

**Village of Mesick**  
**REPORT ON FINANCIAL STATEMENTS**  
(with required supplementary information)  
Year ended February 28, 2021

# Village of Mesick

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## INDEPENDENT AUDITORS' REPORT

August 30, 2021

Village Council  
Village of Mesick  
Mesick, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Mesick as of and for the year ended February 28, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Mesick, as of February 28, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 31-33 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.

*Lake Michigan CPA Services, PLLC*

Ludington, Michigan  
August 30, 2021

## **Management's Discussion and Analysis**

### **Using this Annual Report**

As management of the Village of Mesick, we offer readers of the Village of Mesick's financial statements, this narrative overview and analysis of financial activities for the year ended February 28, 2021. The annual report consists of a series of financial statements, including the Statement of Net Position and the Statement of Activities, which 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 are also included, which 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.

### **Financial Highlights**

The assets of Village of Mesick exceeded its liabilities at the close of the February 28, 2021 fiscal year by \$2,832,212 (net position). The net position increased by \$148,789 in the governmental funds and decreased \$170,769 in the business-type funds for a total change of (\$21,980) from prior year net position.

The governmental funds increase was due to state grants for road improvements that were capitalized by the Village and other revenue from the sale of property in the General Fund.

The Village completed a sewer system extension project in the prior year. This project was funded with USDA Rural Development loans and grants that will be repaid over a period of years with revenue bonds.

### **Overview of the Financial Statements**

The Management's Discussion and Analysis introduces the Village's basic financial statements. The basic financial statements include 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Village also includes in this report additional information to supplement the basic financial statements.

#### *Government-Wide Financial Statements*

The government-wide financial statements are designed to give a view of the entity as a whole. These statements provide both long-term and short-term information about the Village's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities and charges.

## **Management's Discussion and Analysis**

The Statement of Net Position is the government-wide statement of financial position presenting information that includes all of the Village's assets and liabilities, with the difference reported as net position. Over time, changes in net position may serve as a useful indicator of the financial health of the Village and whether the financial condition is improving or deteriorating.

The Statement of Activities reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included when the event giving rise to the change occurs, regardless of the timing of when cash is received or paid. The Statement of Activities is designed to help show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers and intergovernmental revenues.

### *Fund Financial Statements.*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with related laws and regulations. Within the basic financial statements, the fund financial statements focus on the Village's most significant funds, rather than the Village as whole. Major funds are separately reported while all others are combined into an aggregated presentation. The Village of Mesick has three governmental funds and two business-type funds. The Village's General Fund, Major Street, and Local Fund are considered major governmental funds for the 2021 fiscal year. The Sewer Fund and the Water Fund are the major business-type funds.

The Village has two types of funds as noted below:

*Governmental funds* are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Village's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

*Proprietary funds* are reported in the fund financial statements. The Village has two business-type proprietary funds.

### **Government-wide Financial Analysis**

The net position of the Village may be used as an indicator of a government's overall financial position. As of February 28, 2021, the Village's net position from governmental activities totaled \$973,936 and the net position from the business-type

**Village of Mesick**  
Wexford County, Michigan

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**Management's Discussion and Analysis**

activities was \$1,849,276, for a total of \$2,823,212. The net position of the Village includes assets which are invested in capital assets (i.e., buildings, land, equipment, etc.). These assets are used to provide services to the Village's residents, and they are not available to pay salaries, operational expenses or fund capital projects. The net position invested in capital assets, net of related debt, was \$2,132,032. The unrestricted net position at February 28, 2021 depicted a balance of \$552,279. The unrestricted net position represents the amount of discretionary resources that can be used for general governmental operations. Restricted net position totaled \$138,901. The following table demonstrates the statements of net position as February 28, 2021 and February 28, 2019 (the most recent previously audited fiscal year):

	February 28, 2021	February 28, 2019
<b>Governmental activities:</b>		
Current assets	\$ 346,035	\$ 380,464
Noncurrent assets	633,962	503,742
Total Assets	<u>\$ 979,997</u>	<u>\$ 884,206</u>
Current liabilities	\$ 6,061	\$ 5,530
Net Position		
Invested in Capital Assets	633,962	503,742
Restricted	43,304	97,550
Unrestricted	296,670	277,384
Total Net Position	<u>\$ 973,936</u>	<u>\$ 878,676</u>
<b>Business-type activity:</b>		
Current assets	\$ 256,256	\$ 211,192
Noncurrent assets	4,499,327	2,752,138
Total Assets	<u>\$ 4,755,583</u>	<u>\$ 2,963,330</u>
Current liabilities	\$ 65,373	\$ 97,539
Noncurrent liabilities	2,725,000	1,409,000
Total Liabilities	<u>2,790,373</u>	<u>1,506,539</u>
Deferred inflow of resources	115,934	122,638
Net position		
Invested in capital assets, net of debt	1,498,070	1,170,996
Restricted	95,597	63,879
Unrestricted	255,609	99,278
Total Net Position	<u>\$ 1,849,276</u>	<u>\$ 1,334,153</u>

