

**Village of Grass Lake**

Financial Statements  
And Independent Auditors' Report

Year Ended February 29, 2020

## Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	i-ii
<b>Management's Discussion and Analysis</b> .....	iii-viii
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	1
Statement of Activities.....	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	3
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position .....	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	6
Statement of Net Position – Proprietary Funds.....	7
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds .....	8
Statement of Cash Flows – Proprietary Funds .....	9
Notes to Financial Statements .....	10–21
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule – General Fund .....	22
Budgetary Comparison Schedule – Major Street Fund .....	23
Budgetary Comparison Schedule – Local Street Fund.....	24
<b>Other Supplementary Information:</b>	
Schedule of Bonded Indebtedness.....	25-26



**WILLIS & JURASEK**

CPAS AND CONSULTANTS

### **Independent Auditors' Report**

To the Village Council  
Village of Grass Lake  
Grass Lake, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Grass Lake as of and for the year ended February 29, 2020, and the related notes to the financial statements, which collectively comprise the Village'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 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 auditors' 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Grass Lake as of February 29, 2020, 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 as listed in the table of 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Grass Lake's basic financial statements. The schedule of bonded indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of bonded indebtedness has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Willis & Jurasek, P.C.*

Willis & Jurasek, P.C.

August 7, 2020

**Village of Grass Lake**  
Management's Discussion and Analysis  
Year Ended February 29, 2020

As management of the **Village of Grass Lake**, we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the year ended February 29, 2020.

**The Village as a Whole**

Over the past year, our governmental activities net assets have increased, controlling the Village spending as revenues remain stable.

As the national economy has continued to grow the local property tax base has seen a steady increase and the 2019 taxable value climbed by 4.8%. As properties continue to sell at higher prices relative to the economic downturn from several years ago and the taxable values being uncapped, the Village will continue to see modest increases. Additionally, a new residential building project on Portage Street is scheduled for 2021 and a commercial development at Michigan Avenue and Union Street may occur in 2021. These projects could increase the tax base by approximately \$1 million (3.1%).

The Water and Sewer Funds business-type activities net assets have also increased. In September 2019, water rates were increased between \$1.75 and \$7.50 per month for users with meter sizes 1 inch and above. Residential meter sizes are generally 5/8 of an inch. As a result, water services and fees increased 4.2% for the year ended February 29, 2020. Additional water rate increases for meter sizes 1 inch and above are planned to begin in March 2020. In addition, Sewer rates will increase from \$44 per REU to \$45 per REU in March 2020. Finally, there is an ongoing effort to minimize spending as much as possible in order to save for future water and sewer projects.

In planning for future investments in our infrastructure, the Village contracted with an engineering consultant to implement a capital improvement plan for our water and sewer systems. The capital improvement plan forecasts a major paint project for the water tower (exterior in 2025 and interior in 2030). Upon termination of the 2002 water bonds in 2023, cash flow from water usage will finance that significant repair. The water tower was last inspected in the fall 2018.

In February 2020, the Village refinanced the 2008 bonds to take advantage of more favorable interest rates. The 2008 bonds were used for capital improvements in the Local Streets fund (54%) and Water fund (46%). In addition, the Village borrowed \$200,000 for additional capital projects including water tower repairs, variable drive pumps, SCADA communications, water line repairs, water meters, and equipment.

One of the primary directives from the Village Council upon the 2017 millage rate increase for streets and highways was to upgrade equipment for the DPW Department. To that extent, we invested in our equipment fleet (trucks and snow removal equipment) by approximately \$45,000 in 2019. Additional investments in equipment are planned annually.

In 2018, a 10-year street repaving strategy was developed, funded by local taxes and Act 51 road monies from the State of Michigan. In 2020, the Village is contributing approximately \$32,000 towards a project to repair S. Union Street. Total funding for the S. Union Street project is approximately \$320,000 and includes federal and State funding. In addition, the Village is partnering with the Charter Township of Grass Lake on an ambitious multi-year project that will improve all other streets in the Village. The funding will come from bond proceeds and a proposed millage increase, subject to voter approval in November 2020.

