

Charter Township of Fruitport
Muskegon County, Michigan

REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)

March 31, 2021



Charter Township of Fruitport

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INDEPENDENT AUDITOR’S REPORT

Township Board
Charter Township of Fruitport
Fruitport, Michigan

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

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Township Board
Charter Township of Fruitport
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Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, and other post-employment benefits information on pages 3 through 12 and 47 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Fruitport, 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.

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



Muskegon, Michigan
September 22, 2021

As management of the Charter Township of Fruitport, we present to the readers of the Township's financial statements this overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2021. We encourage you to consider the information presented in these financial statements along with the additional information that has been furnished in this letter.

FINANCIAL HIGHLIGHTS

- Assets of the Township exceeded liabilities/deferred inflows of resources at the close of the fiscal year by \$20,479,573 (net position). Of this amount, \$5,029,262 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.
- Governmental activities had net position totaling \$4,084,771 while business-type activities ended the year with \$16,394,802 in total net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Township's finances. These statements are similar to those of a private sector business.

The Statement of Net Position presents information on all of the Township's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities presents information showing how the Township's net position changed during the fiscal year. All changes in net position are reported when the 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 the future fiscal periods.

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

Fund Financial Statements

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a governmental entity's short-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 short-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.

The Township maintains several 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 General Fund and Public Safety Fund, which are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. The Township has two enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water distribution and sewer operations.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds financial statements provide separate information for the Sewer and Water funds, both of which are major funds.

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

Notes to 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 reader is encouraged to include the reading of this section in any attempt to analyze and understand these statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's budgetary information as it relates to the actual expenditures for the General Fund and Public Safety Fund.

The combining statements referred to earlier in connection with the non-major governmental funds are presented immediately following the required supplemental information on budgetary information.

Government-wide Financial Analysis

The first table presented below is a summary of the government-wide statement of net position for the Township. As stated earlier, the net position may be used as an indicator of a government's financial health. As of March 31, 2021, the Township's net position from governmental activities totaled \$4,084,771 (20%) and \$16,394,802 (80%) from business-type activities, creating a total government-wide net position total of \$20,479,573.

In examining the composition of net position, the reader should note that governmental activities include net position that is invested in capital assets (i.e., buildings, land, vehicles, equipment, etc.) These assets are used to provide services to the Township's residents, and they are not available to pay salaries, operational expenses or fund capital projects. Certain other governmental net position is shown as restricted, meaning that it is subject to external restrictions on how it may be used. The unrestricted net position for governmental activities actually depicts a balance of \$1,826,561. This represents the amount of discretionary resources that can be used for general governmental operations.

The business-type activities show a total of \$16,394,802 in net position of which \$3,202,701 is unrestricted. The Sewer Fund and Water Fund unrestricted net position are \$1,947,314 and \$1,255,387, respectively.

Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current assets and other assets	\$ 4,338,577	\$ 3,965,486	\$ 5,272,813	\$ 5,032,643	\$ 9,611,390	\$ 8,998,129
Capital assets	2,904,479	2,956,897	14,265,601	14,737,019	17,170,080	17,693,916
Total assets	7,243,056	6,922,383	19,538,414	19,769,662	26,781,470	26,692,045
Deferred outflows of resources	-	49,478	-	12,370	-	61,848
Total assets and deferred outflows of resources	7,243,056	6,971,861	19,538,414	19,782,032	26,781,470	26,753,893
Current liabilities	370,103	332,805	334,389	581,285	704,492	914,090
Noncurrent liabilities	2,180,196	2,375,900	2,657,227	2,835,559	4,837,423	5,211,459
Total liabilities	2,550,299	2,708,705	2,991,616	3,416,844	5,541,915	6,125,549
Deferred inflows of resources	607,986	443,048	151,996	110,762	759,982	553,810
Total liabilities and deferred inflows of resources	3,158,285	3,151,753	3,143,612	3,527,606	6,301,897	6,679,359
Net position						
Net investment in capital assets	1,814,798	1,861,291	13,192,101	13,380,439	15,006,899	15,241,730
Restricted	443,412	1,069,671	-	-	443,412	1,069,671
Unrestricted	1,826,561	889,146	3,202,701	2,873,987	5,029,262	3,763,133
Total net position	\$ 4,084,771	\$ 3,820,108	\$ 16,394,802	\$ 16,254,426	\$ 20,479,573	\$ 20,074,534

For governmental activities, the increase in current assets occurred due to lower capital asset purchases. Capital assets decreased as current year depreciation exceeded current capital asset purchases. Noncurrent liabilities decreased due to normal scheduled debt service payments.

For business-type activities, the increase in current assets occurred due to lower capital asset purchases. Capital assets decreased as current year depreciation exceeded current capital asset purchases. Noncurrent liabilities decreased due to normal scheduled debt service payments.

Fluctuations in deferred inflows and outflows of resources are due to differences in experience, assumptions, and investment return related to the other post-employment benefits plan which are being amortized over average expected remaining service lives of all employees.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities, which shows changes in net position.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 802,142	\$ 922,094	\$ 2,379,661	\$ 2,264,699	\$ 3,181,803	\$ 3,186,793
Operating grants	12,405	15,884	-	-	12,405	15,884
Capital grants and contributions	-	3,000	440,482	855,269	440,482	858,269
General revenues						
Property taxes	2,067,934	1,958,637	-	-	2,067,934	1,958,637
Franchise fees	175,797	171,890	-	-	175,797	171,890
Grants and contributions not restricted	1,171,405	1,174,571	-	-	1,171,405	1,174,571
Unrestricted investment earnings	18,426	73,529	70,792	112,071	89,218	185,600
Miscellaneous	10,473	2,558	-	-	10,473	2,558
Gain on sale of capital assets	15,000	1,528	5,125	-	20,125	1,528
Total revenues	4,273,582	4,323,691	2,896,060	3,232,039	7,169,642	7,555,730
Expenses:						
General government	891,384	832,980	-	-	891,384	832,980
Public safety	2,578,079	2,575,766	-	-	2,578,079	2,575,766
Public works	341,702	289,127	-	-	341,702	289,127
Community and economic development	10,454	11,943	-	-	10,454	11,943
Culture and recreation	142,328	165,143	-	-	142,328	165,143
Interest on long term debt	44,972	41,952	-	-	44,972	41,952
Sewer	-	-	524,432	555,609	524,432	555,609
Water	-	-	2,231,252	2,350,694	2,231,252	2,350,694
Total expenses	4,008,919	3,916,911	2,755,684	2,906,303	6,764,603	6,823,214
Change in net position	264,663	406,780	140,376	325,736	405,039	732,516
Net position - Beginning	3,820,108	3,413,328	16,254,426	15,928,690	20,074,534	19,342,018
Net position - Ending	\$ 4,084,771	\$ 3,820,108	\$ 16,394,802	\$ 16,254,426	\$ 20,479,573	\$ 20,074,534

Governmental Activities

Net position of the Township's governmental activities increased by \$264,663 (6.9%) during the 2021 fiscal year.

Charges for services decreased due to a change in State law that limited the formula for the Township's police assessment district. Investment earnings decreased due to lower return on investments. Public works expenses increased due to additional street improvement projects. Culture and recreation expenses decreased due to a reduction in projects.

Business-type Activities

At the end of the fiscal year, the net position for business-type activities increased \$140,376 (.9%). Two funds comprise the business-type activities. The Sewer Fund and Water Fund experienced an increase in net position for the year of \$1,158 and \$139,218, respectively.

Capital grants and contributions decreased due to less hookups in the current year.

Financial Analysis of the Government's Funds

As stated earlier in this discussion and analysis, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the 2021 fiscal year, the governmental funds reported a combined unassigned fund balance of \$2,620,149, which is shown entirely in the General Fund. The remainder of the fund balance is nonspendable due to prepaid items, restricted for public safety or street lights, committed for public safety capital purchases, cemetery capital improvements, or parks, or assigned for road improvements as shown on page 16.

The General Fund is the chief operating fund of the Township. The General Fund ended the year with a fund balance of \$2,674,619, an increase of \$100,630 from the prior fiscal year. The health of the General Fund may be measured by the ratio of unassigned fund balance to annual expenditures and transfers. Unassigned fund balance represents 112 percent of the General Fund's expenditures and transfers (121 percent in the prior year). The Township has a minimum fund balance policy requiring unassigned fund balance to be 25 percent of General Fund revenues with which it is in compliance.

