

**Village of Mesick**  
**REPORT ON FINANCIAL STATEMENTS**  
(with required supplementary information)  
Year ended February 28, 2019

# Village of Mesick

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## INDEPENDENT AUDITORS' REPORT

August 28, 2019

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, 2019, 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, 2019, 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 28, 2019

## **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, 2019. 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, 2019 fiscal year by \$2,212,829 (net position). The net position increased by \$17,812 in the governmental funds and decreased \$14,424 in the business-type funds for a total change of \$3,388 from prior year net position.

The Village completed a water system improvement project during the prior fiscal year and has begun a sewer system extension project in 2019. Both projects were 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 2019 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, 2019, the Village's net position from governmental activities totaled \$878,676 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 \$1,334,153, for a total of \$2,212,829. 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 \$1,674,738. The unrestricted net position at February 28, 2019 depicted a balance of \$376,662. The unrestricted net position represents the amount of discretionary resources that can be used for general governmental operations. Restricted net position totaled \$161,429. The following table demonstrates the statements of net position as February 28, 2019 and February 28, 2017 (the most recent previously audited fiscal year):

	February 28, 2019	February 28, 2017
<b>Governmental activities:</b>		
Current assets	\$ 380,464	\$ 280,695
Noncurrent assets	503,742	599,456
Total Assets	<u>\$ 884,206</u>	<u>\$ 880,151</u>
Current liabilities	\$ 5,530	\$ 598
Net Position		
Invested in Capital Assets	503,742	599,456
Restricted	97,550	44,958
Unrestricted	277,384	235,139
Total Net Position	<u>\$ 878,676</u>	<u>\$ 879,553</u>
<b>Business-type activity:</b>		
Current assets	\$ 211,192	\$ 197,200
Noncurrent assets	2,752,138	2,382,174
Total Assets	<u>\$ 2,963,330</u>	<u>\$ 2,579,374</u>
Current liabilities	\$ 97,539	\$ 46,380
Noncurrent liabilities	1,409,000	975,242
Total Liabilities	<u>1,506,539</u>	<u>1,021,622</u>
Deferred inflow of resources	122,638	129,341
Net position		
Invested in capital assets, net of debt	1,170,996	1,334,932
Restricted	63,879	30,000
Unrestricted	99,278	63,479
Total Net Position	<u>\$ 1,334,153</u>	<u>\$ 1,428,411</u>

**Village of Mesick**  
Wexford County, Michigan

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**Management's Discussion and Analysis**

Governmental funds increased during 2019 primarily due to spending on roadwork below revenues. The following table summarizes the governmental statement of activities for the years ended February 28, 2019 and February 28, 2017:

<b>Revenues</b>	<u>02/28/19</u>	<u>02/28/17</u>
Program Revenues		
Charges for services	\$ 59,884	\$ 56,220
Operating grants and contributions	93,116	63,142
General Revenues		
Taxes	80,605	74,257
Grants and contributions not restricted	39,884	37,404
Unrestricted investment earnings	2	911
Miscellaneous	4,182	8,142
Total Revenue	<u>277,673</u>	<u>240,076</u>
<b>Expenses</b>		
General government	109,474	102,003
Public works	138,145	133,630
Culture & recreation	12,242	10,363
Total Expenses	<u>259,861</u>	<u>245,996</u>
Change in net position	17,812	(5,920)
Net Position, March 1	<u>860,864</u>	<u>885,473</u>
Net Position, February 28	<u>\$ 878,676</u>	<u>\$ 879,553</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, 2019 and February 28, 2017:

<b>Revenues</b>	<u>02/28/19</u>	<u>02/28/17</u>
Program Revenues		
Water system charges for services	91,420	81,595
Sewer system charges for services	95,119	74,487
State grant for sewer	93,489	59,483
Unrestricted investment earnings	27	20
Total Revenue	<u>280,055</u>	<u>215,585</u>
 <b>Expenses</b>		
Water system operations	117,553	62,245
Sewer system operations	176,766	119,041
Total expenses	<u>294,319</u>	<u>181,286</u>
Change in Net Position	(14,264)	34,299
Net Position, March 1	<u>1,348,577</u>	<u>1,394,112</u>
Net Position, February 28	<u>\$ 1,334,313</u>	<u>\$ 1,428,411</u>