**Village of Mesick**  
Wexford County, Michigan

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**Management's Discussion and Analysis**

Governmental funds increased during 2021 primarily due to state revenue for capital road improvements and proceeds from the sale of property. The following table summarizes the governmental statement of activities for the years ended February 28, 2021 and February 28, 2019:

<b>Revenues</b>	<u>02/28/21</u>	<u>02/28/19</u>
Program Revenues		
Charges for services	\$ 54,937	\$ 59,884
Operating grants and contributions	88,059	93,116
Capital grants and contributions	85,352	
General Revenues		
Taxes	91,280	80,605
Grants and contributions not restricted	40,601	39,884
Unrestricted investment earnings	-	2
Miscellaneous	<u>46,123</u>	<u>4,182</u>
Total Revenue	406,352	277,673
 <b>Expenses</b>		
General government	118,563	109,474
Public works	127,010	138,145
Culture & recreation	<u>11,990</u>	<u>12,242</u>
Total Expenses	<u>257,563</u>	<u>259,861</u>
Change in net position	148,789	17,812
Net Position, March 1	<u>825,147</u>	<u>860,864</u>
Net Position, February 28	<u>\$ 973,936</u>	<u>\$ 878,676</u>



**Village of Mesick**  
Wexford County, Michigan

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**Management's Discussion and Analysis**

The following table summarizes the business-type statement of activities for the years ended February 28, 2021 and February 28, 2019:

<b>Revenues</b>	<u>02/28/21</u>	<u>02/28/19</u>
Program Revenues		
Water system charges for services	102,847	91,420
Sewer system charges for services	96,899	95,119
Unrestricted investment earnings	148	27
Total Revenue	<u>199,894</u>	<u>186,566</u>
 <b>Expenses</b>		
Water system operations	130,099	117,553
Sewer system operations	240,564	176,766
Total expenses	<u>370,663</u>	<u>294,319</u>
 Change in Net Position	(170,769)	(107,753)
Net Position, March 1	<u>2,020,045</u>	<u>1,348,577</u>
Net Position, February 28	<u>\$ 1,849,276</u>	<u>\$ 1,240,824</u>

**Fund Financial Analysis**

The General Fund reported an ending fund balance of \$294,690, all of which is unassigned for continuing Village service requirements. The fund balance of the General Fund increased \$40,062 over the prior year, due in part to the sale of village property.

The Major Street Fund declined \$65,258 during the 2021 fiscal year, bringing the restricted fund balance to \$35,603. The decrease can be attributed to a capital outlays for road improvements which were not fully covered by grant revenues. The Local Street Fund fell \$9,480 during the 2021 fiscal year, bringing the restricted fund balance to \$7,701.

**General Fund Budgetary Highlights**

The Village's General Fund budget for the February 28, 2021 fiscal reflected planned revenues of \$184,560. Within the adopted expenditure budget, the Village planned spending of \$162,650. The Village experienced a positive budget variance of \$48,152 during the 2021 fiscal year, which was partially due to the sale of Village property.

**Village of Mesick**  
Wexford County, Michigan

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**Management's Discussion and Analysis**

**Capital Assets**

The following table depicts the composition of capital assets of the Village:

<b>Governmental funds</b>	<u>02/28/21</u>	<u>02/28/20</u>
Land	\$ 45,924	\$ 45,924
Buildings and improvements	123,758	123,758
Streets and improvements	1,165,068	925,702
Equipment	<u>104,744</u>	<u>104,744</u>
Total capital assets	1,439,494	1,200,128
Less: Accumulated Depreciation	<u>(805,532)</u>	<u>(748,506)</u>
Capital assets, net of accumulated depreciation	<u>\$ 633,962</u>	<u>\$ 451,622</u>
<b>Business-type funds</b>		
Land	\$ 133,091	\$ 133,091
Construction in progress	-	2,198,240
Buildings	1,500	1,500
Equipment	41,173	1,238
Sewer system	4,054,272	1,856,032
Water system	<u>2,511,428</u>	<u>2,511,428</u>
Total capital assets	6,741,464	6,701,529
Less: Accumulated Depreciation	<u>(2,466,394)</u>	<u>(2,264,768)</u>
Capital assets, net of accumulated depreciation	<u>\$ 4,275,070</u>	<u>\$ 4,436,761</u>

**Long-term debt**

The Village's long-term debt consisted of Water Improvement Revenue Bonds and Sewer System Revenue Bonds. The balance of the bonds were \$2,777,000 at February 28, 2021 and \$2,828,000 at February 28, 2020.

