

Zeeland Charter Township

Annual Financial Report

Year Ended December 31, 2021



Kiekover, Scholma & Shumaker, PC
Certified Public Accountants and Consultants

**ZEELAND CHARTER TOWNSHIP
OTTAWA COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021**

**KIEKOVER, SCHOLMA & SHUMAKER, PC
Certified Public Accountants
Zeeland, Michigan**

Zeeland Charter Township, Michigan
ANNUAL FINANCIAL REPORT
Year Ended December 31, 2021

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Kieko Scholma & Shumaker PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

June 13, 2022

Township Board
Zeeland Charter Township, Michigan

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Zeeland Charter Township, Michigan, as of December 31, 2021, and the respective changes in financial position 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 Zeeland Charter Township, Michigan 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Zeeland Charter Township, Michigan'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 entity'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 evaluating the overall presentation of the financial statements.
- Conclude whether, in our professional judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Zeeland Charter Township, Michigan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages III through VIII and 21 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Zeeland Charter Township, Michigan's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Kiekover, Scholma & Shumaker, PC
Zeeland, Michigan

Management's Discussion and Analysis

As management of Zeeland Charter Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the Township's financial statements that follow this section.

Financial Highlights

- The assets and deferred outflows of Zeeland Charter Township exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$35,783,184 (*net position*). Of this amount, \$16,263,883 (*unrestricted net position*) may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$2,474,907. Net investment in capital assets increased by \$381,010, while restricted net position increased by \$474,231, and unrestricted net position increased by \$1,619,666.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$19,838,452, an increase of \$2,071,489 in comparison with the prior year. Approximately 11% of this total amount, \$2,183,094, is *available for spending* at the Township's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,183,094 or 118% of total General Fund expenditures and transfers out.
- The Township's total debt decreased by \$215,000 (33%) during the current fiscal year. This is the result of the Township making its required scheduled debt service payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Zeeland Charter Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail support to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business and, therefore, are prepared using the accrual basis of accounting. These statements provide a long-term view of the Township's finances and whether taxpayers have funded the full cost of providing government services. The first two statements are government-wide and include the following:

- The *statement of net position* presents information on all of the Township's assets, liabilities, and deferred inflows/outflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.
- The *statement of activities* presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and state shared revenues and earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of Zeeland Charter Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, and recreation and culture. The Township has no business-type activities.

The government-wide financial statements can be found on pages 1-2 of this report.

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

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

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

Zeeland Charter Township maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the five major funds. The Township has two non-major funds. These include one special revenue fund and one debt service fund. Data from the two non-major governmental funds are combined into a single aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its General Fund and Special Revenue Funds. Budgetary comparison schedules have been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with that budget.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

Proprietary funds. Proprietary funds are used to report *business-type activities*. The Township has no business-type activities and therefore no proprietary funds.

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

The basic fiduciary fund financial statements can be found on pages 7-8 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9-20 of this report.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain *required supplementary information* presenting budgetary comparison for the Township's General Fund and major Special Revenue Funds. Required supplementary information can be found on pages 21-24 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 25-26 of this report.

Financial Analysis of the Township as a Whole

Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Zeeland Charter Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35,783,184 at the close of the fiscal year ended December 31, 2021.

The largest portion of the Township's net position (44%) reflects its investment in capital assets. The Township uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of the Township totaled \$3,806,180. This net position has limits on its use that are externally imposed by restrictions such as enabling legislation or bond covenants. These resources can only be used for the specific purposes for which they were intended, such as expenditures for fire services, road maintenance, water and sewer, and debt service. The remaining unrestricted net position (\$16,263,883) may be used to meet the Township's ongoing operations.

The following table shows, in a condensed format, the net position of Zeeland Charter Township as of December 31, 2021 and 2020.

Zeeland Charter Township's Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 24,656,488	\$ 21,237,115
Capital assets	16,138,627	15,968,277
Total assets	40,795,115	37,205,392
Deferred outflows of resources	4,494	8,834
Long-term liabilities outstanding	430,000	645,000
Other liabilities	1,192,068	254,799
Total liabilities	1,622,068	899,799
Deferred inflows of resources	3,394,357	3,006,150
Net position:		
Net investment in capital assets	15,713,121	15,332,111
Restricted	3,806,180	3,331,949
Unrestricted	16,263,883	14,644,217
Total net position	\$ 35,783,184	\$ 33,308,277

Change in Net Position - The Township's total revenues were \$5,949,137 for the current year. The total cost of all programs and services at December 31, 2021 was \$3,474,231. Township expenses cover a wide range of services.

The Township's total net position increased by \$2,474,907 during the fiscal year ended December 31, 2021, compared to an increase of \$2,352,596 in 2020.

The following analysis highlights the changes in net position for the years ended December 31, 2021 and 2020:

Zeeland Charter Township's Changes in Net Position

	Governmental Activities			
	2021		2020	
	Amount	% of total	Amount	% of total
Program revenues				
Charges for services	\$ 834,154	14.0%	\$ 679,500	12.7%
Operating grants and contributions	1,500	0.0%	65,290	1.2%
Capital grants and contributions	1,039,559	17.5%	218,273	4.1%
General revenues				
Property taxes	3,017,725	50.7%	3,091,332	57.6%
State shared revenues	1,114,194	18.7%	966,870	18.0%
Investment income	(85,893)	-1.4%	335,227	6.2%
Other revenue	27,898	0.5%	11,877	0.2%
Total revenues	<u>5,949,137</u>	<u>100%</u>	<u>5,368,369</u>	<u>100%</u>
Program expenses				
General government	470,778	13.6%	591,484	19.6%
Public safety	1,299,373	37.4%	1,128,060	37.4%
Public works	1,309,762	37.7%	889,308	29.5%
Economic development	23,098	0.7%	46,476	1.5%
Recreation and culture	333,639	9.6%	318,535	10.6%
Other	15,986	0.5%	14,444	0.5%
Interest on long-term debt	21,594	0.6%	27,466	0.9%
Total expenses	<u>3,474,230</u>	<u>100%</u>	<u>3,015,773</u>	<u>100%</u>
Change in net position	<u>\$ 2,474,907</u>		<u>\$ 2,352,596</u>	

Financial Analysis of the Township's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The individual funds help to manage money for specific purposes as well as to show accountability for activities or projects funded by special property tax millage, grants, contributions, etc. The Township's major governmental funds for 2021 are the General Fund, Road Fund, Fire Fund, Water Capital Improvements Fund, and the Sewer Capital Improvements Fund.

