

ON AGENDA

South Kalamazoo County Fire Authority

Kalamazoo County, Michigan

FINANCIAL STATEMENTS

Year ended March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
South Kalamazoo County Fire Authority

We have audited the accompanying financial statements of the governmental activities and the major fund of the South Kalamazoo County Fire Authority, as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the 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. 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 and the major fund of the South Kalamazoo County Fire Authority, as of March 31, 2020, 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.

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

Siegfried Crandall P.C.

July 23, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

South Kalamazoo County Fire Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the South Kalamazoo County Fire Authority's (the Authority) financial performance provides a narrative overview of the Authority's financial activities for the fiscal year ended March 31, 2020. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased \$216,793 as a result of this year's activities.
- Of the \$1,719,989 total net position reported, \$1,208,065 (70 percent) is available to be used to meet the Authority's ongoing obligations to its citizens and customers, without constraints established by debt covenants, enabling legislation, or other legal requirements.
- The Operating Fund's unassigned fund balance at the end of the fiscal year was \$425,889, which represents 102 percent of the actual total Operating Fund expenditures for the current fiscal year.

Overview of the financial statements

The Authority's annual report is comprised of three parts: the management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include information that presents two different views of the Authority:

- The government-wide financial statements provide both long-term and short-term information about the Authority's overall financial status.
- The fund financial statements focus on individual parts of the Authority's government, reporting the Authority's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how government services, like public safety, were financed in the short-term, as well as what remains for future spending.

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.

A comparative analysis of the government-wide financial statements for 2020 and 2019 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how it has changed. Net position (the difference between the Authority's assets and liabilities) is one way to measure the Authority's financial health, or position.

- Over time, increases or decreases in the Authority's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Authority, you need to consider additional nonfinancial factors, such as changes in the Authority's property tax base and the condition of the Authority's capital assets.

The government-wide financial statements consist solely of governmental activities. The Authority's basic service, public safety, is included here. Contributions from member units of government finance these activities.

South Kalamazoo County Fire Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund financial statements

The fund financial statements provide more detailed information about the Authority's most significant funds - not the Authority as a whole. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and bond agreements.
- The Authority Board may establish other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and other revenues.

The Authority has one type of fund:

- Governmental funds. The Authority's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Net position

Net position may serve, over time, as a useful indicator of a Authority's financial position. In the Authority's case, assets exceeded liabilities at the end of the fiscal year by \$1,719,989. The Authority's net investment in capital assets, a component of the total net position, amounts to \$511,924. The Authority uses these capital assets to provide essential services to its customers; consequently, these assets are not available to be liquidated for future spending needs. The remaining net position, in the amount of \$1,208,065 is unrestricted.

Condensed financial information
Net position

	<u>2020</u>	<u>2019</u>
Current assets	\$ 1,226,822	\$ 962,464
Capital assets	<u>584,330</u>	<u>702,892</u>
Total assets	<u>1,811,152</u>	<u>1,665,356</u>
Current liabilities	<u>18,757</u>	19,355
Long-term debt	<u>72,406</u>	<u>142,805</u>
Total liabilities	<u>91,163</u>	<u>162,160</u>
Net position:		
Net investment in capital assets	511,924	560,087
Unrestricted	<u>1,208,065</u>	<u>943,109</u>
Total net position	<u>\$ 1,719,989</u>	<u>\$ 1,503,196</u>

South Kalamazoo County Fire Authority
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Changes in net position

The Authority's total revenues for the year ended March 31, 2020, were \$682,858. Nearly 99 percent of the Authority's revenue is received from participating municipalities.

The total cost of the Authority's operations amounted to \$466,065 during the year ended March 31, 2020, a decrease of \$10,869 from the prior year. The Authority's most significant expenses were personnel (33 percent), depreciation (27 percent), and repairs and maintenance (13 percent).

