

MAPLE GROVE TOWNSHIP

Saginaw County, Michigan

FINANCIAL STATEMENTS

March 31, 2022

DRAFT

MAPLE GROVE TOWNSHIP

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INDEPENDENT AUDITORS' REPORT

To the Members of the Township Board
Maple Grove Township, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, major fund and the remaining fund information of Maple Grove Township as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and the remaining fund information of Maple Grove Township as of March 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

To the Members of the Township Board
Maple Grove Township, Michigan

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 7) and budgetary comparison information (pages 28 through 29) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maple Grove Township's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Saginaw, Michigan
August 8, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

MAPLE GROVE TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2022

As management of Maple Grove Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS:

- The Township's combined total net position is reported as \$914,456 for the fiscal year ended March 31, 2022, compared to \$804,517 (restated) for the fiscal year ended March 31, 2021. Total net position increased by \$109,939 for the current year activity.
- In the Township's governmental activities, revenues generated were \$782,142 while expenses totaled \$672,203.

OVERVIEW OF THE FINANCIAL STATEMENTS:

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's 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 required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements:

The government-wide statements are designed to provide readers with a broad overview of the Township's finances, as a whole, in a manner similar to a private sector business. The *statement of net position* presents information on all of the Township's assets and liabilities, with the difference between the two reported as net position. The *statement of activities* presents all of the Township's revenues and expenses, and is reported based on when the underlying event giving rise to the revenue or expense occurs, regardless of when cash is received or paid.

The government-wide statements of Maple Grove Township has one category:

Governmental Activities – Most of the Township's basic services are included here, such as the public safety, public works, health and welfare, and general administration. Property taxes, state shared revenue, and charges for services finance most of these activities.

Fund Financial Statements:

The fund financial statements provide more detailed information about the Township's most significant funds, not the Township as a whole. 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 has two types of funds:

Governmental Funds – Many of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets that can be converted to cash flow in and out. The funds also show the balances left at year-end that are available for spending.

The governmental funds focus on a short-term view, rather than the long-term focus of the government-wide statements, so additional information is provided after each of the governmental fund statements that explain the relationship of differences between the fund and government-wide statements.

The Township maintains one (1) individual governmental fund. Separate information is presented for the General Fund, which is considered to be a "major" fund.

MAPLE GROVE TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2022

The Township adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided to demonstrate compliance with the budget.

Fiduciary Funds – Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the Township's own programs.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township. The supplementary information is presented immediately following the required supplementary information.

MAPLE GROVE TOWNSHIP AS A WHOLE:

The Township's total combined net position for the fiscal year ended March 31, 2022 is \$914,456. Unrestricted net position, that part of net position that could be used to finance day-to-day operations, is \$492,545.

The following table shows comparisons of total assets, total liabilities and total net position in a condensed format as of March 31, 2022 and March 31, 2021.

	<i>March 31,</i>	
	<u>2022</u>	<u>2021</u>
Assets:		
Current and other assets	\$ 626,729	\$ 449,290
Capital assets, net	474,538	495,988
Total assets	<u>1,101,267</u>	<u>945,278</u>
Liabilities:		
Current and other liabilities	128,735	75,546
Long-term liabilities	58,076	65,215
Total liabilities	<u>186,811</u>	<u>140,761</u>
Net position:		
Net investment in capital assets	416,462	430,773
Restricted	5,449	2,879
Unrestricted	<u>492,545</u>	<u>370,865</u>
Total net position	<u>\$ 914,456</u>	<u>\$ 804,517</u>

Overall Analysis of Financial Position and Changes in Net Position:

The Township's combined total net position increased by \$109,939 during the current fiscal year. The Township's total governmental revenue is reported at \$782,142, an increase of \$51,503 from the prior fiscal year. Total expenses increased by \$117,248 from the prior fiscal year. During the year the Township received a federal ARPA award of \$131,987, of which, \$42,683 was expended and recognized as revenue. The balance of \$89,304 is reported as unearned revenue as of March 31, 2022. The Township continues to report a solid net position in its governmental activities, with approximately \$552,000 reported in cash and relatively little long-term debt and no pension or OPEB liabilities.