Proprietary Funds. The Township’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the Sewer and Water funds increased by \$1,158 and \$139,218, respectively. The result was an overall increase in the proprietary funds of \$140,376.

General Fund Budget

During the current fiscal year, the Township made several amendments to its original General Fund budget. The most significant of those are listed below:

- Property tax revenues were amended up by \$27,399 due to higher than anticipated growth in taxable value.
- Intergovernmental revenues – State were amended up by \$65,792 to reflect higher than anticipated revenue sharing.
- Roads expenditures were amended up by \$50,556 to reflect additional road projects.
- Capital outlay expenditures were amended up by \$29,401 for unanticipated parking lot improvements.

Budget Variations

The following comments summarize the major variations from the final budget to actual revenues and expenditures in the General Fund:

- Investment earnings were under budget by \$33,646 due to lower than expected interest rates.
- Roads expenditures were under budget by \$27,002 as an anticipated project in the General Fund was instead done in the Revolving Road Fund.
- Capital outlay expenditures were under budget by \$23,213 due to a cemetery project being delayed.

Capital Assets

The Township’s investment in capital assets for its governmental and business-type activities as of March 31, 2021 totaled \$17,170,080 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, vehicles and utility systems.

Significant capital asset include resurfacing of various Township parking lots, two new police vehicles, and a new pickup truck.

**Capital Assets
(Net of Accumulated Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 428,708	\$ 423,870	\$ 111,129	\$ 111,129	\$ 539,837	\$ 534,999
Land improvements	539,746	510,477	6,207	6,923	545,953	517,400
Buildings and improvements	1,191,870	1,236,190	430,451	444,115	1,622,321	1,680,305
Furniture and equipment	237,786	285,769	3,799	13,360	241,585	299,129
Vehicles	506,369	500,591	51,338	34,661	557,707	535,252
Utility systems	-	-	13,662,677	14,126,831	13,662,677	14,126,831
Total	\$ 2,904,479	\$ 2,956,897	\$ 14,265,601	\$ 14,737,019	\$ 17,170,080	\$ 17,693,916

Additional information on the Township’s capital assets can be found in Note E of the “Notes to Financial Statements” of this report.

Long-Term Debt

At the end of the fiscal year, the Township had total outstanding debt of \$4,211,528 consisting of general obligation bonds, installment purchase agreements, capital leases, and compensated absences.

Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 826,500	\$ 848,250	\$ 2,693,500	\$ 2,851,750	\$ 3,520,000	\$ 3,700,000
Bond premium	-	-	97,199	115,199	97,199	115,199
Intergovernmental obligations	-	-	-	209,830	-	209,830
Special assessment bonds	-	-	-	45,000	-	45,000
Installment purchase agreements	251,098	223,975	-	-	251,098	223,975
Capital lease agreements	12,083	23,381	-	-	12,083	23,381
Compensated absences	272,220	270,618	58,928	53,280	331,148	323,898
Total	\$ 1,361,901	\$ 1,366,224	\$ 2,849,627	\$ 3,275,059	\$ 4,211,528	\$ 4,641,283

The Township’s total debt decreased by \$429,755 during the fiscal year due to normal scheduled debt payments net of a new installment purchase agreement.

Additional information on the Township’s long-term debt can be found in Note G of the “Notes to Financial Statements” of this report.

General Economic Overview

The Township’s General Fund has two major revenue sources, state revenue sharing and property tax revenue. Those two sources comprised approximately 79% of the General Fund revenue sources. For fiscal year 2021-22 state revenue sharing is projected to decrease due to funding reductions by the State of Michigan related to the COVID-19 pandemic. The Township anticipates property tax revenues to be approximately the same.

The Township continues to bear financial implications with retail stores challenging taxable and assessed values with the Michigan Tax Tribunal. The Township has been researching ways to ease the burden of providing public safety services to retailers with an abundant amount of calls/usage. In fiscal year 2017-2018, the Township implemented a special assessment district (SAD) for those retailers with excessive amounts of public safety usage. Recently, State legislators passed laws that prohibit the Township from using the current formula to levy a special assessment in these districts. Effective with the December 2019 tax levy, the Township implemented a new method to levy a special assessment that would ensure compliance with the new legislation. The invoices that are billed with the new Plan are not getting paid by the business and may end up on the winter property tax roll. The Township continues to review the progress with this new program.

Last fiscal year the Township budgeted General Fund transfers of \$1,175,647 to the Public Safety Fund and has budgeted \$1,224,243 to supplement operations for fiscal year 2021-22.

The Township continues to look for cost savings as well as endeavor to meet citizen expectations in the current economy. Among items either underway or under consideration are the following:

1. The State of Michigan has certain regulations regarding police and fire equipment and the life expectancy thereof. The Township is working to ensure that its equipment remains in compliance. Significant purchases were budgeted in both the past and upcoming fiscal years. The Township plans to pass an annual resolution that would allow the public safety fund balance to be set aside for the purchase of more expensive equipment, such as new fire truck(s), to prevent the need to borrow and pay additional interest.
2. The Township has a capital plan to rotate out police vehicles annually as opposed to rotating out the entire fleet every four years. The annual rotation will prevent the large expenditure of an entire fleet all at once. The purchase of vehicles for the police fleet is still on a schedule; however, the Township is hopeful that the decrease in revenue due to the COVID-19 pandemic will not cause a delay in the schedule. The Township is looking at grants and possibly ARPA funds for the purchase of body-cams for the police department.
3. The Utility Department has a Capital Plan and continues to budget for a large back-hoe purchase.
4. The Township continues to support the Little River Band of Ottawa Indians casino project in Fruitport. Tribal leaders and state legislators announced that the U.S. Bureau of Indian Affairs (BOIA) has approved the \$100 million casino proposal at the federal level. The project is currently at the State level awaiting approval by the Governor. If, and when approved, the former Great Lakes Down racetrack property would include stores, hotels and a large retail facility in addition to the casino. The Township has been informed that the COVID-19 pandemic has put the State Government behind schedule.
5. The Township continues to experience a significant improvement in economic development with various retail, residential and light industrial projects approved or in the planning and/or staff review stages. Last fiscal year the Township approved a Downtown Development Authority District. The first project scheduled for bonding will include infrastructure for water and sewer in the area where the Charrette Group is planning to begin phase one of a PUD where the golf course currently is located.
6. The Township continues to work with legal counsel to update its five year planning and zoning plan.
7. The Township continues to work with state and federal transportation departments in order to complete gathering funds for I-96 Interchange at Sternberg Road. This has been in the background hoping that when the Casino comes it will become a work in progress.
8. Utility Department projects for the coming years include infrastructure for the Charrette Group PUD project where the golf course is currently. The Odeno residential project, owned by the Little River Band of Ottawa Indians, has completed phase I and is working on the phase II project this year.
9. The Township is monitoring a Water Authority water main along Lake Michigan that is eroding and is looking for a permanent remedy to the problem. Erosion has currently stopped and the City of Muskegon has restored the area to shore up the water main. The Water Authority may look into refunding the bond as interest rates are at an all-time low.
10. Retail continues to be slow as during the pandemic many business were required to be closed. Retail, as well as other business are struggling to hire staff. The additional unemployment benefit will soon expire and there is anticipation that many will be returning to the work force. The Lakes Mall, under new ownership, Namdar LLC, has sold the old Sears, but continues to lose retail vendors.

11. In upcoming years, the Township has secured funding for several road projects, one of which is the Sheridan from Shettler area. The first phase of the Sheridan Road project stretching from Shettler Road to Hile Road has been completed. The second phase, Hile Road between, Sheridan to Airline is also complete. The final phase is Sheridan Road from Hile to Airline will be completed in the coming fiscal year. The Township is working with the Muskegon County Road Commission to enhance Township roads and has budgeted \$52,000 in fiscal 2021-22 for the final phase of Sheridan Road. The Township budgeted additional funds to have available for culvert repairs.
12. The Township continues to monitor its OPEB liability and look for ways to decrease it.
13. The Township is in partnership with Fruitport Community Schools for the funding of a school liaison resource officer.
14. The Federal Government will be distributing ARPA funds due to the COVID-19 pandemic. The Township has completed the application and according to the reports should receive over one million dollars. The Township is trying to stay abreast of what the expenditure criteria is for ARPA funds. The funds have to be designated by December 31, 2024.

