

AUDITED FINANCIAL STATEMENTS
VILLAGE OF FRUITPORT, MICHIGAN
March 31, 2022

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Management's Discussion and Analysis
March 31, 2022

Using this Management's Discussion and Analysis

This annual report is intended to supplement the Village's financial statements for fiscal year ending March 31, 2022. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements (i.e. the Statement of Governmental Fund Revenue, Expenditures and Changes in Fund Balance and the Governmental Fund Balance Sheet) tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements.

The Village as a Whole

The Village's total net position is \$2,744,914 as of March 31, 2022. Unrestricted net position, which represents net position that can be used to finance day to day operations, comprise 29.2% of that total. The current level of unrestricted net position for our governmental activities stands at \$802,357 or about 137% of current year operating expenditures.

Government-Wide Financial Analysis:

The first table presented is a summary of the government-wide statement of net position for the Village. The net position may be used as an indicator of a government's financial health. As of March 31, 2022, the Village's net position from governmental activities totaled \$2,744,914.

In examining the composition of this net position, the reader should note that governmental activities net position is heavily invested in capital assets (i.e., buildings, land, vehicles, equipment, etc.) These assets are used to provide services to the residents and they are not available to pay salaries, operational expenses, or fund capital projects.

Table 1
Village of Fruitport Net Position
Governmental
Activities

	<u>2022</u> (audited)	<u>2021</u> (unaudited)
<u>Assets</u>		
Current and other assets	\$ 1,093,287	\$ 833,728
Capital assets, net of accumulated depreciation	<u>1,668,838</u>	<u>1,529,184</u>
Total	2,762,125	2,362,912
<u>Liabilities</u>		
Current	17,211	19,650
Noncurrent	<u>-</u>	<u>-</u>
Total	\$ 17,211	\$ 19,650

Table 1 - Village of Fruitport Net Position-Continued

	Governmental Activities	
	<u>2022</u> (audited)	<u>2021</u> (unaudited)
<u>Net Position</u>		
Net Investment in Capital Assets	1,668,838	1,529,184
Restricted	273,719	233,981
Unrestricted	<u>802,357</u>	<u>580,097</u>
Total net position	<u>\$2,744,914</u>	<u>\$ 2,343,262</u>

The Village's net position in the governmental activities continue to remain healthy. The Village has enough unrestricted cash on hand at the end of the year to fund normal operating expenses in similar circumstances for over 12 months.

The Village in compliance with stormwater drain requirements for the State of Michigan located, plotted on maps, cleared Village stormwater drains. The Village is a member of LGROW for DEQ permitting. The Village updated and codified municipal ordinances.

Governmental Activities

Governmental activities increased the Village's net position by \$401,652. Table 2 depicts this occurrence which will be discussed in more detail later in this analysis.

Table 2
Village of Fruitport Changes in Net Position

	Governmental Activities	
	<u>2022</u> (audited)	<u>2021</u> (unaudited)
<u>Revenues</u>		
Program		
Charges for Services	\$ 103,272	\$ 109,486
General		
Property taxes	303,198	292,040
Federal grant	120,264	611,039
State revenue sharing	316,076	273,951
Investment earnings	90	174
Contributions	73,668	-
Other	<u>71,661</u>	<u>59,341</u>
Total	\$ 988,229	\$1,346,031

March 31, 2022

Village of Fruitport Changes in Net Position-Continued

	Governmental Activities	
	<u>2022</u> (audited)	<u>2021</u> (unaudited)
<u>Expenses</u>		
Legislative	28,005	31,165
General government	41,702	35,327
Public safety	3,892	3,584
Public works	421,992	1,019,092
Recreation and culture	75,682	49,082
Other	<u>15,304</u>	<u>11,185</u>
Total	<u>586,577</u>	<u>1,149,435</u>
Increase(Decrease) in Net Position	401,652	196,596
Net Position - Beginning of Year	<u>2,343,262</u>	<u>2,146,666</u>
Net Position - End of Year	<u>\$2,744,914</u>	<u>\$2,343,262</u>

The Village's Funds

An analysis of the Village's major funds begins on page 5, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Council creates funds to help manage money for specific purposes as well as to show accountability for certain activities. The Village's major funds include the General Fund, Major Streets and Local Streets.