MAPLE GROVE TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2022

The following table shows comparison of the change in net position in a condensed format for the years ended March 31, 2022 and March 31, 2021:

	<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>
		<u>Restated</u>
Revenues:		
Program revenues		
Charges for services	\$ 312,990	\$ 295,569
Operating grants and contributions	43,283	-
General revenues		
Property taxes	109,355	119,775
Franchise fees	15,092	15,290
Unrestricted grants and contributions	283,648	279,613
Investment earnings	94	224
Other	17,680	20,168
Total revenues	<u>782,142</u>	<u>730,639</u>
Expenses:		
General government	207,305	183,827
Public safety	118,017	71,482
Public works	218,869	192,677
Health and welfare	103,000	102,700
Community and economic development	5,350	3,511
Recreation and culture	17,967	758
Interest on long-term debt	1,695	-
Total expenses	<u>672,203</u>	<u>554,955</u>
Change in net position	109,939	175,684
Net position, beginning of year, restated	<u>804,517</u>	<u>628,833</u>
Net position, end of year	<u>\$ 914,456</u>	<u>\$ 804,517</u>

MAPLE GROVE TOWNSHIP'S FUNDS:

Presentation of Maple Grove Township's General Fund funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. Funds are created to help manage money for specific purposes, as well as show accountability for certain activities, such as specific property tax millages and restricted receipts from Federal and State sources.

The General Fund is the Township's only governmental and is considered a major fund. It pays for the Township's government services. Its major components of revenue are property taxes and state shared revenue. For the year ended March 31, 2022, General Fund financing sources exceeded its financing uses by \$124,250, increasing its ending fund balance to \$497,994.

Overall Analysis of Financial Position and Change in General Fund Fund Balance:

The General Fund fund balance of \$497,994 as of March 31, 2022 is considered, by management, to be very healthy in comparison to the annual General Fund expenditures budget of approximately \$690,000. The Township revenues and expenditures were effectively monitored during the current year through a well-controlled budget process and, consequently, the operating results were as expected.

MAPLE GROVE TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

March 31, 2022

General Fund Budgetary Highlights:

The General Fund budget, as originally adopted, projected a net decrease in fund balance of \$46,749. During the year, the Township made no budget amendments. The actual results for the fiscal year yielded an increase in fund balance of \$124,250.

Capital Assets and Debt Administration:

At March 31, 2022, Maple Grove Township had \$474,538 invested in a range of capital assets including land, buildings and improvements, equipment, infrastructure, land improvements and vehicles, net of accumulated depreciation. At March 31, 2021, this total was \$495,988 (restated). Additional information about the Township's capital assets is presented in Note 1 and Note 4 of the Notes to the Financial Statements.

At March 31, 2022, Maple Grove Township's total long-term indebtedness was \$58,076, which was backed by the full faith and credit of the Township. Additional information about the Township's indebtedness is presented in Note 5 of the Notes to the Financial Statements.

Economic Factors:

We are continuing to plan for the long term, and will continue to balance the budgets through controls over spending, while striving to provide the Township's residents with the same level of service to which they have become accustomed.

Contacting the Township's Financial Management:

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact the Township Office, 17010 Lincoln Road, New Lothrop, Michigan 48460.

BASIC FINANCIAL STATEMENTS

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MAPLE GROVE TOWNSHIP

STATEMENT OF NET POSITION

March 31, 2022

	<i><u>Governmental Activities</u></i>
Assets:	
Cash and cash equivalents	\$ 552,082
Receivables	60,421
Prepaid expenses	14,226
Capital assets not being depreciated	25,780
Capital assets being depreciated, net	<u>448,758</u>
Total assets	<u>1,101,267</u>
Liabilities:	
Accounts payable	39,431
Unearned revenues	89,304
Long-term liabilities:	
Due within one year	
Current portion of long-term debt	6,522
Due in more than one year	
Long-term debt	<u>51,554</u>
Total liabilities	<u>186,811</u>
Net position:	
Net investment in capital assets	416,462
Restricted for:	
Refuse collection	5,449
Unrestricted	<u>492,545</u>
Total net position	<u>\$ 914,456</u>

