

*Jamestown Charter Township  
Ottawa County, Michigan*

**FINANCIAL STATEMENTS**

*Year ended March 31, 2023*

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## CONTENTS

	<i>Page</i>
<b>INDEPENDENT AUDITOR'S REPORT</b>	3 - 5
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	6 - 12
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide financial statements:	
Statement of net position	13
Statement of activities	14
Fund financial statements:	
Balance sheet - governmental funds	15
Statement of revenues, expenditures, and changes in fund balances - governmental funds	16
Statement of net position - proprietary funds	17
Statement of revenues, expenses, and changes in net position - proprietary funds	18
Statement of cash flows - proprietary funds	19
Statement of fiduciary net position - custodial fund	20
Statement of changes in fiduciary net position - custodial fund	21
Notes to financial statements	22 - 34
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedules:	
General Fund	35 - 36
Road Fund	37
Fire Operating Fund	38
Library Fund	39
<b>OTHER INFORMATION</b>	
Securities and Exchange Commission Rule 15c2-12 Continuing Disclosure	40 - 46

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Jamestown Charter Township, Michigan

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Jamestown Charter Township, Michigan (the Township), as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Township, as of March 31, 2023, 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.

### **Basis for Opinions**

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

### **Change in Accounting Principle**

As discussed in Note 11 to the financial statements, the Township adopted GASB Statement No. 87, *Leases*, during the current year. Our opinions are not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Securities and Exchange Commission Rule 15c2-12 Continuing Disclosure but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based in the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Siegfried Crandall P.C.*

August 15, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Jamestown Charter Township's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended March 31, 2023. Please read it in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$5,818,824 (12 percent) as a result of this year's activities. The net position of the governmental activities increased by \$1,762,195 and the net position of the business-type activities increased by \$4,056,629.
- Of the \$53,856,384 total net position reported, \$8,445,285 (16 percent) is available to be used at the Board's discretion, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year is \$1,933,017, which represents 73 percent of the actual total General Fund expenditures for the current fiscal year.

### **Overview of the financial statements**

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents continuing disclosure information. The basic financial statements include two kinds of statements that present different views of the Township:

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2023 and 2022 is also presented.

### **Government-wide financial statements**

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

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

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

The government-wide financial statements are divided into two categories:

- *Governmental activities* - Most of the Township's basic services are included here, such as fire and police protection and general government. Property taxes and state shared revenue finance most of these activities.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's sewer and water systems are reported here.

### **Fund financial statements**

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

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

The Township has three types of funds:

- *Governmental funds.* Most of the Township's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.
- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information. In fact, the Township's enterprise funds are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances and activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.



**FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE**

**Net position**

Total net position at the end of the fiscal year was \$53,856,384. Of this total, \$41,853,323 is invested in capital assets and \$3,557,776 is restricted for various purposes. Consequently, unrestricted net position was \$8,445,285, or 16 percent of the total.

*Condensed financial information  
Net position*

	<i>Governmental activities</i>		<i>Business-type activity</i>		<i>Totals</i>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 12,468,357	\$ 10,209,403	\$ 5,397,559	\$ 4,669,966	\$ 17,865,916	\$ 14,879,369
Capital assets	<u>8,363,162</u>	<u>8,128,493</u>	<u>39,292,659</u>	<u>36,403,361</u>	<u>47,655,821</u>	<u>44,531,854</u>
Total assets	<u>20,831,519</u>	<u>18,337,896</u>	<u>44,690,218</u>	<u>41,073,327</u>	<u>65,521,737</u>	<u>59,411,223</u>
Current and other liabilities	<u>2,132,444</u>	<u>733,187</u>	<u>148,240</u>	<u>130,428</u>	<u>2,280,684</u>	<u>863,615</u>
Long-term debt	<u>3,435,000</u>	<u>4,250,000</u>	<u>5,802,498</u>	<u>6,260,048</u>	<u>9,237,498</u>	<u>10,510,048</u>
Total liabilities	<u>5,567,444</u>	<u>4,983,187</u>	<u>5,950,738</u>	<u>6,390,476</u>	<u>11,518,182</u>	<u>11,373,663</u>
Deferred inflows of resources	<u>147,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,171</u>	<u>-</u>
Net position:						
Net investment in capital assets	<u>8,363,162</u>	<u>8,128,493</u>	<u>33,490,161</u>	<u>30,143,313</u>	<u>41,853,323</u>	<u>38,271,806</u>
Restricted	<u>3,557,776</u>	<u>2,420,290</u>	<u>-</u>	<u>-</u>	<u>3,557,776</u>	<u>2,420,290</u>
Unrestricted	<u>3,195,966</u>	<u>2,805,926</u>	<u>5,249,319</u>	<u>4,539,538</u>	<u>8,445,285</u>	<u>7,345,464</u>
Total net position	<u>\$ 15,116,904</u>	<u>\$ 13,354,709</u>	<u>\$ 38,739,480</u>	<u>\$ 34,682,851</u>	<u>\$ 53,856,384</u>	<u>\$ 48,037,560</u>

**Changes in net position**

The Township's total revenues were \$11,076,367 in the current year compared to \$8,148,587 in the prior year. Approximately 24 percent of the total revenues comes from charges for services, primarily sewer and water charges, and property taxes represent about 20 percent of total revenues. Capital grants and contributions represent 41 percent of total revenues in the current year. Only 10 percent comes from state shared revenue.

The total cost of the Township's programs, covering a wide range of services, totaled \$5,257,543 compared to \$5,510,128 in the prior year. Approximately 44 percent of the Township's costs relates to the provision of sewer and water utility services. Public safety costs account for 26 percent of the Township's total expenses and general government costs account for another 9 percent.

Condensed financial information  
Changes in net position

	<u>Governmental activities</u>		<u>Business-type activity</u>		<u>Totals</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program revenues:						
Charges for services	\$ 906,185	\$ 838,547	\$ 1,780,548	\$ 1,640,955	\$ 2,686,733	\$ 2,479,502
Operating grants	384,916	69,786	-	-	384,916	69,786
Capital grants	-	204,405	4,555,832	1,786,500	4,555,832	1,990,905
General revenues:						
Property taxes	2,228,844	2,064,707	-	-	2,228,844	2,064,707
State shared revenue	1,058,666	1,141,670	-	-	1,058,666	1,141,670
Franchise fees	72,559	70,540	-	-	72,559	70,540
Interest income	63,765	3,179	25,052	5,002	88,817	8,181
Other	-	323,296	-	-	-	323,296
Total revenues	<u>4,714,935</u>	<u>4,716,130</u>	<u>6,361,432</u>	<u>3,432,457</u>	<u>11,076,367</u>	<u>8,148,587</u>
Expenses:						
General government	496,657	510,606	-	-	496,657	510,606
Public safety	1,379,170	1,351,548	-	-	1,379,170	1,351,548
Public works	302,613	737,569	-	-	302,613	737,569
Community and economic development	289,860	267,665	-	-	289,860	267,665
Recreation and culture	429,124	408,032	-	-	429,124	408,032
Interest on long-term debt	55,316	28,954	-	-	55,316	28,954
Sewer	-	-	1,359,257	1,401,641	1,359,257	1,401,641
Water	-	-	945,546	804,113	945,546	804,113
Total expenses	<u>2,952,740</u>	<u>3,304,374</u>	<u>2,304,803</u>	<u>2,205,754</u>	<u>5,257,543</u>	<u>5,510,128</u>
Changes in net position	<u>\$ 1,762,195</u>	<u>\$ 1,411,756</u>	<u>\$ 4,056,629</u>	<u>\$ 1,226,703</u>	<u>\$ 5,818,824</u>	<u>\$ 2,638,459</u>
Net position, end of year	<u>\$ 15,116,904</u>	<u>\$ 13,354,709</u>	<u>\$ 38,739,480</u>	<u>\$ 34,682,851</u>	<u>\$ 53,856,384</u>	<u>\$ 48,037,560</u>

**Governmental activities**

Governmental activities increased the Township's net position by \$1,762,195 in the current year compared to a \$1,411,756 increase in the prior year. The increase in net position was higher in the current year as expenses decreased by \$351,634, though revenues declined by \$1,195. Revenues declined because capital grants and other revenues decreased by \$204,405 and \$323,296, respectively. These reductions in revenue were offset by increases in operating grants and property taxes, which increased by \$315,130 and \$164,137, respectively. Expenses decreased due to a \$434,956 reduction in public works costs, as road improvement costs were much higher in the prior year.

