</u>
Cumulative excess revenues – March 31, 2021	<u>\$ 7,482</u>

11. CONTINGENT LIABILITIES

In the normal course of its operations, the Township has become a party in various legal actions, including property tax appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township.

JAMESTOWN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

12. CONSTRUCTION COMMITMENTS

At year-end, the Township had outstanding commitments for various construction projects of approximately \$232,000.

13. RESTATEMENT

Beginning net position of the water enterprise fund was increased \$74,489 with a corresponding decrease to the sewer enterprise fund to record capital assets in the correct funds.

(This page left intentionally blank)

REQUIRED SUPPLEMENTARY INFORMATION

JAMESTOWN CHARTER TOWNSHIP

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amount	Positive (Negative)
Revenues				
Property taxes	\$ 451,500	\$ 441,500	\$ 459,154	\$ 17,654
Federal	-	32,016	32,016	-
State	625,000	625,000	636,076	11,076
Charges for services	297,200	374,700	403,585	28,885
Licenses and permits	225,150	275,150	306,580	31,430
Fines	8,000	8,000	3,543	(4,457)
Interest	11,000	11,000	3,942	(7,058)
Rentals	29,000	31,435	30,310	(1,125)
Special assessments	44,000	44,000	43,060	(940)
Miscellaneous	29,900	36,885	29,466	(7,419)
Total revenues	<u>1,720,750</u>	<u>1,879,686</u>	<u>1,947,732</u>	<u>68,046</u>
Expenditures				
Current				
General government				
Legislative	79,994	83,894	71,969	11,925
Supervisor	49,981	50,981	48,838	2,143
Elections	36,040	36,040	27,378	8,662
Assessor	115,840	115,840	99,440	16,400
Clerk	64,030	70,030	62,398	7,632
Board of review	1,477	1,477	583	894
Treasurer	43,784	47,254	44,497	2,757
Buildings and grounds	25,200	27,700	16,961	10,739
Cemetery	51,500	58,500	54,170	4,330
General administration	42,385	49,210	34,648	14,562
Workers compensation	2,000	2,000	1,013	987
Public safety				
Police protection	217,500	217,500	152,732	64,768
Construction code inspections	219,077	254,077	273,747	(19,670)
Public works				
Street lighting	43,000	49,850	48,825	1,025
Drains	33,000	33,000	19,038	13,962
Community and economic development				
Building and zoning	72,475	72,475	63,180	9,295
Board of appeals	5,575	5,575	1,722	3,853
Planning commission	192,495	237,495	228,868	8,627
Culture and recreation				
Pathways	62,031	107,431	119,945	(12,514)
Library	16,600	18,500	13,607	4,893
Debt service				
Principal	400,000	400,000	400,000	-
Interest and fees	16,100	16,100	12,204	3,896
Capital outlay	20,000	23,000	25,964	(2,964)
Total expenditures	<u>1,810,084</u>	<u>1,977,929</u>	<u>1,821,727</u>	<u>156,202</u>
Revenues over (under) expenditures	<u>(89,334)</u>	<u>(98,243)</u>	<u>126,005</u>	<u>224,248</u>
Other financing sources (uses)				
Transfers in	104,000	104,000	104,000	-
Transfers out	(385,000)	(875,000)	(1,411,117)	(536,117)
Total other financing sources (uses)	<u>(281,000)</u>	<u>(771,000)</u>	<u>(1,307,117)</u>	<u>(536,117)</u>
Net changes in fund balances	<u>(370,334)</u>	<u>(869,243)</u>	<u>(1,181,112)</u>	<u>(311,869)</u>
Fund balances, beginning of year	<u>2,888,115</u>	<u>2,888,115</u>	<u>2,888,115</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,517,781</u>	<u>\$ 2,018,872</u>	<u>\$ 1,707,003</u>	<u>\$ (311,869)</u>