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

MAPLE GROVE TOWNSHIP

STATEMENT OF ACTIVITIES

Year Ended March 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Governmental activities:</i>					
General government	\$ 207,305	\$ 22,968	\$ 600	\$ -	\$ (183,737)
Public safety	118,017	18,652	42,683	-	(56,682)
Public works	218,869	167,920	-	-	(50,949)
Health and welfare	103,000	103,000	-	-	-
Community and economic development	5,350	450	-	-	(4,900)
Recreation and culture	17,967	-	-	-	(17,967)
Interest on long-term debt	1,695	-	-	-	(1,695)
Total governmental activities	\$ 672,203	\$ 312,990	\$ 43,283	\$ -	(315,930)
General revenues:					
Taxes:					
Property taxes, levied for general purpose					109,355
Franchise fees					15,092
Grants and contributions not restricted to specific programs					283,648
Unrestricted investment earnings					94
Other					17,680
Total general revenues					425,869
Change in net position					109,939
Net position, beginning of year, restated					804,517
Net position, end of year					\$ 914,456

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

MAPLE GROVE TOWNSHIP

GOVERNMENTAL FUND

BALANCE SHEET

March 31, 2022

	<i>General Fund</i>
Assets:	
Cash and cash equivalents	\$ 552,082
Taxes receivable	3,366
Accounts receivable	12,934
Due from other governments	44,121
Prepaid expenditures	<u>14,226</u>
Total assets	<u><u>\$ 626,729</u></u>
Liabilities and Fund Balances:	
<i>Liabilities:</i>	
Accounts payable	\$ 39,431
Unearned revenue	<u>89,304</u>
Total liabilities	<u>128,735</u>
<i>Fund balances:</i>	
Nonspendable:	
Prepaid expenditures	14,226
Restricted for:	
Refuse collection	5,449
Unassigned	<u>478,319</u>
Total fund balances	<u>497,994</u>
Total liabilities and fund balances	<u><u>\$ 626,729</u></u>

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

MAPLE GROVE TOWNSHIP

RECONCILIATION OF FUND BALANCE OF THE GOVERNMENTAL FUND TO NET POSITION OF GOVERNMENTAL ACTIVITIES

March 31, 2022

Fund balance of governmental fund	\$ 497,994
Net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.	
Capital assets not being depreciated	25,780
Capital assets being depreciated, net	448,758
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds.	
Installment purchase agreement	<u>(58,076)</u>
Net position of governmental activities	<u><u>\$ 914,456</u></u>

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

MAPLE GROVE TOWNSHIP

GOVERNMENTAL FUND
**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE**
Year Ended March 31, 2022

	<u><i>General Fund</i></u>
Revenues:	
Property taxes	\$ 113,048
Special assessments	1,260
Licenses and permits	33,077
Federal grants	42,683
State grants	283,648
Contributions from other units	600
Charges for services	270,110
Fines and forfeits	667
Interest and rents	19,369
Other revenue	<u>17,680</u>
Total revenues	<u>782,142</u>
Expenditures:	
Current	
General government	192,808
Public safety	85,724
Public works	210,195
Health and welfare	103,000
Community and economic development	5,350
Recreation and culture	12,790
Capital outlay	39,191
Debt service	
Principal	7,139
Interest and fees	<u>1,695</u>
Total expenditures	<u>657,892</u>
Change in fund balance	124,250
Fund balance, beginning of year, restated	<u>373,744</u>
Fund balance, end of year	<u>\$ 497,994</u>

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

MAPLE GROVE TOWNSHIP

RECONCILIATION OF CHANGE IN FUND BALANCE OF GOVERNMENTAL FUND TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

Year Ended March 31, 2022

Change in fund balance of governmental fund	\$ 124,250
Change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Purchases of capital assets	23,933
Depreciation expense	(45,383)
Payments of principal on long-term obligations are expenditures in governmental funds but the payments reduce long-term liabilities in the statement of net position.	<u>7,139</u>
Change in net position of governmental activities	<u><u>\$ 109,939</u></u>