**General Economic Overview and Village Information**

The Village of Mesick plans to maintain its financial stability over the course of the next fiscal year in the governmental funds. The two main sources of revenue for the Village are property taxes and state shared revenue which, when combined, are expected to remain at about the same level as what was experienced in the current fiscal year. Expenditures are planned to remain consistent with the 2021 fiscal year. Within the Water and Sewer Funds, the Village plans to slightly raise rates and continue to pay for the water and sewer improvement projects. This financial report is designed to provide a general overview of the Village of Mesick's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Mesick, PO Box 206, Mesick, MI 49668.

# Village of Mesick

Statement of Net Position  
February 28, 2021

## ASSETS

	Governmental activities	Business-type activities	Total
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 282,163	\$ 193,919	\$ 476,082
Accounts receivable	30,325	56,809	87,134
Due from other governmental units	27,444	11,631	39,075
Internal balances	6,103	(6,103)	-
Total current assets	346,035	256,256	602,291
<b>NONCURRENT ASSETS</b>			
Restricted cash	-	95,597	95,597
Noncurrent special assessments receivable	-	128,660	128,660
Non-depreciable	45,924	133,091	179,015
Depreciable, net of accumulated depreciation	588,038	4,141,979	4,730,017
Total noncurrent assets	633,962	4,499,327	5,133,289
Total assets	\$ 979,997	\$ 4,755,583	\$ 5,735,580

## LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 3,723	\$ -	\$ 3,723
Accrued expenses	2,338	13,373	15,711
Current portion, bonds and loans payable	-	52,000	52,000
Total current liabilities	6,061	65,373	71,434
<b>NONCURRENT LIABILITIES</b>			
Bonds payable, less current portion	-	2,725,000	2,725,000
Total noncurrent liabilities	-	2,725,000	2,725,000
Total liabilities	6,061	2,790,373	2,796,434
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue - property lease	-	115,934	115,934
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	633,962	1,498,070	2,132,032
Restricted	43,304	95,597	138,901
Unrestricted	296,670	255,609	552,279
Total net position	\$ 973,936	\$ 1,849,276	\$ 2,823,212

The accompanying notes are an integral part of this statement.

# Village of Mesick

## Statement of Activities For the year ended February 28, 2021

Functions/Programs	Program Revenue				Net (Expense)/Revenue and Changes in Net Position		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities:							
General government	\$ 118,563	\$ 22,313	\$ -	\$ -	\$ (96,250)	\$ -	\$ (96,250)
Public works	127,010	32,624	88,059	85,352	79,025	-	79,025
Culture and recreation	11,990	-	-	-	(11,990)	-	(11,990)
Total governmental activities	257,563	54,937	88,059	85,352	(29,215)	-	(29,215)
Business-type activities:							
Sewer	240,564	96,899	-	-	-	(143,665)	(143,665)
Water	130,099	102,847	-	-	-	(27,252)	(27,252)
Total business-type activities	370,663	199,746	-	-	-	(170,917)	(170,917)
Total government	\$ 628,226	\$ 254,683	\$ 88,059	\$ 85,352	(29,215)	(170,917)	(200,132)
General revenues							
Property taxes, levied for general purposes					91,280	-	91,280
Grants and contributions not restricted to specific programs					40,601	-	40,601
Unrestricted investment earnings					-	148	148
Miscellaneous					46,123	-	46,123
Total general revenues					178,004	148	178,152
Change in net position					148,789	(170,769)	(21,980)
Net position at March 1, 2020					825,147	2,020,045	2,845,192
Net position at February 28, 2021					\$ 973,936	\$ 1,849,276	\$ 2,823,212

The accompanying notes are an integral part of this statement.

# Village of Mesick

Balance Sheet  
Governmental Funds  
February 28, 2021

## ASSETS

<b>ASSETS</b>	General Fund	Major Street	Local Street	Total governmental funds
Cash and cash equivalents	\$ 243,845	\$ 33,332	\$ 4,986	\$ 282,163
Accounts receivable, net				
Garbage collection	7,690	-	-	7,690
Taxes and special assessments	22,635	-	-	22,635
Due from other governmental units	7,025	17,092	3,327	27,444
Due from other funds	17,813	-	-	17,813
Total assets	<u>\$ 299,008</u>	<u>\$ 50,424</u>	<u>\$ 8,313</u>	<u>\$ 357,745</u>

## LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

### LIABILITIES

Accounts payable	\$ -	\$ 3,723	\$ -	\$ 3,723
Accrued payroll liabilities	2,338	-	-	2,338
Due to other funds	<u>-</u>	<u>11,098</u>	<u>612</u>	<u>11,710</u>
Total liabilities	<u>2,338</u>	<u>14,821</u>	<u>612</u>	<u>17,771</u>

### DEFERRED INFLOW OF RESOURCES

Unavailable revenue - sidewalk special assessments	<u>1,980</u>	<u>-</u>	<u>-</u>	<u>1,980</u>
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### FUND BALANCES

Restricted	-	35,603	7,701	43,304
Unassigned	<u>294,690</u>	<u>-</u>	<u>-</u>	<u>294,690</u>
Total fund balances	<u>294,690</u>	<u>35,603</u>	<u>7,701</u>	<u>337,994</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 299,008</u>	<u>\$ 50,424</u>	<u>\$ 8,313</u>	<u>\$ 357,745</u>

The accompanying notes are an integral part of this statement.

# Village of Mesick

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Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
February 28, 2021

Total fund balance—governmental funds \$ 337,994

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 therefore are not reported in the  
governmental funds.

Cost of capital assets	\$ 1,439,494	
Accumulated depreciation	<u>(805,532)</u>	633,962

Certain revenue is not recognized until it is receivable in the  
current period and therefore is shown as a deferred inflow of  
resources in the governmental funds 1,980

Net position of governmental activities  
in the Statement of Net Position \$ 973,936

The accompanying notes are an integral part of this statement.

# Village of Mesick

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended February 28, 2021

	General Fund	Major Street	Local Street	Total governmental funds
<b>REVENUES</b>				
Property taxes	\$ 91,280	\$ -	\$ -	\$ 91,280
State revenues	43,340	152,385	18,287	214,012
Licenses and permits	60	-	-	60
Rents	21,128	-	-	21,128
Charges for services	32,624	-	-	32,624
Other	46,123	-	-	46,123
Total revenues	234,555	152,385	18,287	405,227
<b>EXPENDITURES</b>				
Current:				
General government	113,840	-	-	113,840
Public works	45,265	24,277	11,767	81,309
Culture and recreation	5,388	-	-	5,388
Capital outlay	-	239,366	-	239,366
Total expenditures	164,493	263,643	11,767	439,903
Excess of revenues over (under) expenditures	70,062	(111,258)	6,520	(34,676)
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	-	46,000	-	46,000
Transfers out	(30,000)	-	(16,000)	(46,000)
Total other financing sources/(uses)	(30,000)	46,000	(16,000)	-
Net change in fund balances	40,062	(65,258)	(9,480)	(34,676)
Fund balance at March 1, 2020	254,628	100,861	17,181	372,670
Fund balance at February 28, 2021	\$ 294,690	\$ 35,603	\$ 7,701	\$ 337,994

The accompanying notes are an integral part of this statement.

# Village of Mesick

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Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
of the governmental funds to the Statement of Activities  
For the year ended February 28, 2021

Net changes in fund balances - total governmental funds \$ (34,676)

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

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

Depreciation expense	(57,026)	
Capital outlay	<u>239,366</u>	182,340

Certain revenue in the Statement of Activities that does not provide  
current financial resources are not reported as revenue in the  
governmental funds 1,125

Change in net position of governmental activities \$ 148,789

The accompanying notes are an integral part of this statement.



# Village of Mesick

Statement of Net Position  
Proprietary Funds  
February 28, 2021

	Business-type activities		
	Sewer Fund	Water Fund	Total
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 180,211	\$ 13,708	\$ 193,919
Accounts receivable	28,914	27,895	56,809
Special assessments receivable, current	11,631	-	11,631
Due from other funds	3,217	-	3,217
Total current assets	223,973	41,603	265,576
<b>NONCURRENT ASSETS</b>			
Restricted cash			
Bond reserve	19,500	21,000	40,500
RRI Reserve	18,944	36,153	55,097
Total restricted cash	38,444	57,153	95,597
Noncurrent special assessments receivable	128,660	-	128,660
Capital assets			
Land	130,385	2,706	133,091
Buildings	-	1,500	1,500
Equipment	-	41,173	41,173
Sewer system	4,054,272	-	4,054,272
Water system	-	2,511,428	2,511,428
Less: accumulated depreciation	(1,219,712)	(1,246,682)	(2,466,394)
Net capital assets	2,964,945	1,310,125	4,275,070
Total noncurrent assets	3,132,049	1,367,278	4,499,327
Total assets	\$ 3,356,022	\$ 1,408,881	\$ 4,764,903
<b>CURRENT LIABILITIES</b>			
Due to other funds	\$ -	\$ 9,320	\$ 9,320
Accrued interest payable	8,888	4,485	13,373
Current portion, bonds and loan payable	29,000	23,000	52,000
Total current liabilities	37,888	36,805	74,693
<b>NONCURRENT LIABILITIES</b>			
Loans payable, less current portion	-	-	-
Bonds payable, less current portion	1,644,000	1,081,000	2,725,000
Total noncurrent liabilities	1,644,000	1,081,000	2,725,000
Total liabilities	1,681,888	1,117,805	2,799,693
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue - property lease	-	115,934	115,934
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	1,291,945	206,125	1,498,070
Restricted	38,444	57,153	95,597
Unrestricted	343,745	(88,136)	255,609
Total Net Position	\$ 1,674,134	\$ 175,142	\$ 1,849,276