Condensed financial information
Changes in net position

	<u>2020</u>	<u>2019</u>
Program revenues:		
Charges for services	\$ 1,604	\$ 380
Operating grants and contributions	678,648	681,997
General revenues:		
Interest income	<u>2,606</u>	<u>2,051</u>
Total revenues	<u>682,858</u>	<u>684,428</u>
Expenses:		
Public safety	462,585	469,463
Interest	<u>3,480</u>	<u>7,471</u>
Total expenses	<u>466,065</u>	<u>476,934</u>
Changes in net position	<u>\$ 216,793</u>	<u>\$ 207,494</u>
Net position, end of year	<u>\$ 1,719,989</u>	<u>\$ 1,503,196</u>

The 2019 column reflects reclassified amounts for budgeted allocations from member units. Contributions from other units of \$681,111 formerly presented as charges for services are now classified as operating grants and contributions.

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUND

At March 31, 2020, the Authority's Operating Fund reported a fund balance of \$1,208,665, an increase of \$264,366 from the prior year. Of the total fund balance, \$425,889 (35 percent) constitutes unassigned fund balance, which is available for spending at the Authority's discretion and \$760,837 (63 percent) is assigned for various cost centers including, operations, manpower, equipment, communications, clothing, and vehicles. The remaining \$21,939 (2 percent) of the fund balance is nonspendable to indicate that it is not available because it has already been used for prepaid items.

Operating Fund budgetary highlights

The Authority made amendments to the Operating Fund budgeted revenues and expenditures during the year by increasing revenues by \$1,420 and expenditures by \$21,420. Actual revenues were \$902 less than amounts appropriated as other revenues budgeted were receivable at the end of the previous fiscal year. Expenditures were \$114,053 lower than budgeted amounts, as expenditures across the public safety function were lower than expected. These variances resulted in a \$113,151 positive budget variance, with a \$264,366 increase in fund balance compared to a budget that expected a \$151,215 increase in fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Authority has a \$584,330 investment in capital assets as of March 31, 2020, net of accumulated depreciation. This investment includes land, buildings and improvements, equipment, and vehicles. The Authority's net investment in capital assets decreased by \$118,562 for the current year, as \$6,848 in asset acquisitions were offset by \$125,410 in current depreciation.

The capital asset additions during the year consisted of the purchase of a mobile radio and computer equipment.

More detailed information about the Authority's capital assets is presented in Note 4 of the notes to the basic financial statements.

Debt

At the end of the fiscal year, the Authority had total long-term debt outstanding in the amount of \$72,406, which represents a net decrease of \$70,399. All debt is backed by the full faith and credit of the Authority and is financed by capital contributions from participating units.

More detailed information about the Authority's long-term debt is presented in Note 6 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority remains in stable financial condition and continues to rely on support from its member municipalities to finance its operating costs and capital acquisitions.

COVID-19 has created uncertainties that are likely to negatively impact our operations and financial condition. While it is difficult to estimate the financial impact of COVID-19, we expect certain revenues to decline. Because economic activity has weakened, support from participating units is expected to decrease, and interest revenue will be reduced due to lower interest rates.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances to its customers and creditors and to demonstrate the Authority's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Jason Gatlin, Chairman
South Kalamazoo County Fire Authority
125 S. Main Street
Vicksburg, MI 49097

Phone: (269) 649-0495

South Kalamazoo County Fire Authority

STATEMENT OF NET POSITION

March 31, 2020

ASSETS

Current assets:

Cash	\$ 1,193,906
Receivables - local unit contributions	10,977
Prepaid expenses	<u>21,939</u>

Total current assets 1,226,822

Noncurrent assets:

Capital assets not being depreciated - land	5,000
Capital assets being depreciated, net	<u>579,330</u>

Total noncurrent assets 584,330

Total assets 1,811,152

LIABILITIES

Current liabilities:

Accounts payable	18,757
Current portion of long-term debt	<u>72,406</u>

Total liabilities 91,163

NET POSITION

Net investment in capital assets	511,924
Unrestricted	<u>1,208,065</u>

Total net position \$ 1,719,989

See notes to financial statements

South Kalamazoo County Fire Authority

STATEMENT OF ACTIVITIES

Year ended March 31, 2020

PROGRAM EXPENSES	
Public safety - fire protection	\$ 462,585
Interest expense	<u>3,480</u>
Total program expenses	<u>466,065</u>
PROGRAM REVENUES	
Charges for services	1,604
Operating grants and contributions	<u>678,648</u>
Total program revenues	<u>680,252</u>
NET PROGRAM REVENUES	214,187
GENERAL REVENUES	
Interest income	<u>2,606</u>
CHANGE IN NET POSITION	216,793
NET POSITION - BEGINNING	<u>1,503,196</u>
NET POSITION - ENDING	<u>\$ 1,719,989</u>

See notes to financial statements

South Kalamazoo County Fire Authority
BALANCE SHEET - governmental fund
 March 31, 2020

	<u>Operating Fund</u>
ASSETS	
Cash	\$ 1,193,906
Receivables - local unit contributions	10,977
Prepaid items	<u>21,939</u>
Total assets	<u>\$ 1,226,822</u>
LIABILITIES	
Accounts payable	<u>\$ 18,157</u>
FUND BALANCES	
Nonspendable for prepaid items	21,939
Assigned for:	
Operations	131,260
Manpower	168,304
Equipment	330,044
Communications	74,657
Clothing	49,004
Vehicles	7,568
Unassigned	<u>425,889</u>
Total fund balances	<u>1,208,665</u>
Total liabilities and fund balances	<u>\$ 1,226,822</u>

Reconciliation of the balance sheet to the statement of net position:

Total fund balance - Operating Fund	\$ 1,208,665
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Amounts reported for *governmental activities* in the statement of net position (page 9) are different because:

Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.	584,330
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Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(72,406)
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Interest related to long-term liabilities is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(600)</u>
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Net position of <i>governmental activities</i>	<u>\$ 1,719,989</u>
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See notes to financial statements

South Kalamazoo County Fire Authority

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental fund**

Year ended March 31, 2020

	<u>Operating Fund</u>
REVENUES	
Contributions from local units	\$ 678,648
Interest	2,606
Other	<u>1,604</u>
Total revenues	<u>682,858</u>
EXPENDITURES	
Current - public safety	330,453
Capital outlay	13,570
Debt service:	
Principal	70,399
Interest	<u>4,070</u>
Total expenditures	<u>418,492</u>
NET CHANGES IN FUND BALANCES	264,366
FUND BALANCES - BEGINNING	<u>944,299</u>
FUND BALANCES - ENDING	<u>\$ 1,208,665</u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities.	
Net change in fund balance	\$ 264,366
Amounts reported for <i>governmental activities</i> in the statement of activities (page 10) are different because:	
Capital assets:	
Assets acquired	6,848
Provision for depreciation	(125,410)
Long-term debt - retirements	70,399
Changes in other assets/liabilities:	
Net decrease in accrued interest expense	<u>590</u>
Change in net position	<u>\$ 216,793</u>

See notes to financial statements

South Kalamazoo County Fire Authority
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the South Kalamazoo County Fire Authority (the Authority) conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

As required by generally accepted accounting principles, these financial statements present only the Authority (located in Kalamazoo County), as management has determined that there are no other entities for which the Authority is financially accountable.

The Authority was established June 26, 1999, under Michigan Public Act No. 57 of 1988, as amended, to jointly provide fire protection services within the member municipalities in southern Kalamazoo County, Michigan. The Authority is comprised of the Villages of Schoolcraft and Vicksburg, and the Townships of Brady, Prairie Ronde, Schoolcraft, and Wakeshma. Costs of operations and capital expenditures are supported by contributions from the participating municipalities.

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 Authority.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation:

The statement of net position and the statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

The Operating 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 if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Authority generally considers revenues to be available if they are expected to be 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, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Intergovernmental contributions and interest revenue 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 only when cash is received by the Authority.

The Authority reports a single major governmental fund, the Operating Fund, which accounts for all financial resources of the Authority. Revenues are primarily derived from contributions from local units of government.

South Kalamazoo County Fire Authority
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, and equity:

Cash and investments - Cash is 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. Investments are stated at fair value.