The General Fund pays the Village's general operating expenditures. The Village's General Fund also helps to offset the cost of refurbishing major and local streets.

The Village continues to meet State of Michigan CVTRS requirements and is therefore eligible for that portion of revenue sharing.

The Village has received \$60,132 of ARPA funding in the 2021-2022 fiscal year and will receive an additional \$60,132 of ARPA funding in the 2022-2023 fiscal year. The Village has completed the annual ARPA Compliance reporting.

MDOT's Local Bridge Program has awarded the Village \$216,000 to perform maintenance including a full blast cleaning and painting of the Bridge Street bridge over Norris Creek and an Epoxy Overlay. The project will begin in the spring of 2023 and completed by September 30, 2023.

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CALVIN D. MEEUSEN, C. P. A., P L L C
CERTIFIED PUBLIC ACCOUNTANT

Village of Fruitport, Michigan
Management's Discussion and Analysis
March 31, 2022

General Fund Budgetary Highlights

The Village Council did pass budget amendments to take into account events during the year ended March 31, 2022. Village expenditures overall stayed below budget, resulting in total expenditures of \$87,650 below budget. The General Fund's fund balance increased from \$580,097 a year ago to \$802,357 at March 31, 2022.

Capital Asset and Debt Administration

At March 31, 2022 the Village had \$1,668,838 (net of accumulated depreciation of \$583,222 invested in a broad range of capital assets including land, land improvements, buildings and machinery and equipment.

Economic Factors and Next Year's Budgets and Rates

The Village's budget for the next fiscal year projects property taxes to remain approximately the same as the current year. State revenue sharing allocations are expected to stay constant and EVIP conditions have been met by the Village. In total, revenues are expected to remain relatively stable for next year. Salaries are a large expenditure of the funds and represented approximately 27% of last year's expenditures.

Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayers, customers and other interested parties with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact us at (231) 865-3577.

INDEPENDENT AUDITOR'S REPORT

To the Village Council
Village of Fruitport

Opinions

We have audited the accompanying financial statements of the government activities and each major fund of the Village of Fruitport, Michigan (the Village) as of and for the year ended March 31, 2022, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements. In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Village of Fruitport, Michigan as of March 31, 2022, and the respective changes in financial position and, where applicable cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issues by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Fruitport, Michigan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the contents, be presented to supplement the basic financial statements. Such information, 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the Village of Fruitport, Michigan's ability to continue as a going concern for one year from the date the financial statements are issued.

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 opinion. 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have issued our report dated May 23, 2022, on our consideration of the Village of Fruitport, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Village of Fruitport, Michigan's internal control over financial reporting and compliance.

Calvin D. Meeusen, C.P.A., PLLC
Grand Haven, Michigan
May 23, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 951,443
Receivables	
Taxes	12,382
Accounts	16,284
Intergovernmental	113,178
Capital assets, net	<u>1,668,838</u>
Total assets	<u>2,762,125</u>
LIABILITIES	
Accounts payable	6,388
Accrued liabilities	<u>10,823</u>
Total liabilities	<u>17,211</u>
NET POSITION	
Net investment in Capital Assets	1,668,838
Restricted	273,719
Unrestricted	<u>802,357</u>
Total Net Position	<u>\$2,744,914</u>

The accompanying notes are an integral part of this statement.

	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Charges for</u>	<u>Capital grants</u>	<u>Primary Government</u>	
	<u>Expenses</u>	<u>services</u>	<u>Governmental</u>	
			<u>activities</u>	
Primary Government				
Governmental activities				
Legislative	\$ 28,005	\$ -	\$ -	\$ (28,005)
General government	41,702	-	-	(41,702)
Public safety	3,892	46,287	-	42,395
Public works	421,992	56,985	-	(365,007)
Recreation and cultural	75,682	-	73,668	(2,014)
Other governmental				
functions	15,304	-	-	(15,304)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total primary				
government	<u>586,577</u>	<u>103,272</u>	<u>73,668</u>	<u>(409,637)</u>
General revenues				
Property taxes				303,198
Federal grant				120,264
State revenue sharing				316,076
Investment earnings				90
Other				<u>71,661</u>
Total general revenue				<u>811,289</u>
and special items				
Change in net position				401,652
Net position at April 2, 2021				<u>2,343,262</u>
Net position at March 31, 2022				<u>\$2,744,914</u>

The accompanying notes are an integral part of this statement.