The DDA has been instrumental in providing funds, along with support from a local foundation, for the construction in 2017 of an events park pavilion in the heart of the Village. In the past few years the Village secured approval to become a Redevelopment Ready Community (RRC) and is participating in an MEDC certification process for developing our downtown business district. As part of that process, the DDA

**Village of Grass Lake**  
Management's Discussion and Analysis  
Year Ended February 29, 2020

**The Village as a Whole (Continued)**

provided additional funding to qualify for a Patronicity crowdfunding match that raised a total of \$100,000 for additional improvements to the events park pavilion. This facility is now utilized by the Farmers Market on a weekly basis along with a bi-weekly concert in the park during the summer months. Phase 3 construction goals include public restrooms once funding is secured. In addition, a parking lot study has been completed that would add 20 parking spaces on Brown Street in 2021 and enhance utilization of this facility.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village include legislative, general government, public works, parks and recreation, and community and economic development. The business-type activities are water and sewer. The government-wide financial statements can be found on pages 1-2 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**Village of Grass Lake**  
Management's Discussion and Analysis  
Year Ended February 29, 2020

**Governmental Funds (Continued)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, major street and local street, each of which are considered to be major funds. The Village adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

**Proprietary Funds.** The Village maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses enterprise funds to account for its sanitary sewer and water distribution systems, as well as for building inspection activities. *Internal service funds* account for operations that provide services for equipment rental and accumulate and allocate costs internally among the Village's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for three major enterprise funds; water, sewer, and building inspection, plus the internal service funds. The basic proprietary fund financial statements can be found on pages 7-9 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Village does not maintain any fiduciary funds at this time.

**Notes to Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 10-21 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other information. This includes comparisons from budgeted amounts to actual amounts in the major governmental funds and debt schedules, which can be found on pages 22-26 of this report.

**Village of Grass Lake**  
Management's Discussion and Analysis  
Year Ended February 29, 2020

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Grass Lake, assets and deferred outflows exceeded liabilities and deferred inflows for the primary government by \$3,966,583 at the close of the most recent fiscal year.

At the close of the latest fiscal year, the majority of the Village's balance of net position is reflected in its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In a condensed format, the table below shows net position as of each fiscal year-end:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Non-capital assets	\$ 839,845	\$ 726,182	\$ 415,808	\$ 188,928
Capital assets	998,135	1,085,236	3,564,402	3,691,524
Total assets	<u>1,837,980</u>	<u>1,811,418</u>	<u>3,980,210</u>	<u>3,880,452</u>
Current liabilities	213,490	217,181	516,333	499,521
Non-current liabilities	327,028	352,192	794,756	723,755
Total liabilities	<u>540,518</u>	<u>569,373</u>	<u>1,311,089</u>	<u>1,223,276</u>
Net position:				
Invested in capital assets- net of related debt	671,107	733,044	2,961,632	2,967,769
Restricted	190,843	94,653	197,178	-
Unrestricted	435,512	387,739	(489,689)	(310,593)
Total net position	<u>\$ 1,297,462</u>	<u>\$ 1,215,436</u>	<u>\$ 2,669,121</u>	<u>\$ 2,657,176</u>

The following table shows the changes in net position for each fiscal year.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Program revenues:				
Charges for services	\$ 19,278	\$ 38,066	\$ 659,413	\$ 642,230
Operating grants	163,744	174,335	-	
General Revenues:				
Property taxes	270,848	266,207	-	
Unrestricted grants	112,030	104,940	-	
Interest income and other	14,641	15,416	18,119	21,123
Internal activities	42,000	37,000	15,000	15,000
Total revenues	<u>622,541</u>	<u>635,964</u>	<u>692,532</u>	<u>678,353</u>