The accompanying notes are an integral part of this statement.

## Village of Mesick

Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the year ended February 28, 2021

	Business-type activities		
	Sewer Fund	Water Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 96,899	\$ 99,495	\$ 196,394
Rent	-	3,352	3,352
Total operating revenues	96,899	102,847	199,746
<b>OPERATING EXPENSES</b>			
Wages	21,527	23,903	45,430
Payroll taxes	1,630	-	1,630
Equipment rental	-	1,812	1,812
Operating supplies	2,408	5,344	7,752
Other services and charges	12,264	19,577	31,841
Repairs and maintenance	5,070	8,965	14,035
Utilities	4,866	7,847	12,713
Depreciation	157,094	44,532	201,626
Total operating expenses	204,859	111,980	316,839
Operating loss	(107,960)	(9,133)	(117,093)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Investment earnings	39	109	148
Interest expense	(35,705)	(18,119)	(53,824)
Total nonoperating revenues and expenses	(35,666)	(18,010)	(53,676)
Change in net position	(143,626)	(27,143)	(170,769)
Net position at March 1, 2020	1,817,760	202,285	2,020,045
Net position at February 28, 2021	\$ 1,674,134	\$ 175,142	\$ 1,849,276

The accompanying notes are an integral part of this statement.

# Village of Mesick

Statement of Cash Flows  
Proprietary Funds  
For the year ended February 28, 2021

	Business-type activities		
	Sewer Fund	Water Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 65,832	\$ 83,595	\$ 149,427
Receipts from other governments	-	-	-
Payments to suppliers	(159,761)	(43,545)	(203,306)
Payments to employees	(23,157)	(23,903)	(47,060)
Intergovernmental transactions	14,148	5,987	20,135
Net cash provided by/(used for) operating activities	(102,938)	22,134	(80,804)
<b>CASH FLOW FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Net proceeds from sale of investments	-	12,145	12,145
Acquisition of capital assets	-	(39,935)	(39,935)
Principal paid on long-term debt	(29,000)	(22,000)	(51,000)
Investment earnings	39	109	148
Interest expense	(35,859)	(18,208)	(54,067)
Net cash used for financing activities	(64,820)	(67,889)	(132,709)
Net change in cash and investments	(167,758)	(45,755)	(213,513)
Cash, restricted cash and cash equivalents at March 1, 2020	386,413	116,616	503,029
Cash, restricted cash and cash equivalents at February 28, 2021	\$ 218,655	\$ 70,861	\$ 289,516

## Reconciliation of operating loss to net cash provided by operating activities

Operating loss	\$ (107,960)	\$ (9,133)	\$ (117,093)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	157,094	44,532	201,626
Change in assets and liabilities			
Increase/(decrease) in receivables	(31,067)	(15,900)	(46,967)
Increase/(decrease) in accounts payable	(135,153)	-	(135,153)
Change in intergovernmental payables	14,148	5,987	20,135
Increase in deferred inflows of resources	-	(3,352)	(3,352)
Net cash provided by operating activities	\$ (102,938)	\$ 22,134	\$ (80,804)

Cash paid for interest for the year ending February 28, 2021 was \$54,067.

The accompanying notes are an integral part of this statement.

# **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

## **I. Summary of significant accounting policies**

The accounting policies of the Village of Mesick have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies used by the Village of Mesick.

### **A. Reporting entity**

The Village of Mesick, located in Wexford County, is a general law village incorporated under the General Village Act of 1895. Under the criteria established by accounting principles generally accepted in the United States of America, the Village has determined that there are no component units which should be included in its reporting entity.

### **B. Government-wide and fund financial statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. 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 charges for services.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

### **C. Measurement focus, basis of accounting, and financial statement presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

## **Village of Mesick**

### Notes to the Financial Statements

February 28, 2021

The Village of Mesick reports the following major governmental funds:

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

The Major Street Fund accounts for the state revenues and expenditures for major street improvements and maintenance.

The Local Street Fund accounts for the state revenues and expenditures for local street improvements and maintenance.