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

MAPLE GROVE TOWNSHIP

FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
March 31, 2022

	<u><i>Custodial Fund</i></u> <u><i>Current Tax Collection Fund</i></u>
Assets:	
Cash and cash equivalents	\$ <u>579</u>
Liabilities:	
Due to other governments	<u>579</u>
Net position:	
Held for others governments	<u>\$ -</u>

DRAFT

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

MAPLE GROVE TOWNSHIP

FIDUCIARY FUND
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
Year Ended March 31, 2022

	<u><i>Custodial Fund</i></u> <u><i>Current Tax Collection Fund</i></u>
Additions:	
Property taxes collected for other governments	<u>\$ 3,019,635</u>
Deductions:	
Property taxes paid to other governments	<u>3,019,635</u>
Increase (decrease)	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

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MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies used by Maple Grove Township, (the “Township”):

Reporting Entity:

Maple Grove Township is governed by a five-member Board-Manager form of government. The Township provides the following services: general administrative services, road maintenance, fire protection, recreation and other governmental functions.

In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Township may be financially accountable and, as such, should be included within the Township’s financial statements. Management has concluded there are no component units to be included in the Township’s financial statements.

Jointly Governed Organization:

Mid Michigan Waste Authority – The Township is a member of and receives trash collection services from Mid Michigan Waste Authority. The Authority was created in 1991 by twelve municipal corporations within Saginaw County under the provisions of Act 233, Public Acts of Michigan, 1995 as amended, for the purpose of acquiring, owning, improving, enlarging, extending and operating a solid waste management system. The Township does not have any equity interest in the Waste Authority. The cost of trash collection services for the year ended March 31, 2022 was \$162,041.

The joint venture is not considered a part of the reporting entity of the Township. Separate financial statements of the joint venture may be obtained separately from Mid Michigan Waste Authority.

Accounting and Reporting Principles:

The Township follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Government Accounting Standards Board.

Report Presentation:

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are not included in the government-wide financial statements.

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting:

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how it has spent certain resources - separate funds allow the Township to show the particular expenditures that specific revenues were used for. The various funds are aggregated into two broad fund types:

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds.

Fiduciary funds account for the resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the Township's own programs.

The Township reports the following major governmental fund:

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

Additionally, the Township reports the following fund type:

Fiduciary Fund – Custodial Funds – Custodial Funds are used to report fiduciary activities that are not required to be reported in other fiduciary funds. The Township's Current Tax Collection Fund is used to account for resources held by the Township in a purely custodial capacity.

Basis of Accounting:

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources. Expenditures are reported when the goods are received or the services are rendered.

Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: most state-shared revenue, state gas and weight tax revenue, and interest associated with the current fiscal period.

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting.

Specific Balances and Transactions:

Deposits and Investments – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments, if any, are stated at fair value.

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Prepaid Items – 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.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are defined by the Township as assets with an individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10-40 years
Equipment	5-10 years
Infrastructure	10 years
Land improvements	20 years
Vehicles	20 years

Long-term Obligations – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The General Fund is generally used to liquidate governmental long-term debt.

Unearned Revenue – Governmental funds report unearned revenue in connection with resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial 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 and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting.

Net Position Flow Assumption – Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary 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.

Fund Balance Flow Assumption – 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.

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Balance Policies – In the fund financial statements, fund balance may be presented in five possible categories, each of which identifies the extent to which the Township is bound to honor constraints on the specific purpose for which amounts can be spent:

Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.

Assigned – Amounts that are intended to be used for specific purposes expressed by the Township Board.