The total cost of governmental activities this year was \$2,952,740. After subtracting the direct charges to those who directly benefited from the programs (\$906,185), and operating grants (\$384,916), the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was \$1,661,639.

**Business-type activities**

Business-type activities increased the Township's net position by \$4,056,629 in the current year compared to an increase of \$1,226,703 in the prior year. The increase in net position was higher in the current year as capital grants increased by \$2,769,332, due to an increase in contributions from developers. Utility rates are not set to cover the full cost of operations, including depreciation, which amounted to \$1,092,518 in the current year. However, capital contributions have created increases in net position over the past two years.

**FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

**Governmental funds**

At March 31, 2023, the Township's governmental funds reported combined ending fund balances of \$10,191,392, an increase of \$703,576 compared to the prior year. The increase occurred because revenues were sufficient to cover all governmental expenditures in the current year. Of the total fund balances, \$1,933,017 (19 percent) constitutes unassigned fund balance, which is available for spending at the Board's discretion. Of the remaining fund balance, \$5,534,956 is restricted due to external limitations on its use, \$1,437,323 is nonspendable, and \$1,286,096 is assigned for capital improvements.

The General Fund is the primary operating fund of the Township. At the end of the fiscal year, the fund balance was \$2,379,134, a decrease of \$53,525. Fund balance decreased as revenues (\$2,580,541) were not sufficient to cover expenditures (\$2,634,066) in the current year.

The Road Fund, a special revenue fund, which accounts for specific resources (property taxes) restricted for road construction and maintenance costs, has a fund balance of \$1,575,762 at the end of the fiscal year. The fund's revenues of \$758,555 were sufficient to cover road improvement costs of \$132,615 in the current year.

The Fire Operating Fund, a special revenue fund, which accounts for specific resources restricted for fire department operating costs, has a restricted fund balance at the end of the fiscal year of \$442,571, which represents an increase of \$7,850. The fund's revenues of \$520,143 were sufficient to cover the fund's expenditures of \$512,293 in the current year.

The Library Fund, a special revenue fund, which accounts for specific resources restricted for operating costs of the Patmos Library, has a restricted fund balance at the end of the fiscal year of \$667,232, which represents an increase of \$297,072. The fund's revenues of \$566,598 were sufficient to cover the fund's expenditures of \$269,526 in the current year.

The Fire Replacement Fund, a capital project fund, which accounts for the accumulation of resources to purchase capital assets for the Fire Department, has a fund balance at the end of the fiscal year of \$1,806,619, which represents a decrease of \$64,147. The fund's expenditures of \$316,767 exceeded the fund's revenues of \$252,620 in the current year.

The Parks Fund, a capital project fund, which accounts for the accumulation of resources to make park improvements, has a fund balance at the end of the fiscal year of \$3,320,074, which represents a decrease of \$109,614. The fund's expenditures of \$140,842 exceeded the fund's revenues of \$31,228 in the current year.

**Proprietary funds**

The Sewer Fund experienced an operating loss of \$254,101 because user charges are not set to cover the full cost of providing services, including depreciation of the wastewater infrastructure, which amounted to \$618,886. However, the Sewer Fund's net position increased by \$2,278,381 during the current year due to the collection of connection fees (\$626,562), the recognition of developer contributions (\$2,019,183) and special assessments (\$16,925), which exceeded net nonoperating expenses (\$130,188). Net position was \$22,754,930 at year end, of which \$3,535,244 is unrestricted.

The Water Fund realized operating loss of \$67,304, though net position increased by \$1,778,248 during the current year due to the collection of connection fees (\$323,111), and the recognition of developer contributions (\$1,570,051), which exceeded net nonoperating expenses (\$47,610). Net position was \$15,984,550 at year end, of which \$1,714,075 is unrestricted.

**General Fund budgetary highlights**

The Township amended both the revenue and expenditure portions of the General Fund budget to reflect anticipated changes in the nature and extent of revenues and expenditures. Revenues were increased by \$297,510 primarily to increase state grant revenue by \$156,210, as state shared revenue exceeded original expectations. Expenditures were increased by \$17,330, in total, to reflect changes that occurred during the year.

Total actual revenues were \$42,481 more than budgeted, as state grant revenues exceeded expectations by \$64,172, as distributions from the state were greater than expected. Total actual expenditures were \$296,074 less than the amounts appropriated. The largest positive variance related to the capital outlay function where expenditures were lower than appropriations by \$105,491, as certain capital projects were delayed.

These variances resulted in a \$338,555 positive budget variance due to a \$53,525 decrease in fund balance compared to a budgeted decrease of \$392,080.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Township's investment in capital assets for its governmental and business-type activities at March 31, 2023, amounts to \$47,655,821, net of accumulated depreciation. This investment includes a broad range of assets, including land, buildings, fire equipment, and sewer and water facilities.

The major capital asset events during the current fiscal year included the following:

- Developer contributions to the sewer and water utility systems amounted to \$3,589,233
- Sewer system improvements were made at a cost of \$323,956
- Water system improvements were made at a cost of \$68,626
- Bike path improvements were made at a cost of \$363,656
- Fire equipment was purchased for \$36,619
- Library books were purchased for \$26,035

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

**Debt**

At the end of the fiscal year, the Township had total long-term debt outstanding in the amount of \$9,182,322, which represents a decrease of \$1,263,689 during the fiscal year, as scheduled principal payments were made in a timely manner. No new debt was issued. The Township's full faith and credit has been pledged to repay all long-term debt.

More detailed information about the Township's long-term debt is presented in Note 6 of the notes to the basic financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Township expects to be able to use current revenues to provide essential services that will allow current fund balances to be maintained. The Township plans to maintain all ongoing programs in fiscal year 2024 at levels similar to 2023. The ongoing costs of providing essential services for the citizens of the Township will need to be closely monitored in order to maintain the financial condition and operational capabilities of the Township.

**CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

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

Scott Brouwer, Township Treasurer  
Charter Township of Jamestown  
2380 Riley Street  
P.O. Box 88  
Jamestown, MI 49427

Phone: (616) 896-8376

## **BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION**

March 31, 2023

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 10,437,701	\$ 5,129,794	\$ 15,567,495
Receivables	283,039	229,045	512,084
Prepaid expenses	2,848	-	2,848
Beneficial interest in assets held by Foundation	172,311	-	172,311
Deposit on fire truck	1,436,070	-	1,436,070
Total current assets	<u>12,331,969</u>	<u>5,358,839</u>	<u>17,690,808</u>
Noncurrent assets:			
Receivables	136,388	38,720	175,108
Capital assets not being depreciated	1,310,077	14,300	1,324,377
Capital assets, net of depreciation	7,053,085	39,278,359	46,331,444
Total noncurrent assets	<u>8,499,550</u>	<u>39,331,379</u>	<u>47,830,929</u>
Total assets	<u>20,831,519</u>	<u>44,690,218</u>	<u>65,521,737</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF REASOURCES</b>			
Current liabilities:			
Payables	160,049	148,240	308,289
Escrows	1,037,000	-	1,037,000
Unearned federal grant revenue	935,395	-	935,395
Bonds and contracts payable - due within one year	820,000	499,553	1,319,553
Total current liabilities	<u>2,952,444</u>	<u>647,793</u>	<u>3,600,237</u>
Noncurrent liabilities			
Unamortized premium	-	55,176	55,176
Bonds and contracts payable - due in more than one year	2,615,000	5,247,769	7,862,769
Total noncurrent liabilities	<u>2,615,000</u>	<u>5,302,945</u>	<u>7,917,945</u>
Total liabilities	<u>5,567,444</u>	<u>5,950,738</u>	<u>11,518,182</u>
Deferred inflows of resources:			
Unavailable lease revenue	147,171	-	147,171
<b>NET POSITION</b>			
Net investment in capital assets	8,363,162	33,490,161	41,853,323
Restricted for:			
Public safety	496,413	-	496,413
Public works	1,575,762	-	1,575,762
Recreation and culture	688,982	-	688,982
Capital acquisitions	796,619	-	796,619
Unrestricted	3,195,966	5,249,319	8,445,285
Total net position	<u>\$ 15,116,904</u>	<u>\$ 38,739,480</u>	<u>\$ 53,856,384</u>