JAMESTOWN CHARTER TOWNSHIP

ROAD SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2021

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive</u> <u>(Negative)</u>
Revenues				
Property taxes	\$ 615,250	\$ 621,687	\$ 654,786	\$ 33,099
Interest	<u>1,500</u>	<u>1,500</u>	<u>80</u>	<u>(1,420)</u>
Total revenues	616,750	623,187	654,866	31,679
Expenditures				
Current				
Public works	<u>1,220,150</u>	<u>1,797,150</u>	<u>1,989,105</u>	<u>(191,955)</u>
Revenues over (under) expenditures	(603,400)	(1,173,963)	(1,334,239)	(160,276)
Other financing sources (uses)				
Transfers in	<u>325,000</u>	<u>815,000</u>	<u>1,351,117</u>	<u>536,117</u>
Net changes in fund balances	(278,400)	(358,963)	16,878	375,841
Fund balances, beginning of year	<u>849,380</u>	<u>849,380</u>	<u>849,380</u>	<u>-</u>
Fund balances, end of year	<u>\$ 570,980</u>	<u>\$ 490,417</u>	<u>\$ 866,258</u>	<u>\$ 375,841</u>

JAMESTOWN CHARTER TOWNSHIP

FIRE OPERATING SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL

FOR THE YEAR ENDED MARCH 31, 2021

	Budget Amounts		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Positive (Negative)</u>
Revenues				
Property taxes	\$ 412,700	\$ 414,400	\$ 435,291	\$ 20,891
Federal	-	17,630	17,628	(2)
Charges for services	30	30	45	15
Interest	5,500	10,500	4,831	(5,669)
Miscellaneous	<u>6,500</u>	<u>6,500</u>	<u>3,158</u>	<u>(3,342)</u>
Total revenues	424,730	449,060	460,953	11,893
Expenditures				
Current				
Public safety	<u>487,950</u>	<u>515,207</u>	<u>466,086</u>	<u>49,121</u>
Revenues over (under) expenditures	(63,220)	(66,147)	(5,133)	61,014
Other financing sources (uses)				
Transfers out	<u>(104,000)</u>	<u>(104,000)</u>	<u>(104,000)</u>	<u>-</u>
Net changes in fund balances	(167,220)	(170,147)	(109,133)	61,014
Fund balances, beginning of year	<u>606,167</u>	<u>606,167</u>	<u>606,167</u>	<u>-</u>
Fund balances, end of year	<u>\$ 438,947</u>	<u>\$ 436,020</u>	<u>\$ 497,034</u>	<u>\$ 61,014</u>

(This page left intentionally blank)

**COMBINING FUND FINANCIAL
STATEMENTS**

JAMESTOWN CHARTER TOWNSHIP

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

MARCH 31, 2021

	Special Revenue	Capital Projects	
	Library	Capital	
	Fund	Projects	Total
Assets			
Cash and cash equivalents	\$ 407,200	\$ 524,064	\$ 931,264
Taxes	<u>3,311</u>	<u>3,849</u>	<u>7,160</u>
Total assets	<u>\$ 410,511</u>	<u>\$ 527,913</u>	<u>\$ 938,424</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 6,522	\$ 28,431	\$ 34,953
Accrued payroll and benefits	6,056	-	6,056
Due to other funds	<u>21,458</u>	<u>-</u>	<u>21,458</u>
Total liabilities	<u>34,036</u>	<u>28,431</u>	<u>62,467</u>
Fund balances			
Restricted			
Recreation and culture	376,475	-	376,475
Capital acquisitions	<u>-</u>	<u>499,482</u>	<u>499,482</u>
Total fund balances	<u>376,475</u>	<u>499,482</u>	<u>875,957</u>
Total liabilities and fund balances	<u>\$ 410,511</u>	<u>\$ 527,913</u>	<u>\$ 938,424</u>

JAMESTOWN CHARTER TOWNSHIP

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2021

	Special Revenue	Capital Projects	
	Library Fund	Capital Projects	Total
Revenues			
Property taxes	\$ 187,247	\$ 217,645	\$ 404,892
State	8,612	-	8,612
Fines	20,494	-	20,494
Interest	86	87	173
Miscellaneous	5,396	3,243	8,639
Total revenues	221,835	220,975	442,810
Expenditures			
Current			
Public safety	-	1,122	1,122
Culture and recreation	251,979	-	251,979
Capital outlay	-	131,196	131,196
Total expenditures	251,979	132,318	384,297
Revenues over (under) expenditures	(30,144)	88,657	58,513
Other financing sources (uses)			
Transfers in	60,000	-	60,000
Net changes in fund balances	29,856	88,657	118,513
Fund balances, beginning of year	346,619	410,825	757,444
Fund balances, end of year	\$ 376,475	\$ 499,482	\$ 875,957