Unassigned – Amounts that do not fall into any category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

Property Taxes – Township property taxes are attached as an enforceable lien on property as of December 1 for the winter levy. Taxes levied December 1 are due without penalty on or before February 28. The 2021 taxable valuation of the Township totaled \$89,895,700 (exclusive of any Michigan Tax Tribunal or Board of Review adjustments) on which ad valorem taxes levied consisted of .8585 mills for operating purposes. The delinquent real property taxes of the Township are purchased by Saginaw County.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information:

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. Before the beginning of the next fiscal year, a proposed operating budget is submitted to the Township Board. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to April 1, the budget is legally enacted by adoption of the Township Board. Any revision that alters the total expenditures must be approved by the Township Board. Formal budgetary integration is employed as a management control device during the year. The General Fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the budgeted amounts for the General Fund is included in the required supplementary information. All annual appropriations lapse at fiscal year end.

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

Excess of Expenditures over Appropriations in Budgeted Funds:

During the year, the Township incurred expenditures in excess of the amounts budgeted as follows:

	<i>Final Budget</i>	<i>Actual</i>	<i>Actual Over Final Budget</i>
General Fund:			
General government			
Clerk	\$ 19,300	\$ 20,521	\$ 1,221
Audit	3,500	3,775	275
Board of review	2,550	2,674	124
Building and grounds	59,000	61,794	2,794
Attorney	20,000	24,025	4,025
Public safety			
Fire	72,036	77,090	5,054
Building inspection	3,100	8,634	5,534
Public works			
Sanitation	160,000	163,090	3,090
Capital outlay	18,500	39,191	20,691

NOTE 3: CASH AND CASH EQUIVALENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency of instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Custodial Credit Risk of Bank Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The Township does not have a deposit policy for custodial credit risk. At year-end, the Township had \$581,113 of bank deposits (certificates of deposit, checking, and savings accounts), of which \$403,279 was covered by federal depository insurance and the remaining was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits, and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with acceptable estimated risk level are used as depositories. At year end, the Township had no investments.

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2022 was as follows:

	<i>April 1, 2021</i>			<i>March 31, 2022</i>
	<i>Restated</i>	<i>Additions</i>	<i>Retirements</i>	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 25,780	\$ -	\$ -	\$ 25,780
Capital assets being depreciated:				
Buildings and improvements	396,504	-	-	396,504
Equipment	439,022	23,933	-	462,955
Infrastructure	86,735	-	-	86,735
Land improvements	78,519	-	-	78,519
Vehicles	810,221	-	-	810,221
Total capital assets being depreciated	<u>1,811,001</u>	<u>23,933</u>	<u>-</u>	<u>1,834,934</u>
Less accumulated depreciation for:				
Buildings and improvements	(353,674)	(10,572)	-	(364,246)
Equipment	(383,509)	(7,030)	-	(390,539)
Infrastructure	(13,010)	(8,673)	-	(21,683)
Land improvements	(42,950)	(3,926)	-	(46,876)
Vehicles	(547,650)	(15,182)	-	(562,832)
Total accumulated depreciation	<u>(1,340,793)</u>	<u>(45,383)</u>	<u>-</u>	<u>(1,386,176)</u>
Total capital assets being depreciated, net	<u>470,208</u>	<u>(21,450)</u>	<u>-</u>	<u>448,758</u>
Governmental activities, capital assets, net	<u>\$ 495,988</u>	<u>\$ (21,450)</u>	<u>\$ -</u>	<u>\$ 474,538</u>

Depreciation expense was charged to various functions as follows:

	<i>Governmental Activities</i>
General government	\$ 14,497
Public safety	17,035
Public works	8,674
Recreation and culture	<u>5,177</u>
	<u>\$ 45,383</u>

NOTE 5: LONG-TERM LIABILITIES

The Township may issue bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment.