**Village of Grass Lake**  
Management's Discussion and Analysis  
Year Ended February 29, 2020

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Program expenses:				
Legislative	15,046	18,238	-	-
General government	219,187	200,945	-	-
Public safety	37,882	39,552	-	-
Public works	256,181	301,993	-	-
Parks and recreation	503	-	-	-
Community and economic dev.	15,256	11,722	-	-
Interest and debt costs	23,069	10,947	-	-
Water	-	-	260,764	220,963
Sewer	-	-	411,415	429,722
Building inspection	-	-	8,408	8,990
Total expenses	<u>567,124</u>	<u>583,397</u>	<u>680,587</u>	<u>659,675</u>
Changes in net position	<u>\$ 55,417</u>	<u>\$ 52,567</u>	<u>\$ 11,945</u>	<u>\$ 18,678</u>

**Governmental Activities**

Total revenues have remained stable in the governmental activities with a small decrease in operating grant revenue in the streets funds. As fund reserves increase, the Village will be better situated to address any emergency financial needs and implement road maintenance projects.

**Business-Type Activities**

The Village's business-type activities consist primarily of the Water and Sewer Enterprise Funds. The Village provides water and sewer service to approximately 99% of the Village residents. With the implementation of a capital improvement plan at the beginning of 2018, the rate increases adopted in 2016 for water and sewer services have been factored to develop a schedule of repairs and replacement of key components to help ensure a reliable system. Future infrastructure investments such as the painting of the water tower, a cost that could be in the \$300,000 range, are planned for completion as debt obligations are retired to minimize the need for increasing service charges. This plan is designed to mitigate the past reliance on general fund transfers to stabilize the Water and Sewer Funds.

The Building Inspection Fund is the smallest of the Village's business-type funds. This fund is self-sustaining.

**General Fund Budgetary Highlights**

Over the course of the year, approximately quarterly, the Village Manager recommends amendments to the budget to take into account unforeseen events happening during the year. During the year, the budget was amended in February 2020 but is reviewed quarterly by the council.

**Village of Grass Lake**  
Management's Discussion and Analysis  
Year Ended February 29, 2020

**Capital Asset and Debt Administration**

At the end of the current fiscal year, the Village had a total investment in capital assets for its governmental and business-type activities of \$4,562,537, which is made up of a broad range of capital assets, including buildings, water and sewer structures, both above and below ground, and significant investments in streets.

The following table summarizes the fixed assets of the Village at each fiscal year-end:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Machinery and equipment	\$ 452,622	\$ 428,154	\$ 52,405	\$ 52,405
Buildings and improvements	279,994	279,994	-	-
Distribution and collection systems	-	-	6,084,336	6,084,336
Infrastructure	1,525,276	1,525,276	-	-
Land	49,792	49,792	36,000	36,000
Accumulated depreciation	(1,309,549)	(1,198,250)	(2,608,339)	(2,481,217)
Net capital assets	<u>\$ 998,135</u>	<u>\$ 1,084,966</u>	<u>\$ 3,564,402</u>	<u>\$ 3,691,524</u>

Most of the indebtedness is chargeable to the business-type activities.

The following table summarizes the debt outstanding at each fiscal year-end:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 252,720	\$ 264,600	\$ 794,756	\$ 723,755
Notes payable	74,308	87,592	-	-
Total long-term debt	<u>\$ 327,028</u>	<u>\$ 352,192</u>	<u>\$ 794,756</u>	<u>\$ 723,755</u>

The Village's total debt increased by a net of \$45,837 which is a net of the issuance of \$200,000 of capital improvement bonds, refunding of debt, and current year payments.

**Economic Factors and Next Year's Budgets and Rates**

The impact of the COVID-19 pandemic on the national and local economy and revenues at the state level will impact the Village for the next several years. We are expecting less funding for roads and constitutional state shared revenue in fiscal 2021. The 2017 millage increase for Streets and Highways will continue to be adjusted annually to maintain an overall millage rate of 10 mills with approximately 75% allocated for general operating and the balance for Major and Local Streets maintenance. Budget projections for the next year indicate that all funds within the Village will be challenged to maintain our self-supporting goals to have a surplus at the end of the fiscal year. We will monitor conditions monthly and adjust major spending as necessary.

**Contacting the Village Management**

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Village office.