March 31, 2022

	General <u>Fund</u>	Major <u>Street</u>	Local <u>Street</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash	\$ 705,209	\$ 183,803	\$ 62,431	\$ 951,443
Receivables				
Taxes	12,382	-	-	12,382
Accounts	16,284	-	-	16,284
Intergovernmental	79,321	24,288	9,569	113,178
Due from other funds	<u>6,372</u>	<u>-</u>	<u>-</u>	<u>6,372</u>
Total Assets	<u>\$ 819,568</u>	<u>\$ 208,091</u>	<u>\$ 72,000</u>	<u>\$1,099,659</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	6,388	-	-	6,388
Due to other funds	-	3,694	2,678	6,372
Accrued liabilities	<u>10,823</u>	<u>-</u>	<u>-</u>	<u>10,823</u>
Total Liabilities	<u>17,211</u>	<u>3,694</u>	<u>2,678</u>	<u>23,583</u>
Fund Equity:				
Fund balance				
Restricted	-	204,397	69,322	273,719
Unassigned	<u>802,357</u>	<u>-</u>	<u>-</u>	<u>802,357</u>
Total Fund Equity	<u>802,357</u>	<u>204,397</u>	<u>69,322</u>	<u>1,076,076</u>
Total Liabilities and Fund Equity	<u>\$ 819,568</u>	<u>\$208,091</u>	<u>\$ 72,000</u>	<u>\$ 1,099,659</u>

The accompanying notes are an integral part of this statement.

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CALVIN D. MEEUSEN, C. P. A., P L L C
CERTIFIED PUBLIC ACCOUNTANT

Village of Fruitport, Michigan

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

March 31, 2022

Total fund balance-governmental funds \$ 1,076,076

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

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

Cost of capital assets	\$2,252,060	
Accumulated depreciation	<u>(583,222)</u>	<u>1,668,838</u>

Net position of governmental activities in the Statement of Net Position		<u>\$2,744,914</u>
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The accompanying notes are an integral part of this statement.

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CALVIN D. MEEUSEN, C. P. A., P L L C
CERTIFIED PUBLIC ACCOUNTANT

Village of Fruitport, Michigan

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

Year ended March 31, 2022

	<u>General Fund</u>	<u>Major Street</u>	<u>Local Street</u>	Total <u>Governmental Funds</u>
Revenues:				
Taxes	\$303,198	\$ -	\$ -	\$303,198
Federal grant	120,264	-	-	120,264
Licenses and permits	45,527	-	-	45,527
State shared revenues	120,125	140,793	55,158	316,076
Charges for services	57,745	-	-	57,745
Interest	90	-	-	90
Equipment rental	34,063	-	-	34,063
Contributions	73,668	-	-	73,668
Other revenue	<u>37,598</u>	<u>-</u>	<u>-</u>	<u>37,598</u>
TOTAL REVENUES	792,278	140,793	55,158	988,229
Expenditures				
Current:				
Legislative	28,005	-	-	28,005
General government	41,702	-	-	41,702
Public safety	3,892	-	-	3,892
Public works	226,790	117,014	54,867	398,671
Other	15,304	-	-	15,304
Capital outlay	178,067	-	-	178,067
Recreation & cultural	<u>60,590</u>	<u>-</u>	<u>-</u>	<u>60,590</u>
TOTAL EXPENDITURES	<u>554,350</u>	<u>117,014</u>	<u>54,867</u>	<u>726,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	237,928	23,779	291	261,998
Other financing sources (uses)				
Operating transfers in	-	15,668	-	15,668
Operating transfers out	<u>(15,668)</u>	<u>-</u>	<u>-</u>	<u>(15,668)</u>
Total other financing sources (uses)	<u>(15,668)</u>	<u>15,668</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES				
	222,260	39,447	291	261,998
Fund balance - April 1	<u>580,097</u>	<u>164,950</u>	<u>69,031</u>	<u>814,078</u>
Fund balance - March 31	<u>\$802,357</u>	<u>\$204,397</u>	<u>\$ 69,322</u>	<u>\$1,076,076</u>

The accompanying notes are an integral part of this statement.