Requests for Information

This financial report is designed to provide a general overview of the Charter Township of Fruitport's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Charter Township of Fruitport, 5865 Airline Road, Fruitport, Michigan, 49415 or you may call (231) 865-3151.

Charter Township of Fruitport
STATEMENT OF NET POSITION
 March 31, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and investments	\$ 3,854,579	\$ 3,704,225	\$ 7,558,804
Receivables	114,794	506,493	621,287
Due from other governmental units	258,829	6,013	264,842
Inventories	-	129,968	129,968
Prepaid items	27,219	10,268	37,487
Total current assets	4,255,421	4,356,967	8,612,388
Noncurrent assets			
Special assessments receivable, less amounts due within one year	83,156	579,743	662,899
Net other postemployment benefits asset	-	336,103	336,103
Capital assets, net			
Nondepreciable	428,708	111,129	539,837
Depreciable	2,475,771	14,154,472	16,630,243
Total noncurrent assets	2,987,635	15,181,447	18,169,082
Total assets	7,243,056	19,538,414	26,781,470
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	143,019	67,935	210,954
Due to other governmental units	18,877	74,054	92,931
Unearned revenue - unspent grant	4,207	-	4,207
Bonds and other obligations, due within one year	204,000	192,400	396,400
Total current liabilities	370,103	334,389	704,492
Noncurrent liabilities			
Bonds and other obligations, less amounts due within one year	1,157,901	2,657,227	3,815,128
Net other postemployment benefits liability	1,022,295	-	1,022,295
Total noncurrent liabilities	2,180,196	2,657,227	4,837,423
Total liabilities	2,550,299	2,991,616	5,541,915
DEFERRED INFLOWS OF RESOURCES			
Related to other postemployment benefits	607,986	151,996	759,982
Total liabilities and deferred inflows of resources	3,158,285	3,143,612	6,301,897
NET POSITION			
Net investment in capital assets	1,814,798	13,192,101	15,006,899
Restricted			
Public safety	107	-	107
Street lights	443,305	-	443,305
Unrestricted	1,826,561	3,202,701	5,029,262
Total net position	\$ 4,084,771	\$ 16,394,802	\$20,479,573

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF ACTIVITIES
For the year ended March 31, 2021

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 891,384	\$ 248,940	\$ -	\$ -	\$ (642,444)	\$ -	\$ (642,444)
Public safety	2,578,079	233,187	2,198	-	(2,342,694)	-	(2,342,694)
Public works	341,702	266,655	10,207	-	(64,840)	-	(64,840)
Community and economic development	10,454	41,310	-	-	30,856	-	30,856
Culture and recreation	142,328	12,050	-	-	(130,278)	-	(130,278)
Interest on long-term debt	44,972	-	-	-	(44,972)	-	(44,972)
Total governmental activities	4,008,919	802,142	12,405	-	(3,194,372)	-	(3,194,372)
Business-type activities							
Sewer	524,432	338,095	-	148,896	-	(37,441)	(37,441)
Water	2,231,252	2,041,566	-	291,586	-	101,900	101,900
Total business-type activities	2,755,684	2,379,661	-	440,482	-	64,459	64,459
Total government	\$ 6,764,603	\$ 3,181,803	\$ 12,405	\$ 440,482	(3,194,372)	64,459	(3,129,913)
General revenues							
Property taxes, levied for							
General purposes					750,662	-	750,662
Specific purposes					1,317,272	-	1,317,272
Franchise fees					175,797	-	175,797
Grants and contributions not restricted to specific programs					1,171,405	-	1,171,405
Unrestricted investment earnings					18,426	70,792	89,218
Miscellaneous					10,473	-	10,473
Gain on sale of capital assets					15,000	5,125	20,125
Total general revenues					3,459,035	75,917	3,534,952
Change in net position					264,663	140,376	405,039
Net position at beginning of year					3,820,108	16,254,426	20,074,534
Net position at end of year					\$ 4,084,771	\$ 16,394,802	\$ 20,479,573

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
BALANCE SHEET
 Governmental Funds
 March 31, 2021

	<u>General Fund</u>	<u>Public Safety Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 2,461,336	\$ 834,549	\$ 558,694	\$ 3,854,579
Receivables				
Property taxes	34,914	62,795	10,022	107,731
Special assessments	-	-	85,529	85,529
Other	4,690	-	-	4,690
Due from other governmental units	227,168	29,610	2,051	258,829
Prepaid items	5,827	21,392	-	27,219
Total assets	\$ 2,733,935	\$ 948,346	\$ 656,296	\$ 4,338,577
LIABILITIES				
Accounts payable	\$ 19,274	\$ 11,741	\$ 15,181	\$ 46,196
Accrued liabilities	22,057	55,466	-	77,523
Due to other governmental units	17,985	891	-	18,876
Unearned revenue - unspent grant	-	4,208	-	4,208
Total liabilities	59,316	72,306	15,181	146,803
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - special assessments	-	-	83,156	83,156
FUND BALANCES				
Nonspendable - prepaid items	5,827	21,392	-	27,219
Restricted				
Public safety	-	-	107	107
Street lights	-	-	443,305	443,305
Committed				
Public safety capital purchases	-	854,648	-	854,648
Cemetery capital improvements	18,000	-	-	18,000
Parks	30,643	-	-	30,643
Assigned - road improvements	-	-	114,547	114,547
Unassigned	2,620,149	-	-	2,620,149
Total fund balances	2,674,619	876,040	557,959	4,108,618
Total liabilities, deferred inflows of resources and fund balances	\$ 2,733,935	\$ 948,346	\$ 656,296	\$ 4,338,577

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION**
 March 31, 2021

Total fund balance—governmental funds		\$ 4,108,618
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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 current financial resources and, therefore, are not reported in the governmental funds.

Cost of capital assets	\$ 5,426,442		
Accumulated depreciation	<u>(2,521,963)</u>		2,904,479

Other long-term assets, such as special assessments, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.

83,156

Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(19,300)		
Bonds and notes payable	(1,089,681)		
Compensated absences	(272,220)		
Net other postemployment benefits liability and related deferred outflows/inflows of resources	<u>(1,630,281)</u>		<u>(3,011,482)</u>

Net position of governmental activities		<u>\$ 4,084,771</u>
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The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Governmental Funds
 For the year ended March 31, 2021

	General Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 750,662	\$ 1,317,272	\$ -	\$ 2,067,934
Licenses and permits	218,338	-	-	218,338
Intergovernmental revenues				
Federal	-	665	-	665
State	1,175,464	8,042	-	1,183,506
Charges for services	268,068	210,637	210,938	689,643
Fines and forfeitures	1,218	17,848	-	19,066
Investment earnings	11,354	22	7,050	18,426
Other	22,203	8,871	23,380	54,454
Total revenues	2,447,307	1,563,357	241,368	4,252,032
EXPENDITURES				
Current				
General government	778,282	-	-	778,282
Public safety	-	2,426,810	-	2,426,810
Public works	119,496	-	201,460	320,956
Community and economic development	9,981	-	-	9,981
Culture and recreation	95,858	-	-	95,858
Other governmental functions	65,303	-	-	65,303
Debt service				
Principal	21,750	72,919	-	94,669
Interest and fees	34,922	9,449	-	44,371
Capital outlay	45,438	120,267	-	165,705
Total expenditures	1,171,030	2,629,445	201,460	4,001,935
Excess of revenues over (under) expenditures	1,276,277	(1,066,088)	39,908	250,097
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	15,000	-	15,000
Long-term debt issued	-	88,744	-	88,744
Transfers in	-	1,175,647	-	1,175,647
Transfers out	(1,175,647)	-	-	(1,175,647)
Total other financing sources (uses)	(1,175,647)	1,279,391	-	103,744
Net change in fund balances	100,630	213,303	39,908	353,841
Fund balances at beginning of year	2,573,989	662,737	518,051	3,754,777
Fund balances at end of year	\$2,674,619	\$ 876,040	\$ 557,959	\$ 4,108,618

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
For the year ended March 31, 2021