**Fund Financial Analysis**

The General Fund reported an ending fund balance of \$270,975, all of which is unassigned for continuing Village service requirements. The fund balance of the General Fund increased \$28,487 over the prior year, due in part equipment rental revenue and holding expenses below budget in most functions.

The Major Street Fund rose \$27,253 during the 2019 fiscal year, bringing the restricted fund balance to \$87,682. The incline can be attributed to a lower maintenance costs for streets within the Village. The Local Street Fund rose \$5,544 during the 2019 fiscal year, bringing the restricted fund balance to \$9,868.

**General Fund Budgetary Highlights**

The Village's final amended General Fund budget for the February 28, 2019 fiscal reflected planned revenues of \$172,981. Within the adopted expenditure budget, the Village planned spending of \$158,100. The Village experienced a positive budget variance of \$13,606 during the 2019 fiscal year, which was partially due to lower than anticipated Village hall expenditures.

**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>02/28/19</u>	<u>02/28/18</u>
Land	\$ 45,923	\$ 45,923
Buildings and improvements	123,758	123,758
Land improvements	925,703	925,703
Equipment	<u>104,744</u>	<u>96,122</u>
Total capital assets	1,200,128	1,191,506
Less: Accumulated Depreciation	<u>(696,386)</u>	<u>(643,545)</u>
Capital assets, net of accumulated depreciation	<u>\$ 503,742</u>	<u>\$ 547,961</u>
<b>Business-type fund</b>		
Land	\$ 133,091	\$ 133,091
Construction in progress	301,171	124,313
Buildings	1,500	1,500
Equipment	1,238	1,238
Sewer system	1,856,032	1,845,616
Water system	<u>2,511,428</u>	<u>2,511,428</u>
Total capital assets	4,804,460	4,617,186
Less: Accumulated Depreciation	<u>(2,173,464)</u>	<u>(2,065,976)</u>
Capital assets, net of accumulated depreciation	<u>\$ 2,630,996</u>	<u>\$ 2,551,210</u>

**Long-term debt**

The Village's long-term debt consisted of Water Improvement Revenue Bonds and a USDA sewer system loan payable. The balance of the bonds were \$1,148,000 at February 28, 2019 and \$1,170,000 at February 28, 2018. Draws on the USDA loan payable totaled \$312,000 as of February 28, 2019.

**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 2019 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, 2019

### ASSETS

	Governmental activities	Business-type activities	Total
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 319,931	\$ 160,386	\$ 480,317
Accounts receivable	31,221	55,402	86,623
Due from other governmental units	24,716	-	24,716
Internal balances	4,596	(4,596)	-
Total current assets	380,464	211,192	591,656
<b>NONCURRENT ASSETS</b>			
Restricted cash	-	121,142	121,142
Non-depreciable	45,924	434,262	480,186
Depreciable, net of accumulated depreciation	457,818	2,196,734	2,654,552
Total noncurrent assets	503,742	2,752,138	3,255,880
Total assets	\$ 884,206	\$ 2,963,330	\$ 3,847,536

### LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

#### CURRENT LIABILITIES

Accounts payable	\$ 3,544	\$ 41,875	\$ 45,419
Accrued expenses	1,986	4,664	6,650
Current portion, bonds and loans payable	-	51,000	51,000
Total current liabilities	5,530	97,539	103,069

#### NONCURRENT LIABILITIES

Loans payable, less current portion		283,000	283,000
Bonds payable, less current portion	-	1,126,000	1,126,000
Total noncurrent liabilities	-	1,409,000	1,409,000
Total liabilities	5,530	1,506,539	1,512,069

#### DEFERRED INFLOW OF RESOURCES

Unavailable revenue - property lease	-	122,638	122,638
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#### NET POSITION

Invested in capital assets, net of related debt	503,742	1,170,996	1,674,738
Restricted	97,550	63,879	161,429
Unrestricted	277,384	99,278	376,662
Total net position	\$ 878,676	\$ 1,334,153	\$ 2,212,829

The accompanying notes are an integral part of this statement.