See notes to financial statements

**Jamestown Charter Township**

**STATEMENT OF ACTIVITIES**

Year ended March 31, 2023

Functions/Programs	Expenses	Program revenues		Net (expenses) revenues and changes in net position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities
Governmental activities:						
General government	\$ 496,657	\$ 68,976	\$ 5,510	\$ -	\$ (422,171)	\$ (422,171)
Public safety	1,379,170	482,618	-	-	(896,552)	(896,552)
Public works	302,613	117,562	23,820	-	(161,231)	(161,231)
Community and economic development	289,860	235,342	355,586	-	301,068	301,068
Recreation and culture	429,124	1,687	-	-	(427,437)	(427,437)
Interest on long-term debt	55,316	-	-	-	(55,316)	(55,316)
Total governmental activities	<u>2,952,740</u>	<u>906,185</u>	<u>384,916</u>	<u>-</u>	<u>(1,661,639)</u>	<u>(1,661,639)</u>
Business-type activities:						
Sewer	1,359,257	959,488	-	2,662,670	\$ 2,262,901	2,262,901
Water	945,546	821,060	-	1,893,162	1,768,676	1,768,676
Total business-type activities	<u>2,304,803</u>	<u>1,780,548</u>	<u>-</u>	<u>4,555,832</u>	<u>4,031,577</u>	<u>4,031,577</u>
Totals	<u>\$ 5,257,543</u>	<u>\$ 2,686,733</u>	<u>\$ 384,916</u>	<u>\$ 4,555,832</u>	<u>(1,661,639)</u>	<u>4,031,577</u>
General revenues:						
					2,228,844	-
					1,058,666	-
					72,559	-
					63,765	25,052
					<u>3,423,834</u>	<u>25,052</u>
						<u>3,448,886</u>
					1,762,195	4,056,629
					<u>13,354,709</u>	<u>34,682,851</u>
					<u>\$ 15,116,904</u>	<u>\$ 38,739,480</u>
						<u>\$ 53,856,384</u>

See notes to financial statements



**BALANCE SHEET - governmental funds**

March 31, 2023

	Special revenue				Capital project		Total governmental funds
	General	Road	Fire Operating	Library	Fire Replacement	Parks	
<b>ASSETS</b>							
Cash	\$ 3,268,820	\$ 1,560,791	\$ 456,696	\$ 516,389	\$ 367,767	\$ 4,267,238	\$ 10,437,701
Receivables	367,557	16,933	5,563	26,592	2,782	-	419,427
Beneficial interest in assets held by Foundation	-	-	-	172,311	-	-	172,311
Prepaid expenditures	1,253	-	1,111	484	-	-	2,848
Deposit on fire truck	-	-	-	-	1,436,070	-	1,436,070
<b>Total assets</b>	<b>\$ 3,637,630</b>	<b>\$ 1,577,724</b>	<b>\$ 463,370</b>	<b>\$ 715,776</b>	<b>\$ 1,806,619</b>	<b>\$ 4,267,238</b>	<b>\$ 12,468,357</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
Liabilities:							
Payables	\$ 74,325	\$ 1,962	\$ 20,799	\$ 26,794	\$ -	\$ 11,769	\$ 135,649
Escrows	1,037,000	-	-	-	-	-	1,037,000
Unearned federal grant revenue	-	-	-	-	-	935,395	935,395
<b>Total liabilities</b>	<b>1,111,325</b>	<b>1,962</b>	<b>20,799</b>	<b>26,794</b>	<b>-</b>	<b>947,164</b>	<b>2,108,044</b>
Deferred inflows of resources:							
Unavailable penal fines	-	-	-	21,750	-	-	21,750
Unavailable lease revenue	147,171	-	-	-	-	-	147,171
<b>Total deferred inflows of resources</b>	<b>147,171</b>	<b>-</b>	<b>-</b>	<b>21,750</b>	<b>-</b>	<b>-</b>	<b>168,921</b>
Fund balances:							
Nonspendable:							
Prepaid expenditures	1,253	-	-	-	-	-	1,253
Deposit on fire truck	-	-	-	-	1,436,070	-	1,436,070
Restricted for:							
Public safety	53,842	-	442,571	-	-	-	496,413
Public works	-	1,575,762	-	-	-	-	1,575,762
Recreation and culture	-	-	-	667,232	-	-	667,232
Capital acquisitions	-	-	-	-	370,549	2,425,000	2,795,549
Assigned for capital improvements	391,022	-	-	-	-	895,074	1,286,096
Unassigned	1,933,017	-	-	-	-	-	1,933,017
<b>Total fund balances</b>	<b>2,379,134</b>	<b>1,575,762</b>	<b>442,571</b>	<b>667,232</b>	<b>1,806,619</b>	<b>3,320,074</b>	<b>10,191,392</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,637,630</b>	<b>\$ 1,577,724</b>	<b>\$ 463,370</b>	<b>\$ 715,776</b>	<b>\$ 1,806,619</b>	<b>\$ 4,267,238</b>	<b>\$ 12,468,357</b>

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

Total fund balance - total governmental funds \$ 10,191,392

Amounts reported for *governmental activities* in the statement of net position (page 12) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds. 8,363,162

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred inflows in the funds. 21,750

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable (3,435,000)

Interest payable (24,400)

Net position of *governmental activities* \$ 15,116,904

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

Year ended March 31, 2023

	<u>Special revenue</u>				<u>Capital project</u>		<u>Total governmental funds</u>
	<u>General</u>	<u>Road</u>	<u>Fire Operating</u>	<u>Library</u>	<u>Fire Replacement</u>	<u>Parks</u>	
<b>REVENUES</b>							
Property taxes	\$ 521,053	\$ 746,093	\$ 498,915	\$ 213,326	\$ 249,457	\$ -	\$ 2,228,844
Licenses and permits	533,598	-	-	-	-	-	533,598
State grants	1,079,382	8,614	-	14,296	-	-	1,102,292
Charges for services	85,695	-	-	-	-	-	85,695
Fines and forfeitures	-	-	-	31,335	-	-	31,335
Interest and rentals	55,621	3,848	557	2,936	695	31,228	94,885
Other	305,192	-	20,671	304,705	2,468	-	633,036
<b>Total revenues</b>	<u>2,580,541</u>	<u>758,555</u>	<u>520,143</u>	<u>566,598</u>	<u>252,620</u>	<u>31,228</u>	<u>4,709,685</u>
<b>EXPENDITURES</b>							
Current:							
General government	476,124	-	-	-	-	-	476,124
Public safety	651,816	-	512,293	-	655	-	1,164,764
Public works	177,998	132,615	-	-	-	-	310,613
Community and economic development	289,860	-	-	-	-	-	289,860
Recreation and culture	30,976	-	-	264,211	-	-	295,187
Debt service:							
Principal	575,000	-	-	-	240,000	-	815,000
Interest	42,783	-	-	-	16,233	-	59,016
Capital outlay	389,509	-	-	5,315	59,879	140,842	595,545
<b>Total expenditures</b>	<u>2,634,066</u>	<u>132,615</u>	<u>512,293</u>	<u>269,526</u>	<u>316,767</u>	<u>140,842</u>	<u>4,006,109</u>
<b>NET CHANGES IN FUND BALANCES</b>	(53,525)	625,940	7,850	297,072	(64,147)	(109,614)	703,576
<b>FUND BALANCES - BEGINNING</b>	<u>2,432,659</u>	<u>949,822</u>	<u>434,721</u>	<u>370,160</u>	<u>1,870,766</u>	<u>3,429,688</u>	<u>9,487,816</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 2,379,134</u>	<u>\$ 1,575,762</u>	<u>\$ 442,571</u>	<u>\$ 667,232</u>	<u>\$ 1,806,619</u>	<u>\$ 3,320,074</u>	<u>\$ 10,191,392</u>

Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:

Net change in fund balance - total governmental funds \$ 703,576

Amounts reported for *governmental activities* in the statement of activities (page 13) are different because:

Capital assets:

Add - capital asset acquisitions 608,168  
 Deduct - provision for depreciation (373,499)

Long-term debt:

Add - principal payments 815,000

Decrease in accrued interest payable 3,700

Increase in deferred inflows 5,250

Change in net position of *governmental activities* \$ 1,762,195

**Jamestown Charter Township**

**STATEMENT OF NET POSITION - proprietary funds**

March 31, 2023

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 3,481,005	\$ 1,648,789	\$ 5,129,794
Receivables	<u>139,707</u>	<u>89,338</u>	<u>229,045</u>
Total current assets	<u>3,620,712</u>	<u>1,738,127</u>	<u>5,358,839</u>
Noncurrent assets:			
Receivables	21,039	17,681	38,720
Capital assets not being depreciated	14,300	-	14,300
Capital assets, net of accumulated depreciation	<u>23,527,438</u>	<u>15,750,921</u>	<u>39,278,359</u>
Total noncurrent assets	<u>23,562,777</u>	<u>15,768,602</u>	<u>39,331,379</u>
Total assets	<u>27,183,489</u>	<u>17,506,729</u>	<u>44,690,218</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	106,507	41,733	148,240
Contracts payable - due within one year	<u>226,562</u>	<u>272,991</u>	<u>499,553</u>
Total current liabilities	<u>333,069</u>	<u>314,724</u>	<u>647,793</u>
Noncurrent liabilities:			
Unamortized premium	55,176	-	55,176
Contracts payable - due in more than one year	<u>4,040,314</u>	<u>1,207,455</u>	<u>5,247,769</u>
Total noncurrent liabilities	<u>4,095,490</u>	<u>1,207,455</u>	<u>5,302,945</u>
Total liabilities	<u>4,428,559</u>	<u>1,522,179</u>	<u>5,950,738</u>
<b>NET POSITION</b>			
Net investment in capital assets	19,219,686	14,270,475	33,490,161
Unrestricted	<u>3,535,244</u>	<u>1,714,075</u>	<u>5,249,319</u>
Total net position	<u>\$ 22,754,930</u>	<u>\$ 15,984,550</u>	<u>\$ 38,739,480</u>

See notes to financial statements

**Jamestown Charter Township****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - proprietary funds**

Year ended March 31, 2023

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services - utility charges	\$ 957,483	\$ 816,569	\$ 1,774,052
Other	<u>2,005</u>	<u>4,491</u>	<u>6,496</u>
Total operating revenues	<u>959,488</u>	<u>821,060</u>	<u>1,780,548</u>
<b>OPERATING EXPENSES</b>			
Personnel costs	2,730	4,064	6,794
System operation and maintenance	287,510	283,427	570,937
Sewer plant fees	161,100	-	161,100
Professional services	114,738	115,755	230,493
Utilities	18,617	3,855	22,472
Miscellaneous	10,008	7,631	17,639
Depreciation	<u>618,886</u>	<u>473,632</u>	<u>1,092,518</u>
Total operating expenses	<u>1,213,589</u>	<u>888,364</u>	<u>2,101,953</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(254,101)</u>	<u>(67,304)</u>	<u>(321,405)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest revenue	15,480	9,572	25,052
Interest expense and fees	<u>(145,668)</u>	<u>(57,182)</u>	<u>(202,850)</u>
Total nonoperating revenues (expenses)	<u>(130,188)</u>	<u>(47,610)</u>	<u>(177,798)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u>(384,289)</u>	<u>(114,914)</u>	<u>(499,203)</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Developer contributions	2,019,183	1,570,051	3,589,234
Connection fees	626,562	323,111	949,673
Special assessments	<u>16,925</u>	<u>-</u>	<u>16,925</u>
Total capital contributions	<u>2,662,670</u>	<u>1,893,162</u>	<u>4,555,832</u>
<b>CHANGES IN NET POSITION</b>	2,278,381	1,778,248	4,056,629
<b>NET POSITION - BEGINNING</b>	<u>20,476,549</u>	<u>14,206,302</u>	<u>34,682,851</u>
<b>NET POSITION - ENDING</b>	<u>\$ 22,754,930</u>	<u>\$ 15,984,550</u>	<u>\$ 38,739,480</u>

See notes to financial statements

**STATEMENT OF CASH FLOWS - proprietary funds**

Year ended March 31, 2023

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from user charges	\$ 950,268	\$ 812,174	\$ 1,762,442
Payments to suppliers for goods and services	(584,425)	(395,600)	(980,025)
Payments to employees for services	(2,730)	(4,064)	(6,794)
Net cash provided by (used in) operating activities	<u>363,113</u>	<u>412,510</u>	<u>775,623</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Connection fees	626,562	323,111	949,673
Collection of special assessment principal	7,763	9,356	17,119
Acquisition of capital assets	(323,956)	(68,626)	(392,582)
Principal payments on capital debt	(218,608)	(230,081)	(448,689)
Interest payments on capital debt	(157,318)	(59,197)	(216,515)
Net cash provided by (used in) capital and related financing activities	<u>(65,557)</u>	<u>(25,437)</u>	<u>(90,994)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>15,480</u>	<u>9,572</u>	<u>25,052</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	313,036	396,645	709,681
<b>CASH - BEGINNING</b>	<u>3,167,969</u>	<u>1,252,144</u>	<u>4,420,113</u>
<b>CASH - ENDING</b>	<u>\$ 3,481,005</u>	<u>\$ 1,648,789</u>	<u>\$ 5,129,794</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (254,101)	\$ (67,304)	\$ (321,405)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	618,886	473,632	1,092,518
(Increase) decrease in receivables	(9,220)	(8,886)	(18,106)
Increase (decrease) in payables	<u>7,548</u>	<u>15,068</u>	<u>22,616</u>
Net cash provided by (used in) operating activities	<u>\$ 363,113</u>	<u>\$ 412,510</u>	<u>\$ 775,623</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Developer contributions	<u>\$ 2,019,183</u>	<u>\$ 1,570,051</u>	<u>\$ 3,589,234</u>

*Jamestown Charter Township*

**STATEMENT OF FIDUCIARY NET POSITION - *Custodial Fund***

*March 31, 2023*

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	<u><i>Tax Collection</i></u>
<b>ASSETS</b>	
Cash	\$ <u>9,700</u>
<b>LIABILITIES</b>	
Due to other governments	<u>9,700</u>
<b>NET POSITION</b>	
Restricted for other governments	<u>\$ -</u>

*See notes to financial statements*

*Jamestown Charter Township*

**STATEMENT OF CHANGES IN FIDUCIARY NET POSTION - Custodial Fund**

*Year ended March 31, 2023*

	<u><i>Tax Collection</i></u>
<b>ADDITIONS</b>	
Property taxes collected for other governments	\$ 15,159,610
<b>DEDUCTIONS</b>	
Property taxes distributed to other governments	<u>15,159,610</u>
<b>NET CHANGE IN FIDUCIARY NET POSITION</b>	-
<b>NET POSITION - BEGINNING</b>	<u>-</u>
<b>NET POSTION - ENDING</b>	<u><u>\$ -</u></u>

*See notes to financial statements*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

*Reporting entity:*

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

*Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. The effect of interfund activity has been removed from these statements. Governmental activities, normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property 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 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 funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Township generally considers property tax revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Township.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement focus, basis of accounting, and financial statement presentation (continued):*

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Road Fund, a special revenue fund, accounts for financial resources restricted for road construction and maintenance. Revenues are derived primarily from property taxes.

The Fire Operating Fund, a special revenue fund, accounts for financial resources restricted for fire department operations. Revenues are derived primarily from property taxes.

The Library Fund, a special revenue fund, accounts for financial resources restricted for Patmos Library operations and capital costs. Revenues are derived primarily from property taxes.

The Fire Replacement Fund, a capital project fund, accounts for the accumulation and disbursement of financial resources restricted for capital acquisitions of the Fire Department. Revenues are derived primarily from property taxes.

The Parks Fund, a capital project fund, accounts for the accumulation and disbursement of financial resources restricted for park improvements. Revenues are derived primarily from bond proceeds and transfers from the General Fund.

The Township reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the Township's sewage collection system.

The Water Fund accounts for the activities of the Township's water distribution system.

The Township also reports a custodial fund, the Tax Collection Fund, which accounts for assets held by the Township in a fiduciary capacity for other governments.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Assets, liabilities, deferred inflows of resources, and equity:*

*Cash* - Cash is considered to be demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

*Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Prepays* - Certain payments to vendors reflect costs applicable to future fiscal years and are reported as prepaids in the government-wide and fund financial statements.

*Capital assets* - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., sewer and water systems and bike paths), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial, individual cost of more than \$1,000 (\$10,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

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

Buildings and improvements	25 - 50 years
Land improvements	20 - 40 years
Pathways	20 - 40 years
Furniture and Equipment	5 - 20 years
Vehicles	20 years
Sewer and Water systems	50 years

*Unearned revenue* - Unearned revenue represents resources related to a federal grant which have been received, but not yet been earned.

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

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the Township’s governmental funds. The budget document presents information by fund, function, activity, and line-item. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year. There were no reportable negative budget variances during the current fiscal year.