Year ended March 31, 2022

Net change in fund balances-total governmental funds: \$ 261,998

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

Governmental funds report outlays for capital assets as expenditures in the Statement of Activities; these costs are depreciated over their estimated useful lives.

Depreciation expense	\$ (38,413)	
Capital outlay	<u>178,067</u>	<u>139,654</u>
Change in net position of governmental activities		\$ <u>401,652</u>

The accompanying notes are an integral part of this statement.

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CALVIN D. MEEUSEN, C. P. A., P L L C
CERTIFIED PUBLIC ACCOUNTANT

Village of Fruitport, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Fruitport (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America 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 Village's policies are described below.

1. Reporting Entity

The Village of Fruitport (Muskegon County) is a home rule village which operates under an elected village council form of government and provides services to its residents in many areas including public safety, highways and streets, parks and recreation, planning and zoning and general administrative services.

2. 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 activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and user charges.

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

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation-Cont.

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

Property taxes, state revenue sharing and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The General Fund is the Village'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 Major Streets Special Revenue Fund accounts for the resources of state gas and weight tax revenues that are restricted for use on major streets.

The Local Streets Special Revenue Fund accounts for the resources of state gas and weight tax revenues that are restricted for use on streets classified as local streets.

4. Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit. The Village has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the Village to invest in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Assets, Liabilities, and Net Position or Equity-Continued

The Village considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

b. Receivables and Payables

All outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as “internal balances.”

Property taxes attach as an enforceable lien on property and are levied on July 1 and are payable through September 14. The Village bills and collects its own property taxes and does not collect taxes for any other unit of government. Collections of these taxes are accounted for in the General Fund. Village property tax revenues are recognized in the period for which they are levied.

The Village is permitted by law to levy taxes up to 12.00 mills per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and 5.0 mills for the payment of principal and interest on long-term debt subject to a vote of the Village residents. The tax rate to finance general government services for the year ended March 31, 2022 was 7.0000 mills.

c. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of at least \$4,000 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements, if any, are capitalized as projects are constructed.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Assets, Liabilities, and Net Position or Equity-Continued

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10-40
Infrastructure	20-40
Land improvements	15-30
Equipment	5-10

d. Compensated Absences

Village employees earn paid time off in varying amounts based on length of service. Unused paid time off pay does not accumulate past March 31 of each fiscal year. The pro rata portion of unused paid time off is paid to employees at the time of termination or retirement. It is the Village's policy to recognize the cost of paid time off at the time payments are made.

e. Fund Balances/Net Position

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as long term receivables)
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders and contributors)
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint (not applicable)
- Assigned fund balance - amounts the Village intends to use for a specific purpose
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

e. Fund Balances/Net Position-Continued

The Village Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established by the Village Council through adoption or amendment of the budget as intended for specific purposes.

f. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. On or about March 15, the Village Council submits to the general public a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to April 1, the budget is legally enacted through passage of a resolution.
- d. The Village Council is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the general public.
- e. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles.
- f. Appropriations for the General Fund lapse at the end of the fiscal year.

Budgeted amounts are as originally adopted, or as amended by the Village Council as of March 31, 2022.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY-CONTINUED

2. Risk Management

The Village of Fruitport is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to full-time employees. The Village has purchased commercial insurance for medical benefits and participates in the Michigan Municipal Workers' Compensation Fund for workers' compensation claims and the Michigan Municipal Liability and Property Pool for claims relating to general liability, excess liability auto liability, trunkline liability, errors and omissions, physical damage (equipment, buildings and contents.). Settled claims have not exceeded the amount of insurance coverage in any of the past three years.