Receivables - No allowance for uncollectible accounts has been recorded, as the Authority considers all receivables to be fully collectible.

Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets - Capital assets, which include land, buildings, equipment, and vehicles, are defined by the Authority as assets with an initial, individual cost of more than \$1,000 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 acquisition value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Equipment	10 - 20 years
Vehicles	5 - 15 years

Net position - Net position represents the difference between assets and liabilities. The Authority reports two categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations related to those assets; (2) *Unrestricted net position* consists of all other net position that does not meet the definition of the above component and is available for general use by the Authority.

Net position flow assumption - Sometimes, the Authority 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 Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund equity - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact. The Fire Authority Board reserves the right to assign fund balance. Unassigned fund balance is the amount that does not fall into any other category above. This is the residual classification for amounts in the Operating Fund. When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority's policy to use the restricted fund balance first, followed by assigned, and, finally, unassigned fund balance.

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 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 revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

South Kalamazoo County Fire Authority
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - The annual budget is adopted on a basis consistent with generally accepted accounting principles for the Authority's Operating Fund. The budget document presents information by function and line-item. The legal level of budgetary control adopted by the governing body is the line-item level. All annual appropriations lapse at the end of the fiscal year. The Authority had no reportable budget violations in the current year.

NOTE 3 - CASH

Deposits - State statutes and the Authority's investment policy authorize the Authority to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Authority's deposits are in accordance with statutory authority. At March 31, 2020, the Authority had deposits with a carrying amount of \$1,193,822 and petty cash in the amount of \$84.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Authority will not be able to recover its deposits. The Authority's investment policy does not specifically address custodial credit risk for deposits. At March 31, 2020, \$804,681 of the Authority's bank balances of \$1,195,744 was exposed to custodial credit risk because it was uninsured and uncollateralized.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2020, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 5,000	\$ -	\$ -	\$ 5,000
Capital assets being depreciated:				
Buildings	305,427	-	-	305,427
Equipment	646,566	6,848	-	653,414
Vehicles	1,079,530	-	-	1,079,530
Subtotal	<u>2,031,523</u>	<u>6,848</u>	<u>-</u>	<u>2,038,371</u>
Less accumulated depreciation for:				
Buildings	(74,979)	(7,917)	-	(82,896)
Equipment	(515,696)	(32,136)	-	(547,832)
Vehicles	(742,956)	(85,357)	-	(828,313)
Subtotal	<u>(1,333,631)</u>	<u>(125,410)</u>	<u>-</u>	<u>(1,459,041)</u>
Total capital assets being depreciated, net	<u>697,892</u>	<u>(118,562)</u>	<u>-</u>	<u>579,330</u>
Governmental activities capital assets, net	<u>\$ 702,892</u>	<u>\$ (118,562)</u>	<u>\$ -</u>	<u>\$ 584,330</u>

South Kalamazoo County Fire Authority
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - PAYABLES

Payables as of March 31, 2020, for the Authority's Operating Fund were as follows:

<u>Accounts</u>	<u>Accrued payroll</u>	<u>Total</u>
\$ 2,413	\$ 15,744	\$ 18,157

NOTE 6 - LONG-TERM DEBT

Long-term debt at March 31, 2020, is comprised of the following issues:

Purchase agreement:

\$526,076 2012 Installment purchase agreement for the acquisition of two Pierce
 Saber Pumpers, due in annual installments of \$74,469, including interest at 2.85%;
 final payment is due December 2020

\$ 72,406

All debt is secured by the full faith and credit of the Authority. Long-term liability activity for the year ended March 31, 2020, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Purchase agreement	\$ 142,805	\$ -	\$ (70,399)	\$ 72,406	\$ 72,406

Debt service requirements at March 31, 2020, were as follows:

<u>Year ended March 31:</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 72,406	\$ 2,063

NOTE 7 - OPERATING LEASES

The Authority leases two stations from the Village of Vicksburg and Wakeshma Township under agreements that have been classified as operating leases. The terms of the lease agreements between the Authority and the participating local units of government are in effect through August 31, 2022. Lease expense for the year ended March 31, 2019, was \$9,420.