The Village of Mesick reports the following major proprietary funds:

The Water Fund reports the financial activity of the well water system.

The Sewer Fund is used to account for the activity of the sewer system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

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

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as needed.

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

### **D. Assets, liabilities and fund balances/net position**

#### ***1. Deposits and investments***

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

The Village has adopted an investment policy in compliance with State of Michigan statutes. Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943) 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 office 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 mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. All investments are reported at fair value.

#### ***2. Receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

All trade and property tax receivables are shown net of allowance for uncollectibles. The Village bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Property taxes are levied on December 1 on the taxable valuation of real and personal property (as defined by state statutes) located in the Village as of the preceding December 31. Uncollectible real property taxes as of the following March 1 are turned over by the Village to the County for collection. The delinquent personal property taxes remain the responsibility of the Village. The Village recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

# **Village of Mesick**

## Notes to the Financial Statements

February 28, 2021

The 2020 state taxable value for property within the Village totaled approximately \$7,738,132. The property tax levied consisted of 11.4135 mills for the Village's operating purposes. The tax revenue is recorded in the Village's General Fund.

### ***3. Capital assets***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Land improvements	20
Equipment	5-10
Water system	20-50

### ***4. Deferred inflows of resources***

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of deferred inflows of resources.

One type of deferred inflow of resources arises only under a modified accrual basis of accounting that qualifies for reporting in this category, in the governmental funds. Accordingly, the item unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from special assessments that are amounts that are deferred and recognized as an inflow of resources in the period that the amounts become available.



## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

The Village's second type of deferred inflow of resources arises in the business-type funds from resources received in advance of meeting timing requirements for lease revenue recognition. These deferred inflows will be recognized as inflows of resources in future periods over the life of the lease.

### ***5. Long-term obligations***

In the government-wide financial statements and proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

### ***6. Net Position Flow Assumption***

Sometimes the Village will fund outlays for a particular purpose from both restricted 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 resources are considered to be applied.

It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### ***7. Fund Equity***

Sometimes the Village will fund outlays from both unrestricted 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 Village'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.

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

In the fund financial statements, governmental funds report fund balance in one of the following categories:

*Nonspendable* fund balances are not spendable in form and are required to be maintained intact.

*Restricted* fund balances are amounts that are constrained to a specific purpose through enabling legislation.

*Committed* fund balances are constrained to a specific purpose by the Village through an act of its highest decision-making authority, the Village Council.

*Assigned* fund balances represent amounts that the Village intends to use for a specific purpose.

*Unassigned* fund balances are amounts that are available for any purpose.

### ***8. Use of Estimates***

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **II. Stewardship, compliance and accountability**

### **A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end. The operating budget includes proposed expenditures and the means of financing them. A public hearing is held at the Village Hall to obtain taxpayer comments. Prior to the end of the fiscal year, the Village Council enacts the budget through a resolution. The budget is amended throughout the year, when required to provide for additional revenues and expenditures. The appropriated budget is prepared by fund and function. Transfers of appropriations between functions require the approval of the Village Council.

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

### **B. Expenditures over appropriations**

The legal level of budgetary control is the function level. During the year ended February 28, 2021, spending exceeded the adopted Village budget in the General Fund village council function by \$3,713 and public works by \$3,765. In the Major Street Fund, spending on capital outlays exceeded the Village budget by \$19,366. The Village utilized lower than expected expenditures in other functions in the General Fund and transfers in the Major Street Fund to cover the overage.

### **III. Detailed notes on all funds**

#### **A. Deposits and investments**

##### ***Interest Rate Risk***

The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

##### ***Credit Risk***

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The Village's investment policy does not further limit its investment options.

##### ***Concentration of Credit Risk***

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

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

### ***Custodial Credit Risk***

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. State law does not require, and the Village does not have, a deposit policy for custodial credit risk. As of February 28, 2021, \$250,000 of the Village's deposits were covered by federal depository insurance and \$571,679 was exposed to custodial credit risk because it was uninsured and uncollateralized.

### ***Foreign currency risk***

The Village is not authorized to invest in securities which have this type of risk.

### **B. Receivables**

The Village's receivables in the governmental funds consisted of the following at February 28, 2021: In the General Fund, \$7,690 of trade receivables was due from residents for garbage collection services; \$2,623 was due from residents for special assessments on past sidewalk projects; \$20,012 was receivable from Wexford County for taxes and delinquent assessments; and \$7,025 was due from the State of Michigan for state shared revenue.

In the Major and Local Street Funds, \$17,092 and \$3,327, respectively, was due from the State for road maintenance revenue.

Based on the payment schedule for special assessments receivable, \$1,980 of the amount reported in the General Fund is not expected to be collected within the next 60 days and has therefore been reported as unavailable deferred inflows of resources.