Governmental funds. The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$19,838,452, an increase of \$2,071,489 from the prior year combined ending fund balances of \$17,766,963. Approximately 81% of this amount (\$16,021,202) constitutes unrestricted fund balances (either committed, assigned or unassigned), which is available for spending at the government's discretion. The remainder of fund balance is either non-spendable (\$60,397) or restricted to indicate that it is not available for discretionary spending because it is restricted (1) to purposes related to firemen compensation and fire operations (\$453,167), (2) to purposes related to roads (\$2,617,056), (3) to purposes related to water and sewer (\$671,627), and (4) to purposes related to construction code activities (\$14,733).

The General Fund is the primary operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,183,094, while total fund balance was \$12,501,397. As a measure of the General Fund's liquidity, it may be useful to compare this fund balance to total fund expenditures. The \$2,183,094 total unassigned fund balance is approximately 71% of the 2022 budgeted expenditures and transfers to other funds, which amount to \$3,056,650.

The fund balance of the Township's General Fund increased by \$1,400,336 during the current fiscal year compared to an increase of \$1,919,515 in the prior year. Factors that influenced the current year change in fund balance include:

- Total revenues increased by \$33,662 or 1%.
- Tax revenues increased by \$93,457 or 6%.
- Federal grants were \$0 compared to \$24,850 in 2020.
- State shared revenues increased by \$110,529 or 11.6%.
- Investment earnings decreased by \$256,708 to (\$54,766) compared to \$201,942 in the prior year.
- Licenses and permits increased by \$47,679 or 10.0%.
- Charges for services and other revenues increased by \$63,555 or 112.1%.
- Total expenditures increased by \$552,841 or 42.7%.
- General government expenditures decreased by \$121,182 or 22.3%.
- Public safety expenditures increased by \$54,284 or 16.9% due to increased expenditures for building inspection services.
- Public works expenditures increased by \$91,934 or 76.7%.
- Community and economic development expenditures decreased by \$23,378 or 50.3%.
- Recreation and culture expenditures increased by \$13,350 or 7.1%.
- Capital outlay expenditures were \$596,867 compared to \$60,576 in the prior year.

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the annual operating budget to take into account events during the year. The budget for total revenues was increased by \$254,350 and actual total revenues were over the final amended budget by \$21,645. The budget for total expenditures was decreased by \$130,950, and total expenditures were less than the final budget by \$154,831.

Capital Asset and Debt Administration

At the end of 2021, the Township had \$16,138,627 (net of depreciation) invested in a broad range of capital assets, including buildings, fire equipment, park land and improvements, and water and sewer lines. The Township's investment in capital assets for the current fiscal year (net of depreciation) increased by \$170,350 (1.1%) for governmental activities.

Major capital asset events during the current fiscal year included the following:

- \$ 86,726 expended for sewer system improvements
- \$ 146,892 expended for community center improvements
- \$ 100,482 expended for Drenthe Grove Park improvements
- \$ 349,493 expended for bike paths
- \$ 43,161 expended for public safety equipment
- \$ 193,270 of developer contributed sewer infrastructure

At December 31, 2021, the Township had \$430,000 of long-term contractual obligations and bonded debt outstanding after repayments of \$215,000. These long-term debt obligations are scheduled to mature serially through fiscal year 2023.

Economic Factors and Next Year's Budgets and Rates

The Township's 2022 fiscal budget reflects tax revenues from the 2021 winter tax collection. Township's overall tax rate is set to increase to 6.6528 mills for the year ended December 31, 2022, the increase is due primarily to an increase of 0.4787 mills in the road tax levy. The taxable value is anticipated to increase by approximately 5% for the 2022 fiscal year. The Township will continue to monitor expenditures in the coming year.

In March 2020, the World Health Organization classified the outbreak of a novel coronavirus (COVID-19) as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's operational and financial performance. The extent of the impact of COVID-19 on the Township's financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak at this time.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township's finance director.

Basic Financial Statements

Zeeland Charter Township, Michigan
STATEMENT OF NET POSITION
December 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 22,403,227
Receivables:	
Taxes	1,785,042
Accounts	69,047
Assessments	51,651
Interest	26,566
Due from other governments	260,558
Prepaid items	60,397
Capital assets not being depreciated	1,244,002
Capital assets (net of accumulated depreciation)	<u>14,894,625</u>
 Total Assets	 <u><u>40,795,115</u></u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	<u>4,494</u>
 LIABILITIES	
Accounts payable	504,841
Accrued payroll	73,190
Accrued interest	2,054
Customer deposits payable	6,790
Deferred revenue	605,193
Noncurrent liabilities:	
Due within one year	230,000
Due in more than one year	<u>200,000</u>
 Total Liabilities	 <u><u>1,622,068</u></u>
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-property taxes	<u>3,394,357</u>
 NET POSITION	
Net investment in capital assets	15,713,121
Restricted for:	
Water and sewer	819,183
Public safety	336,194
Public works	2,617,056
Debt service	19,014
Construction code activities	14,733
Unrestricted	<u>16,263,883</u>
 Total Net Position	 <u><u>\$ 35,783,184</u></u>

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
\$ 470,778	\$ 171,166	\$ -	\$ -	\$ (299,612)
1,299,373	381,658	1,500	-	(916,215)
1,309,762	251,260	-	1,039,559	(18,943)
23,098	5,030	-	-	(18,068)
333,639	25,040	-	-	(308,599)
15,986	-	-	-	(15,986)
21,594	-	-	-	(21,594)
<u>\$ 3,474,230</u>	<u>\$ 834,154</u>	<u>\$ 1,500</u>	<u>\$ 1,039,559</u>	<u>(1,599,017)</u>
General revenues:				
	Property taxes			3,017,725
	State shared revenues			1,114,194
	Investment earnings			(85,893)
	Other			27,898
	Total General Revenues			<u>4,073,924</u>
Change in Net Position				2,474,907
Net Position - Beginning				<u>33,308,277</u>
Net Position - Ending				\$ 35,783,184