NOTE 8 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to general liability, property and casualty, and workers' compensation, with such risks being managed through the purchase of commercial insurance. The risks of loss arising from general liability, building contents, workers' compensation, employee medical, and casualty are managed through purchased commercial insurance. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.

NOTE 9 - UPCOMING ACCOUNTING PRONOUNCEMENT

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017 and will be effective for periods beginning after June 15, 2021. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

NOTE 10 - SUBSEQUENT EVENT

As a result of COVID-19, which occurred subsequent to the end of the fiscal year, economic uncertainties have arisen which are likely to negatively impact the Authority. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the financial impact on the Authority. Therefore, the Authority expects this matter to negatively impact its operations and financial condition. However, the related financial impact and duration cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

South Kalamazoo County Fire Authority
BUDGETARY COMPARISON SCHEDULE - Operating Fund
Year ended March 31, 2020

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Contributions from local units	\$ 682,340	\$ 683,375	\$ 678,648	\$ (4,727)
Interest	-	385	2,606	2,221
Other	-	-	1,604	1,604
Total revenues	<u>682,340</u>	<u>683,760</u>	<u>682,858</u>	<u>(902)</u>
EXPENDITURES				
Public safety:				
Wages and payroll taxes	196,290	196,290	151,866	44,424
Office supplies	4,490	4,605	4,318	287
Operating supplies	46,095	45,995	23,477	22,518
Professional services	7,115	7,115	6,856	259
Telephone and communications	19,910	20,945	16,520	4,425
Repairs and maintenance	40,500	53,500	53,301	199
Insurance	50,370	50,370	42,625	7,745
Utilities	21,125	21,125	18,495	2,630
Leases	10,920	11,320	11,295	25
Education and training	10,360	10,330	1,700	8,630
Total public safety	<u>407,175</u>	<u>421,595</u>	<u>330,453</u>	<u>91,142</u>
Capital outlay	<u>28,950</u>	<u>35,950</u>	<u>13,570</u>	<u>22,380</u>
Debt service:				
Principal	<u>70,500</u>	<u>70,500</u>	<u>70,399</u>	<u>101</u>
Interest	<u>4,500</u>	<u>4,500</u>	<u>4,070</u>	<u>430</u>
Total expenditures	<u>511,125</u>	<u>532,545</u>	<u>418,492</u>	<u>114,053</u>
NET CHANGES IN FUND BALANCES	171,215	151,215	264,366	113,151
FUND BALANCES - BEGINNING	<u>944,299</u>	<u>944,299</u>	<u>944,299</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,115,514</u>	<u>\$ 1,095,514</u>	<u>\$ 1,208,665</u>	<u>\$ 113,151</u>

Agenda

South Kalamazoo County Fire Authority
Proposed Budget
FY April 1, 2021 - March 31, 2022