**NOTE 3 - CASH**

At March 31, 2023, cash is presented in the accompanying financial statements as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Fiduciary activities</u>	<u>Totals</u>
Bank deposits	<u>\$ 10,437,701</u>	<u>\$ 5,129,794</u>	<u>\$ 9,700</u>	<u>\$ 15,577,195</u>

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

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township’s investment policy does not specifically address custodial credit risk for deposits. At March 31, 2023, \$14,495,181 of the Township’s bank balances of \$15,614,021 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**NOTE 4 - RECEIVABLES**

Receivables as of March 31, 2023, for the Township's individual major funds were as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Property taxes</i>	<i>Inter-governmental</i>	<i>Leases</i>	<i>Special assessments</i>	<i>Totals</i>
Governmental activities:						
General	\$ 54,182	\$ 6,613	\$ 159,591	\$ 147,171	\$ -	\$ 367,557
Road	-	8,319	8,614	-	-	16,933
Fire Operating	-	5,563	-	-	-	5,563
Library	-	2,379	24,213	-	-	26,592
Fire Replacement	-	2,782	-	-	-	2,782
Total governmental funds	<u>\$ 54,182</u>	<u>\$ 25,656</u>	<u>\$ 192,418</u>	<u>\$ 147,171</u>	<u>\$ -</u>	<u>\$ 419,427</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,388</u>	<u>\$ -</u>	<u>\$ 136,388</u>
Business-type activities:						
Sewer	\$ 130,416	\$ -	\$ 1,529	\$ -	\$ 28,801	\$ 160,746
Water	78,829	-	1,153	-	27,037	107,019
Total proprietary funds	<u>\$ 209,245</u>	<u>\$ -</u>	<u>\$ 2,682</u>	<u>\$ -</u>	<u>\$ 55,838</u>	<u>\$ 267,765</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,720</u>	<u>\$ 38,720</u>

All receivables are considered fully collectible.

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the year ended March 31, 2023, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,146,916	\$ -	\$ -	\$ 1,146,916
Construction in progress	<u>230,064</u>	<u>505,266</u>	<u>(572,169)</u>	<u>163,161</u>
Total capital assets not being depreciated	<u>1,376,980</u>	<u>505,266</u>	<u>(572,169)</u>	<u>1,310,077</u>
Capital assets being depreciated:				
Buildings and improvements	4,228,943	40,675	-	4,269,618
Pathways	3,068,841	563,268	-	3,632,109
Furniture and equipment	987,560	45,093	-	1,032,653
Library books	418,304	26,035	-	444,339
Vehicles	<u>1,972,389</u>	<u>-</u>	<u>-</u>	<u>1,972,389</u>
Subtotal	<u>10,676,037</u>	<u>675,071</u>	<u>-</u>	<u>11,351,108</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,148,383)	(89,808)	-	(1,238,191)
Pathways	(897,065)	(104,496)	-	(1,001,561)
Furniture and equipment	(584,815)	(65,753)	-	(650,568)
Library books	(313,506)	(20,193)	-	(333,699)
Vehicles	<u>(980,755)</u>	<u>(93,249)</u>	<u>-</u>	<u>(1,074,004)</u>
Subtotal	<u>(3,924,524)</u>	<u>(373,499)</u>	<u>-</u>	<u>(4,298,023)</u>
Total capital assets being depreciated, net	<u>6,751,513</u>	<u>301,572</u>	<u>-</u>	<u>7,053,085</u>
Governmental activities capital assets, net	<u>\$ 8,128,493</u>	<u>\$ 806,838</u>	<u>\$ (572,169)</u>	<u>\$ 8,363,162</u>

Depreciation expense was charged to the Township's governmental activities functions as follows:

Governmental activities:	
General government	\$ 20,448
Public safety	199,596
Recreation and culture	<u>153,455</u>
Total governmental activities	<u>\$ 373,499</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Business-type activities:				
Capital assets not being depreciated -				
Construction in progress	\$ -	\$ 14,300	\$ -	\$ 14,300
Capital assets being depreciated:				
Sewer system	\$ 28,770,773	\$ 2,328,839	\$ -	\$ 31,099,612
Water system	19,986,003	1,638,677	-	21,624,680
Buildings and improvements	17,191	-	-	17,191
Subtotal	<u>48,773,967</u>	<u>3,967,516</u>	<u>-</u>	<u>52,741,483</u>
Less accumulated depreciation for:				
Sewer system	(6,955,590)	(603,490)	-	(7,559,080)
Water system	(5,400,127)	(473,632)	-	(5,873,759)
Buildings and improvements	(14,889)	(15,396)	-	(30,285)
Subtotal	<u>(12,370,606)</u>	<u>(1,092,518)</u>	<u>-</u>	<u>(13,463,124)</u>
Total capital assets being depreciated, net	<u>36,403,361</u>	<u>2,874,998</u>	<u>-</u>	<u>39,278,359</u>
Business-type activities capital assets, net	<u>\$ 36,403,361</u>	<u>\$ 2,889,298</u>	<u>\$ -</u>	<u>\$ 39,292,659</u>

NOTE 6 - PAYABLES

Payables as of March 31, 2023, for the Township's individual major funds were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Inter- governmental</u>	<u>Interest</u>	<u>Totals</u>
Governmental:					
General	\$ 70,351	\$ 3,974	\$ -	\$ -	\$ 74,325
Road	-	-	1,962	-	1,962
Fire Operating	9,382	11,417	-	-	20,799
Library	22,120	4,674	-	-	26,794
Parks	11,769	-	-	-	11,769
Total governmental funds	<u>\$ 113,622</u>	<u>\$ 20,065</u>	<u>\$ 1,962</u>	<u>\$ -</u>	<u>\$ 135,649</u>
Business-type activities:					
Sewer	\$ 50,218	\$ 39	\$ -	\$ 56,250	\$ 106,507
Water	31,272	39	-	10,422	41,733
Total proprietary funds	<u>\$ 81,490</u>	<u>\$ 78</u>	<u>\$ -</u>	<u>\$ 66,672</u>	<u>\$ 148,240</u>

**NOTE 7 - LONG-TERM DEBT**

Long-term debt at March 31, 2023, is comprised of the following individual issues:

Governmental activities:

Note and bond payable:

\$1,250,000 2021 installment purchase agreement - due in annual installments of \$240,000 to \$260,000, plus interest at 1.70%; final payment due November 2026	\$ 1,010,000
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\$3,000,000 2021 Capital improvements bonds - due in annual installments of \$575,000 to \$625,000, plus interest at 1.70%; final payment due November 2026	<u>2,425,000</u>
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Total governmental activities	<u>\$ 3,435,000</u>
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Business-type activities:

Contracts payable:

\$2,026,638 2010 Sewer System contract - due in annual installments of \$45,803 to \$127,065, plus interest at 2.25% to 5.00%; final payment due May 2040	\$ 1,616,876
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\$1,330,000 2013 Water System contract - due in annual installments of \$10,000 to \$185,000, plus interest at 2.53%; final payment due June 2024	365,000
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\$1,375,687 2015 Water System contract - due in annual installments of \$49,952 to \$132,239, plus interest at 3.00% to 5.00%; final payment due August 2032	1,115,446
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\$3,650,000 2016 Sewer System refunding contract - due in annual installments of \$160,000 to \$215,000 plus interest at 2.00% to 4.00%; final payment due June 2035	<u>2,650,000</u>
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Total business-type activities	<u>\$ 5,747,322</u>
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The business-type activities debt issues are all secured by specific revenue streams. All other debt is secured by the full faith and credit of the Township. All outstanding debt of the Township is direct borrowing or direct placement debt.