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Zeeland Charter Township, Michigan
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Road Fund	Fire Fund	Water Capital Improvements Fund	Sewer Capital Improvements Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 14,045,370	\$ 4,108,674	\$ 1,021,626	\$ 1,038,649	\$ 1,892,943	\$ 295,965	\$ 22,403,227
Receivables:							
Taxes	872,032	521,336	262,058	-	-	129,616	1,785,042
Accounts	68,648	-	-	399	-	-	69,047
Assessments	-	-	-	30,583	-	21,068	51,651
Interest	16,942	4,650	1,004	1,326	2,419	225	26,566
Due from other governments	61,548	-	-	3,878	13,118	-	78,544
Prepaid items	10,470	-	49,927	-	-	-	60,397
Total Assets	<u>\$ 15,075,010</u>	<u>\$ 4,634,660</u>	<u>\$ 1,334,615</u>	<u>\$ 1,074,835</u>	<u>\$ 1,908,480</u>	<u>\$ 446,874</u>	<u>\$ 24,474,474</u>
LIABILITIES							
Accounts payable	\$ 280,030	\$ 89,919	\$ 7,935	\$ 40,231	\$ 86,726	\$ -	\$ 504,841
Accrued payroll	23,381	-	226	-	-	49,583	73,190
Deposits	6,790	-	-	-	-	-	6,790
Deferred revenue - grants	605,193	-	-	-	-	-	605,193
Total Liabilities	<u>915,394</u>	<u>89,919</u>	<u>8,161</u>	<u>40,231</u>	<u>86,726</u>	<u>49,583</u>	<u>1,190,014</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	1,658,219	991,350	498,318	-	-	246,470	3,394,357
Unavailable revenue-special assessments	-	-	-	30,583	-	21,068	51,651
Total Deferred Inflows of Resources	<u>1,658,219</u>	<u>991,350</u>	<u>498,318</u>	<u>30,583</u>	<u>-</u>	<u>267,538</u>	<u>3,446,008</u>
FUND BALANCES							
Non-spendable	10,470	-	49,927	-	-	-	60,397
Restricted	14,733	2,617,056	336,194	670,336	1,291	116,973	3,756,583
Committed	10,293,100	-	-	-	-	-	10,293,100
Assigned	-	936,335	442,015	333,685	1,820,463	12,780	3,545,278
Unassigned	2,183,094	-	-	-	-	-	2,183,094
Total Fund Balances	<u>12,501,397</u>	<u>3,553,391</u>	<u>828,136</u>	<u>1,004,021</u>	<u>1,821,754</u>	<u>129,753</u>	<u>19,838,452</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,075,010</u>	<u>\$ 4,634,660</u>	<u>\$ 1,334,615</u>	<u>\$ 1,074,835</u>	<u>\$ 1,908,480</u>	<u>\$ 446,874</u>	<u>\$ 24,474,474</u>

Zeeland Charter Township, Michigan
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2021

Total Governmental Fund Balances	\$ 19,838,452
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and are not reported in the funds:

General capital assets	7,208,192
Infrastructure capital assets	8,930,435

State shared revenues (sales taxes) collected and held by the State at year end are not considered available to pay for current year expenditures	182,014
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Special assessments receivable are expected to be collected over several years and are not available to pay for current year expenditures	51,651
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Interest accrued on bonds and notes payable is not reported in the funds	(2,054)
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Long-term liabilities are not due and payable in the current period and are not reported in the funds	(430,000)
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Unamortized deferred bond refunding losses are not reported in the funds	4,494
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Net Position of Governmental Activities	<u>\$ 35,783,184</u>
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Zeeland Charter Township, Michigan
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	General Fund	Road Fund	Fire Fund	Water Capital Improvements Fund	Sewer Capital Improvements Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 1,595,440	\$ 710,910	\$ 479,250	\$ -	\$ -	\$ 237,192	\$ 3,022,792
Licenses and permits	524,676	-	-	-	-	-	524,676
State shared revenues	1,061,420	15,352	3,904	-	-	1,931	1,082,607
Charges for services	93,036	-	1,000	129,206	81,169	-	304,411
Investment earnings	(54,766)	(18,684)	(4,217)	(256)	(9,272)	1,302	(85,893)
Special assessments	-	-	-	624,241	-	232,123	856,364
Other	27,199	-	2,199	-	-	-	29,398
Total Revenues	<u>3,247,005</u>	<u>707,578</u>	<u>482,136</u>	<u>753,191</u>	<u>71,897</u>	<u>472,548</u>	<u>5,734,355</u>
Expenditures:							
Current:							
General government	422,754	-	-	-	-	-	422,754
Public safety	376,054	-	334,940	-	-	318,100	1,029,094
Public works	211,821	748,290	-	49,830	-	2,000	1,011,941
Community and economic development	23,098	-	-	-	-	-	23,098
Recreation and culture	200,089	-	-	-	-	-	200,089
Other	15,986	-	-	-	-	-	15,986
Debt Service:							
Principal retirement	-	-	-	-	-	215,000	215,000
Interest and other charges	-	-	-	-	-	18,150	18,150
Capital Outlay	<u>596,867</u>	<u>-</u>	<u>43,161</u>	<u>-</u>	<u>86,726</u>	<u>-</u>	<u>726,754</u>
Total Expenditures	<u>1,846,669</u>	<u>748,290</u>	<u>378,101</u>	<u>49,830</u>	<u>86,726</u>	<u>553,250</u>	<u>3,662,866</u>
Excess of Revenues Over (Under) Expenditures	<u>1,400,336</u>	<u>(40,712)</u>	<u>104,035</u>	<u>703,361</u>	<u>(14,829)</u>	<u>(80,702)</u>	<u>2,071,489</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	160,000	160,000
Transfers out	-	-	(40,000)	-	(120,000)	-	(160,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>(120,000)</u>	<u>160,000</u>	<u>-</u>
Net Change in Fund Balances	<u>1,400,336</u>	<u>(40,712)</u>	<u>64,035</u>	<u>703,361</u>	<u>(134,829)</u>	<u>79,298</u>	<u>2,071,489</u>
Fund Balances - January 1	<u>11,101,061</u>	<u>3,594,103</u>	<u>764,101</u>	<u>300,660</u>	<u>1,956,583</u>	<u>50,455</u>	<u>17,766,963</u>
Fund Balances - December 31	<u>\$ 12,501,397</u>	<u>\$ 3,553,391</u>	<u>\$ 828,136</u>	<u>\$ 1,004,021</u>	<u>\$ 1,821,754</u>	<u>\$ 129,753</u>	<u>\$ 19,838,452</u>