JAMESTOWN CHARTER TOWNSHIP

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

MARCH 31, 2021

	<u>Custodial Funds</u>		
	<u>Escrow Deposit Fund</u>	<u>Tax Collection Fund</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 132,782	\$ 19,677	\$ 152,459
Total assets	<u>132,782</u>	<u>19,677</u>	<u>152,459</u>
Liabilities			
Accounts payable	411	1,056	1,467
Escrow deposits	132,371	-	132,371
Due to other governments	<u>-</u>	<u>18,621</u>	<u>18,621</u>
Total liabilities	<u>132,782</u>	<u>19,677</u>	<u>152,459</u>
Net position			
Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JAMESTOWN CHARTER TOWNSHIP

FIDUCIARY FUNDS **COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION** **FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Custodial Funds</u>		
	<u>Escrow Deposit Fund</u>	<u>Tax Collection Fund</u>	<u>Total</u>
Additions			
Property taxes collected for other governments	\$ -	\$ 12,926,605	\$ 12,926,605
Escrow deposits collected	<u>69,225</u>	<u>-</u>	<u>69,225</u>
Total additions	<u>69,225</u>	<u>12,926,605</u>	<u>12,995,830</u>
Deductions			
Property taxes distributed to other governments	-	12,926,605	12,926,605
Escrow funds used to cover expenses	<u>69,225</u>	<u>-</u>	<u>69,225</u>
Total deductions	<u>69,225</u>	<u>12,926,605</u>	<u>12,995,830</u>
Net increase	-	-	-
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continuing Disclosure Filing

CHARTER TOWNSHIP of JAMESTOWN
County of Ottawa, State of Michigan

*Fiscal Year Ended
March 31, 2021*

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository pursuant to Securities and Exchange Commission Rule 15c2-12.

Issuer's and/or Other Obligated Person's Name: Charter Township of Jamestown

CUSIP Numbers (attach additional sheet if necessary):

- ☐ Nine-digit number(s) to which the information relates:
☒ Information relates to **all securities** issued by the issuer having the following six-digit number(s): 689225
* * *

Number of pages of attached information: 5

Description of Material Event Notice / Financial Information (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-Payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to rights of securities holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the securities
11. ☐ Rating changes
12. ☐ Failure to provide annual financial information as required for the fiscal years ended June 30, 2002 and 2003
13. ☐ Other material event notice (specify)
14. ☒ Financial information*: Please check all appropriate boxes:

☐ CAFR: (a) ☐ includes ☐ does not include Annual Financial Information

(b) Audited? Yes ☐ No ☐

☒ Annual Financial Information: Audited? Yes ☒ No ☐

☒ Operating Data

Fiscal Period Covered: Fiscal Year Ended March 31, 2021

*Financial information **should not** be filed with the MSRB

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Name: Laurie VanHaitma Title: Township Supervisor

Employer: Charter Township of Jamestown

Address: 2380 Riley Street

City, State, Zip Code: Hudsonville, Michigan 49426

Voice Telephone Number: (616) 896-8376

Charter Township of Jamestown
Total Taxable Value
Fiscal Years Ended or Ending March 31, 2017 Through 2021

Assessed Value as of <u>December 31</u>	Year of State Equalization and Tax Levy	Township's Fiscal Years Ended or Ending <u>March 31</u>	Ad Valorem Taxable Value (1)	Percent Increase Over <u>Prior Year</u>
2015	2016	2017	\$320,668,955	4.44
2016	2017	2018	343,708,432	7.18
2017	2018	2019	369,321,216	7.45
2018	2019	2020	412,486,343	11.69
2019	2020	2021	455,054,431	10.32

Per Capita Taxable Value for the Fiscal Year Ending March 31, 2021 (2).....\$64,694

(1) Includes taxes on properties granted tax abatement under Act 198. See "Tax Abatement."