**NOTE 7 - LONG-TERM DEBT (Continued)**

Long-term debt activity for the year ended March 31, 2023, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Governmental activities:					
2021 Note payable - fire truck	\$ 1,250,000	\$ -	\$ (240,000)	\$ 1,010,000	\$ 245,000
2021 Bonds payable - parks	<u>3,000,000</u>	<u>-</u>	<u>(575,000)</u>	<u>2,425,000</u>	<u>575,000</u>
	<u>\$ 4,250,000</u>	<u>\$ -</u>	<u>\$ (815,000)</u>	<u>\$ 3,435,000</u>	<u>\$ 820,000</u>
Business-type activity:					
2016 Contract payable	\$ 2,810,000	\$ -	\$ (160,000)	\$ 2,650,000	\$ 165,000
2010 Contract payable	1,675,484	-	(58,608)	1,616,876	61,563
2013 Contract payable	540,000	-	(175,000)	365,000	180,000
2015 Contract payable	<u>1,170,527</u>	<u>-</u>	<u>(55,081)</u>	<u>1,115,446</u>	<u>92,990</u>
Total contracts and bonds	6,196,011	-	(448,689)	5,747,322	499,553
Premium - 2016 Contract payable	<u>64,037</u>	<u>-</u>	<u>(8,861)</u>	<u>55,176</u>	<u>-</u>
Totals	<u>\$ 6,260,048</u>	<u>\$ -</u>	<u>\$ (457,550)</u>	<u>\$ 5,802,498</u>	<u>\$ 499,553</u>

At March 31, 2023, debt service requirements are as follows:

<u>Year ended March 31:</u>	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 820,000	\$ 58,395	\$ 499,553	\$ 199,085
2025	850,000	44,455	521,300	180,636
2026	880,000	30,005	383,445	162,958
2027	885,000	15,045	391,529	149,276
2028	-	-	397,114	138,079
2029 - 2033	-	-	2,066,673	491,680
2034 - 2037	-	-	1,122,275	172,093
2038 - 2041	<u>-</u>	<u>-</u>	<u>365,433</u>	<u>24,434</u>
Totals	<u>\$ 3,435,000</u>	<u>\$ 147,900</u>	<u>\$ 5,747,322</u>	<u>\$ 1,518,241</u>

**NOTE 8 - BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION**

The amount presented as beneficial interest in assets held by foundation represents monies placed with EveryLibrary Institute (the Foundation) by the Township’s Patmos Library, specifying itself as the beneficiary.

The Foundation maintains variance power and legal ownership of such funds and, as such, continues to report the funds as assets of the Foundation, with a corresponding liability, agency endowment fund. The Township reports this asset at the present value of future payments expected to be received.

	<u>Beginning balance</u>	<u>Contributions</u>	<u>Distributions</u>	<u>Ending balance</u>
Beneficial interest in assets held by foundation	\$ -	\$ 175,012	\$ (2,701)	\$ 172,311

**NOTE 9 - TAX REVENUE**

The 2022 taxable valuation of the Township approximated \$505,305,000, on which ad valorem taxes levied consisted of 1.0092 mills for operating purposes, 1.4405 mills for roads, .9603 mills for fire operations, 0.4846 mills for fire equipment, and 0.4119 mills for library operations, raising approximately \$510,000 for operating purposes, \$728,000 for roads, \$485,000 for fire operations, \$245,000 for fire equipment, and \$208,000 for library operations. These amounts are recognized in the fund financial statements as property tax revenue.

**NOTE 10 - TAX ABATEMENTS**

The Township enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within the Township. Each agreement was negotiated under a state law, which allows local units to abate property taxes for a variety of economic development purposes. The abatements may be granted to local businesses located within the Township or promising to relocate within the Township. Depending on the statute referenced for a particular abatement, the Township may grant abatements of up to 70% of annual property taxes through a direct reduction of the entity's property tax bill, not to exceed twelve years. Depending on the terms of the agreement and state law, abated taxes may be subject to recapture upon default of the entity. The Township has not made any commitments as part of the agreements other than to reduce taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities.

For the fiscal year ended March 31, 2023, the Township abated property taxes totaling \$55,312 under Public Act 198 of 1974, related to industrial facilities.

**NOTE 11 - LEASE**

The Township has entered into an agreement with a corporation to lease a billboard. The term of this agreement, which started in 2009, is twenty-five years, with an annual payment ranging from \$15,198 to \$18,163.

GASB Statement No. 87, *Leases*, was implemented in fiscal year 2023. The new guidance requires the Township to recognize a lease receivable and a corresponding deferred inflow, in the amount of \$147,171, with the adoption of this accounting standard. For the year ended March 31, 2023, the Township recognized \$10,328 in lease revenue and \$4,426 in lease interest revenue.

Future payments due to the Township under the lease agreement are as follows for the years ending March 31:

<i>Year ended</i>				
<u>March 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>	
2024	\$ 10,783	\$ 4,415	\$ 136,388	
2025	11,410	4,092	124,978	
2026	12,063	3,749	112,915	
2027	12,741	3,387	100,174	
2028	13,445	3,005	86,729	
2029-2033	76,160	11,162	10,569	
2034	<u>10,569</u>	<u>238</u>	<u>-</u>	
Totals	<u>\$ 147,171</u>	<u>\$ 30,048</u>	<u>\$ -</u>	

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN**

The Township provides pension benefits for its employees through a defined contribution plan. Employees are eligible to participate from the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The Township contributes 6% of each qualified employee's covered compensation to the plan, plus investment earnings. The Township contributes 6% of each qualified employee's covered compensation to the plan. Plan participants are also required to contribute 6% of covered compensation. The Township's contributions are fully vested immediately. The Township and qualified employees each made contributions of \$12,474 for the fiscal year ended March 31, 2023. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets. Accordingly, plan assets and changes therein are not reported in these financial statements.

**NOTE 13 - CONSTRUCTION CODE ACT**

A summary of construction code enforcement transactions for the year ended March 31, 2023, is as follows:

Cumulative excess revenues, beginning of year	<u>\$ 28,321</u>
Fiscal year 2023 activity:	
Revenues	459,419
Expenses	<u>433,898</u>
Excess of revenues over expenses	<u>25,521</u>
Cumulative excess revenues, end of year	<u>\$ 53,842</u>

**NOTE 14 - RISK MANAGEMENT**

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

**NOTE 15 - CONTINGENT LIABILITY**

In the normal course of its activities, the Township becomes a party in various legal actions. The Township is currently involved in a lawsuit, which could have a significant financial impact. Because the outcome of this lawsuit is not presently determinable, the possible range of the potential cost cannot be reasonably predicted; therefore, no accrual has been made for this amount in the financial statements. The Township intends to vigorously defend its position in this case.

**NOTE 16 - CONSTRUCTION COMMITMENTS**

At March 31, 2023, the Township had the following contractual construction commitments:

<u>Project description</u>	<u>Project authorization</u>	<u>Expended through March 31, 2023</u>	<u>Committed</u>
Pathway paving - 22nd Ave pathway	\$ 37,900	\$ -	\$ 37,900
Township Hall parking lot paving	51,890	-	51,890
New park construction	<u>2,337,891</u>	<u>-</u>	<u>2,337,891</u>
Total	<u>\$ 2,427,681</u>	<u>\$ -</u>	<u>\$ 2,427,681</u>

The paving projects are being funded with available resources of the General Fund and the new park construction is being funded through a loan issued in fiscal year 2022.

**NOTE 17 - PENDING ACCOUNTING PRONOUNCEMENT**

In May 2020, the GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during fiscal year 2024.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 516,000	\$ 526,000	\$ 521,053	\$ (4,947)
Licenses and permits	523,000	563,000	533,598	(29,402)
State grants	859,000	1,015,210	1,079,382	64,172
Charges for services	73,400	83,900	85,695	1,795
Interest and rentals	34,950	48,000	55,621	7,621
Other:				
Special assessments	46,000	46,000	47,410	1,410
Developer reimbursements	160,000	210,000	204,964	(5,036)
Other reimbursements	23,200	27,200	24,038	(3,162)
Miscellaneous	5,000	18,750	28,780	10,030
Total revenues	<u>2,240,550</u>	<u>2,538,060</u>	<u>2,580,541</u>	<u>42,481</u>
<b>EXPENDITURES</b>				
General government:				
Legislative	7,100	7,200	6,219	981
Supervisor	61,180	62,870	59,130	3,740
Elections	34,650	40,700	41,138	(438)
Assessor	121,070	135,150	124,047	11,103
Clerk	72,620	68,620	61,387	7,233
Board of review	1,690	1,690	1,256	434
Treasurer	49,060	52,860	49,253	3,607
Building and grounds	25,000	29,100	28,414	686
General administration	128,050	130,200	105,280	24,920
Total general government	<u>500,420</u>	<u>528,390</u>	<u>476,124</u>	<u>52,266</u>
Public safety:				
Police protection	236,500	240,500	239,282	1,218
Construction code inspections	357,690	422,690	412,534	10,156
Total public safety	<u>594,190</u>	<u>663,190</u>	<u>651,816</u>	<u>11,374</u>
Public works:				
Cemetery	70,500	70,700	62,189	8,511
Drains	50,000	53,500	53,440	60
Street lighting	55,700	68,960	62,369	6,591
Total public works	<u>176,200</u>	<u>193,160</u>	<u>177,998</u>	<u>15,162</u>