Zeeland Charter Township, Michigan
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Net change in fund balances-Total Governmental Funds	\$ 2,071,489
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Amounts reported for the governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Current year capital outlays capitalized - general capital assets	726,754
Current year depreciation expense on capitalized assets	(749,674)

Governmental funds do not report donated capital assets; in the statement of activities these are recorded as capital contributions

193,270

Timing of revenue recognition differs in the statement of activities versus the funds financial statements for certain revenues that do not provide current financial resources:

State shared revenues	31,587
Special assessment revenues	(10,075)

Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

215,000

Governmental funds report the effect of debt premiums, discounts, refunding gains/losses and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities

(4,340)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due

896

Change in net position of governmental activities	\$ <u>2,474,907</u>
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Zeeland Charter Township, Michigan
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Tax Collection
ASSETS	
Cash and investments	\$ 1,642,913
LIABILITIES	
Due to other governments	\$ 1,642,913
NET POSITION	
Restricted for individuals and other governments	\$ -

Zeeland Charter Township, Michigan
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	<u>Tax Collection</u>
Additions:	
Property taxes collected for other governments	\$ 15,830,633
Deductions:	
Property taxes distributed to other governments	<u>15,830,633</u>
Change in Fiduciary Net Position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u><u>\$ -</u></u>

Zeeland Charter Township, Michigan
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Zeeland Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Zeeland Charter Township:

Reporting Entity

The Charter Township of Zeeland was chartered in 1984 and covers an area of approximately 34 ½ square miles. The Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legally separate entities, in substance, they are part of the Township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Blended Component Unit. The Township has no blended component units

Discretely Presented Component Unit. The Township has no discretely presented component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, 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 Township does not have any business type activities. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. (Zeeland Charter Township has no such component units.)

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Township does not have any proprietary funds. Major individual governmental 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 fiduciary fund financial statements. Revenue is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period or within one year for expenditure driven grants. 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.

Those revenues susceptible to accrual are property taxes, intergovernmental revenues, special assessments due within the current fiscal year, licenses, interest revenue, and charges for services. Sales taxes (state shared revenues) collected and held by the State at year end on behalf of the Township and paid to the Township at the end of the following February are recognized as revenue in the year received. Such amounts are not normally received within 60 days of the end of the current fiscal year and are budgeted for use by the Township in the year received. Other revenue is recorded when received.

The Township reports the following major governmental funds:

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

Road Fund - The Road Fund accounts for the financial resources used for the construction and dust control of roads within the township.

Fire Fund - The Fire Fund accounts for the financial resources used for providing, training and maintaining a Fire Department within the Township.

Water Capital Improvements Fund - This fund accounts for the financial resources used for the general improvements to the water systems within the Township.

Sewer Capital Improvements Fund - This fund accounts for the financial resources used for the general improvements to the sewer systems within the Township.

Additionally, the Township reports the following fund types:

Governmental Funds

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - Debt Service Funds account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Funds

Proprietary funds are used to report *business-type activities*. The Township has no business-type activities and therefore no proprietary funds.

Fiduciary Funds (Not included in government-wide statements)

Custodial Funds - Custodial Funds account for assets held by the Township in a fiduciary capacity. These funds are custodial in nature and do not involve the measurement of results of operations. The Township maintains one custodial fund to account for tax collections and related payments.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue 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 revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end. In June of each year, all departments of the Township submit requests for appropriations to the supervisor and the finance director so that a budget may be prepared. By September 1, the proposed budget is presented to the Board of Trustees for review. The Board of Trustees holds study sessions and public hearings and a final budget must be prepared and adopted by December 31.

The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the department level. Expenditures may not legally exceed budget appropriations at the department level within the fund. Appropriated budgets are amended from time to time throughout the course of the fiscal year by supplementary resolutions approved by a majority vote of the board of trustees.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Bank Deposits and Investments

The Township pools cash resources of its various funds to facilitate the management of cash. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments. The following accounts are maintained on a separate basis outside of the combined cash management pool: petty cash accounts and the Tax Collection Fund.

Investments are recorded at fair value. Earnings in the pooled cash accounts are allocated to each fund based upon respective balances of cash and investments.

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Allowances for uncollectible amounts are not material.

Inventories and Prepaid Items

Inventories, if material, are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are not material and are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., water/sewer lines, bike paths, and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 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 at the date of donation.

Interest incurred during the construction of capital assets is included as part of the capitalized value of the assets constructed. During the current year \$0 of interest expense was capitalized as part of the cost of assets under construction.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40-60
Building improvements	15-30
Land improvements	15-30
Water and sewer lines	40-50
Vehicles	5-25
Office equipment	5-7
Machinery and equipment	3-20

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has one item that qualifies for reporting in this category. This item is the deferred charge on debt refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Township has only one type of item that qualifies under this category-unavailable revenue. Unavailable revenue-property taxes are reported in the governmental activities statement of financial position and governmental funds balance sheet. Unavailable revenues-special assessments are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption/Fund Balance Flow Assumptions

In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide 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.

In order to calculate the amounts reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund 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 fund balance to have been depleted before any of the components of unrestricted fund balance is applied in the following order: committed, assigned, and unassigned.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as debt service expenses. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

In governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – amounts that are not in spendable form (such as prepaids, inventory and long-term receivables) or are required to be maintained intact such as the corpus of a permanent fund.
- Restricted – amounts constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations) or imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts constrained to specific purposes determined by formal action by Township Board ordinance or resolution, and that remains binding unless removed in the same manner.
- Assigned – amounts, neither restricted nor committed, a government intends to use for a specific purpose; intent can be expressed by the Township Board or a body or official to which the Township Board has delegated the authority to assign amounts for specific purposes.
- Unassigned – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Property Taxes

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Real and personal property taxes are collected without additional charge through February 14. The Township continues to collect taxes until March 1, at which time the delinquent real property taxes are returned to the county for collection. Taxes returned delinquent to the county treasurer are subject to penalty and interest. The county's policy has been to pay the Township for all delinquent real property taxes returned. The Township continues to collect delinquent personal property taxes.