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 5: LONG-TERM LIABILITIES, CONTINUED

Long-term liability activity for the year ended March 31, 2022 was as follows:

	<i>April 1, 2021 Restated</i>	<i>Additions</i>	<i>Retirements</i>	<i>March 31, 2022</i>	<i>Due Within One Year</i>
Governmental activities:					
Direct Borrowings:					
2021 Installment Purchase Agreement					
Collateralized by a Fire Truck	\$ 65,215	\$ -	\$ (7,139)	\$ 58,076	\$ 6,522

Debt issues outstanding are as follows:

	<i>Maturity Date</i>	<i>Original Issue</i>	<i>Interest Rate</i>	<i>Amount Outstanding</i>
Governmental activities:				
Direct Borrowings:				
2021 Installment Purchase Agreement	2031	\$ 65,215	2.50%	\$ 58,076

Annual debt service requirements to maturity for the above debt obligation is as follows:

<i>Year Ended March 31,</i>	<i>Governmental Activities</i>		
	<i>Direct Borrowings</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2023	\$ 6,522	\$ 1,452	\$ 7,974
2024	6,522	1,288	7,810
2025	6,522	1,126	7,648
2026	6,522	962	7,484
2027	6,522	800	7,322
2028-2031	25,466	1,568	27,034
	<u>\$ 58,076</u>	<u>\$ 7,196</u>	<u>\$ 65,272</u>

NOTE 6: DISAGGREGATED RECEIVABLE BALANCES

Receivables in the aggregate for the year ended March 31, 2022 were as follows:

	<i>Governmental Activities</i>
Receivables:	
Property taxes	\$ 3,366
Accounts	12,934
Intergovernmental	44,121
Total receivables	<u>\$ 60,421</u>

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 7: 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 (workers' compensation); and natural disasters. The Township maintains commercial insurance covering each of the risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

NOTE 8: EMPLOYEE RETIREMENT PENSION COMMITMENTS

Defined Contribution Pension Plan:

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contribution to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account. Covered employees are considered eligible to participate immediately, and are immediately 100% vested.

The Township maintains a defined contribution pension plan for certain Township employees. The eligible employees are required to contribute \$175 out of their gross earnings, and the Township contributes \$525. These contributions are paid to John Hancock Life Insurance Company, which serves to maintain the pension plan. The Township's actual contributions were \$3,150 for the year ended March 31, 2022. Employees contributed \$6,761.

NOTE 9: RESTRICTED GENERAL FUND BALANCES

The Township General Fund is used to account for the fees it receives from taxpayers for Trash Collection Services. Unspent money that is held at year end by the Township General Fund for these purposes is reported as restricted fund balance. For the current year, this amount was determined and reported as follows:

<u>For the year ended March 31, 2022:</u>	<i>Refuse Collections</i>
Balance, beginning of year	\$ 2,879
2021 assessment received for refuse collections	165,660
Expenditures for trash collection services	<u>(163,089)</u>
Balance, end of year	<u>\$ 5,450</u>

MAPLE GROVE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE 10: PRIOR PERIOD ADJUSTMENTS

Correction of Errors: In the prior year, there were certain receivables, payables, prepaids, capital asset, long-term debt, and cash balances that were not recorded or adjusted properly. The beginning fund balance/net position was restated to reflect these balances in the prior year. The effect is as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>
Fund balance/Net position March 31, 2021, previously stated	\$ 326,428	\$ 759,101
Adjustments to correct cash	72,782	72,782
Record taxes receivable	3,749	3,749
Adjustments to correct accounts receivable	(1,019)	(1,019)
Record due from other governments	40,141	40,141
Adjustments to correct prepaid expenditures/expenses	(11,524)	(11,524)
Record accounts payable	(56,813)	(56,813)
Record long-term debt	-	(65,215)
Record capital asset additions	-	63,315
	<u>373,744</u>	<u>804,517</u>
Fund balance/Net position March 31, 2021, as restated	\$ 373,744	\$ 804,517

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REQUIRED SUPPLEMENTARY INFORMATION