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended March 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>EXPENDITURES (Continued)</b>				
Community and economic development:				
Planning	\$ 208,600	\$ 226,600	\$ 206,458	\$ 20,142
Zoning	<u>82,380</u>	<u>95,780</u>	<u>83,402</u>	<u>12,378</u>
Total community and economic development	<u>290,980</u>	<u>322,380</u>	<u>289,860</u>	<u>32,520</u>
Recreation and culture:				
Recreation and parks	88,500	88,500	15,723	72,777
Library	<u>23,500</u>	<u>15,500</u>	<u>15,253</u>	<u>247</u>
Total recreation and culture	<u>112,000</u>	<u>104,000</u>	<u>30,976</u>	<u>73,024</u>
Debt service:				
Principal	575,000	575,000	575,000	-
Interest	<u>49,020</u>	<u>49,020</u>	<u>42,783</u>	<u>6,237</u>
Total debt service	<u>624,020</u>	<u>624,020</u>	<u>617,783</u>	<u>6,237</u>
Capital outlay	<u>615,000</u>	<u>495,000</u>	<u>389,509</u>	<u>105,491</u>
Total expenditures	<u>2,912,810</u>	<u>2,930,140</u>	<u>2,634,066</u>	<u>296,074</u>
<b>NET CHANGES IN FUND BALANCES</b>	(672,260)	(392,080)	(53,525)	338,555
<b>FUND BALANCES - BEGINNING</b>	<u>2,432,659</u>	<u>2,432,659</u>	<u>2,432,659</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,760,399</u>	<u>\$ 2,040,579</u>	<u>\$ 2,379,134</u>	<u>\$ 338,555</u>

**BUDGETARY COMPARISON SCHEDULE - Road Fund**

Year ended March 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 698,000	\$ 738,000	\$ 746,093	\$ 8,093
State grants	-	-	8,614	8,614
Other	115,000	-	-	-
Interest	100	3,700	3,848	148
	<u>813,100</u>	<u>741,700</u>	<u>758,555</u>	<u>16,855</u>
Total revenues	813,100	741,700	758,555	16,855
<b>EXPENDITURES</b>				
Public works	<u>986,750</u>	<u>153,750</u>	<u>132,615</u>	<u>21,135</u>
<b>NET CHANGES IN FUND BALANCES</b>	(173,650)	587,950	625,940	37,990
<b>FUND BALANCES - BEGINNING</b>	<u>949,822</u>	<u>949,822</u>	<u>949,822</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 776,172</u>	<u>\$ 1,537,772</u>	<u>\$ 1,575,762</u>	<u>\$ 37,990</u>



**Jamestown Charter Township**

**BUDGETARY COMPARISON SCHEDULE - Fire Operating Fund**

Year ended March 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 461,600	\$ 493,600	\$ 498,915	\$ 5,315
Interest	50	1,250	557	(693)
Other	<u>10,550</u>	<u>22,550</u>	<u>20,671</u>	<u>(1,879)</u>
Total revenues	472,200	517,400	520,143	2,743
<b>EXPENDITURES</b>				
Public safety - fire protection	<u>582,460</u>	<u>574,600</u>	<u>512,293</u>	<u>62,307</u>
<b>NET CHANGES IN FUND BALANCES</b>	(110,260)	(57,200)	7,850	65,050
<b>FUND BALANCES - BEGINNING</b>	<u>434,721</u>	<u>434,721</u>	<u>434,721</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 324,461</u>	<u>\$ 377,521</u>	<u>\$ 442,571</u>	<u>\$ 65,050</u>

**Jamestown Charter Township**

**BUDGETARY COMPARISON SCHEDULE - Library Fund**

Year ended March 31, 2023

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 205,500	\$ 210,500	\$ 213,326	\$ 2,826
State grants	10,500	15,000	14,296	(704)
Fines and forfeitures	24,000	31,300	31,335	35
Interest and rentals	1,600	3,850	2,936	(914)
Other	4,200	296,000	304,705	8,705
Total revenues	<u>245,800</u>	<u>556,650</u>	<u>566,598</u>	<u>9,948</u>
<b>EXPENDITURES</b>				
Recreation and culture	274,750	282,160	264,211	17,949
Capital outlay	10,000	10,000	5,315	4,685
Total expenditures	<u>284,750</u>	<u>292,160</u>	<u>269,526</u>	<u>22,634</u>
<b>NET CHANGES IN FUND BALANCES</b>	(38,950)	264,490	297,072	32,582
<b>FUND BALANCES - BEGINNING</b>	<u>370,160</u>	<u>370,160</u>	<u>370,160</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 331,210</u>	<u>\$ 634,650</u>	<u>\$ 667,232</u>	<u>\$ 32,582</u>

**OTHER INFORMATION**

**Jamestown Charter Township  
Taxable Value  
Fiscal Years Ended March 31, 2019 Through 2023**

<u>Assessed Value as of December 31</u>	<u>Year of State Equalization and Tax Levy</u>	<u>Township's Fiscal Year Ended March 31</u>	<u>Ad Valorem Taxable Value</u>	<u>Equivalent Taxable Value of Property Granted Tax Abatement Under Act 198 (1)</u>	<u>Total Taxable Value</u>	<u>Percent Change Over Prior Year</u>
2017	2018	2019	\$ 344,951,649	\$ 24,369,567	\$ 369,321,216	8.10%
2018	2019	2020	387,870,619	24,615,724	412,486,343	11.69%
2019	2020	2021	430,192,575	24,861,856	455,054,431	10.32%
2020	2021	2022	458,627,988	25,081,697	483,709,685	6.30%
2021	2022	2023	509,276,816	25,687,693	534,964,509	10.60%

Per Capita Total Taxable Value for the Fiscal Year Ending March 31, 2023 (2) \$55,552

- (1) At the full tax rate. See "Tax Abatement."  
(2) Based on the Township's 2020 census population of 9,630

Source: Jamestown Charter Township

**Jamestown Charter Township  
Taxable Value by Use and Class  
Fiscal Years Ended March 31, 2019 Through 2023**

<u>Use</u>	<u>Fiscal Years Ended March 31</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Agriculture	\$ 29,494,945	\$ 31,299,440	\$ 32,460,396	\$ 34,310,424	\$ 36,789,005
Residential	27,300,311	38,774,313	43,467,742	47,795,467	52,476,543
Commercial	24,773,314	32,444,377	47,370,018	46,761,057	47,911,116
Industrial	272,857,546	293,189,413	313,848,275	336,333,837	374,411,445
Utility	14,895,100	16,778,800	17,908,000	18,508,900	23,376,400
	<u>\$ 369,321,216</u>	<u>\$ 412,486,343</u>	<u>\$ 455,054,431</u>	<u>\$ 483,709,685</u>	<u>\$ 534,964,509</u>
<u>Class</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Real Property	\$ 343,958,716	\$ 380,549,043	\$ 423,027,131	\$ 452,096,385	\$ 499,208,809
Personal Property	25,362,500	31,937,300	32,027,300	31,613,300	35,755,700
	<u>\$ 369,321,216</u>	<u>\$ 412,486,343</u>	<u>\$ 455,054,431</u>	<u>\$ 483,709,685</u>	<u>\$ 534,964,509</u>

Source: Jamestown Charter Township

(UNAUDITED)

**Jamestown Charter Township  
State Equalized Valuation  
Fiscal Years Ended March 31, 2019 Through 2023**

<u>Assessed Value as of December 31</u>	<u>Year of State Equalization and Tax Levy</u>	<u>Township's Fiscal Year Ended March 31</u>	<u>Ad Valorem SEV</u>	<u>SEV of Property Granted Tax Abatement Under Act 198 (1)</u>	<u>Total State Equalized Value</u>	<u>Percent Change Over Prior Year</u>
2017	2018	2019	\$ 436,515,380	\$ 27,529,520	\$ 464,044,900	6.83%
2018	2019	2020	502,026,564	27,779,536	529,806,100	14.17%
2019	2020	2021	575,097,178	28,031,822	603,129,000	13.84%
2020	2021	2022	622,637,600	28,286,400	650,924,000	7.92%
2021	2022	2023	676,118,900	29,350,100	705,469,000	8.38%

Per Capita Total SEV for the Fiscal Year Ending March 31, 2023 (2) \$73,257

(1) See "Tax Abatement."