# Village of Mesick

Statement of Activities  
For the year ended February 28, 2019

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	\$ 109,474	\$ 21,677	\$ -	\$ -	\$ (87,797)	\$ -	\$ (87,797)
Public works	138,145	38,207	93,116	-	(6,822)	-	(6,822)
Culture and recreation	12,242	-	-	-	(12,242)	-	(12,242)
Total governmental activities	259,861	59,884	93,116	-	(106,861)	-	(106,861)
Business-type activities:							
Sewer	176,766	95,119	-	93,489	-	11,842	11,842
Water	117,533	91,240	-	-	-	(26,293)	(26,293)
Total business-type activities	294,299	186,359	-	93,489	-	(14,451)	(14,451)
Total government	\$ 554,160	\$ 246,243	\$ 93,116	\$ 93,489	(106,861)	(14,451)	(121,312)
General revenues							
Property taxes, levied for general purposes					80,605	-	80,605
Grants and contributions not restricted to specific programs					39,884	-	39,884
Unrestricted investment earnings					2	27	29
Miscellaneous					4,182	-	4,182
Total general revenues					124,673	27	124,700
Change in net position					17,812	(14,424)	3,388
Net position at March 1, 2018					860,864	1,348,577	2,209,441
Net position at February 28, 2019					\$ 878,676	\$ 1,334,153	\$ 2,212,829

The accompanying notes are an integral part of this statement.

# Village of Mesick

Balance Sheet  
Governmental Funds  
February 28, 2019

## ASSETS

	General Fund	Major Street	Local Street	Total governmental funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 231,568	\$ 80,325	\$ 8,038	\$ 319,931
Accounts receivable, net				
Garbage collection	7,135	-	-	7,135
Taxes and special assessments	24,086	-	-	24,086
Due from other governmental units	6,676	14,973	3,067	24,716
Due from other funds	9,905	-	-	9,905
Total assets	<u>\$ 279,370</u>	<u>\$ 95,298</u>	<u>\$ 11,105</u>	<u>\$ 385,773</u>

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

### LIABILITIES

Accounts payable	\$ -	\$ 3,544	\$ -	\$ 3,544
Accrued payroll liabilities	1,986	-	-	1,986
Due to other funds	<u>-</u>	<u>4,072</u>	<u>1,237</u>	<u>5,309</u>
Total liabilities	<u>1,986</u>	<u>7,616</u>	<u>1,237</u>	<u>7,295</u>

### DEFERRED INFLOW OF RESOURCES

Unavailable revenue - sidewalk special assessments	<u>6,409</u>	<u>-</u>	<u>-</u>	<u>6,409</u>
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### FUND BALANCES

Restricted	-	87,682	9,868	97,550
Unassigned	<u>270,975</u>	<u>-</u>	<u>-</u>	<u>270,975</u>
Total fund balances	<u>270,975</u>	<u>87,682</u>	<u>9,868</u>	<u>368,525</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 279,370</u>	<u>\$ 95,298</u>	<u>\$ 11,105</u>	<u>\$ 382,229</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, 2019

Total fund balance—governmental funds \$ 368,525

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	\$ 1,200,128	
Accumulated depreciation	<u>(696,386)</u>	503,742

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 6,409

Net position of governmental activities  
in the Statement of Net Position \$ 878,676