The Sewer Fund accounts receivable of \$28,914 were due from customers for sewer billings. The Sewer Fund also reported special assessments receivable of \$140,291 for connections to the sewer system.

The Water Fund receivables as of February 28, 2021 consisted of \$27,895 of utility bills outstanding.

## Village of Mesick

Notes to the Financial Statements

February 28, 2021

### C. Capital assets

Capital asset activity for the year ended February 28, 2021 was as follows:

	Balance March 1, 2020	Additions	Dispositions	Balance February 28, 2021
<b>Governmental funds</b>				
Capital assets, not being depreciated:				
Land	\$ 45,924	\$ -	\$ -	\$ 45,924
Capital assets, being depreciated:				
Buildings	37,000	-	-	37,000
Building improvements	86,758	-	-	86,758
Streets and improvements	925,702	239,366	-	1,165,068
Equipment	104,744	-	-	104,744
Total capital assets, being depreciated	<u>1,154,204</u>	<u>239,366</u>	<u>-</u>	<u>1,393,570</u>
Less accumulated depreciation				
Buildings	12,457	740	-	13,197
Building improvements	47,530	3,483	-	51,013
Streets and improvements	589,277	51,079	-	640,356
Equipment	99,242	1,724	-	100,966
Total accumulated depreciation	<u>748,506</u>	<u>57,026</u>	<u>-</u>	<u>805,532</u>
Total capital assets, being depreciated, net	<u>405,698</u>	<u>182,340</u>	<u>-</u>	<u>588,038</u>
Total governmental funds capital, net	<u>\$ 451,622</u>	<u>\$ 182,340</u>	<u>\$ -</u>	<u>\$ 633,962</u>

Governmental depreciation expense was charged to the following governmental functions:

General government	\$ 4,723
Public works	45,701
Culture and recreation	6,602
Total	<u>\$ 57,026</u>

## **Village of Mesick**

### Notes to the Financial Statements

February 28, 2021

<b>Business-type funds</b>	Balance March 1, 2020	Additions	Dispositions	Balance February 28, 2021
Capital assets, not being depreciated:				
Land	\$ 133,091	\$ -	\$ -	\$ 133,091
Construction in progress	2,198,240	-	(2,198,240)	-
Total nondepreciable assets	2,331,331	-	(2,198,240)	133,091
Capital assets, being depreciated:				
Buildings	1,500	-	-	1,500
Equipment	1,238	39,935	-	41,173
Sewer system	1,856,032	2,198,240	-	4,054,272
Water system	2,511,428	-	-	2,511,428
Total capital assets, being depreciated	4,370,198	2,238,175	-	6,608,373
Less accumulated depreciation				
Buildings	1,500	-	-	1,500
Equipment	1,238	499	-	1,737
Sewer system	1,062,618	157,094	-	1,219,712
Water system	1,199,412	44,033	-	1,243,445
Total accumulated depreciation	2,264,768	201,626	-	2,466,394
Total capital assets, being depreciated, net	2,105,430	2,036,549	-	4,141,979
Total business-type funds capital, net	<u>\$ 4,436,761</u>	<u>\$ 2,036,549</u>	<u>\$ (2,198,240)</u>	<u>\$ 4,275,070</u>

#### **D. Interfund receivables and payables**

Interfund balances at February 28, 2021 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose:</u>
General Fund	Major Street	\$ 9,516	Operations/payroll
General Fund	Local Street	2,194	Operations/payroll
General Fund	Sewer fund	1,821	Operations/payroll
General Fund	Water Fund	4,283	Operations/payroll
Local Street	Major Street	1,582	Operations
Sewer Fund	Water Fund	<u>5,048</u>	Operations
	Total	<u>\$ 24,444</u>	

Interfund transfers consist of the following for road improvements:

Transfer from General Fund to Major Streets:	\$ 30,000
Transfer from Local Streets to Major Streets:	<u>16,000</u>
Total	<u>\$ 46,000</u>

## Village of Mesick

### Notes to the Financial Statements February 28, 2021

#### E. Long-term debt

The following schedule summarizes the Village's long-term debt activity:

	Balance March 1, 2020	Additions	Reductions	Balance February 28, 2021	Due within one year
Water system revenue bonds, due in annual installments of \$22,000 through \$40,000 plus interest of 1.625%; interest due semi-annually; Payments through June of 2056	\$ 1,126,000	\$ -	\$ 22,000	\$ 1,104,000	\$ 23,000
Sewer system revenue bonds, Series 2018; due in annual installments of principal of \$29,000 through \$63,000 through 2058; plus interest at 2.125%	<u>1,702,000</u>	-	<u>29,000</u>	<u>1,673,000</u>	<u>29,000</u>
Total	\$ <u>2,828,000</u>	\$ -	\$ <u>51,000</u>	\$ <u>2,777,000</u>	\$ <u>52,000</u>