The local units in the State of Michigan established and created the above mentioned pools pursuant to the provisions of Act 138 of the Michigan Public Acts of 1982. These pools are to provide for joint and cooperative action common to each participating municipal corporation for the purpose of providing risk management services along with property and liability protection. Membership is restricted to local units and related local unit activities within the state.

NOTE C - DEPOSITS

The deposits are in various financial institutions and are carried at cost; the deposits are composed of checking accounts, money market and savings accounts.

At March 31, 2022, the Village's carrying amount of deposits was \$951,443 and the bank balance was \$957,426, Of the bank balance, \$398,754 was covered by federal depository insurance, the remainder being uninsured.

NOTE D-CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance</u> <u>April 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2022</u>
Capital assets, not being depreciated:				
Land	\$ <u>960,411</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>960 411</u>
Total capital assets, not being depreciated	<u>960,411</u>	<u>-</u>	<u>-</u>	<u>960,411</u>

NOTE D-CAPITAL ASSETS-CONTINUED

<u>Governmental Activities</u>	<u>Balance</u> <u>April 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2022</u>
Capital assets, being depreciated:				
Infrastructure	103,100	-	-	103,100
Buildings	382,673	-	-	382,673
Land improvements	354,443	178,067	50,590	481,920
Equipment	<u>323,956</u>	<u>-</u>	<u>-</u>	<u>323,956</u>
Total capital assets, being depreciated	1,164,172	178,067	50,590	1,291,649
Less accumulated depreciation for:				
Infrastructure	1,718	3,437	-	5,155
Buildings	171,137	9,567	-	180,704
Land improvements	182,113	11,318	50,590	142,841
Equipment	<u>240,431</u>	<u>14,091</u>	<u>-</u>	<u>254,522</u>
Total accumulated depreciation	<u>595,399</u>	<u>38,413</u>	<u>50,590</u>	<u>583,222</u>
Total capital assets, being depreciated, net	<u>568,773</u>	<u>139,654</u>	<u>-</u>	<u>708,427</u>
Capital Assets, net	<u>\$1,529,184</u>	<u>\$ 139,654</u>	<u>\$ -</u>	<u>\$1,668,838</u>
Government activities:				
Depreciation				
Depreciation expense was charged to functions as follows:				
Recreation and cultural				\$ 15,092
Public works				<u>23,321</u>
				<u>\$ 38,413</u>

NOTE E - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures have been reported on a functional basis. This is the same basis for which budgets have been legally adopted and amended.

-CONTINUED

During the year ended March 31, 2022, the Village incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total</u> <u>Appropriations</u>	<u>Actual</u> <u>Expenditures</u>	<u>Budget</u> <u>Variance</u>
General Fund			
Recreational and cultural	\$ 27,000	\$ 60,590	\$ 33,590
Major Street Fund			
Repairs and maintenance	61,000	69,689	8,689
Rentals	20,000	20,533	533
Local Street Fund			
Rentals	13,000	13,530	530

NOTE F - BUILDING INSPECTION DEPARTMENT

The Village of Fruitport is responsible for complying with the State Construction Code Act. This Act was amended by Public Act 245 of 1999 which became effective on January 1, 2000. Section 22 of Public Act 245 requires that the legislative body of a governmental subdivision shall establish reasonable fees to be charged by the governmental subdivision for acts and services performed by the enforcing agency under this act, which fees shall be intended to bear a reasonable relation to the cost, including overhead, to the governmental subdivision of the acts and services, including, without limitation, those services and acts as, in case of an enforcing agency, issuance of building permits, examination of plans and specifications, inspection of construction undertaken pursuant to a building permit, and the issuance of certificates of use and occupancy, and, in case of a board of appeals, hearing appeals in accordance with this act. The legislative body of a governmental subdivision shall only use fees generated under this section for the operation of the enforcing agency and shall not use the fees for any other purpose.

