

**MID MICHIGAN COMMUNITY  
FIRE BOARD DISTRICT**

St. Louis, Michigan

**FINANCIAL STATEMENTS**

June 30, 2021

# **MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT**

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## **TABLE OF CONTENTS**

	PAGE
<b>Independent Auditors' Report</b> .....	1
<b>Management's Discussion and Analysis</b> .....	4
<b>BASIC FINANCIAL STATEMENTS</b>	
Governmental Fund Balance Sheet/Statement of Net Position.....	8
Statement of Governmental Revenues, Expenditures and Changes in Fund Balances/Statement of Activities.....	9
Notes to Financial Statements.....	11
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule – General Fund.....	18



## **INDEPENDENT AUDITORS' REPORT**

Members of the Board  
Mid Michigan Community Fire Board District

We have audited the accompanying financial statements of the governmental activities and the major fund of the Mid Michigan Community Fire Board District (the "Fire Board District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Fire Board District'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.

### **Auditors' Responsibility**

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

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 and the major fund of Mid Michigan Community Fire Board District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Members of the Board  
Mid Michigan Community Fire Board District

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 6) and budgetary comparison information (page 18) 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.

*Berthiaume & Co.*

Saginaw, Michigan  
November 12, 2021

***MANAGEMENT'S DISCUSSION and ANALYSIS***

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

As management of Mid Michigan Community Fire Board District (the "Fire Board District"), we offer readers of the Fire Board District's financial statements this narrative overview and analysis of the financial activities of the Fire Board District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

### Using this Report:

This annual report consists of three parts (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required supplementary information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The basic financial statements include information that presents two different views of the Fire Board District.

- The first column of the financial statements includes information on the Fire Board District's General Fund under the modified accrual method. These fund financial statements focus on current financial resources and provide a more detailed view about the accountability of the Fire Board District's sources and uses of funds.
- The adjustments column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full accrual method of accounting.
- The third column presents the Fire Board District's operations on a full accrual basis, which provides both long- and short-term information about the Fire Board District's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Fire Board District as a whole and present a longer-term view of the Fire Board District's finances.

The following table shows comparisons of total assets, total liabilities, and total net position in a condensed format for the government-wide net position as of June 30, 2021 and June 30, 2020.

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Current assets	\$ 611,510	\$ 527,615
Capital assets, net	<u>1,529,632</u>	<u>1,516,062</u>
Total assets	<u>2,141,142</u>	<u>2,043,677</u>
<b>Liabilities:</b>		
Current liabilities	<u>37,730</u>	<u>7,376</u>
<b>Net Position:</b>		
Investment in capital assets	1,529,632	1,516,062
Unrestricted	<u>573,780</u>	<u>523,614</u>
Total net position	<u>\$ 2,103,412</u>	<u>\$ 2,039,676</u>

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

The following table shows the comparison of the change in net position in a condensed format for the government-wide statement of activities for the years ended June 30, 2021 and June 30, 2020.

	<u>2021</u>	<u>2020</u>
<b>Revenues:</b>		
Program revenues		
Operating contributions	\$ 348,028	\$ 270,632
Capital contributions	60,615	-
General revenues		
Investment earnings	685	2,662
Other	901	6,231
Total revenues	<u>410,229</u>	<u>279,525</u>
<b>Expenses:</b>		
Public safety	260,550	208,438
Depreciation	<u>87,271</u>	<u>69,225</u>
Total expenses	<u>347,821</u>	<u>277,663</u>
Excess (deficiency) of revenues over expenses before other items	62,408	1,862
<b>Other item:</b>		
Sale of capital assets	<u>1,328</u>	<u>1,701</u>
<b>Change in net position</b>	63,736	3,563
Net position, beginning of year	<u>2,039,676</u>	<u>2,036,113</u>
Net position, end of year	<u>\$ 2,103,412</u>	<u>\$ 2,039,676</u>

### THE FIRE BOARD DISTRICT AS A WHOLE:

- The Fire Board District reports net position of \$2,103,412 for the fiscal year ended June 30, 2021 on a full accrual basis, as compared to a fund balance of \$573,780 on the modified accrual basis of accounting.
- The Fire Board District's primary source of revenue is from operating contributions from participating units. For fiscal year 2021, operating contributions from participating units were \$312,496. This represents 76 percent of total revenue.
- The Fire Board District's conversion to meet GASB Statement No. 34 standards, which includes capitalization of Fire Board District-owned assets and associated depreciation expense, is reflected in the statement of net position and statement of activities on pages 8 and 9 of this report.