(2) Based on the Township's 2020 census population of 9,630

Source: Charter Township of Jamestown

**Jamestown Charter Township  
Total SEV by Use and Class  
Fiscal Years Ended March 31, 2019 Through 2023**

<u>Use</u>	<u>Fiscal Years Ended March 31</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Agriculture	\$ 67,417,900	\$ 70,851,400	\$ 86,340,600	\$ 91,845,200	\$ 91,902,500
Residential	31,033,600	42,076,600	47,106,400	51,338,700	56,229,800
Commercial	25,803,200	37,242,000	53,190,100	57,622,500	59,797,300
Industrial	324,895,100	362,857,300	398,583,900	431,608,700	475,235,500
Utility	14,895,100	16,778,800	17,908,000	18,508,900	22,303,900
	<u>\$ 464,044,900</u>	<u>\$ 529,806,100</u>	<u>\$ 603,129,000</u>	<u>\$ 650,924,000</u>	<u>\$ 705,469,000</u>
<u>Class</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Real Property	\$ 438,682,400	\$ 497,868,800	\$ 571,101,700	\$ 619,310,700	\$ 670,784,300
Personal Property	25,362,500	31,937,300	32,027,300	31,613,300	34,684,700
	<u>\$ 464,044,900</u>	<u>\$ 529,806,100</u>	<u>\$ 603,129,000</u>	<u>\$ 650,924,000</u>	<u>\$ 705,469,000</u>

Source: Jamestown Charter Township

(UNAUDITED)

**Jamestown Charter Township  
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  $\frac{1}{2}$  of all tax rates levied by other than the state and local school district for operating purposes, plus  $\frac{1}{2}$  of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1994, this millage rate equals  $\frac{1}{2}$  of all tax rates levied by other than the state, plus none,  $\frac{1}{2}$ , 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 SEV 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 \$25,687,693 for the fiscal year ending March 31, 2023. The IFT taxes paid on these properties is equivalent to Ad Valorem Taxes paid on \$12,843,847 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.

**Jamestown Charter Township  
Maximum Property Tax Rates  
Fiscal Year Ended March 31, 2023**

<u>Millage Classification</u>	<u>Millage Authorized</u>	<u>Applicable Millage Reduction Fraction (1)</u>	<u>Maximum Allowable Millage</u>
Operating	1.0510	0.9841	1.0092
Voted - Fire Operating	1.0000	0.9841	0.9603
Voted - Fire Equipment	0.5000	0.9841	0.4846
Voted - Library Operating	0.5000	0.9841	0.4119
Voted - Roads	1.5000	0.9841	1.4405

(1) Cumulative.

Source: Jamestown Charter Township

**Jamestown Charter Township  
Property Tax Rates  
Fiscal Years Ended March 31, 2019 Through 2023**

<u>Levy Date December 1</u>	<u>Fiscal Year Ended March 31</u>	<u>Allocated Operating</u>	<u>Voted</u>				<u>Totals</u>
			<u>Fire Operating</u>	<u>Fire Equipment</u>	<u>Library Operating</u>	<u>Roads</u>	
2018	2019	0.8802	1.4810	-	0.5596	1.4874	4.4082
2019	2020	1.0471	1.4902	-	0.5529	1.4944	4.5846
2020	2021	1.0413	0.9455	0.5000	0.5440	1.4861	4.5169
2021	2022	1.0256	0.9759	0.4925	0.4186	1.4638	4.3764
2022	2023	1.0092	0.9603	0.4846	0.4119	1.4405	4.3065

Source: Jamestown Charter Township

**Jamestown Charter Township  
Property Tax Collections  
Fiscal Years Ended March 31, 2019 Through 2023**

<u>Levy December 1</u>	<u>Fiscal Year Ended March 31</u>	<u>Tax Levy (1)</u>	<u>Collections to March 1 Following Levy</u>	<u>Percent Collected</u>
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	98.19%
2021	2022	2,007,140	1,974,110	98.35%
2022	2023	2,230,327	2,204,671	98.85%

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

Source: Jamestown Charter Township

**Jamestown Charter Township  
Ten Largest Taxpayers  
Fiscal Year Ended March 31, 2023**

<i>Taxpayer</i>	<i>Principal Product or Service</i>	<i>Taxable Value</i>	<i>Percent of Total (1)</i>
Koetje Properties LLC - Jamestown	Construction	\$ 14,517,359	2.71%
DTE Gas Company	Gas utility	9,986,000	1.87%
Consumers Energy Company	Electric utility	8,712,874	1.63%
Royal Land Company LLC	Plastics manufacturing	4,996,921	0.93%
Meijer, Inc.	Retail	4,015,954	0.75%
Sunrise Acres Farms LLC	Farm	3,575,248	0.67%
Meijer	Retail	3,133,600	0.59%
West 24 Cottages LLC	Housing	2,839,312	0.53%
JDJayrock LLC	Housing	2,681,400	0.50%
Country Hills Village MHP LLC	Mobile home park	<u>2,534,413</u>	<u>0.47%</u>
		<u>\$ 56,993,081</u>	<u>10.65%</u>

(1) Based on \$534,964,509, which is the Township's total Taxable Value for its fiscal year ended March 31, 2023. Includes the equivalent taxable value of property granted tax abatement under Act 198. See "Tax Abatement."

Source: Charter Township of Jamestown

**Jamestown Charter Township  
Revenues from the State of Michigan  
Fiscal Years Ended March 31, 2019 Through 2023**

	<i>Fiscal Years Ended March 31,</i>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
State shared revenue	<u>\$ 599,203</u>	<u>\$ 630,318</u>	<u>\$ 626,904</u>	<u>\$ 1,141,670</u>	<u>\$ 1,058,666</u>

Source: Jamestown Charter Township

**Jamestown Charter Township  
Legal Debt Margin  
As of March 31, 2023**

Debt Limit (1)	\$ 70,546,900
Debt Outstanding	\$ 9,182,322
Less: Exempt Debt	<u>5,747,322</u>
	<u>3,435,000</u>
Legal Debt Margin	<u>\$ 67,111,900</u>

(1) 10% of \$705,469,000 which is the Township's total SEV for the fiscal year ended March 31, 2023. Includes the SEV of property granted tax abatement under Act 198. See "Tax Abatement."

Source: Jamestown Charter Township

(UNAUDITED)



**Jamestown Charter Township  
Debt Statement  
As of March 31, 2023**

The following schedules reflect a breakdown of the Township's direct and overlapping debt as of March 31, 2023.

To the extent necessary, the Township may levy taxes on all taxable property within its boundaries, without limitation, as to rate or amount to pay the principal of and interest due on the bonds in the following schedule, which are designated as "UT." However, the Township's ability to levy tax to pay the debt service on the bonds, which is designated as "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>
Contracts payable to Ottawa County:			
Dated 2010 (Limited Tax)	\$ 1,616,876	\$ 1,616,876	\$ -
Dated 2013 (Limited Tax)	365,000	365,000	-
Dated 2015 (Limited Tax)	1,115,446	1,115,446	-
Dated 2016 (Limited Tax)	<u>2,650,000</u>	<u>2,650,000</u>	-
Subtotal	5,747,322	5,747,322	-
Installment purchase agreement - fire truck:			
Dated September 22, 2021 (Limited Tax)	1,010,000	-	1,010,000
Capital Improvements bonds:			
Dated September 22, 2021 (Limited Tax)	<u>2,425,000</u>	<u>-</u>	<u>2,425,000</u>
Totals	<u>\$ 9,182,322</u>	<u>\$ 5,747,322</u>	<u>\$ 3,435,000</u>
Per Capita Net Township Direct Debt (1)	\$357		
Percent of Net Direct Debt to Total SEV (2)	0.49%		
		<i>Township Share As Percent of Gross</i>	
<u>Overlapping Debt (3)</u>	<u>Gross</u>	<u>of Gross</u>	<u>Net</u>
Grandville Public Schools	\$ 121,390,000	1.10%	\$ 1,335,290
Hudsonville Public Schools	234,618,603	23.21%	54,454,978
Ottawa County	54,170,000	3.45%	1,868,865
Ottawa Intermediate School District	635,000	2.91%	18,479
Grand Rapids Community College	<u>23,775,000</u>	0.07%	<u>16,643</u>
Total overlapping debt	<u>\$ 434,588,603</u>		<u>\$ 57,694,254</u>
Total Township Direct and overlapping debt	<u>\$ 443,770,925</u>		<u>\$ 61,129,254</u>
Per Capita Net Overlapping Debt (1)	\$5,991		
Percent of Net Overlapping Debt to Total SEV (2)	8.18%		
Per Capita Net Direct and Overlapping Debt (1)	\$6,348		
Percent of Net Direct and Overlapping Debt to Total SEV (2)	8.67%		

(UNAUDITED)

- (1) Based on the Township's 2020 census population of 9,630
- (2) Based on \$705,469,000 which is the Township's total SEV for the fiscal year ended March 31, 2023. 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 schedule reflects overlapping debt as of March 31, 2023.

Source: Jamestown Charter Township