The Village of Fruitport meets the Michigan Department of Treasury criteria to account for these activities in the General Fund (ie. not establishing a separate Special Revenue Fund) namely, that the fee structure is not intended to recover the full cost of the enforcing agency and the Village has the ability to track the full costs and revenues of the enforcing agency without creating a separate fund.

The following is a schedule of the revenues and expenditures associated with the building inspection department:

Village of Fruitport, Michigan Building Inspection Department April 1, 2021-March 31, 2022		
Revenue		\$ 1,396
Expenses		
Contracted and professional services		75
Administration		<u>140</u>
TOTAL EXPENSES		<u>215</u>
EXCESS OF REVENUE OVER (UNDER) EXPENSES		<u>\$ 1,181</u>

NOTE G - PENSION PLAN

The Village has an IRC Section 457 deferred compensation pension plan in which all eligible employees may elect to participate. The amount of employer contributions for the year ended March 31, 2022 was \$1,854.

NOTE H - INTERFUND OPERATING TRANSFERS

Details of interfund operating transfers at March 31, 2022 are as follows:

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Fund</u>	<u>Operating Transfers Out</u>
Major Street Fund	\$ <u>15,668</u>	General Fund	\$ <u>15,668</u>

The purpose of the operating transfer activity was for recurring operating expenditures.

NOTE I – INTERFUND RECEIVABLES AND PAYABLES

Details of interfund receivables and payables at March 31, 2022 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Fund</u>	<u>Interfund Payables</u>
General	\$ 6,372	Major Street	\$ 3,694
	<u> </u>	Local Street	<u>2,678</u>
	\$ <u>6,372</u>		\$ <u>6,372</u>

The outstanding balances between funds results mainly from recurring operating expenditures.

NOTE J – CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization categorized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. The COVID-19 pandemic has caused business disruption through mandated and voluntary closings of multiple businesses. The extent of the impact of COVID-19 on the Village’s operation and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees, donors and vendors, all of which are uncertain and cannot be predicted, At this point, the extent to which COVID-19 may impact the Village’s financial condition or results of operations is uncertain.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 23, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

CALVIN D. MEEUSEN, C. P. A., P L L C
CERTIFIED PUBLIC ACCOUNTANT

Village of Fruitport, Michigan
Budgetary Comparison Schedule
GENERAL FUND

Year ended March 31, 2022

	<u>Budgeted Amounts</u>		Actual	Variance with final Budget - Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 270,000	\$ 270,000	\$303,198	\$ 33,198
Federal grant	-	-	120,264	120,264
Licenses and permits	35,000	35,000	45,527	10,527
State shared revenue	100,000	100,000	120,125	20,125
Charges for services	60,000	60,000	57,745	(2,255)
Interest	200	200	90	(110)
Equipment rentals	45,000	33,000	34,063	1,063
Contributions	-	-	73,668	73,668
Other revenue	<u>32,000</u>	<u>32,000</u>	<u>37,598</u>	<u>5,598</u>
Total Revenues	542,200	530,200	792,278	262,078
EXPENDITURES				
Legislative				
Village council	<u>15,800</u>	<u>35,000</u>	<u>28,005</u>	<u>6,995</u>
Total legislative	15,800	35,000	28,005	6,995
General government				
President	3,400	3,400	3,105	295
Election	200	200	-	200
Professional fees	19,000	10,000	4,711	5,289
Clerk	19,000	19,000	17,684	1,316
Treasurer	19,000	19,000	15,571	3,429
Building and grounds	<u>26,650</u>	<u>10,450</u>	<u>631</u>	<u>9,819</u>
Total general government	87,250	62,050	41,702	20,348
Public safety				
Law enforcement	750	750	-	750
Protective inspections	1,200	1,200	75	1,125
Planning commission	4,000	4,000	3,636	364
Zoning board of appeals	<u>1,000</u>	<u>1,000</u>	<u>181</u>	<u>819</u>
Total public safety	6,950	6,950	3,892	3,058
Public works				
Department of public works	200,000	200,000	146,047	53,953
Waste collection	60,000	60,000	59,095	905
Street lighting	25,000	25,000	19,322	5,678
Maintenance	<u>10,000</u>	<u>10,000</u>	<u>2,326</u>	<u>7,674</u>
Total public works	295,000	295,000	226,790	68,210

The accompanying notes are an integral part of this statement.