Although the Township's 2021 ad valorem tax is levied and collectible on December 1, 2021, it is the Township's policy to recognize revenue from this levy in the year ended December 31, 2022, when the proceeds of this levy 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 revenues and expenses during the period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

State Construction Code Act

The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

The Township accounts for the activity of its building inspection department within its General Fund. Following is a summary of the cumulative deficit and activity detail for the year ended December 31, 2021:

Surplus (deficit) - January 1, 2021		\$	9,521
Charges for services	\$	245,778	
Building inspection expenditures		<u>(240,566)</u>	<u>5,212</u>
Surplus (deficit) - December 31, 2021		\$	<u>14,733</u>

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
General Fund		
Public Works		
Drains	\$ 56,000	\$ 60,135
Recreation and Culture		
Drenthe Grove	30,300	42,641
Capital Outlay		
Public works	300,000	349,493
Fire Fund		
Public Safety		
Contracted services	26,300	27,457
Utilities	24,000	24,745

3. DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township Board has designated several banks for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	<u>\$ 22,403,227</u>	<u>\$ 1,642,913</u>	<u>\$ 24,046,140</u>

The breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts, certificates of deposit)	\$ 7,776,626
Investments	<u>16,269,514</u>
Total deposits and investments	<u>\$ 24,046,140</u>

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The Township does not have a deposit policy for custodial credit risk. At year end the bank balance of the Township's deposits was \$7,660,306 of which \$2,000,000 was covered by federal depository insurance and \$5,660,306 was exposed due to custodial credit risk because it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

The Township chooses to disclose its investments by utilizing the specific identification method. As of December 31, 2021, the Township had the following investments:

Prime Commercial Paper	\$ 6,525,029
Municipal Bonds	5,846,429
Federal Home Loan Mortgage Corporation	58,587
Federal Home Loan Bank	3,207,085
Federal National Mortgage Association	97,251
Government National Mortgage Association	479,958
Federated Treasury Obligations Fund	55,175
Total	<u>\$ 16,269,514</u>

The Township's investments in prime commercial paper, municipal bonds, and US Government Agency Obligations at year end consists of:

Investments	Maturities	Fair Value	S&P Rating	Investments	Maturities	Fair Value	S&P Rating
Prime Commercial Paper:				Municipal Bonds:			
Banco De Credito Del Peru	4/20/22	\$ 999,419	A-2	Allendale Mich Pub Sch	5/1/28	202,748	AA
Banco De Credito Del Peru	6/8/22	998,719	A-2	Bangor Mich Pub Sch	5/1/28	230,882	AA
Cigna Corporation	2/15/22	999,859	A-2	Bangor Mich Pub Sch	5/1/29	252,418	AA
Enel Finance America LLC	3/16/22	727,833	A-2	Chippewa Valley Mich Schs	5/1/26	195,712	AA+
HSBC USA Inc.	7/15/22	399,368	A-2	Chippewa Valley Mich Schs	5/1/27	242,733	AA+
Hyundai Capital America	8/1/22	1,002,978	A-2	Chippewa Valley Mich Schs	5/1/28	486,025	AA+
Westpac Securities NZ Ltd	8/26/22	1,396,853	A-1+	Comstock Park Mich Schs	11/1/23	217,459	AA
				Comstock Park Mich Schs	11/1/24	279,491	AA
				Comstock Park Mich Schs	11/1/25	348,738	AA
				Garden City Mich Sch Dist	5/1/22	25,222	AA
				Goodrich Mich Area Sch Dist	5/1/25	246,418	AA
				Perry Mich Pub Schs	5/1/26	500,380	AA
				Portage Mich Pub Schs	11/1/26	640,015	AA-
				Rochester Mich	10/1/23	99,153	AAA
				Rochester Mich	10/1/24	118,399	AAA
				Rochester Mich	10/1/25	122,236	AAA
				Romulus Mich Comnty Schs	5/1/25	207,463	AA
				Warren Mich Cons Sch Dist	5/1/22	1,000,040	AA
				West Ottawa Mich Pub Sch	5/1/26	208,415	AA+
				West Ottawa Mich Pub Sch	5/1/27	222,482	AA+
Total Prime Commercial Paper		<u>6,525,029</u>		Total Municipal Bonds		<u>5,846,429</u>	
U.S. Government Agency Obligations:				Total Investments			
Federal Home Loan Mtg Corp	7/15/39	58,587	AA+			<u>\$ 16,269,514</u>	
Federal Home Loan Bank	3/10/26	1,464,015	AA+				
Federal Home Loan Bank	4/28/26	1,743,070	AA+				
Federal Natl Mortgage Assoc	11/15/30	97,251	AA+				
Government National Mtg Assoc	12/20/48	274,446	AA+				
Government National Mtg Assoc	11/20/49	205,512	AA+				
Total U.S. Government Agency Obligations		<u>3,842,881</u>					
Federated Treasury Obligations	12/31/21	55,175	AAAm				

Interest rate risk. Except as limited by state law as listed in the above list of authorized investments, the Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates of the Township's investments are identified above.

Credit risk. The Township has no investment policy that limits its investment choices beyond those required by state law. The ratings for each investment are identified above for investments held at year end.

Custodial Credit Risk-Investments. For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The Township has not adopted a policy for investment custodial credit risk. As of December 31, 2021, the Township's investments were held by a third party in the Township's name. The Township's investments in money market accounts are not subject to risk categorization.

Concentration of Credit Risk. State law does not limit and the Township has not adopted a formal policy on the amount the Township may invest in any one issuer. More than 5% of the Township's investments are in Banco De Credito Del Peru (13.5%), Federal Home Loan Bank (11.8%), Westpac Securities NZ Ltd (9.4%), Hyundai Capital America (6.8%), Warren Consolidated School District (6.8%), Cigna Corporation (6.8%), Chippewa Valley Schools (6.2%), and Comstock Park Schools (5.7%).