Net change in fund balances—total governmental funds \$ 353,841

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	\$ (218,123)	
Capital outlay	165,705	(52,418)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	6,552
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The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Issuance of long-term debt	(88,744)	
Repayment of principal on long-term debt	94,669	5,925
Change in accrued interest payable		(600)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in net other postemployment benefits liability and related deferred outflows/inflows of resources	(47,035)	
Change in compensated absences	(1,602)	(48,637)

Change in net position of governmental activities	\$ 264,663
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The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF NET POSITION
Proprietary Funds
March 31, 2021

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
ASSETS			
Current assets			
Cash and investments	\$ 1,571,459	\$ 2,132,766	\$ 3,704,225
Receivables			
Accounts	58,808	302,785	361,593
Special assessments	127,800	17,100	144,900
Due from other governmental units	3,962	2,051	6,013
Inventories	6,946	123,022	129,968
Prepaid items	1,013	9,255	10,268
Total current assets	<u>1,769,988</u>	<u>2,586,979</u>	<u>4,356,967</u>
Noncurrent assets			
Advances to other funds	-	303,448	303,448
Special assessments receivable, less amounts due within one year	511,141	68,602	579,743
Net other postemployment benefits asset	33,610	302,493	336,103
Capital assets			
Land	11,113	100,016	111,129
Land improvements	-	14,323	14,323
Buildings and improvements	53,540	493,065	546,605
Utility systems	8,577,495	14,494,695	23,072,190
Equipment	44,790	169,853	214,643
Vehicles	37,515	171,003	208,518
Less accumulated depreciation	<u>(2,915,923)</u>	<u>(6,985,884)</u>	<u>(9,901,807)</u>
Net capital assets	<u>5,808,530</u>	<u>8,457,071</u>	<u>14,265,601</u>
Total noncurrent assets	<u>6,353,281</u>	<u>9,131,614</u>	<u>15,484,895</u>
Total assets	<u>8,123,269</u>	<u>11,718,593</u>	<u>19,841,862</u>
LIABILITIES			
Current liabilities			
Accounts payable	1,049	4,403	5,452
Accrued liabilities	23,578	38,905	62,483
Due to other governmental units	18,257	55,797	74,054
Bonds and other obligations, due within one year	30,900	161,500	192,400
Total current liabilities	<u>73,784</u>	<u>260,605</u>	<u>334,389</u>
Noncurrent liabilities			
Advances from other funds	303,448	-	303,448
Bonds and other obligations, less amounts due within one year	1,048,493	1,608,734	2,657,227
Total noncurrent liabilities	<u>1,351,941</u>	<u>1,608,734</u>	<u>2,960,675</u>
Total liabilities	<u>1,425,725</u>	<u>1,869,339</u>	<u>3,295,064</u>
DEFERRED INFLOWS OF RESOURCES			
Related to other postemployment benefits	15,200	136,796	151,996
Total liabilities and deferred inflows of resources	<u>1,440,925</u>	<u>2,006,135</u>	<u>3,447,060</u>
NET POSITION			
Net investment in capital assets	4,735,030	8,457,071	13,192,101
Unrestricted	1,947,314	1,255,387	3,202,701
Total net position	<u>\$ 6,682,344</u>	<u>\$ 9,712,458</u>	<u>\$ 16,394,802</u>

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 Proprietary Funds
 For the year ended March 31, 2021

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
OPERATING REVENUES			
Charges for services	\$ 338,095	\$ 2,041,566	\$ 2,379,661
OPERATING EXPENSES			
Administration	13,262	115,370	128,632
Operations	283,373	1,717,127	2,000,500
Depreciation	176,400	338,059	514,459
Total operating expenses	473,035	2,170,556	2,643,591
Operating loss	(134,940)	(128,990)	(263,930)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	38,599	32,193	70,792
Connection fees	148,896	291,586	440,482
Gain on disposal of capital assets	-	5,125	5,125
Interest expense	(51,397)	(60,696)	(112,093)
Total nonoperating revenues (expenses)	136,098	268,208	404,306
Change in net position	1,158	139,218	140,376
Net position at beginning of year	6,681,186	9,573,240	16,254,426
Net position at end of year	\$ 6,682,344	\$ 9,712,458	\$ 16,394,802

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended March 31, 2021

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 337,676	\$ 2,060,995	\$ 2,398,671
Receipts from interfund services provided	-	2,623	2,623
Payments to suppliers	(221,044)	(1,206,024)	(1,427,068)
Payments to employees	(71,192)	(642,010)	(713,202)
Payments for interfund services used	(12,800)	(114,030)	(126,830)
Net cash provided by (used for) operating activities	32,640	101,554	134,194
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Connection fees	250,484	312,275	562,759
Advances from other funds (net)	(18,963)	18,963	-
Purchases of capital assets	(8,608)	(34,433)	(43,041)
Principal paid on capital debt	(60,194)	(370,886)	(431,080)
Interest paid on capital debt	(52,362)	(65,649)	(118,011)
Proceeds from sale of capital assets	-	5,125	5,125
Net cash provided by (used for) capital and related financing activities	110,357	(134,605)	(24,248)
CASH FLOW FROM INVESTING ACTIVITIES			
Investment earnings	38,599	32,193	70,792
Net increase (decrease) in cash and investments	181,596	(858)	180,738
Cash and investments at beginning of year	1,389,863	2,133,624	3,523,487
Cash and investments at end of year	\$ 1,571,459	\$ 2,132,766	\$ 3,704,225
Reconciliation of operating loss to net cash provided by (used for) operating activities			
Operating loss	\$ (134,940)	\$ (128,990)	\$ (263,930)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities			
Depreciation expense	176,400	338,059	514,459
Change in assets and liabilities			
Accounts receivable	(419)	22,052	21,633
Inventories	14	(13,692)	(13,678)
Prepaid items	(73)	(649)	(722)
Accounts payable	4,858	3,588	8,446
Accrued liabilities	(13,200)	(118,814)	(132,014)
Net cash provided by (used for) operating activities	\$ 32,640	\$ 101,554	\$ 134,194

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF NET POSITION
 Fiduciary Funds
 March 31, 2021

	Total Fiduciary Funds	Other Post- Employment Benefit Trust Funds	Custodial Fund Tax Collection
ASSETS			
Cash and investments	\$ 1,084,867	\$ 868,128	\$ 216,739
LIABILITIES			
Deposits held for others	200,953	-	200,953
Due to other governmental units	15,786	-	15,786
Total liabilities	216,739	-	216,739
NET POSITION			
Restricted for individuals, organizations, and other governments	\$ 868,128	\$ 868,128	\$ -

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
STATEMENT OF CHANGES IN NET POSITION
 Fiduciary Funds
 For the year ended March 31, 2021

	Total Fiduciary Funds	Other Post- Employment Benefit Trust Funds	Custodial Fund Tax Collection
ADDITIONS			
Property tax collections for other governments	\$ 16,962,119	\$ -	\$ 16,962,119
Employer contributions	140,991	140,991	-
Investment earnings	204,398	204,398	-
Total additions	17,307,508	345,389	16,962,119
DEDUCTIONS			
Payments of property taxes to other governments	16,962,119	-	16,962,119
Benefit payments	61,502	61,502	-
Administrative expenses	1,271	1,271	-
Total deductions	17,024,892	62,773	16,962,119
Change in net position	282,616	282,616	-
Net position at beginning of year, as restated	585,512	585,512	-
Net position at end of year	\$ 868,128	\$ 868,128	\$ -

The accompanying notes are an integral part of this statement.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Charter Township of Fruitport (Township) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

The Township is a municipal corporation governed by an elected seven-member Board. Generally accepted accounting principles require that if the Township is considered to be financially accountable for other organizations, those organizations should be included as component units in the Township's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—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. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the Township's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Township's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the Township's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

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

The Public Safety Fund is used to account for a special tax millage levied by the Township for the operation of the police and fire departments.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued

The Township reports the following two major proprietary funds:

The Sewer Fund accounts for the collection system and pays for access to the county's sewage treatment plant.

The Water Fund operates the Township's water distribution system.

Additionally, the Township reports the following fund types:

The Other Post-Employment Benefit Trust Funds are used to report resources that are administered through irrevocable trusts for the benefit of Township employees and retirees.

The Custodial Fund is used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

During the course of operations the Township has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable due within 60 days of the end of the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the Township are reported at fair value (generally based on quoted market prices).