Village of Fruitport, Michigan
 Budgetary Comparison Schedule
 GENERAL FUND-CONTINUED

Year ended March 31, 2022

	<u>Budgeted Amounts</u>			<u>Variance with final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Recreational and cultural				
Recreation - parks	27,000	27,000	60,590	(33,590)
Cultural	-	-	-	-
Total recreational and cultural	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>60,590</u>	<u>(33,590)</u>
Other				
Insurance and bonds	10,000	16,000	15,304	696
Total other	10,000	16,000	15,304	696
Capital Outlay				
General	200,000	200,000	178,067	21,933
TOTAL EXPENDITURES	<u>\$642,000</u>	<u>\$642,000</u>	<u>554,350</u>	<u>87,650</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(99,800)	(111,800)	237,928	349,728
Other financing sources (uses)				
Operating transfers out	(50,000)	(50,000)	(15,668)	34,332
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(149,800)	(161,800)	222,260	384,060
Fund balance - April 1	<u>580,097</u>	<u>580,097</u>	<u>580,097</u>	<u>-</u>
Fund balance - March 31	<u>\$430,297</u>	<u>\$418,297</u>	<u>802,357</u>	<u>384,060</u>

The accompanying notes are an integral part of this statement.

Village of Fruitport, Michigan
 Budgetary Comparison Schedule
 MAJOR STREET FUND
 Year ended March 31, 2022

	<u>Budgeted Amounts</u>			<u>Variance with final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental revenue				
State shared revenue				
Gas and weight tax	\$105,000	\$105,000	\$140,793	\$ 35,793
Interest earnings	-	-	-	-
TOTAL REVENUES	105,000	105,000	140,793	35,793
Expenditures				
Construction	-	-	-	-
Maintenance				
Salaries and wages	21,000	21,000	15,914	5,086
Other fringe benefits	1,500	1,500	1,318	182
Operating supplies	3,000	6,000	5,101	899
Repairs and maintenance	61,000	61,000	69,689	(8,689)
Rentals	25,000	20,000	20,533	(533)
Professional services	8,500	20,000	2,320	17,680
Traffic services				
Repairs and maintenance	2,500	2,500	2,139	361
TOTAL EXPENDITURES	<u>122,500</u>	<u>132,000</u>	<u>117,014</u>	<u>14,986</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(17,500)	(27,000)	23,779	50,779
Other financing sources (uses)				
Operating transfers in	-	-	15,668	15,668
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	<u>15,668</u>	<u>15,668</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(17,500)	(27,000)	39,447	66,447
Fund balance - April 1	<u>164,950</u>	<u>164,950</u>	<u>164,950</u>	-
Fund balance - March 31	<u>\$147,450</u>	<u>\$137,950</u>	<u>204,397</u>	<u>66,447</u>

The accompanying notes are an integral part of this statement.

Budgetary Comparison Schedule
LOCAL STREET FUND

Year ended March 31, 2022

	<u>Budgeted Amounts</u>			Variance with final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental revenue				
State shared revenue				
Gas and weight tax	\$ <u>48,000</u>	\$ <u>48,000</u>	<u>55,158</u>	<u>7,158</u>
TOTAL REVENUES	48,000	48,000	55,158	7,158
Expenditures				
Construction	-	-	-	-
Maintenance				
Salaries and wages	15,000	15,000	11,877	3,123
Other fringe benefits	1,148	1,148	984	164
Operating supplies	4,000	4,000	3,628	372
Repairs and maintenance	50,000	50,000	22,528	27,472
Rentals	20,000	13,000	13,530	(530)
Professional services	<u>4,852</u>	<u>20,000</u>	<u>2,320</u>	<u>17,680</u>
TOTAL EXPENDITURES	<u>95,000</u>	<u>103,148</u>	<u>54,867</u>	<u>48,281</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(47,000)	(55,148)	291	55,439
Other financing sources				
Operating transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(22,000)	(30,148)	291	30,439
Fund balance - April 1	<u>69,031</u>	<u>69,031</u>	<u>69,031</u>	<u>-</u>
Fund balance - March 31	<u>\$ 47,031</u>	<u>\$ 38,883</u>	<u>\$ 69,322</u>	<u>\$ 30,439</u>