Foreign Currency Risk. The Township is not authorized to invest in investments which have this type of risk.

Fair Value Measurement

The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances in which inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Township's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The Township has the following recurring fair value measurements for its investments as of December 31, 2021.

- Municipal bonds in the amount of \$5,846,429 are valued using pricing models maximizing the use of observable inputs for similar securities (Level 2). This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.
- United States Government Agency Obligations in the amount of \$3,842,881 are valued using pricing models maximizing the use of observable inputs for similar securities (Level 2).

The Township did not have any investments valued with Level 1 or Level 3 inputs at December 31, 2021.

Investments in prime commercial paper in the amount of \$6,525,029 are recorded at amortized cost which approximates fair value and is not subject to fair value disclosures.

The Federated Treasury Obligations in the amount of \$55,175 complies with Rule 2a-7's definition of a government money market fund. Accordingly, it is not subject to fair value disclosure.

4. CAPITAL ASSETS

Capital asset activity of the Township for the current year was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Completed Construction</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated					
Land	\$ 1,028,992	\$ -	\$ -	\$ -	\$ 1,028,992
Construction in progress	<u>108,766</u>	<u>310,895</u>	<u>-</u>	<u>(204,651)</u>	<u>215,010</u>
Subtotal	<u>1,137,758</u>	<u>310,895</u>	<u>-</u>	<u>(204,651)</u>	<u>1,244,002</u>
Capital Assets Being Depreciated					
Building and Improvements	3,880,926	-	-	-	3,880,926
Improvements other than buildings	2,400,530	372,698	(85,220)	204,651	2,892,659
Machinery and equipment	3,680,899	43,161	-	-	3,724,060
Infrastructure	<u>11,070,742</u>	<u>193,270</u>	<u>-</u>	<u>-</u>	<u>11,264,012</u>
Subtotal	<u>21,033,097</u>	<u>609,129</u>	<u>(85,220)</u>	<u>204,651</u>	<u>21,761,657</u>
Less Accumulated Depreciation for					
Building and Improvements	(1,031,427)	(102,871)	-	-	(1,134,298)
Improvements other than buildings	(1,601,429)	(214,997)	85,220	-	(1,731,206)
Machinery and equipment	(1,457,560)	(210,391)	-	-	(1,667,951)
Infrastructure	<u>(2,112,162)</u>	<u>(221,415)</u>	<u>-</u>	<u>-</u>	<u>(2,333,577)</u>
Subtotal	<u>(6,202,578)</u>	<u>(749,674)</u>	<u>85,220</u>	<u>-</u>	<u>(6,867,032)</u>
Net Capital Assets Being Depreciated	<u>14,830,519</u>	<u>(140,545)</u>	<u>-</u>	<u>204,651</u>	<u>14,894,625</u>
Governmental Activities Total					
Capital Assets-Net of Depreciation	<u>\$ 15,968,277</u>	<u>\$ 170,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,138,627</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 48,024
Public safety	270,279
Public works	297,821
Recreation and culture	<u>133,550</u>
	<u>\$ 749,674</u>

Construction Commitments-The Township has no significant construction commitments at December 31, 2021.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Township had no interfund balances at December 31, 2021.

At December 31, 2021, interfund transfers reported in the funds statements were as follows:

	Transfers Out		
	Fire Fund	Sewer Capital Improvement Fund	Total
Transfers In:			
Fire Department Compensation Fund	\$ 40,000 (1)	\$ -	\$ 40,000
Adams Street Sewer Bond Fund	- (2)	120,000	120,000
	<u>\$ 40,000</u>	<u>\$ 120,000</u>	<u>\$ 160,000</u>

The following describes the nature of significant transfers:

- (1) Transfer from Fire Fund for fire department payroll
- (2) Transfer from Sewer Capital Improvements Fund for debt service

6. LONG-TERM DEBT

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	Issue	Balance	Additions	Reductions	Balance	One Year
Governmental Activities						
County Contractual Obligations						
Adams Street Sewer Bond (2013 refunding)						
due in annual installments of \$25,000 to						
\$265,000 through November 1, 2023;						
interest from 0.95% to 3%	<u>\$ 1,485,000</u>	<u>\$ 645,000</u>	<u>\$ -</u>	<u>\$ (215,000)</u>	<u>\$ 430,000</u>	<u>\$ 230,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

Year End December 31	Governmental Activities	
	Principal	Interest
2022	\$ 230,000	\$ 12,325
2023	<u>200,000</u>	<u>6,000</u>
	<u>\$ 430,000</u>	<u>\$ 18,325</u>

Commitment - Zeeland Charter Township, along with other local municipalities, purchases water from the City of Wyoming for storage and distribution to the Township's customers. The City of Wyoming bills Ottawa County for this water purchase which in turn bills the individual municipalities.

Ottawa County has issued general obligation bonds to provide for the construction and acquisition of a portion of the City of Wyoming water system for the benefit of the local municipalities. Each participating municipality has pledged its full faith and credit for the payment of its respective share of contract payments to Ottawa County sufficient to pay the principal and interest on the bonds.

Separate contract payments for principal and interest on these bonds are not made by the Township but instead are included as part of the overall water rate charged by Ottawa County to the Township.

At December 31, 2021, the portion of these Ottawa County bonds outstanding for which the Township has pledged its full faith and credit amounted to \$4,416,446.

7. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased full multi-peril insurance coverage underwritten by the Michigan Township Participating Plan. The Township is fully insured for workers compensation claims by coverage underwritten by the Michigan Municipal Workers Compensation Fund. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

8. TAX ABATEMENTS

As of December 31, 2021, the Township provides tax abatement through one program: The Industrial Facilities Exemption.

Industrial Facilities Exemption

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

For the year ended December 31, 2021, the Township abated property tax revenues totaling \$136,804 under this program.

9. COVID-19

In March 2020, the World Health Organization classified the outbreak of a novel coronavirus (COVID-19) as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Township's operational and financial performance. The extent of the impact of COVID-19 on the Township's financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on services, employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Township is not able to estimate the effects of the COVID-19 outbreak at this time.