The Township has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the Township to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The Other Post-Employment Benefit Trust Funds are held in trust by the Municipal Employees' Retirement System (MERS) and are subject to the investment policies of MERS and State of Michigan statutes allowing diverse investments in stocks, corporate and government bonds, mortgages, real estate, and other investments.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the business-type activities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the Township constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances.

Land and construction in progress are not depreciated. The other property, plant, equipment, and access rights of the Township are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	20-30
Utility systems	50
Buildings and improvements	20-40
Furniture and equipment	5-20
Vehicles	3-15
Access rights	30

Other Postemployment Benefit Costs

The Township offers a defined benefit retiree healthcare benefits to retirees. The Township records a net other postemployment benefit (OPEB) liability for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan's fiduciary net position. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position 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/expenditures) until then.

In addition to liabilities, the Statement of Net Position 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.

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 of net position to report as restricted and unrestricted in the government-wide and proprietary 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 net position to have been depleted before unrestricted net position is applied.

Net Position Policies

The Township Board has taken formal action to set aside \$16,000 and \$1,600 in the Water and Sewer funds, respectively, for the future purchase of a backhoe and other capital needs.

Fund Balance Flow Assumptions

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report 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 using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Township's highest level of decision-making authority. The Township Board is the highest level of decision-making authority for the Township that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Fund Balance Policies—Continued

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The Township Board has by resolution authorized the Township Supervisor to assign fund balance. The Township Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Township has a minimum fund balance policy requiring unassigned fund balance be at least 25 percent of General Fund revenues.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

All trade and property tax receivables are shown net of allowance for uncollectibles.

The Township bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Taxes are levied and lien on each December 1 on the taxable valuation of property (as defined by state statutes) located in the Local Governmental Unit as of the preceding December 31. Uncollectible real property taxes as of the following March 1 are turned over by the Township to the County for collection. The County advances the Township all these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the Township. The Township recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

The 2020 state taxable value for real/personal property of the Township totaled approximately \$529,856,000. The ad valorem taxes levied consisted of .9962 and 2.5 mills for the Township's general operating and public safety, respectively. These amounts are recognized in the General Fund and Public Safety Fund, respectively.

Compensated Absences

Township employees are granted vacation and sick leave in varying amounts based on length of service. Employees must use earned vacation time during the anniversary year following the one in which it was earned. Upon termination, employees are paid for unused vacation and sick leave at their current rates under limits that vary by employee group. Unused sick leave is accumulated up to 250 days for employees. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this liability is estimated based on historical trends. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The appropriated budget is prepared by fund, function and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Township Board. The legal level of budgetary control is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

Excess of Expenditures over Appropriations

During the year ended March 31, 2021, actual expenditures exceeded appropriations for principal expense and capital outlay – police in the Public Safety Fund by \$22,094 and \$34,444, respectively. These over-expenditure were funded with an unbudgeted debt issuance and available fund balance.

NOTE C—DEPOSITS AND INVESTMENTS

As of March 31, 2021, the Township had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Months)	S&P	Percent
Negotiable certificates of deposit	\$ 107,928	33	not rated	2.5 %
Municipal bonds	119,197	9	AA	22.7
US agency obligations	98,291	4	AA+	2.3
External investment pool	3,145,207	2	AAAm	72.5
MERS investment funds	868,128	N/A	not rated	N/A
Total fair value	\$ 4,338,751			100.0 %
Portfolio weighted average maturity		3		

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE C—DEPOSITS AND INVESTMENTS—Continued

The Township voluntarily invests certain excess funds in external investment pool (Pool). The Pool is an external investment pool of "qualified" investments for Michigan municipalities. The Pool is not regulated nor registered with the SEC. The fair value of the Township's investments is the same as the value of the Pool's shares.

Deposit and Investment Risk

Interest Rate Risk

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.

Credit Risk

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The Township does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the Township investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of March 31, 2021, \$3,527,833 of the Township's bank balance of \$4,506,733 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments

The Township does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Foreign Currency Risk

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

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE D—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Township the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2021.

Negotiable certificates of deposit, US agency obligations, and municipal bonds: Valued at the closing price reported on the active market in which the individual securities are traded.

External investment pool and MERS investment funds: The assets are valued based upon the Township's allocable share of the Michigan CLASS and MERS (Pools) pooled investment portfolios. The allocable shares are based on the value of the underlying assets owned by the Pools, minus their liabilities.

The assets managed by others are valued monthly by the Pools and are allocated based upon each organization's calculated share of the Pools' pooled investment portfolios. Each entity with an interest within the pooled investments receives statements from the Pool indicating the additions to the investments (via contributions), withdrawals from the investments, and the investment returns allocated via a unitization process. The Township calculates the fair value of its share of the pooled investment assets held by the Pools based on the estimated fair value of the underlying assets. The Pools control the investments and make all management and investment decisions.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE D—FAIR VALUE MEASUREMENTS—Continued

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Township believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Township’s assets at fair value on a recurring basis as of March 31, 2021:

	Assets at Fair Value as of March 31, 2021			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	\$ 107,928	\$ -	\$ -	\$ 107,928
Municipal bonds	119,197	-	-	119,197
US agency obligations	98,291	-	-	98,291
External investment pool	-	3,145,207	-	3,145,207
MERS investment funds	-	868,128	-	868,128
Total assets at fair value	\$ 325,416	\$ 4,013,335	\$ -	\$ 4,338,751

NOTE E—CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2021 was as follows:

	Balance April 1, 2020	Additions	Deductions	Balance March 31, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 423,870	\$ 4,838	\$ -	\$ 428,708
Capital assets, being depreciated:				
Land improvements	746,534	72,122	-	818,656
Buildings and improvements	1,937,002	-	-	1,937,002
Furniture and equipment	612,217	-	-	612,217
Vehicles	1,624,566	88,745	83,452	1,629,859
Total capital assets, being depreciated	4,920,319	160,867	83,452	4,997,734
Less accumulated depreciation:				
Land improvements	236,057	42,853	-	278,910
Buildings and improvements	700,812	44,320	-	745,132
Furniture and equipment	326,448	47,983	-	374,431
Vehicles	1,123,975	82,967	83,452	1,123,490
Total accumulated depreciation	2,387,292	218,123	83,452	2,521,963
Total capital assets, being depreciated, net	2,533,027	(57,256)	-	2,475,771
Capital assets, net	\$ 2,956,897	\$ (52,418)	\$ -	\$ 2,904,479

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE E—CAPITAL ASSETS—Continued

	Balance April 1, 2020	Additions	Deductions	Balance March 31, 2021
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 111,129	\$ -	\$ -	\$ 111,129
Capital assets, being depreciated:				
Land improvements	14,323	-	-	14,323
Buildings and improvements	546,605	-	-	546,605
Utility systems	23,219,336	-	147,146	23,072,190
Furniture and equipment	214,643	-	-	214,643
Vehicles	169,977	43,041	4,500	208,518
Total capital assets, being depreciated	24,164,884	43,041	151,646	24,056,279
Less accumulated depreciation:				
Land improvements	7,400	716	-	8,116
Buildings and improvements	102,490	13,664	-	116,154
Utility systems	9,092,505	464,154	147,146	9,409,513
Furniture and equipment	201,283	9,561	-	210,844
Vehicles	135,316	26,364	4,500	157,180
Total accumulated depreciation	9,538,994	514,459	151,646	9,901,807
Total capital assets, being depreciated, net	14,625,890	(471,418)	-	14,154,472
Capital assets, net	\$ 14,737,019	\$ (471,418)	\$ -	\$ 14,265,601

Depreciation

Depreciation expense has been charged to functions as follows:

Governmental activities:

General government	\$ 38,547
Public safety	113,330
Public works	20,746
Culture and recreation	45,500
	\$ 218,123

Business-type activities:

Sewer	\$ 176,400
Water	338,059
	\$ 514,459

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE F—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Advances To/From Other Funds:

The Water Fund has advanced \$303,448 to the Sewer Fund to fund early debt retirement.

Interfund Transfers:

The General Fund has transferred \$1,175,647 to the Public Safety Fund as an operation subsidy.

NOTE G—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the Township for the year ended March 31, 2021.