	<u>20-21</u>	<u>Proposed 21-22</u>
Ordinary Income/Expense		
Income		
336570 · Operations Fund		
336572 · Assigned Operations Fund	28,723.45	29,005.77
336571 · FY Operations Allocation	164,882.55	166,501.23
Total 336570 · Operations Fund	<u>193,606.00</u>	<u>195,507.00</u>
336560 · Manpower Fund		
336562 · Assigned Manpower Allocation	39,093.37	40,621.17
336561 · FY Manpower Allocation	208,068.63	206,460.83
Total 336560 · Manpower Fund	<u>247,162.00</u>	<u>247,082.00</u>
336550 · Facilities Fund		
336552 · Assigned Facilities Allocation	2,216.00	2,201.05
336551 · FY Facilities Allocation	10,920.00	11,262.95
Total 336550 · Facilities Fund	<u>13,136.00</u>	<u>13,464.00</u>
336540 · Equipment Fund		
336546 · Assigned Equipment Allocation	37,585.85	59,241.81
336545 · FY Equipment Allocation	66,613.15	39,888.19
336544 · Assign Communication Allocation	2,264.18	8,584.69
336543 · FY Communications Allocation	21,693.82	15,952.31
336542 · Assigned Clothing Allocation	5,195.07	7,408.58
336541 · FY Clothing Allocation	25,252.93	23,759.42
Total 336540 · Equipment Fund	<u>158,605.00</u>	<u>154,835.00</u>
336500 · Fund Carryover		
336503 · Communications Fund Carryover	0.00	0.00
336501 · General Fund Carryover	5,000.00 (Vehicles)	0.00
Total 336500 · Fund Carryover	<u>5,000.00</u>	<u>0.00</u>
336580 · Fire Vehicle & Equipment Fund		
336584 · Vehicle Sale Proceeds	0.00	
336581 · FY Vehicle Allocation	70,000.00	70,000.00
Total 336580 · Fire Vehicle & Equipment Fund	<u>70,000.00</u>	<u>70,000.00</u>
336664 · Interest Income	0.00	0.00
336600 · Report Preparation	0.00	0.00
336575 · Grants	0.00	0.00
336613 · Legacies & Bequests	0.00	0.00
336694 · Reimbursed Expenses	0.00	0.00
Total Income	<u>687,509.00</u>	<u>680,888.00</u>
Gross Profit	687,509.00	680,888.00
Expense		
336990 · Assigned Fund Balances		
336998 · Assigned Vehicle Carryover	0.00	0.00
336997 · Assigned Operations Carryover	28,723.45	29,005.77
336996 · Assigned Manpower Carryover	39,093.37	40,621.17

	<u>20-21</u>	<u>21-22</u>
336999 · Assigned Facilities Carryover	2,216.00	2,201.05
336993 · Assigned Equipment Carryover	37,585.85	59,241.81
336992 · Assigned Communications Carryov	2,264.18	8,584.69
336991 · Assigned Clothing Carryover	5,195.07	7,408.58
Total 336990 · Assigned Fund Balances	115,077.92	147,063.07
336862 · Conferences	2,050.00	0.00
336120 · Bank Service Charges	0.00	0.00
336240 · Miscellaneous	0.00	0.00
336300 · Repairs		
336310 · Building Repairs	6,150.00	6,288.38
336330 · Equipment Repairs	7,687.50	7,860.47
336340 · Vehicle repairs		
336341 · Vehicle Repair Insurance Reimb	0.00	0.00
336340 · Vehicle repairs - Other	27,675.00	28,297.69
Total 336340 · Vehicle repairs	27,675.00	28,297.69
Total 336300 · Repairs	41,512.50	42,446.54
336725 · Medical Supplies		
3367252 · Medical Supplies	1,537.50	1,572.09
Total 336725 · Medical Supplies	1,537.50	1,572.09
336700 · Payroll Expenses		
336711 · Salary Contingencies	5,000.00	5,000.00
336705 · Wages - Community Events	2,530.59	2,582.29
336703 · Wages - Education	15,816.20	16,139.33
336709 · Wages - Academy Instructor	0.00	0.00
336707 · Academy Asst.	0.00	0.00
336704 · Wages - Station time - Fire	12,652.96	12,911.46
336702 · Wages - Admin Fire	58,919.96	58,956.99
336708 · Wages - Training	15,183.55	15,493.75
336706 · Wages - Demand Response	67,395.37	66,204.81
336700 · Payroll Expenses - Other	0.00	0.00
Total 336700 · Payroll Expenses	177,498.63	177,288.63
336710 · Payroll taxes	13,578.64	13,562.58
336751 · Training Expenses - Supplies	164.00	167.69
336830 · Subscriptions and Dues	1,965.40	2,014.54
336755 · FUEL		
3367551 · Fuel Station 1	6,150.00	6,288.38
3367552 · Fuel Station 2	6,150.00	6,288.38
3367553 · Fuel - Station 3	4,100.00	4,192.25
Total 336755 · FUEL	16,400.00	16,769.01
336770 · Supplies		
336727 · Office Supplies	2,357.50	2,410.54
336790 · station supplies	4,057.19	4,148.48
Total 336770 · Supplies	6,414.69	6,559.02
336807 · Accounting	4,202.50	4,297.06
336826 · Legal Fees	1,103.82	1,128.66
336850 · Communication - operating	13,124.60	13,419.90
336853 · Telephone		