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, 2019

	General Fund	Major Street	Local Street	Total governmental funds
<b>REVENUES</b>				
Property taxes	\$ 80,605	\$ -	\$ -	\$ 80,605
State revenues	42,357	73,947	16,696	133,000
Licenses and permits	191	-	-	191
Rents	21,486	-	-	21,486
Charges for services	37,460	-	-	37,460
Investment earnings	-	2	-	2
Other	4,182	-	-	4,182
Total revenues	186,281	73,949	16,696	276,926
<b>EXPENDITURES</b>				
Current:				
General government	104,630	-	-	104,630
Public works	39,937	46,696	11,152	97,785
Culture and recreation	4,605	-	-	4,605
Capital outlay	8,622	-	-	8,622
Total expenditures	157,794	46,696	11,152	215,642
Net change in fund balances	28,487	27,253	5,544	61,284
Fund balance at March 1, 2018	242,488	60,429	4,324	307,241
Fund balance at February 28, 2019	\$ 270,975	\$ 87,682	\$ 9,868	\$ 368,525

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, 2019

Net changes in fund balances - total governmental funds \$ 61,284

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	(52,841)	
Capital outlay	<u>8,622</u>	
		(44,219)

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

747

Change in net position of governmental activities \$ 17,812

The accompanying notes are an integral part of this statement.



# Village of Mesick

Statement of Net Position  
Proprietary Funds  
February 28, 2019

	Business-type activities		
	Sewer Fund	Water Fund	Total
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 104,461	\$ 43,780	\$ 148,241
Investments	-	12,145	12,145
Accounts receivable, net	33,894	21,508	55,402
Due from other funds	3,956	-	3,956
Total current assets	142,311	77,433	219,744
<b>NONCURRENT ASSETS</b>			
Restricted cash	57,263	63,879	121,142
Land	130,385	2,706	133,091
Construction in progress	301,171	-	301,171
Buildings	-	1,500	1,500
Equipment	-	1,238	1,238
Sewer system	1,856,032	-	1,856,032
Water system	-	2,511,428	2,511,428
Less: accumulated depreciation	(1,015,436)	(1,158,028)	(2,173,464)
Net capital assets	1,272,152	1,358,844	2,630,996
Total noncurrent assets	1,329,415	1,422,723	2,752,138
Total assets	\$ 1,471,726	\$ 1,500,156	\$ 2,971,882
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 41,875	\$ -	\$ 41,875
Due to other funds	-	8,552	8,552
Accrued interest payable	-	4,664	4,664
Current portion, bonds and loan payable	29,000	22,000	51,000
Total current liabilities	70,875	35,216	106,091
<b>NONCURRENT LIABILITIES</b>			
Loans payable, less current portion	283,000	-	283,000
Bonds payable, less current portion	-	1,126,000	1,126,000
Total noncurrent liabilities	283,000	1,126,000	1,409,000
Total liabilities	353,875	1,161,216	1,515,091
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue - property lease	-	122,638	122,638
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	960,152	210,844	1,170,996
Restricted	-	63,879	63,879
Unrestricted	157,699	(58,421)	99,278
Total Net Position	\$ 1,117,851	\$ 216,302	\$ 1,334,153

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, 2019

	Business-type activities		
	Sewer Fund	Water Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 95,119	\$ 87,888	\$ 183,007
State grant	93,489	-	93,489
Rent	-	3,352	3,352
Total operating revenues	188,608	91,240	279,848
<b>OPERATING EXPENSES</b>			
Wages	15,185	16,673	31,858
Payroll taxes	1,162	1,276	2,438
Equipment rental	5,201	3,820	9,021
Operating supplies	2,830	2,280	5,110
Other services and charges	94,960	210	95,170
Repairs and maintenance	5,048	4,403	9,451
Utilities	5,190	9,127	14,317
Depreciation	46,488	61,000	107,488
Total operating expenses	176,064	98,789	274,853
Operating loss	12,544	(7,549)	4,995
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Investment earnings	7	20	27
Interest expense	(702)	(18,744)	(19,446)
Total nonoperating revenues and expenses	(695)	(18,724)	(19,419)
Change in net position	11,849	(26,273)	(14,424)
Net position at March 1, 2018	1,106,002	242,575	1,348,577
Net position at February 28, 2019	\$ 1,117,851	\$ 216,302	\$ 1,334,153