	<u>Balance April 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance March 31, 2021</u>	<u>Due Within One Year</u>
Governmental activities:					
Public placement debt					
General obligation bonds	\$ 848,250	\$ -	\$ 21,750	\$ 826,500	\$ 21,750
Direct borrowings and direct placements					
Installment purchase agreements	223,975	88,744	61,621	251,098	34,167
Capital lease agreements	23,381	-	11,298	12,083	12,083
Compensated absences	270,618	165,147	163,545	272,220	136,000
Governmental activities long-term liabilities	<u>\$ 1,366,224</u>	<u>\$ 253,891</u>	<u>\$ 258,214</u>	<u>\$ 1,361,901</u>	<u>\$ 204,000</u>
Business-type activities:					
Public placement debt					
General obligation bonds	\$ 2,851,750	\$ -	\$ 158,250	\$ 2,693,500	\$ 163,000
Premium	115,199	-	18,000	97,199	-
Intergovernmental obligations	209,830	-	209,830	-	-
Special assessment bonds	45,000	-	45,000	-	-
Compensated absences	53,280	59,374	53,726	58,928	29,400
Business-type activities long-term liabilities	<u>\$ 3,275,059</u>	<u>\$ 59,374</u>	<u>\$ 484,806</u>	<u>\$ 2,849,627</u>	<u>\$ 192,400</u>

General obligation bonds are a direct obligation and pledge the full faith and credit of the Township. If the Township defaults, the bonds are callable.

The special assessment bonds are backed by the full faith and credit of the Township.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE G—LONG-TERM DEBT—Continued

Summary of Changes in Long-Term Liabilities—Continued

The installment purchase and capital lease agreements are secured by the various purchased items and if the Township defaults under the agreements, all principal and accrued interest at that time are due and payable immediately. The capital lease is non-cancellable by the Township.

Public placement debt and direct borrowings and direct placements consist of the following:

	Interest Rate	Date of Maturity	Balance
Governmental activities:			
Public placement debt			
General obligation bonds			
2013 General Obligation Bonds	4-4.5%	April 2039	\$ 826,500
Direct borrowings and direct placements			
Installment purchase agreements			
2017 Installment Purchase Agreement	2.50%	February 2027	145,233
2020 Installment Purchase Agreement	2.40%	March 2024	38,514
2020 Installment Purchase Agreement #2	2.40%	October 2024	67,351
Capital leases			
2016 Capital Lease	5.95%	June 2021	12,083
			\$ 1,089,681
 Business-type activities:			
Public placement debt			
General obligation bonds			
2013 General Obligation Bonds	4-4.5%	April 2039	\$ 1,073,500
2018 General Obligation Bonds	4%	November 2030	1,620,000
			\$ 2,693,500

For governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE G—LONG-TERM DEBT—Continued

Summary of Changes in Long-Term Liabilities—Continued

In 2005, the County of Muskegon began making improvements to the regional sewer treatment facilities. The project was funded with \$17,500,000 bonds issued through the State of Michigan Clean Water Revolving Fund Loan Program. The County operates the system and makes payments on the bonds with user charges to the local units. The Township has pledged its limited tax full faith and credit for the payment of its portion of the debt should user charges collected by the County be insufficient to make the debt payments. The Township's portion of the debt on March 31, 2021 was \$84,076. The Township is unaware of any circumstances that would cause a shortfall in the near future.

Annual debt service requirements to maturity for public placement debt and for direct borrowings and direct placements outstanding as of March 31, 2021 follow:

Year Ending March 31,	Governmental Activities				Business-type Activities	
	Public Placement Debt		Direct Borrowings and Direct Placements		Public Placement Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 21,750	\$ 33,835	\$ 46,250	\$ 3,403	\$ 163,000	\$ 108,746
2023	21,750	32,965	64,250	5,458	168,000	102,216
2024	32,625	31,877	65,375	3,867	187,000	95,203
2025	32,625	30,572	30,375	2,242	192,000	87,709
2026	32,625	29,267	31,375	1,460	202,000	80,014
2027-2031	217,500	121,325	25,556	665	1,175,000	266,980
2032-2036	250,125	75,234	-	-	327,000	97,718
2037-2041	217,500	19,234	-	-	279,500	24,983
	\$ 826,500	\$ 374,309	\$ 263,181	\$ 17,095	\$ 2,693,500	\$ 863,569

NOTE H—OTHER INFORMATION

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township manages its liability, property and insurance coverage as a member of the Michigan Township Participating Plan (MTPP), a public entity risk pool providing liability and property coverage to its participating members. The Township pays an annual premium to MTPP for its insurance coverage. The MTPP is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The Township manages its workers' compensation risk by participating in the Michigan Municipal Workers' Compensation Self-Insurance Fund (MMWCSIF), a public entity risk pool providing workers' compensation coverage to its participating members. The Township pays an annual premium to MMWCSIF for its workers' compensation coverage. The MMWCSIF is self-sustaining through member premiums and provides statutory workers' compensation coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE H—OTHER INFORMATION—Continued

Risk Management—Continued

The Township carries commercial insurance for employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

The Township is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Township's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

Capitalized Leases

Included in vehicles and equipment are the following assets held under capital leases as of March 31, 2021:

Governmental activities:

Vehicles and equipment	\$ 46,322
Less accumulated amortization	<u>42,462</u>
	<u>\$ 3,860</u>

Future minimum lease payments for assets under capital leases through 2022 are as follows:

Year Ending March 31,	Amount
2022	\$ 12,923
Less amount representing interest	<u>(840)</u>
Present value of net minimum lease payments	12,083
Less current maturities	<u>(12,083)</u>
Long-term obligation	<u>\$ -</u>

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE H—OTHER INFORMATION—Continued

Jointly Governed Entity

West Michigan Regional Water Authority

The Township, in conjunction with another governmental entity, created the West Michigan Regional Water Authority (Authority). The Authority was formed to acquire, own, improve, enlarge, extend, and operate a water supply system. The administrative board of the Authority is comprised of voting representatives from each participating municipality. The Authority issued the \$15,700,000 Water Supply System Bonds, Series 2014 to fund improvements to the water system. The Township has pledged its full faith and credit for a portion of the debt should user charges collected by the authority be insufficient to make the debt payments. The Township's portion of the debt on March 31, 2021 was \$4,277,700, or 29.4 percent of the bonds. During the year ended March 31, 2021, the Township paid \$1,019,717 to the Authority for water. The Township is unaware of any circumstances that would cause a shortfall in the near future. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained from the Authority (4814 Henry Street, Norton Shores, MI 49441).

NOTE I—RETIREMENT PLAN

Defined Contribution Pension Plan

The Township contributes to the Fruitport Township Defined Contribution Plan 401(a) (Plan), a defined contribution pension plan, for substantially all of its full-time employees. The Plan is administered by the Township.

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Township Board. For each employee in the Plan, the Township is required to contribute 10 percent of gross earnings. Employees are not required to contribute to the Plan. For the year ended March 31, 2021, the Township recognized pension expense of \$215,866.

Employees are immediately vested for all contributions and earnings on those contributions.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE J—OTHER POST-EMPLOYMENT BENEFITS

Retiree Healthcare Plan

Plan Description

The Township’s defined benefit OPEB Plan, the Fruitport Township Retiree Medical Plan (OPEB Plan), provides healthcare benefits to certain employees and their spouses upon retirement. The Plan is a single-employer defined benefit plan administered by the Township Board. The benefits are provided under collective bargaining agreements and at the discretion of the Township Board. The OPEB Plan does not issue a publicly available report.

Benefits Provided

The OPEB Plan provides medical coverage for eligible retirees and their spouses beginning at the age of 55 with 20 or more years of service until the retiree reaches Medicare eligibility age. Eligible retirees who are members of the fire bargaining unit and were hired prior to April 1, 2018 are also eligible for the reimbursement of certain prescription drug costs. Benefits are provided through a third party insurer.

Employees Covered by Benefit Terms

At the April 1, 2019 valuation, the following employees were covered by the benefit terms:

	General Government	Utility	Total
Inactive employees or beneficiaries currently receiving benefits	4	1	5
Inactive employees entitled to but not yet receiving benefits	-	-	-
Active employees	18	15	33
Total employees covered by OPEB Plan	22	16	38

Contributions

The OPEB Plan’s funding policy is that the Township will make annual contributions of \$78,500 to the OPEB Plan trust. There are no long-term contracts for contributions to the OPEB Plan. The OPEB Plan has no legally required reserves. The Township participates in the MERS Retiree Health Funding Vehicle, a legally established trust under section 401(a) of the Internal Revenue Code. For the year ended March 31, 2021, the Township made payments for postemployment healthcare benefits for current retirees of \$61,500. The Township also made contributions to the OPEB Plan trust of \$79,490.