10. FUND BALANCES – GOVERNMENTAL FUNDS

Detailed information on governmental fund balances at December 31, 2021 is as follows:

	General Fund	Road Fund	Fire Fund	Water Capital Improvements Fund	Sewer Capital Improvements Fund	Non-major Funds	Total
Non-spendable:							
Prepaid items	\$ 10,470	\$ -	\$ 49,927	\$ -	\$ -	\$ -	\$ 60,397
Restricted for:							
Fire operations	-	-	336,194	-	-	-	336,194
Roads	-	2,617,056	-	-	-	-	2,617,056
Water and sewer	-	-	-	670,336	1,291	116,973	788,600
Construction code	14,733	-	-	-	-	-	14,733
Total Restricted	14,733	2,617,056	336,194	670,336	1,291	116,973	3,756,583
Committed for:							
Fire capital	2,200,000	-	-	-	-	-	2,200,000
Utilities	4,000,000	-	-	-	-	-	4,000,000
Bike paths	1,890,000	-	-	-	-	-	1,890,000
Parks	1,420,000	-	-	-	-	-	1,420,000
Building and grounds	500,000	-	-	-	-	-	500,000
Cemetery	100,000	-	-	-	-	-	100,000
Disaster relief	30,000	-	-	-	-	-	30,000
Emergency mgmt	153,100	-	-	-	-	-	153,100
Total Committed	10,293,100	-	-	-	-	-	10,293,100
Assigned for:							
Fire operations	-	-	442,015	-	-	-	442,015
Fire compensation	-	-	-	-	-	9,430	9,430
Roads	-	936,335	-	-	-	-	936,335
Water and sewer	-	-	-	333,685	1,820,463	-	2,154,148
Debt service	-	-	-	-	-	3,350	3,350
Total Assigned	-	936,335	442,015	333,685	1,820,463	12,780	3,545,278
Unassigned	2,183,094	-	-	-	-	-	2,183,094
Total fund balances							
governmental funds	\$ 12,501,397	\$ 3,553,391	\$ 828,136	\$ 1,004,021	\$ 1,821,754	\$ 129,753	\$ 19,838,452

Required Supplementary Information

Zeeland Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Revenues:				
Taxes	\$ 1,595,500	\$ 1,595,500	\$ 1,595,440	\$ (60)
Licenses and permits	474,600	544,450	524,676	(19,774)
State shared revenues	842,700	1,042,700	1,061,420	18,720
Charges for services	28,000	52,000	93,036	41,036
Investment earnings	69,500	7,000	(54,766)	(61,766)
Other	4,000	27,000	27,199	199
Total Revenues	<u>3,014,300</u>	<u>3,268,650</u>	<u>3,247,005</u>	<u>(21,645)</u>
Expenditures:				
Current:				
General Government:				
Township board	33,450	33,450	29,119	4,331
Supervisor	71,200	71,200	67,402	3,798
Manager	47,100	-	-	-
Office administration	65,900	65,900	62,918	2,982
Information technology	33,500	35,500	28,027	7,473
Clerk	37,250	37,250	35,781	1,469
Attorney	25,000	25,000	17,447	7,553
Audit	15,500	16,050	16,050	-
Accounting	16,150	16,150	16,148	2
Board of review	1,800	1,800	1,090	710
Treasurer	36,400	36,400	35,075	1,325
Assessor	50,500	50,500	50,438	62
Elections	8,500	8,500	7,617	883
Building and grounds	62,850	62,850	55,642	7,208
Total General Government	<u>505,100</u>	<u>460,550</u>	<u>422,754</u>	<u>37,796</u>
Public Safety:				
Fire protection	1,550	1,550	409	1,141
Police protection	173,000	178,000	166,995	11,005
Building inspection	97,000	172,000	157,560	14,440
Electrical inspection	20,800	23,300	21,540	1,760
Mechanical inspection	24,000	24,000	16,100	7,900
Plumbing inspection	16,000	16,000	13,450	2,550
Total Public Safety	<u>332,350</u>	<u>414,850</u>	<u>376,054</u>	<u>38,796</u>
Public Works:				
Bike paths	32,000	47,000	32,585	14,415
Drains	35,000	56,000	60,135	(4,135)
Roads	550	550	388	162
Street lighting	45,000	45,000	43,000	2,000
Engineering	32,000	32,000	21,484	10,516
Cemetery	32,300	47,300	43,655	3,645
Macatawa Watershed	10,700	10,700	10,574	126
Total Public Works	<u>187,550</u>	<u>238,550</u>	<u>211,821</u>	<u>26,729</u>

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget
Community and Economic Development				
Planning Commission and administration	14,850	14,850	6,525	8,325
Zoning administration	25,000	25,000	232	24,768
Zoning Board of Appeals	2,300	2,300	264	2,036
Macatawa Area Coordinating Council	13,000	13,000	11,077	1,923
Economic development	5,000	5,000	5,000	-
Total Community and Economic Development	<u>60,150</u>	<u>60,150</u>	<u>23,098</u>	<u>37,052</u>
Recreation and Culture:				
Drenthe Grove	30,300	30,300	42,641	(12,341)
VanZoeren Woods	10,000	22,000	11,423	10,577
Parks	500	500	-	500
Library	135,000	135,000	135,000	-
Community services	30,000	30,000	11,025	18,975
Total Recreation and Culture	<u>205,800</u>	<u>217,800</u>	<u>200,089</u>	<u>17,711</u>
Other:				
Insurance	16,500	16,500	15,986	514
Contingencies	60,000	-	-	-
Total Other	<u>76,500</u>	<u>16,500</u>	<u>15,986</u>	<u>514</u>
Capital Outlay:				
General government	300,000	150,000	146,892	3,108
Public safety	25,000	33,100	-	33,100
Public works	205,000	300,000	349,493	(49,493)
Recreation and culture	235,000	110,000	100,482	9,518
Total Capital Outlay	<u>765,000</u>	<u>593,100</u>	<u>596,867</u>	<u>(3,767)</u>
Total Expenditures	<u>2,132,450</u>	<u>2,001,500</u>	<u>1,846,669</u>	<u>154,831</u>
Excess Of Revenues Over Expenditures	881,850	1,267,150	1,400,336	133,186
Other Financing Sources (Uses):				
Transfers out	(860,000)	-	-	-
Net Change in Fund Balances	21,850	1,267,150	1,400,336	133,186
Fund Balances - January 1	<u>11,101,061</u>	<u>11,101,061</u>	<u>11,101,061</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 11,122,911</u>	<u>\$ 12,368,211</u>	<u>\$ 12,501,397</u>	<u>\$ 133,186</u>