(2) Based on the Township's 2010 census population of 7,034.

Source: Charter Township of Jamestown

Charter Township of Jamestown
Taxable Value by Use and Class
Fiscal Years Ended or Ending March 31, 2017 Through 2021

<u>Use</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Agriculture	\$27,959,067	\$28,440,823	\$29,494,945	\$31,299,440	\$32,460,396
Commercial	18,018,208	20,033,647	27,300,311	38,774,313	43,467,742
Industrial	29,844,413	25,085,550	24,773,314	32,444,377	47,370,018
Residential	230,054,667	255,531,512	272,857,546	293,189,413	313,848,275
Utility	<u>14,792,600</u>	<u>14,616,900</u>	<u>14,895,100</u>	<u>16,778,800</u>	<u>17,908,000</u>
Total	<u>\$320,668,955</u>	<u>\$343,708,432</u>	<u>\$369,321,216</u>	<u>\$412,486,343</u>	<u>\$455,054,431</u>
<u>Class</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real Property	\$289,102,855	\$318,863,632	\$343,958,716	\$380,549,043	\$423,027,131
Personal Property	<u>31,566,100</u>	<u>24,844,800</u>	<u>25,362,500</u>	<u>31,937,300</u>	<u>32,027,300</u>
Total	<u>\$320,668,955</u>	<u>\$343,708,432</u>	<u>\$369,321,216</u>	<u>\$412,486,343</u>	<u>\$455,054,431</u>

Source: Charter Township of Jamestown

Charter Township of Jamestown
State Equalized Valuation
Fiscal Years Ended or Ending March 31, 2017 Through 2021

Assessed Value as of <u>December 31</u>	Year of State Equalization and Tax Levy	Township's Fiscal Years Ended or Ending <u>March 31</u>	Ad Valorem <u>SEV (1)</u>	Percent Increase Over <u>Prior Year</u>
2015	2016	2017	\$371,861,800	6.41
2016	2017	2018	434,373,300	16.81
2017	2018	2019	464,044,900	6.83
2018	2019	2020	529,806,100	14.17
2019	2020	2021	603,129,000	13.84

Per Capita SEV for the Fiscal Year Ending March 31, 2021 (2)..... \$85,745

(1) Includes taxes on properties granted tax abatement under Act 198. See "Tax Abatement."

(2) Based on the Township's 2010 census population of 7,034.

Source: Charter Township of Jamestown

Charter Township of Jamestown
SEV by Use and Class
Fiscal Years Ended or Ending March 31, 2017 Through 2021

<u>Use</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Agriculture	\$54,975,100	\$63,065,200	\$67,417,900	\$70,851,400	\$86,340,600
Commercial	18,826,600	22,503,400	31,033,600	42,076,600	47,106,400
Industrial	31,070,900	26,009,300	25,803,200	37,242,000	53,190,100
Residential	252,196,600	308,178,500	324,895,100	362,857,300	398,583,900
Utility	<u>14,792,600</u>	<u>14,616,900</u>	<u>14,895,100</u>	<u>16,778,800</u>	<u>17,908,000</u>
Total	<u>\$371,861,800</u>	<u>\$434,373,300</u>	<u>\$464,044,900</u>	<u>\$529,806,100</u>	<u>\$603,129,000</u>

<u>Class</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Real Property	\$340,436,700	\$409,528,500	\$438,682,400	\$497,868,800	\$571,101,700
Personal Property	<u>31,425,100</u>	<u>24,844,800</u>	<u>25,362,500</u>	<u>31,937,300</u>	<u>32,027,300</u>
Total	<u>\$371,861,800</u>	<u>\$434,373,300</u>	<u>\$464,044,900</u>	<u>\$529,806,100</u>	<u>\$603,129,000</u>

Source: Charter Township of Jamestown

Charter Township of Jamestown
Maximum Property Tax Rates
Fiscal Year Ending March 31, 2021

<u>Millage Classification</u>	<u>Millage Authorized</u>	<u>Maximum Allowable Millage</u>	<u>Expiration Date of Levy</u>
Operating	1.0510	1.0413	12/31/28
Voted – Fire Operating	1.5000	1.4819	12/31/22
Voted – Library Operating	0.5000	0.4250	12/31/22
Voted - Roads	1.5000	1.4861	12/31/22