The annual principal and interest requirements are detailed in the following schedule:

Year ending February 28	Principal	Interest	Total
2021	\$ 52,000	\$ 52,783	\$ 104,783
2022	53,000	51,783	104,783
2023	54,000	50,764	104,764
2024	55,000	49,725	104,725
2025	55,000	48,676	103,676
2026-2030	296,000	226,882	522,882
2031-2035	325,000	197,261	522,261
2036-2040	355,000	164,737	519,737
2041-2045	392,000	129,012	521,012
2046-2050	431,000	89,485	520,485
2051-2055	474,000	46,060	520,060
2056-2058	235,000	6,285	241,285
	\$ <u>2,777,000</u>	\$ <u>1,113,453</u>	\$ <u>2,608,623</u>

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2021

### **F. Other information**

#### ***1. Risk management***

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss in excess of insurance coverage can be reasonably estimated. There has been no loss in excess of insurance in the past three years.

#### ***2. Contingent liabilities***

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

### **G. Economic dependency**

The Village relies on the State of Michigan Shared Revenue program to fund a portion of its current governmental operations. For the year ended February 28, 2021, the state revenue was approximately 53% of governmental revenue.

### **H. Date of management review**

In preparing the financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through August 30, 2021, the date the financial statements were available to be issued.



**Required supplementary information**

# Village of Mesick

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the year ended February 28, 2021

REVENUES	Budgeted Amounts		Actual	Variance with final budget- positive (negative)
	Original	Final		
Property taxes	\$ 80,000	\$ 80,000	\$ 91,280	\$ 11,280
State revenue	42,000	42,000	43,340	1,340
Licenses and permits	200	200	60	(140)
Rents	23,000	23,000	21,128	(1,872)
Charges for services	36,360	36,360	32,624	(3,736)
Other	3,000	3,000	46,123	43,123
Total revenues	184,560	184,560	234,555	49,995
<b>EXPENDITURES</b>				
General government				
Village council	28,350	28,350	32,063	(3,713)
President	4,600	4,600	4,400	200
Clerk	13,500	13,500	13,568	(68)
Treasurer	12,400	12,400	10,710	1,690
Building and grounds	52,000	52,000	49,072	2,928
Other governmental functions	4,800	4,800	4,027	773
Public works	41,500	41,500	45,265	(3,765)
Culture and recreation	5,500	5,500	5,388	112
Capital outlay	-	-	-	-
Total expenditures	162,650	162,650	164,493	(1,843)
Excess of revenues over (under) expenditures	21,910	21,910	70,062	48,152
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers out	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	\$ (8,090)	\$ (8,090)	40,062	\$ 48,152
Fund balance at March 1, 2020			254,628	
Fund balance at February 28, 2021			\$ 294,690	

# Village of Mesick

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Required Supplementary Information  
 Budgetary Comparison Schedule  
 Major Street Fund  
 For the year ended February 28, 2021

	Budgeted Amounts		Actual	Variance with final budget- positive (negative)
<b>REVENUES</b>	Original	Final		
State revenues	\$ 150,000	\$ 150,000	\$ 152,385	\$ 2,385
 <b>EXPENDITURES</b>				
Public works	30,150	30,150	24,277	5,873
Capital outlays	220,000	220,000	239,366	(19,366)
Total expenditures	250,150	250,150	263,643	(13,493)
Excess of revenues over (under) expenditures	(100,150)	(100,150)	(111,258)	(11,108)
 <b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers in	30,000	30,000	46,000	16,000
Net change in fund balance	\$ (70,150)	\$ (70,150)	(65,258)	\$ 4,892
Fund balance at March 1, 2020			100,861	
Fund balance at February 28, 2021			\$ 35,603	

# Village of Mesick

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Required Supplementary Information  
 Budgetary Comparison Schedule  
 Local Street Fund  
 For the year ended February 28, 2021

	Budgeted Amounts		Actual	Variance with final budget- positive (negative)
<b>REVENUES</b>	Original	Final		
State revenues	\$ 18,000	\$ 18,000	\$ 18,287	\$ 287
<b>EXPENDITURES</b>				
Public works	18,090	18,090	11,767	6,323
Excess of revenues over (under) expenditures	(90)	(90)	6,520	6,610
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfers out	-	-	(16,000)	(16,000)
Net change in fund balance	\$ (90)	\$ (90)	(9,480)	\$ (9,390)
Fund balance at March 1, 2020			17,181	
Fund balance at February 28, 2021			\$ 7,701	