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MAPLE GROVE TOWNSHIP

GENERAL FUND BUDGETARY COMPARISON SCHEDULE Year Ended March 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variances with Final Budget Favorable (Unfavorable)</i>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
Property taxes	\$ 108,700	\$ 108,700	\$ 113,048	\$ 4,348
Special assessments	1,400	1,400	1,260	(140)
Licenses and permits	21,000	21,000	33,077	12,077
Federal grants	-	-	42,683	42,683
State grants	235,757	235,757	283,648	47,891
Contributions from other units	-	-	600	600
Charges for services	263,300	263,300	270,110	6,810
Fines and forfeits	-	-	667	667
Interest and rents	10,100	10,100	19,369	9,269
Other revenue	4,710	4,710	17,680	12,970
Total revenues	<u>644,967</u>	<u>644,967</u>	<u>782,142</u>	<u>137,175</u>
Expenditures:				
Current				
General government				
Board	45,980	45,980	30,035	15,945
Supervisor	11,600	11,600	11,578	22
Clerk	19,300	19,300	20,521	(1,221)
Audit	3,500	3,500	3,775	(275)
Information technology	2,300	2,300	817	1,483
Board of review	2,550	2,550	2,674	(124)
Treasurer	27,100	27,100	25,286	1,814
Assessor	12,500	12,500	11,336	1,164
Elections	6,000	6,000	967	5,033
Building and grounds	59,000	59,000	61,794	(2,794)
Attorney	20,000	20,000	24,025	(4,025)
Total general government	<u>209,830</u>	<u>209,830</u>	<u>192,808</u>	<u>17,022</u>
Public safety				
Fire	72,036	72,036	77,090	(5,054)
Building inspection	3,100	3,100	8,634	(5,534)
Total public safety	<u>75,136</u>	<u>75,136</u>	<u>85,724</u>	<u>(10,588)</u>
Public works				
Drains	6,000	6,000	1,199	4,801
Roads	60,000	60,000	41,594	18,406
Street lights	1,300	1,300	1,112	188
Sanitation	160,000	160,000	163,090	(3,090)
Cemetery	3,700	3,700	3,200	500
Total public works	<u>231,000</u>	<u>231,000</u>	<u>210,195</u>	<u>20,805</u>
Health and welfare				
Ambulance	103,000	103,000	103,000	-

continued

MAPLE GROVE TOWNSHIP

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE, CONTINUED

Year Ended March 31, 2022

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variances with Final Budget Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>		
Community and economic development				
Planning	3,000	3,000	1,750	1,250
Zoning	7,200	7,200	3,600	3,600
Total community and economic development	10,200	10,200	5,350	4,850
Recreation and culture				
Parks	32,050	32,050	12,790	19,260
Capital outlay	18,500	18,500	39,191	(20,691)
Debt service				
Principal	10,305	10,305	7,139	3,166
Interest and fees	1,695	1,695	1,695	-
Total expenditures	691,716	691,716	657,892	33,824
Change in fund balance	(46,749)	(46,749)	124,250	170,999
Fund balance, beginning of year, restated	373,744	373,744	373,744	-
Fund balance, end of year	\$ 326,995	\$ 326,995	\$ 497,994	\$ 170,999

SUPPLEMENTARY INFORMATION

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MAPLE GROVE TOWNSHIP

GOVERNMENTAL ACTIVITIES
SCHEDULE OF INDEBTEDNESS
 March 31, 2022

2021 INSTALLMENT PURCHASE AGREEMENT

Issue dated March 8, 2021 in the amount of	\$	65,215
Less: Principal paid in prior years		-
Principal paid in current year		<u>(7,139)</u>
Balance payable at March 31, 2022	\$	<u>58,076</u>

Balance payable as follows:

<u>Year Ended</u>	<u>Rate</u>	<u>Principal Due</u>		<u>Interest Due</u>		<u>Total Annual Requirement</u>
		<u>March 8</u>	<u>March 8</u>	<u>September 8</u>	<u>September 8</u>	
2023	2.50%	\$ 6,522	\$ 726	\$ 726	\$ 7,974	
2024	2.50%	6,522	644	644	7,810	
2025	2.50%	6,522	563	563	7,648	
2026	2.50%	6,522	481	481	7,484	
2027	2.50%	6,522	400	400	7,322	
2028	2.50%	6,522	318	318	7,158	
2029	2.50%	6,522	237	237	6,996	
2030	2.50%	6,522	155	155	6,832	
2031	2.50%	5,900	74	74	6,048	
		<u>\$ 58,076</u>	<u>\$ 3,598</u>	<u>\$ 3,598</u>	<u>\$ 65,272</u>	