Zeeland Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - ROAD FUND
Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
Revenues:				
Taxes	\$ 711,000	\$ 711,000	\$ 710,910	\$ (90)
State shared revenues	14,600	14,600	15,352	752
Investment earnings	<u>20,000</u>	<u>20,000</u>	<u>(18,684)</u>	<u>(38,684)</u>
Total Revenues	<u>745,600</u>	<u>745,600</u>	<u>707,578</u>	<u>(38,022)</u>
Expenditures:				
Current:				
Public Works:				
Dust control	21,000	21,000	20,194	806
Road improvements	925,000	935,000	727,538	207,462
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>558</u>	<u>1,442</u>
Total Expenditures	<u>948,000</u>	<u>958,000</u>	<u>748,290</u>	<u>209,710</u>
Net Change in Fund Balances	(202,400)	(212,400)	(40,712)	171,688
Fund Balances - January 1	<u>3,594,103</u>	<u>3,594,103</u>	<u>3,594,103</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 3,391,703</u>	<u>\$ 3,381,703</u>	<u>\$ 3,553,391</u>	<u>\$ 171,688</u>

Zeeland Charter Township, Michigan
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - FIRE FUND
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final
				Budget
Revenues:				
Taxes	\$ 479,500	\$ 479,500	\$ 479,250	\$ (250)
State shared revenues	3,300	3,300	3,904	604
Charges for services	1,000	1,000	1,000	-
Investment earnings	3,800	3,800	(4,217)	(8,017)
Other	-	-	2,199	2,199
Total Revenues	<u>487,600</u>	<u>487,600</u>	<u>482,136</u>	<u>(5,464)</u>
Expenditures:				
Current:				
Public Safety:				
Contracted services	19,500	26,300	27,457	(1,157)
Hydrant rental	54,000	54,400	54,355	45
Dues and subscriptions	1,000	1,000	525	475
Insurance	70,000	73,000	72,103	897
Miscellaneous	1,000	1,000	377	623
Repairs and maintenance	54,000	82,500	72,457	10,043
Salaries and fringes	3,800	3,800	3,116	684
Supplies	62,000	80,000	71,990	8,010
Training	7,000	9,000	7,815	1,185
Utilities	24,000	24,000	24,745	(745)
Total Public Safety	<u>296,300</u>	<u>355,000</u>	<u>334,940</u>	<u>20,060</u>
Capital Outlay	<u>37,000</u>	<u>48,000</u>	<u>43,161</u>	<u>4,839</u>
Total Expenditures	<u>333,300</u>	<u>403,000</u>	<u>378,101</u>	<u>24,899</u>
Excess Of Revenues Over (Under) Expenditures	154,300	84,600	104,035	19,435
Other Financing Sources (Uses):				
Transfers out	<u>(25,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net Change in Fund Balances	129,300	44,600	64,035	19,435
Fund Balances - January 1	<u>764,101</u>	<u>764,101</u>	<u>764,101</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 893,401</u>	<u>\$ 808,701</u>	<u>\$ 828,136</u>	<u>\$ 19,435</u>

Other Supplementary Information

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Fire Compensation Fund – was established to account for the Fire Compensation millage separately from the general fire protection service millage.

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Adams Street Sewer Bond Fund – was established to account for special assessment revenue and General Fund contributions to make annual principal and interest payments for the Adams Street Sewer Improvements.

Zeeland Charter Township, Michigan
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue Fund	Debt Service Fund	
	Fire Compensation	Adams Street Sewer Bond	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 175,792	\$ 120,173	\$ 295,965
Receivables:			
Taxes	129,616	-	129,616
Assessments	-	21,068	21,068
Interest	75	150	225
Total Assets	<u>\$ 305,483</u>	<u>\$ 141,391</u>	<u>\$ 446,874</u>
LIABILITIES			
Accrued payroll	\$ 49,583	\$ -	\$ 49,583
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	246,470	-	246,470
Unavailable revenue-special assessments	-	21,068	21,068
Total Deferred Inflows of Resources	<u>246,470</u>	<u>21,068</u>	<u>267,538</u>
FUND BALANCES			
Restricted	-	116,973	116,973
Assigned	9,430	3,350	12,780
Total Fund Balances	<u>9,430</u>	<u>120,323</u>	<u>129,753</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 305,483</u>	<u>\$ 141,391</u>	<u>\$ 446,874</u>

Zeeland Charter Township, Michigan
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	Special Revenue Fund	Debt Service Fund	
	Fire Compensation	Adams Street Sewer Bond	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$ 237,192	\$ -	\$ 237,192
State shared revenues	1,931	-	1,931
Investment earnings	(650)	1,952	1,302
Special assessments	-	232,123	232,123
	<u>-</u>	<u>232,123</u>	<u>232,123</u>
Total Revenues	<u>238,473</u>	<u>234,075</u>	<u>472,548</u>
Expenditures:			
Current:			
Public safety	318,100	-	318,100
Public works	-	2,000	2,000
Debt Service:			
Principal retirement	-	215,000	215,000
Interest and other charges	-	18,150	18,150
	<u>-</u>	<u>18,150</u>	<u>18,150</u>
Total Expenditures	<u>318,100</u>	<u>235,150</u>	<u>553,250</u>
Excess of Revenues			
Over (Under) Expenditures	(79,627)	(1,075)	(80,702)
Other Financing Sources (Uses):			
Transfers in	40,000	120,000	160,000
	<u>40,000</u>	<u>120,000</u>	<u>160,000</u>
Net Change in Fund Balances	(39,627)	118,925	79,298
Fund Balances - January 1	49,057	1,398	50,455
	<u>49,057</u>	<u>1,398</u>	<u>50,455</u>
Fund Balances - December 31	<u>\$ 9,430</u>	<u>\$ 120,323</u>	<u>\$ 129,753</u>