Net OPEB Liability

The Township’s net OPEB liability was measured as of March 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2019, which was rolled forward to March 31, 2021.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE J—OTHER POST-EMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions

The total OPEB liability in the April 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.0 percent
Investment rate of return	5.28 percent (including inflation), net of administrative and investment expenses
Healthcare cost trend rates	Pre-Medicare: 8.25 percent graded down to 7.5 percent after 1 year and then down to 4.5 percent over 12 years Post-Medicare: 6.5 percent graded down to 5.75% after 1 year and then down to 4.5 percent over over 5 years

Mortality

Mortality rates for Public General and Public Safety Employees were as set forth in Public Safety 2010 Employee and Healthy Retiree, headcount weighted, MP-2020 improvement scale.

Investment Rate of Return

The long-term rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan’s target asset allocation as of April 1, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Moderately Aggressive Balanced	25.0%	4.20%
Moderately Conservative Balanced	25.0%	4.85%
Global Bonds	25.0%	0.50%
Large Cap Core Equities	12.5%	1.60%
Mid Cap Core Equities	12.5%	1.50%

The sum of each target allocation times its long-term expected real rate, plus inflation, is 5.28 percent.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE J—OTHER POST-EMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions—Continued

Discount Rate

The discount rate used to measure the total OPEB liability was 5.28 percent. The projection of cash flows used to determine the discount rate assumed that the Township will make contributions of \$78,500 per year. Based on this assumption, the retirement plan’s fiduciary net position was projected to be sufficient to make future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the “depletion date”), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. The discount rate used to calculate the liability at the beginning of the year was 4.88 percent.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Position (b)	Net OPEB Liability (a)-(b)
Balance at beginning of year	\$ 1,628,027	\$ 585,512	\$ 1,042,515
Changes for the year			
Service cost	80,336	-	80,336
Interest	81,867	-	81,867
Difference between expected and actual experience	(45,960)	-	(45,960)
Changes of assumptions	(128,450)	-	(128,450)
Contributions - employer	-	140,990	(140,990)
Net investment income	-	204,398	(204,398)
Administrative expenses	-	(1,272)	1,272
Benefit payments including refund of employee contributions	(61,500)	(61,500)	-
Net changes	(73,707)	282,616	(356,323)
Balance at end of year	\$ 1,554,320	\$ 868,128	\$ 686,192

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE J—OTHER POST-EMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Township, calculated using the discount rate of 5.28 percent, as well as what the Township’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.28 percent) or 1-percentage-point higher (6.28 percent) than the current rate:

	1% Decrease (4.28%)	Current Discount Rate (5.28%)	1% Increase (6.28%)
Township's net OPEB liability	\$ 848,523	\$ 686,192	\$ 543,438

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Township, calculated using the healthcare cost trend rate of 8.25 percent for pre-Medicare, decreasing to 4.5 percent, as well as what the Township’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.25 percent decreasing to 3.5 percent) or 1-percentage-point higher (9.25 percent decreasing to 5.5 percent) than the current rate or calculated using the healthcare cost trend rate of 6.5 percent for post-Medicare, decreasing to 4.5 percent, as well as what the Township’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (7.5 percent decreasing to 5.5 percent) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Township's net OPEB liability	\$ 543,087	\$ 686,192	\$ 856,656

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan’s fiduciary net position is not available in a separately issued financial report. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the Township’s fiduciary net position have been determined on the same basis as they are reported by the Township. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE J—OTHER POST-EMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2021, the Township recognized OPEB expense of \$52,687. At March 31, 2021, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 497,509
Differences in assumptions	-	171,802
Net difference between projected and actual net investment income	-	90,671
Total	\$ -	\$ 759,982

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending March 31,	Amount
2022	\$ (77,808)
2023	(77,806)
2024	(77,502)
2025	(93,191)
2026	(58,909)
Thereafter	(374,766)

Payables to the OPEB Plan

At March 31, 2021, the Township did not have a payable to the OPEB Plan.

NOTE K—ECONOMIC DEPENDENCY

State of Michigan shared revenues represent 48 percent of General Fund revenue.

NOTE L—RISKS AND UNCERTAINTIES

The COVID-19 pandemic that the world is experiencing is unprecedented. It is nearly impossible to fully understand the impact that it will have on the economy and the Township’s operations. As of March 31, 2021, the Township is continuing implementation of risk mitigation tactics including all aspects of the Township’s operations.

Charter Township of Fruitport
NOTES TO FINANCIAL STATEMENTS
 March 31, 2021

NOTE M—CHANGE IN ACCOUNTING PRINCIPLE

The net position of the fiduciary activities and General Employees and Utilities Employees Trusts were restated effective April 1, 2020 to reflect the implementation of GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement 84 was issued by the GASB in January 2017 and is effective for the Township’s 2021 fiscal year. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund on the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

	General Employees Trust Fund	Utilities Employees Trust Fund	Fiduciary Activities
Net position at April 1, 2020	\$ -	\$ -	\$ -
Other Post-Employment Benefit Trust Funds	193,458	392,054	585,512
Net position at April 1, 2020, as restated	\$ 193,458	\$ 392,054	\$ 585,512

NOTE N—UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement 87—*Leases* was issued by the GASB in June 2017 and will be effective for the Township’s 2023 fiscal year. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

REQUIRED SUPPLEMENTARY INFORMATION

Charter Township of Fruitport
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended March 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 731,700	\$ 759,039	\$ 750,662	\$ (8,377)
Licenses and permits	216,800	218,839	218,338	(501)
Intergovernmental revenues				
Federal	2,000	2,000	-	(2,000)
State	1,109,675	1,175,467	1,175,464	(3)
Charges for services	276,547	288,328	268,068	(20,260)
Fines and forfeitures	2,700	2,700	1,218	(1,482)
Investment earnings	45,000	45,000	11,354	(33,646)
Other	17,900	23,353	22,203	(1,150)
Total revenues	<u>2,402,322</u>	<u>2,514,726</u>	<u>2,447,307</u>	<u>(67,419)</u>
EXPENDITURES				
Current				
General government				
Township board	61,220	74,731	73,895	836
Supervisor	94,535	95,469	95,466	3
Elections	35,120	35,471	35,189	282
Assessing	130,612	135,766	135,760	6
Clerk	76,345	77,305	73,766	3,539
Treasurer	165,854	161,433	157,026	4,407
General office	95,309	91,575	87,719	3,856
Board of review	3,468	1,312	1,308	4
Building and grounds	73,472	73,472	68,730	4,742
Cemetery	58,549	58,549	49,423	9,126
Public works				
Roads	87,744	138,300	111,298	27,002
Bike path	24,000	24,000	8,198	15,802
Community and economic development				
Planning	17,095	8,505	8,354	151
Zoning	6,800	3,566	1,627	1,939
Culture and recreation				
Recreation and parks	112,150	108,143	95,858	12,285
Other governmental functions	54,500	65,304	65,303	1
Debt service				
Principal	21,750	21,750	21,750	-
Interest and fees	35,210	34,923	34,922	1
Capital outlay	39,250	68,651	45,438	23,213
Total expenditures	<u>1,192,983</u>	<u>1,278,225</u>	<u>1,171,030</u>	<u>107,195</u>
Excess of revenues over expenditures	1,209,339	1,236,501	1,276,277	39,776
OTHER FINANCING USES				
Transfers out	(1,175,647)	(1,175,647)	(1,175,647)	-
Net change in fund balance	<u>\$ 33,692</u>	<u>\$ 60,854</u>	100,630	<u>\$ 39,776</u>
Fund balance at beginning of year			<u>2,573,989</u>	
Fund balance at end of year			<u><u>\$ 2,674,619</u></u>	