Source: Charter Township of Jamestown

Charter Township of Jamestown
Property Tax Rates
Fiscal Years Ended or Ending March 31, 2017 Through 2021

Levy Date December 1	Fiscal Year Ended March 31	Allocated		Voted		
		Operating	Fire	Library Operating	Roads	Totals
2016	2017	0.8877	1.4896	0.4327	1.4904	4.3004
2017	2018	0.8877	1.4936	0.4327	1.5000	4.3140
2018	2019	0.8802	1.4810	0.4290	1.4874	4.2776
2019	2020	1.0471	1.4902	0.4274	1.4944	4.4591
2020	2021	1.0413	1.4819	0.4250	1.4861	4.4343

Source: Charter Township of Jamestown

Charter Township of Jamestown
Property Tax Collections
Fiscal Years Ended or Ending March 31, 2017 Through 2021

December 1 <u>Levy</u>	Fiscal Years Ended or Ending <u>March 31</u>	Township <u>Tax Levy (1)</u>	Collections to March 1 <u>Following Levy</u>	Percent <u>Collected</u>
2016	2017	\$1,423,192	\$1,393,734	97.93
2017	2018	1,464,703	1,446,256	98.74
2018	2019	1,550,475	1,529,584	98.65
2019	2020	1,772,522	1,752,571	98.87
2020	2021	1,968,980	1,933,299	98.18

(1) Township taxes only.

Source: Charter Township of Jamestown

Charter Township of Jamestown
Ten Largest Taxpayers
Fiscal Year Ending March 31, 2021

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>Taxable Value (1)</u>
Koetje Properties LLC – Jamestown	Construction	\$11,896,343
Royal Technologies Corporation	Furniture Manufacturing	11,649,700
Consumers Energy	Utility	8,013,060
DTE	Utility	7,296,800
Kent Quality Foods, Inc.	Food Production	6,203,977
Royal Land Company	Plastics Manufacturing	4,770,505
Meijer	Retail	3,949,600
Meijer Inc	Retail	3,833,987
ESPEC North America, Inc.		3,447,246
JDJAYROCK LLC	Housing	2,600,900
		<u>\$63,662,118</u>

Top ten taxpayers as a percent of total taxable value (2)

(1) Includes Equivalent Taxable Value of property granted tax abatement under Act 198. See “Tax Abatement.”

(2) Based on \$455,054,431 which is the Township’s Total Taxable Value for its fiscal year ending March 31, 2021. Includes Equivalent Taxable Value of property granted tax abatement under Act 198. See “Tax Abatement.”

Source: Charter Township of Jamestown

Charter Township of Jamestown
Revenues from the State of Michigan
Constitutional Sales Tax
Fiscal Years Ended or Ending March 31, 2017 Through 2021

	Fiscal Year Ended June 30				
	2017	2018	2019	2020	2021
Total Revenues.....	<u>\$558,552</u>	<u>\$574,958</u>	<u>\$599,203</u>	<u>\$630,318</u>	<u>\$626,904</u>

Source: Charter Township of Jamestown

Legal Debt Margin

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the Township may legally incur as of March 31, 2021.

Debt Limit (1)	\$60,312,900
Debt Outstanding	\$6,835,453
Less: Exempt Debt	<u>6,625,453</u>
Legal Debt Margin.....	<u>\$210,000</u>
	<u>\$60,102,900</u>

(1) 10% of \$603,129,000 which is the Township's SEV for the fiscal year ending March 31, 2021. Includes the SEV of property granted tax abatement under Act 198. See "Tax Abatement."

Source: Charter Township of Jamestown

Debt Statement

The following table reflects a breakdown of the Township's direct and overlapping debt as of March 31, 2021. Direct debt that is shown as self-supporting is paid from sources other than the Township's general fund.

The Township's ability to levy taxes to pay the debt service on the obligations that are designated as "Limited Tax (LT)" is subject to applicable charter, statutory and constitutional limitations.