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

CALVIN D. MEEUSEN, C. P. A., PLLC
CERTIFIED PUBLIC ACCOUNTANT

CALVIN D. MEEUSEN, C. P. A., PLLC

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Members of the Village Council
Village of Fruitport, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Village of Fruitport as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village of Fruitport's basic financial statements, and have issued our report thereon dated May 23, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Fruitport's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Fruitport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Fruitport's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 22-1 that we consider to be a significant deficiency.

Internal Control Over Financial Reporting-Continued

The Village of Fruitport's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. We did not audit Village of Fruitport's response and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Fruitport's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of management and the Village Council and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Calvin D. Meeusen, C.P.A., PLLC
Grand Haven, Michigan
May 23, 2022

SCHEDULE OF FINDINGS AND RESPONSES

For the Year ending March 31, 2022

SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unmodified opinion on the financial statements of the Village of Fruitport, Michigan.
2. One significant deficiency was disclosed during the audit of the financial statements and is reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. This condition is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the Village of Fruitport, Michigan, were disclosed during the audit.

FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCY

21-1 Cash Receipts and Cash Disbursements

Condition: Controls over cash receipts and disbursements are inadequate because of the lack of segregation of duties due to limited numbers of accounting personnel.

Criteria: Accounting functions should be delegated to different personnel in such a way that one can consistently act as a "check" on another.

Effect: The integrity of the accounting records could be compromised.

Cause: Virtually all of the important accounting functions are done by only one person. The Village of Fruitport has traditionally operated very "lean" in the accounting area. The relatively small size of the Village does not justify the hiring of additional accountants.

Recommendation: Management should review the cash receipts and disbursements for reasonableness and completeness on a regular basis. Cash disbursements over a prescribed dollar amount should be reviewed by the Village Council.

Response: Management concurs with the recommendation. This has been done in the past and will continue in the future.

CALVIN D. MEEUSEN
CERTIFIED PUBLIC ACCOUNTANT

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May 23, 2022

Members of the Village Council
Village of Fruitport, Michigan

In connection with my audit of the financial statements of the Village of Fruitport as of March 31, 2022, I have reviewed the accounting policies and procedures employed by the Village and the internal controls in effect. As a result of this review, I wish to make certain comments and recommendations.

I have audited the financial statements of the Village of Fruitport for the year ended March 31, 2022 and have issued my report thereon dated May 23, 2022. As part of my audit, I made a study and evaluation of the system of internal accounting control of the Village of Fruitport to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office "Standards for Audit of Governmental Organizations, Programs, Activities and Functions". The purpose of my study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the entity's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of the Village of Fruitport is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of the Village taken as a whole.

Members of the Village Council

However, my study and evaluation disclosed that the internal accounting controls are not adequate to reduce to a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Village of Fruitport may occur and not be detected within a timely period. This is because of a lack of segregation of duties due to the limited number of accounting personnel. Accordingly, substantive testing has been increased to reduce to an acceptable level audit risk associated with this situation.

A budget is required by the State Constitution and by State Statutes and is the only basis for spending. A local unit cannot overspend its adopted budget unless a change in the budget is approved by the Council. Any amendment to the adopted budget should be made no later than the last day of the fiscal year and any transfer of monies between funds, except those authorized by statute, should be held to an absolute minimum and should be authorized by resolution of the Village and recorded in the Council minutes.

In conclusion, I wish to state that all of the comments and recommendations are intended to be only of a constructive nature. I am sure they will help you to improve your accounting system and financial operation. I will be available to meet with you at any time in order to discuss the above comments and recommendations.

Respectfully submitted,

Calvin D. Meeusen, C.P.A., PLLC