	<u>20-21</u>	<u>21-22</u>
3368531 · Telephone Station 1	2,759.53	2,821.62
3368532 · Telephone - Station 2	2,869.23	2,933.79
3368533 · Telephone Station 3	883.05	902.92
3368535 · Telephone - Office	772.68	790.07
Total 336853 · Telephone	7,284.49	7,448.40
336880 · Promotions - Advertisement	275.96	282.17
336891 · Medical Exams	1,986.87	2,031.57
336910 · Insurance		
336913 · Insurance - Operating	33,721.48	34,480.21
336912 · Disability Insurance	16,991.36	15,609.62
Total 336910 · Insurance	50,712.84	50,089.83
336920 · Utilities		
336921 · Gas		
3369211 · Gas - Station 1	4,194.49	4,288.87
3369212 · Gas - Station 2	5,187.92	5,304.65
Total 336921 · Gas	9,382.41	9,593.52
336922 · Electric		
3369221 · Elect - Station 1	3,792.50	3,877.83
3369222 · Elect - Station 2	3,792.50	3,877.83
3369223 · Utilities - Station 3	3,075.00	3,144.19
Total 336922 · Electric	10,660.00	10,899.85
336923 · Water	1,230.00	1,257.68
336624 · Garbage Disposal	386.33	395.02
Total 336920 · Utilities	21,658.74	22,146.07
336931 · Leases		
3369314 · South County EMS Agreement	1,500.00	1,655.72
3369901 · Station 1 Principal	0.00	0.00
3369951 · Station 1 Interest	0.00	0.00
3369312 · Leases - Station 2	6,000.00	6,788.44
3369313 · Leases - Station 3	3,420.00	2,818.79
Total 336931 · Leases	10,920.00	11,262.95
336954 · Educational Classes	8,405.00	8,594.11
336956 · Miscellaneous Expense	0.00	0.00
336977 · Capital Outlay		
3369780 · Communications Capital Outlay	21,693.82	15,952.31
3369787 · Contributions - FF Association	3,075.00	3,144.19
3369781 · Clothing Capital Outlay	25,252.93	23,759.42
3369782 · Vehicles Capital Outlay	75,000.00	70,000.00
3369783 · Equipment Capital Outlay	66,613.15	39,888.19
Total 336977 · Capital Outlay	191,634.90	152,744.11
Total Expense	687,509.00	680,888.00
Net Ordinary Income	0.00	0.00
Net Income	0.00	0.00

Agenda

Don Ulsh

From: Eric Hansen <ehansen@vicksburglibrary.org>
Sent: Tuesday, January 5, 2021 4:11 PM
To: Don Ulsh
Subject: Re: Library Board Trustees

Hi Don.

- Their terms are expiring this month, although our bylaws state that they serve until they are either re-appointed or replaced. So, their votes and representation remain in effect.
- The terms are two years.

Eric Hansen

Director

[Vicksburg District Library](#)

EHansen@VicksburgLibrary.org

269-649-1648

From: Don Ulsh <dulsh@schtwp.org>
Sent: Tuesday, January 5, 2021 4:06 PM
To: Eric Hansen
Subject: RE: Library Board Trustees

Eric – when is their current term up, and for how long would the next term last?

From: Eric Hansen <ehansen@vicksburglibrary.org>
Sent: Tuesday, January 5, 2021 3:35 PM
To: Don Ulsh <dulsh@schtwp.org>
Subject: Library Board Trustees

Hello Don. I hope all is well with you,

Please find the attached letter requesting that the Township re-appoint Lloyd Appell and David Aubry as library trustees. If you have any questions then please let me know.

Happy New Year,

Eric Hansen

Director

MailScanner has detected definite fraud in the website at "linkprotect.cudasvc.com". Do not trust this website: MailScanner has detected definite fraud in the website at "linkprotect.cudasvc.com". Do not trust this website: Vicksburg District Library

EHansen@VicksburgLibrary.org