Charter Township of Fruitport
Required Supplementary Information
BUDGETARY COMPARISON SCHEDULE
Public Safety Fund
For the year ended March 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 1,241,799	\$ 1,322,228	\$ 1,317,272	\$ (4,956)
Intergovernmental revenues				
Federal	600	665	665	-
State	3,900	10,183	8,042	(2,141)
Charges for services	251,400	256,028	210,637	(45,391)
Fines and forfeitures	15,000	17,849	17,848	(1)
Investment earnings	-	23	22	(1)
Other	17,900	22,872	8,871	(14,001)
Total revenues	<u>1,530,599</u>	<u>1,629,848</u>	<u>1,563,357</u>	<u>(66,491)</u>
EXPENDITURES				
Current				
Public safety				
Police	1,340,150	1,353,153	1,333,355	19,798
Fire	1,231,370	1,234,913	1,093,455	141,458
Debt service				
Principal	37,216	50,825	72,919	(22,094)
Interest and fees	8,210	7,993	9,449	(1,456)
Capital outlay				
Police	54,300	54,300	88,745	(34,445)
Fire	35,000	31,522	31,522	-
Total expenditures	<u>2,706,246</u>	<u>2,732,706</u>	<u>2,629,445</u>	<u>103,261</u>
Excess of revenues under expenditures	(1,175,647)	(1,102,858)	(1,066,088)	36,770
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	15,000	15,000	-
Long-term debt issued	-	-	88,744	88,744
Transfers in	1,175,647	1,175,647	1,175,647	-
Total other financing sources	<u>1,175,647</u>	<u>1,190,647</u>	<u>1,279,391</u>	<u>88,744</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 87,789</u>	213,303	<u>\$ 125,514</u>
Fund balance at beginning of year			<u>662,737</u>	
Fund balance at end of year			<u>\$ 876,040</u>	

Charter Township of Fruitport
Required Supplementary Information
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of March 31 of each fiscal year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 80,336	\$ 102,440	\$ 101,796	\$ 98,928
Interest	81,867	75,987	72,916	72,140
Differences between expected and actual experience	(45,960)	(466,387)	(75,333)	(194,762)
Changes of assumptions	(128,450)	(43,202)	(21,945)	103,116
Benefit payments, including refunds of employee contributions	(61,500)	(63,351)	(60,999)	(59,330)
Net change in total OPEB liability	(73,707)	(394,513)	16,435	20,092
Total OPEB liability at beginning of year	1,628,027	2,022,540	2,006,105	1,986,013
Total OPEB liability at end of year (a)	\$ 1,554,320	\$ 1,628,027	\$ 2,022,540	\$ 2,006,105
PLAN FIDUCIARY NET POSITION				
Contributions-employer	\$ 140,990	\$ 141,851	\$ 165,499	\$ 102,830
Net investment income	204,398	(35,655)	16,635	30,195
Benefit payments, including refunds or employee contributions	(61,500)	(63,351)	(60,999)	(59,330)
Administrative expense	(1,272)	(1,026)	(976)	(882)
Net change in plan fiduciary net position	282,616	41,819	120,159	72,813
Plan fiduciary net position at beginning of year	585,512	543,693	423,534	350,721
Plan fiduciary net position at end of year (b)	\$ 868,128	\$ 585,512	\$ 543,693	\$ 423,534
Township's net OPEB liability at end of year (a)-(b)	\$ 686,192	\$ 1,042,515	\$ 1,478,847	\$ 1,582,571
Plan fiduciary net position as a percentage of the total OPEB liability	55.9%	36.0%	26.9%	21.1%
Covered employee payroll	\$ 2,360,548	\$ 2,471,695	\$ 2,014,200	Not Available
Township's net OPEB liability as a percentage of covered employee payroll	29.07%	42.18%	73.42%	Not Available

Notes to Schedule

Additional actuarial data is not available and will be provided in subsequent years.

Charter Township of Fruitport
 Required Supplementary Information
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS
 Last Ten Fiscal Years (Amounts were determined as of March 31 of each fiscal year)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 158,296	\$ 220,017	\$ 218,393	\$ 215,424	\$ 261,138	\$ 225,597	\$ 194,852	\$ 191,444	\$ 177,061	\$ 241,727
Contributions in relation to the actuarially determined contribution	140,990	141,851	165,499	102,830	102,309	76,165	59,115	61,877	21,539	46,465
Contribution deficiency (excess)	\$ 17,306	\$ 78,166	\$ 52,894	\$ 112,594	\$ 158,829	\$ 149,432	\$ 135,737	\$ 129,567	\$ 155,522	\$ 195,262
Covered employee payroll	\$ 2,360,548	\$ 2,471,695	\$2,014,200	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Contributions as percentage of covered employee payroll	6.7%	8.9%	10.8%	Not available	Not available	Not available	Not available	Not available	Not available	Not available

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of March 31, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	17 years
Asset valuation method	Equal to market value of assets
Inflation	2.5 percent
Salary increases	3.0 percent
Investment rate of return	5.28 percent (including inflation), net of administrative and investment expenses
Retirement age	55 years of age
Mortality	As set forth in Public General and Public Safety 2010 Employee and Healthy Retiree, headcount weighted, MP-2020 improvement scale.

Charter Township of Fruitport
 Required Supplementary Information
RETIREE HEALTHCARE SYSTEM SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years (Amounts were determined as of March 31 of each fiscal year)

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	28.12%	-6.32%	3.44%	7.80%

Notes to Schedule

Additional data is not available and will be provided in subsequent years

OTHER SUPPLEMENTARY INFORMATION

Charter Township of Fruitport
COMBINING BALANCE SHEET
 Other Governmental Funds
 March 31, 2021

	Total Other Governmental Funds	Special Revenue		Capital Projects
		Street Light	Drug Forfeiture	Revolving Road
ASSETS				
Cash and investments	\$ 558,694	\$ 448,464	\$ 107	\$ 110,123
Receivables				
Property taxes	10,022	10,022	-	-
Special assessments	85,529	-	-	85,529
Due from other governmental units	2,051	-	-	2,051
Total assets	\$ 656,296	\$ 458,486	\$ 107	\$ 197,703
LIABILITIES				
Accounts payable	\$ 15,181	\$ 15,181	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	83,156	-	-	83,156
FUND BALANCES				
Restricted				
Public safety	107	-	107	-
Street lights	443,305	443,305	-	-
Assigned for road improvements	114,547	-	-	114,547
Total fund balances	557,959	443,305	107	114,547
Total liabilities, deferred inflows of resources and fund balances	\$ 656,296	\$ 458,486	\$ 107	\$ 197,703

Charter Township of Fruitport
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
Other Governmental Funds
For the year ended March 31, 2021

	Total Other Governmental Funds	Special Revenue		Capital Projects
		Street Light	Drug Forfeiture	Revolving Road
REVENUES				
Charges for services	\$ 210,938	\$ 210,938	\$ -	\$ -
Investment earnings	7,050	-	-	7,050
Other	23,380	-	-	23,380
Total revenues	241,368	210,938	-	30,430
EXPENDITURES				
Current				
Public works	201,460	174,460	-	27,000
Net change in fund balances	39,908	36,478	-	3,430
Fund balances at beginning of year	518,051	406,827	107	111,117
Fund balances at end of year	\$ 557,959	\$ 443,305	\$ 107	\$ 114,547

Charter Township of Fruitport
COMBINING STATEMENT OF NET POSITION
 Other Post-Employment Benefit Trust Funds
 For the year ended March 31, 2021

	Total Other Post-Employment Benefit Trust Funds	General Employees Trust	Utilities Employees Trust
ASSETS			
Cash and investments	\$ 868,128	\$ 305,079	\$ 563,049
LIABILITIES	-	-	-
NET POSITION			
Restricted for individuals, organizations, and other governments	\$ 868,128	\$ 305,079	\$ 563,049

Charter Township of Fruitport
COMBINING STATEMENT OF CHANGES IN NET POSITION
 Other Post-Employment Benefit Trust Funds
 For the year ended March 31, 2021

	Total Other Post-Employment Benefit Trust Funds	General Employees Trust	Utilities Employees Trust
ADDITIONS			
Employer contributions	\$ 140,991	\$ 88,015	\$ 52,976
Investment earnings	204,398	67,041	137,357
Total additions	345,389	155,056	190,333
DEDUCTIONS			
Benefit payments	61,502	43,015	18,487
Administrative expenses	1,271	420	851
Total deductions	62,773	43,435	19,338
Change in net position	282,616	111,621	170,995
Net position at beginning of year, as restated	585,512	193,458	392,054
Net position at end of year	\$ 868,128	\$ 305,079	\$ 563,049