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

### **THE FIRE BOARD DISTRICT'S FUND:**

Presentation of the Fire Board District's General Fund is included on pages 8 and 9 in the first column of the respective statements. The fund column provides detailed information about the General Fund on a modified accrual method, which is a short-term perspective measuring the flow of financial resources, not the Fire Board District's operations on a full accrual basis of accounting, which provides a longer-term measurement of total economic resources. The Fire Board District's only fund is the General Fund. Fund balance increased by \$50,166 for the year.

### **Fire Board District Budgetary Highlights:**

The Fire Board District's budget, as originally adopted, projected an increase in fund balance of \$60,000. During the year, the Fire Board District made budget amendments, which changed the projection to an increase in fund balance of \$33,806. The actual results for the fiscal year yielded an increase in fund balance of \$50,166. The Fire Board policy is to, each year, budget an amount to be set aside for future equipment replacement when calculating the member contributions. Additionally, any net fund balance in excess of the established minimum unassigned fund balance is set aside for equipment replacement. In accordance with this policy, \$60,000 of the budgeted revenues plus \$31,703 was set aside as fund balance committed for equipment replacement for the year. During the year, \$40,226 of the set aside was used to acquire capital assets.

### **Capital Assets and Debt Administration:**

At June 30, 2021, the Fire Board District had \$1,529,632 invested in capital assets including land, buildings and improvements, equipment and vehicles, net of accumulated depreciation. At June 30, 2020, this total was \$1,516,062. Additional information about the Fire Board District's capital assets is presented in Note 1 and Note 5 of the Notes to the Financial Statements.

At June 30, 2021, the Fire Board District had no long-term debt.

### **Economic Factors and Next Year's Budget:**

The Fire Board District has adopted a budget for fiscal year 2021-2022, with revenues of \$322,575 and expenditures of \$257,575. The budget projects a \$65,000 increase in the portion that will be committed for future fire equipment purchases.

### **Contacting the Fire Board District's Management:**

This financial report is intended to provide our member units and citizens with a general overview of the Fire Board District's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact the City of St. Louis administrative office at 300 N. Mill Street, St. Louis, MI 48880.



***BASIC FINANCIAL STATEMENTS***

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

## GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION

June 30, 2021

	<i>Governmental Fund</i>	<i>Adjustments (Note 7)</i>	<i>Statement of Net Position</i>
<b>Assets:</b>			
Cash and cash equivalents	\$ 277,786	\$ -	\$ 277,786
Prepaid expenditures/expenses	1,713	-	1,713
Restricted cash and cash equivalents	332,011	-	332,011
Capital assets not being depreciated	-	88,784	88,784
Capital assets being depreciated, net	-	1,440,848	1,440,848
Total assets	<u>\$ 611,510</u>	<u>\$ 1,529,632</u>	<u>\$ 2,141,142</u>
<b>Liabilities and Fund Balance:</b>			
<i>Liabilities:</i>			
Accounts payable	\$ 3,621	-	3,621
Accrued expenses	9,109	-	9,109
Unearned revenue	25,000	-	25,000
Total liabilities	<u>37,730</u>	<u>-</u>	<u>37,730</u>
<i>Fund Balance:</i>			
Nonspendable:			
Prepaid expenditures	1,713	(1,713)	-
Committed for:			
Fire equipment	321,131	(321,131)	-
Assigned to:			
Training programs	10,880	(10,880)	-
Unassigned	240,056	(240,056)	-
Total fund balance	<u>573,780</u>	<u>(573,780)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 611,510</u>		
<b>Net Position:</b>			
Investment in capital assets		1,529,632	1,529,632
Unrestricted		573,780	573,780
Total net position		<u>\$ 2,103,412</u>	<u>\$ 2,103,412</u>