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, 2019

	Business-type activities		
	Sewer Fund	Water Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 102,153	\$ 78,922	\$ 181,075
Receipts from other governments	93,489	-	
Payments to suppliers	(103,635)	(20,323)	(123,958)
Payments to employees	(16,347)	(17,949)	(34,296)
Intergovernmental transactions	(65,001)	5,901	(59,100)
Net cash provided by operating activities	10,659	46,551	(36,279)
<b>CASH FLOW FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(187,274)	-	(187,274)
Principal paid on long-term debt	-	(22,000)	(22,000)
Proceeds from bonds payable	312,000	-	312,000
Investment earnings	7	11	18
Interest expense	(702)	(18,833)	(19,535)
Net cash used for financing activities	124,031	(40,822)	83,209
Net increase in cash and investments	134,690	5,729	46,930
Cash, restricted cash and cash equivalents at March 1, 2018	27,034	101,930	128,964
Cash, restricted cash and cash equivalents at February 28, 2019	\$ 161,724	\$ 107,659	\$ 175,894

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

Operating loss	\$ 12,544	\$ (7,549)	\$ 4,995
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	46,488	61,000	107,488
Change in assets and liabilities			
Increase/(decrease) in receivables	7,034	(8,966)	(1,932)
Increase/(decrease) in accounts payable	9,594	(483)	9,111
Change in intergovernmental payables	(65,001)	5,901	(59,100)
Increase in deferred inflows of resources	-	(3,352)	(3,352)
Net cash provided by operating activities	\$ 10,659	\$ 46,551	\$ 57,210

Cash paid for interest for the year ending February 28, 2019 was \$19,535.

The accompanying notes are an integral part of this statement.

# **Village of Mesick**

Notes to the Financial Statements

February 28, 2019

## **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, 2019

### **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, 2019

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, 2019

### **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, 2019

The 2018 state taxable value for property within the Village totaled approximately \$6,791,986. The property tax levied consisted of 11.481 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, 2019

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, 2019

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, 2019

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

The legal level of budgetary control is the function level. During the year ended February 28, 2019, spending exceeded the adopted Village budget in the General Fund capital outlay function by \$8,622. The Village utilized lower than expected expenditures in other functions to cover the overage.

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

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

The Village's investments at February 28, 2019 consisted of certificates of deposit of \$12,145 with an original maturity of greater than 3 months.

Restricted cash in the Sewer Fund consisted of \$44,563 restricted for the construction of sewer lines, \$6,200 for replacement reserves, and \$6,500 for bond reserves.

Restricted cash in the Water Fund consisted of \$12,600 of bond reserves and \$51,279 for replacement reserves.

#### ***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, 2019

### ***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, 2019, \$250,000 of the Village's deposits were covered by federal depository insurance and \$351,459 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, 2019: In the General Fund, \$7,135 of trade receivables was due from residents for garbage collection services; \$8,737 was due from residents for special assessments on past sidewalk projects; \$15,350 was receivable from Wexford County for taxes and delinquent assessments; and \$6,676 was due from the State of Michigan for state shared revenue.

In the Major and Local Street Funds, \$14,973 and \$3,067, respectively, was due from the State for road maintenance revenue.

Based on the payment schedule for special assessments receivable, \$6,409 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 \$33,894 were due from customers for sewer billings.

The Water Fund receivables as of February 28, 2019 consisted of \$21,508 of utility bills outstanding.