<u>Township Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Water and Sewer Revenue Bonds:			
Dated July 7, 2010 (LT)	\$1,731,629	\$1,731,629	\$ -
Dated December 12, 2013 (LT)	685,000	685,000	-
Dated 2015	1,223,824	1,223,824	-
Dated 2016	2,985,000	2,985,000	-
2017 fire station installment note	210,000	-	210,000
Totals	<u>\$6,835,453</u>	<u>\$6,625,453</u>	<u>\$210,000</u>

Per Capita Net Direct Debt (1)	\$30
Percent of Net Direct Debt to Total SEV (2)	0.03%

<u>Overlapping Debt (3)</u>	<u>Gross</u>	<u>Township Share as a Percent of Gross</u>	<u>Net</u>
Grandville Public Schools	\$ 99,685,000	1.10%	\$ 1,096,535
Hudsonville Public Schools	222,392,817	23.21%	51,617,373
Ottawa County	32,891,453	3.45%	1,134,755
Ottawa Intermediate School District	635,000	2.91%	18,479
Grand Rapids Community College	31,075,000	0.07%	21,753
Total			<u>\$53,888,894</u>

Per Capita Net Overlapping Debt (1).....	\$7,661
Percent of Net Overlapping Debt to Total SEV (2)	8.93%

Per Capita Net Direct and Overlapping Debt (1)	\$7,691
Percent of Net Direct and Overlapping Debt to Total SEV (2)	8.97%

- (1) Based on the Township's 2010 Census of 7,034.
- (2) Based on \$603,129,000 which is the Township's SEV for the fiscal year ending March 31, 2021. Includes the SEV of Property granted tax abatement under Act 198. See "Tax Abatement."
- (3) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of the Township are liable in addition to debt issued by the Township. The schedules reflect overlapping debt as of March 31, 2021
- Source: Municipal Advisory Council of Michigan and the Charter Township of Jamestown.

Charter Township of Jamestown Tax Abatement

The Township's taxable value does not include the value of certain facilities, which have temporarily been removed from the Ad Valorem Tax Roll pursuant to Act 198. The Act was designed to provide a stimulus in the form of significant tax incentives to industrial enterprises to renovate and expand aging facilities ("Rehab Properties") and to build new facilities ("New Properties"). Except as indicated below, under the provisions of the Act, a local governmental unit (i.e., a city, village, or township) may establish plant rehabilitation districts and industrial development districts and offer industrial firms certain property tax incentives or abatements to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area.

An industrial facilities exemption certificate granted under the Act entitles an eligible facility to exemption from Ad Valorem taxes for a period of up to 12 years. In lieu of Ad Valorem taxes, the eligible facility will pay an industrial facilities tax (the "IFT Tax"). For properties granted tax abatement under the Act, there exists a separate tax roll referred to as the industrial facilities tax roll (the "IFT Tax Roll"). The IFT Tax for an obsolete facility, which is being restored or replaced, is determined in exactly the same manner as the Ad Valorem Tax; the important difference being that the value of the property remains at the taxable value level prior to the improvements, even though the restoration or replacement substantially increases the value of the facility. For a new facility, the IFT Tax is also determined the same as the Ad Valorem Tax, but instead of using the total mills levied as Ad Valorem Taxes, a lower millage rate is applied. For abatements granted prior to 1994, this millage rate equals ½ of all tax rates levied by other than the state and local school district for operating purposes, plus ½ of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1994, this millage rate equals ½ of all tax rates levied by other than the state, plus none, ½, or the entire state tax rate (as determined by the state treasurer).

The Township has established goals, objectives, and procedures to provide the opportunity for industrial development and expansion. Since 2000, the Township has approved several applications for local property tax relief for industrial firms. Most abatements have been for new industrial facilities. The taxable value of properties, which have been granted tax abatement under Act 198, removed from the Ad Valorem Tax Roll and placed on the IFT Tax Roll, totaled \$24,861,856 for the fiscal year ending March 31, 2021. The IFT taxes paid on these properties is equivalent to Ad Valorem Taxes paid on \$12,430,928 of taxable value at the full tax rate (the "Equivalent Taxable Value"). Upon expiration of the industrial facilities exemption certificates, the current equalized valuation of the abated properties will return to the Ad Valorem Tax Roll as taxable value.