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

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

	<i>Governmental Fund</i>	<i>Adjustments (Note 7)</i>	<i>Statement of Activities</i>
<b>Revenues:</b>			
Contributions from participating units	\$ 312,496	\$ -	\$ 312,496
Federal grants	61,284	-	61,284
State grants	792	-	792
Interest	685	-	685
Private/foundation grants	34,071	-	34,071
Other revenue	901	-	901
Total revenues	410,229	-	410,229
<b>Expenditures/Expenses:</b>			
Operations	243,679	-	243,679
Depreciation	-	87,271	87,271
Capital outlay	117,712	(100,841)	16,871
Total expenditures/expenses	361,391	(13,570)	347,821
Excess (deficiency) of revenues over expenditures	48,838	13,570	62,408
<b>Special item:</b>			
Sale of capital assets	1,328	-	1,328
Change in fund balance/net position	50,166	13,570	63,736
Fund balance/Net position, beginning of year	523,614	1,516,062	2,039,676
Fund balance/Net position, end of year	\$ 573,780	\$ 1,529,632	\$ 2,103,412

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

***NOTES TO FINANCIAL STATEMENTS***

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the Mid Michigan Community Fire Board District (the “Fire Board District”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

#### **Reporting Entity:**

The Mid Michigan Community Fire Board District was established April 1, 1981, for the purpose of providing fire protection to its local government members: City of St. Louis, and Townships of Bethany, Pine River, and Jasper. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Fire Board District. The Fire Board District is required to consider other organizations for which the nature and significance of their relationship with it are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. There are no component units included in the Fire Board District’s reporting entity. Additionally, the Fire Board District is not a component unit of any other reporting entity.

#### **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 of all activities of the Fire Board District. Mid Michigan Community Fire Board District is accounted for in one governmental type fund. As permitted by GASB Statement No. 34, the Fire Board District uses an alternative approach reserved for single program governments to present combined government-wide and fund financial statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. Accordingly, this is presented in the Statement of Net Position/Governmental Fund Balance Sheet and the Statement of Activities/Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. The Fire Board District’s major fund, the General Fund, is reported in a separate column in the aforementioned financial statements.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation:**

The Fire Board District’s General Fund is budgeted and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Fire Board District considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Service contract revenue, if any, meets the availability criterion and is accrued as of year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In addition to presenting information for the General Fund on the modified accrual basis (as budgeted), the financial statements present information for the Fire Board District using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### **Assets, Liabilities and Net Position/Fund Balance:**

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

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**Receivables** – All receivables, if any, are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances, if any, are immaterial at year end.

**Capital Assets** – Purchased capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Fire Board District defines capital assets as assets with an initial individual cost in excess of \$5,000 and an estimated useful life in excess of one year. Also, a repair or replacement costing in excess of \$7,500 and which extends the useful life of an asset by more than 10 years, shall meet the capitalization requirement. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets are depreciated using the straight-line method over the following useful lives:

Building	40 years
Equipment	3-20 years
Vehicles	7 years

**Long-term Obligations** – In the government-wide financial statements, long-term debt and other long-term obligations, if any, are reported as liabilities in the statement of net position. In the fund financial statements, these items are recorded as expenditures when paid. The Fire Board District currently reports no long-term obligations.

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting.

**Net Position Flow Assumptions** – Sometimes the Fire Board District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Fire Board District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumptions** – Sometimes the Fire Board District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Fire Board District'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.