## Village of Mesick

Notes to the Financial Statements

February 28, 2019

### C. Capital assets

Capital asset activity for the year ended February 28, 2019 was as follows:

	Balance March 1, 2018	Additions	Dispositions	Balance February 28, 2019
<b>Governmental funds</b>				
Capital assets, not being depreciated:				
Land	\$ 45,923	\$ -	\$ -	\$ 45,923
Capital assets, being depreciated:				
Buildings	37,000	-	-	37,000
Building improvements	86,758	-	-	86,758
Land improvements	925,703	-	-	925,703
Equipment	96,122	8,622	-	104,744
Total capital assets, being depreciated	<u>1,145,583</u>	<u>8,622</u>	<u>-</u>	<u>1,154,205</u>
Less accumulated depreciation				
Buildings	10,977	740	-	11,717
Building improvements	39,496	4,469	-	43,965
Land improvements	496,950	46,237	-	543,187
Equipment	96,122	1,395	-	97,517
Total accumulated depreciation	<u>643,545</u>	<u>52,841</u>	<u>-</u>	<u>696,386</u>
Total capital assets, being depreciated, net	<u>502,038</u>	<u>(44,219)</u>	<u>-</u>	<u>457,819</u>
Total governmental funds capital, net	<u>\$ 547,961</u>	<u>\$ (44,219)</u>	<u>\$ -</u>	<u>\$ 503,742</u>

Governmental depreciation expense was charged to the following governmental functions:

General government	\$ 4,844
Public works	40,360
Culture and recreation	7,637
Total	<u>\$ 52,841</u>

## Village of Mesick

### Notes to the Financial Statements

February 28, 2019

	<u>Balance March 1, 2018</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance February 28, 2019</u>
<b>Business-type funds</b>				
Capital assets, not being depreciated:				
Land	\$ 133,091	\$ -	\$ -	\$ 133,091
Construction in progress	124,313	176,858	-	301,171
Total nondepreciable assets	<u>257,404</u>	<u>176,858</u>	<u>-</u>	<u>434,262</u>
Capital assets, being depreciated:				
Buildings	1,500	-	-	1,500
Equipment	1,238	-	-	1,238
Sewer system	1,845,616	10,416	-	1,856,032
Water system	2,511,428	-	-	2,511,428
Total capital assets, being depreciated	<u>4,359,782</u>	<u>10,416</u>	<u>-</u>	<u>4,370,198</u>
Less accumulated depreciation				
Buildings	1,500	-	-	1,500
Equipment	1,238	-	-	1,238
Sewer system	968,948	46,488	-	1,015,436
Water system	1,094,290	61,000	-	1,155,290
Total accumulated depreciation	<u>2,065,976</u>	<u>107,488</u>	<u>-</u>	<u>2,173,464</u>
Total capital assets, being depreciated, net	<u>2,293,806</u>	<u>(97,072)</u>	<u>-</u>	<u>2,196,734</u>
Total business-type funds capital, net	<u>\$ 2,551,210</u>	<u>\$ 79,786</u>	<u>\$ -</u>	<u>\$ 2,630,996</u>

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

Interfund balances at February 28, 2019 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose:</u>
General Fund	Major Street	\$ 3,066	Operations/payroll
General Fund	Local Street	2,243	Operations/payroll
General Fund	Sewer fund	1,274	Operations/payroll
General Fund	Water Fund	3,322	Operations/payroll
Local Street	Major Street	1,006	Operations
Sewer Fund	Water Fund	<u>5,230</u>	Operations
	Total	<u>\$ 16,141</u>	

## Village of Mesick

### Notes to the Financial Statements

February 28, 2019

#### E. Long-term debt

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

	Balance March 1, 2018	Additions	Reductions	Balance February 28, 2019	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	\$ 1,170,000	\$ -	\$ 22,000	\$ 1,148,000	\$ 22,000
Sewer system extension project USDA loan payable; Due in annual installments of \$28,000 through \$65,000 through 2057; Interest at 2.375%	-	312,000	-	312,000	29,000
Total	\$ 1,170,000	\$ 312,000	\$ 22,000	\$ 1,460,000	\$ 51,000

The water system revenue bonds were used to fund water system improvements on a project completed during the year ended February 28, 2018. The USDA loan payable is being utilized to pay for a sewer system extension project. Construction has begun on this project, but only \$312,000 has been drawn on this loan to date. The total loan amount authorized is \$1,732,000.

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

Year ending February 28	Principal	Interest	Total
2020	\$ 51,000	\$ 18,477	\$ 69,477
2021	51,000	18,119	69,119
2022	53,000	17,753	70,753
2023	53,000	17,379	70,379
2024	55,000	16,997	71,997
2025-2029	287,000	79,055	366,055
2030-2034	135,000	68,517	203,517
2035-2039	146,000	57,144	203,144
2040-2044	156,000	44,930	200,930
2045-2049	171,000	31,647	202,647
2050-2054	184,000	14,171	198,171
2055-2059	118,000	1,592	119,592
	\$ 1,460,000	\$ 14,146	\$ 1,325,371

## **Village of Mesick**

Notes to the Financial Statements

February 28, 2019

### **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, 2019, the state revenue was approximately 48% 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 28, 2019, 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, 2019

	Budgeted Amounts		Actual	Variance with final budget- positive (negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 78,200	\$ 79,021	\$ 80,605	\$ 1,584
State revenue	34,500	34,500	42,357	7,857
Licenses and permits	-	-	191	191
Rents	21,000	21,000	21,486	486
Charges for services	34,400	34,400	37,460	3,060
Investment earnings	60	60	-	(60)
Other	4,000	4,000	4,182	182
Total revenues	172,160	172,981	186,281	13,300
<b>EXPENDITURES</b>				
General government				
Village council and village hall	74,100	74,100	61,340	12,760
President	3,700	3,700	4,560	(860)
Clerk	6,300	6,300	6,210	90
Treasurer	15,800	15,800	16,759	(959)
Other governmental functions	14,500	14,500	15,761	(1,261)
Public works	39,200	39,200	39,937	(737)
Culture and recreation	4,500	4,500	4,605	(105)
Capital outlay	-	-	8,622	(8,622)
Total expenditures	158,100	158,100	157,794	306
Net change in fund balances	\$ 14,060	\$ 14,881	28,487	\$ 13,606
Fund balance at March 1, 2018			242,488	
Fund balance at February 28, 2019			\$ 270,975	

## Village of Mesick

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Required Supplementary Information  
 Budgetary Comparison Schedule  
 Major Street Fund  
 For the year ended February 28, 2019

	Budgeted Amounts		Actual	Variance with final budget- positive (negative)
<b>REVENUES</b>	Original	Final		
State revenues	\$ 50,000	\$ 50,000	\$ 73,947	\$ 23,947
Investment earnings	-	-	2	2
Total revenues	50,000	50,000	73,949	23,949
<b>EXPENDITURES</b>				
Public works	49,750	49,750	46,696	3,054
Total expenditures	49,750	49,750	46,696	3,054
Net change in fund balance	\$ 250	\$ 250	27,253	\$ 27,003
Fund balance at March 1, 2018			60,429	
Fund balance at February 28, 2019			\$ 87,682	

# Village of Mesick

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Required Supplementary Information  
 Budgetary Comparison Schedule  
 Local Street Fund  
 For the year ended February 28, 2019

	Budgeted Amounts		Actual	Variance with final budget- positive (negative)
	Original	Final		
<b>REVENUES</b>				
State revenues	\$ 15,000	\$ 15,000	\$ 16,696	\$ 1,696
<b>EXPENDITURES</b>				
Public works	<u>14,440</u>	<u>14,440</u>	<u>11,152</u>	<u>3,288</u>
Net change in fund balance	\$ <u>560</u>	\$ <u>560</u>	5,544	\$ <u>4,984</u>
Fund balance at March 1, 2018			<u>4,324</u>	
Fund balance at February 28, 2019			\$ <u>9,868</u>	