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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***Fund Balance*** – Fund balance is essentially the difference between assets and liabilities reported in the governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the Fire Board District is bound to honor constraints on the specific purpose for which amounts can be spent:

1. Nonspendable fund balance (inherently nonspendable)
2. Restricted fund balance (externally enforceable limitations on use)
3. Committed fund balance (self-imposed limitations on use)
4. Assigned fund balance (limitation resulting from intended use)
5. Unassigned fund balance (the residual classification of general operations)

***Nonspendable and Restricted Funds*** – Nonspendable funds are those funds that cannot be spent because they are either: 1) not in spendable form (e.g. inventories and prepaids); 2) Legally or contractually required to be maintained intact (e.g. permanent corpus). Restricted funds are those funds that have constraints placed on their use by an external party or constitutional provisions or enabling legislation (grants, contributions, specific fee mandates). Nonspendable and Restricted Funds will be maintained and summarized in the Fire Board District's annual financial report.

***Committed Funds*** – The Mid-Michigan Community Fire Control Board, as the Fire Board District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as majority vote or resolution. These committed amounts cannot be used for any other purposed unless the Board removes or changes the specific use through the same type of action taken to establish the commitment. Board action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30<sup>th</sup>; however, the specific amount committed can be determined in a subsequent period. Annually in the budget an amount will be specified for transfer to an Equipment Commitment. Additionally, at June 30<sup>th</sup>, funds over the amount of the minimum established Unassigned Fund Balance will be committed for Equipment.

***Assigned Funds*** – Amounts that are constrained by the Board's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Board Treasurer for the purpose of reporting these amounts in the annual financial statements.

***Minimum Unassigned Fund Balance*** – The Board is committed to maintain a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. A minimum level of the greater of \$200,000 or 75% of the next operating budget is expected to be maintained barring unusual or deliberate circumstances.

#### **Use of Estimates:**

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

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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### NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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#### **Budgetary Information:**

The budget shall be prepared on a basis consistent with the modified accrual basis of accounting which is used to reflect actual results. The General Fund is under formal budgetary control. Unexpended appropriations lapse at year end.

#### **Excess of Expenditures over Appropriations in Budgeted Funds:**

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year, the Fire Board District did not incur expenditures that were in excess of the amounts budgeted.

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### NOTE 3: DEPOSITS AND INVESTMENTS

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

#### **Custodial Credit Risk of Bank Deposits:**

Custodial credit risk is the risk that in the event of a bank failure, the Fire Board District's deposits may not be returned. The Fire Board District does not have a deposit policy for custodial credit risk. At year-end, the Fire Board District had \$610,599 of bank deposits, of which \$490,933 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. At year end, the Fire Board District had no investments.

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### NOTE 4: MEMBER CONTRIBUTIONS

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The Fire Board District's annual budget is financed, primarily, by contributions from the four (4) participating municipalities/members. The calculation for the allocation of the annual budget, to each of the members, is based on two factors – the number of fire runs and the number of rescue runs. The contributions for fire runs is based on the proportion of each member's number of fire runs compared to the total fire runs for all entities during the four previous fiscal years. The rescue runs contribution is based on the number of rescue runs made for each member for the previous fiscal year multiplied by a rate established by the Fire Board.

The amount of contributions by each member for the fiscal year ended June 30, 2021, follows:



# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### NOTE 4: MEMBER CONTRIBUTIONS, CONTINUED

	<i>Contributions for Fire Runs</i>		<i>Contributions for Rescue Runs</i>	<i>Total Contributions</i>
	<i>Percentage</i>	<i>Amount</i>		
City of St. Louis	28.66%	\$ 69,617	\$ 43,463	\$ 113,080
Bethany Township	18.91%	45,934	5,700	51,634
Jasper Township	25.73%	62,500	9,500	72,000
Pine River Township	<u>26.70%</u>	<u>64,857</u>	<u>10,925</u>	<u>75,782</u>
Total	<u>100.00%</u>	<u>\$ 242,908</u>	<u>\$ 69,588</u>	<u>\$ 312,496</u>

### NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<i>July 1, 2020</i>	<i>Additions</i>	<i>Retirements</i>	<i>June 30, 2021</i>
Capital assets not being depreciated:				
Land	\$ 88,784	\$ -	\$ -	\$ 88,784
Capital assets being depreciated:				
Buildings and improvements	1,179,227	-	-	1,179,227
Equipment	275,126	87,341	(15,565)	346,902
Vehicles	<u>800,536</u>	<u>13,500</u>	<u>-</u>	<u>814,036</u>
Total capital assets being depreciated	<u>2,254,889</u>	<u>100,841</u>	<u>(15,565)</u>	<u>2,340,165</u>
Less accumulated depreciation for:				
Buildings and improvements	(130,207)	(29,481)	-	(159,688)
Equipment	(157,459)	(25,948)	15,565	(167,842)
Vehicles	<u>(539,945)</u>	<u>(31,842)</u>	<u>-</u>	<u>(571,787)</u>
Total accumulated depreciation	<u>(827,611)</u>	<u>(87,271)</u>	<u>15,565</u>	<u>(899,317)</u>
Capital assets being depreciated, net	<u>1,427,278</u>	<u>13,570</u>	<u>-</u>	<u>1,440,848</u>
Governmental activities, capital assets, net	<u>\$ 1,516,062</u>	<u>\$ 13,570</u>	<u>\$ -</u>	<u>\$ 1,529,632</u>

Depreciation, charged to public safety expense, for the year ended June 30, 2021 was \$87,271.

### NOTE 6: RISK MANAGEMENT

The Fire Board District is exposed to various risks of loss related to property loss, torts, theft, damage and destruction of property, errors and omissions, employee injuries (workers compensation) and natural disasters. The Fire Board District manages these risks by obtaining commercial insurance coverage for these types of claims. There have been no settlements that exceeded insurance coverage in the past three fiscal years.

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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### NOTE 7: RECONCILIATION OF FUND/GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Following in the explanation of differences between the fund (modified accrual) balance sheet and the government-wide statement of net position.

**Fund balance of governmental fund** \$ 573,780

Net position reported for governmental activities in the statement of net position is different because:

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

Capital assets not being depreciated	88,784
Capital assets being depreciated, net	<u>1,440,848</u>

**Net position of governmental activities** \$ 2,103,412

Following is the explanation of differences between the fund (modified accrual) statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

**Change in fund balance of governmental fund** \$ 50,166

Change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Purchases/Construction of capital assets	100,841
Depreciation expense	<u>(87,271)</u>

**Change in net position of governmental activities** \$ 63,736

***REQUIRED SUPPLEMENTARY INFORMATION***

# MID MICHIGAN COMMUNITY FIRE BOARD DISTRICT

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## GENERAL FUND

### BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<i>Variances with Final Budget Favorable (Unfavorable)</i>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
<b>Revenues:</b>				
Contributions from participating units	\$ 312,496	\$ 312,496	\$ 312,496	\$ -
Federal grants	-	61,284	61,284	-
State grants	-	792	792	-
Interest	2,400	600	685	85
Private/foundation grants	-	34,051	34,071	20
Other revenue	-	1,850	901	(949)
Total revenues	<u>314,896</u>	<u>411,073</u>	<u>410,229</u>	<u>(844)</u>
<b>Expenditures:</b>				
Public safety	238,821	259,551	243,679	15,872
Capital outlay	16,075	117,716	117,712	4
Total expenditures	<u>254,896</u>	<u>377,267</u>	<u>361,391</u>	<u>15,876</u>
Excess (deficiency) of revenues over expenditures	60,000	33,806	48,838	15,032
<b>Other financing sources:</b>				
Sale of capital assets	-	-	1,328	1,328
Change in fund balance	60,000	33,806	50,166	16,360
Fund balance, beginning of year	<u>523,614</u>	<u>523,614</u>	<u>523,614</u>	<u>-</u>
Fund balance, end of year	<u>\$ 583,614</u>	<u>\$ 557,420</u>	<u>\$ 573,780</u>	<u>\$ 16,360</u>