**Village of Grass Lake**

Statement of Net Position

February 29, 2020

	Primary Government			Component Unit
	Governmental	Business-type	Total	Downtown Development Authority
	Activities	Activities		
<b>Assets:</b>				
Cash and cash equivalents	\$ 370,772	\$ 107,246	\$ 478,018	\$ 114,744
Restricted cash	6,095	197,178	203,273	-
Receivables	82,634	93,117	175,751	84,269
Inventory	-	18,267	18,267	-
Capital assets:				
Non-depreciable assets	49,792	36,000	85,792	50,000
Depreciable assets, net	948,343	3,528,402	4,476,745	67,225
Total assets	<u>1,457,636</u>	<u>3,980,210</u>	<u>5,437,846</u>	<u>316,238</u>
<b>Liabilities:</b>				
Accounts payable	14,158	14,442	28,600	562
Accrued expenses	14,863	4,424	19,287	-
Accrued interest	2,438	2,218	4,656	-
Due to other governmental units	-	114,905	114,905	-
Internal balances	(380,344)	380,344	-	-
Unearned revenue	182,031	-	182,031	-
Noncurrent liabilities:				
Due within one year	46,706	164,504	211,210	-
Due in more than one year	280,322	630,252	910,574	-
Total liabilities	<u>160,174</u>	<u>1,311,089</u>	<u>1,471,263</u>	<u>562</u>
<b>Net Position:</b>				
Invested in capital assets, net of related debt	671,107	2,961,632	3,632,739	117,225
Restricted for special revenue	184,748	-	184,748	-
Restricted for debt service	6,095	5,192	11,287	-
Restricted for capital improvements	-	191,986	191,986	-
Unrestricted	435,512	(489,689)	(54,177)	198,451
Total net position	<u>\$ 1,297,462</u>	<u>\$ 2,669,121</u>	<u>\$ 3,966,583</u>	<u>\$ 315,676</u>

See Notes to Financial Statements.

**Village of Grass Lake**  
Statement of Activities  
Year Ended February 29, 2020

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>			<u>Component Unit</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>DDA</u>
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
Legislative	\$ 15,046	\$ -	\$ -	\$ (15,046)	\$ -	\$ (15,046)	
General government	219,187	19,278	-	(199,909)	-	(199,909)	
Public safety	37,882	-	-	(37,882)	-	(37,882)	
Public works	256,181	-	163,744	(92,437)	-	(92,437)	
Parks and recreation	503	-	-	(503)	-	(503)	
Community and economic development	15,256	-	-	(15,256)	-	(15,256)	
Interest and refinancing of long-term debt	23,069	-	-	(23,069)	-	(23,069)	
Total governmental activities	<u>567,124</u>	<u>19,278</u>	<u>163,744</u>	<u>(384,102)</u>	<u>-</u>	<u>(384,102)</u>	
<b>Business-type Activities:</b>							
Building inspection	8,408	10,225	-	-	1,817	1,817	
Water	260,764	279,249	-	-	18,485	18,485	
Sewer	411,415	369,939	-	-	(41,476)	(41,476)	
Total business-type activities	<u>680,587</u>	<u>659,413</u>	<u>-</u>	<u>-</u>	<u>(21,174)</u>	<u>(21,174)</u>	
Total primary government	<u>\$ 1,247,711</u>	<u>\$ 678,691</u>	<u>\$ 163,744</u>	<u>(384,102)</u>	<u>(21,174)</u>	<u>(405,276)</u>	
<b>Component Units:</b>							
Downtown Development Authority	<u>\$ 74,719</u>	<u>\$ -</u>	<u>\$ -</u>				<u>\$ (74,719)</u>
<b>General Revenues:</b>							
Property taxes, levied for general purposes				203,817	-	203,817	122,037
Property taxes, levied for specific purposes				67,031	-	67,031	-
State shared revenue				112,030	-	112,030	-
Interest and investment earnings				706	2,966	3,672	126
Other revenues				13,935	15,153	29,088	-
Transfers - internal activities				42,000	15,000	57,000	(57,000)
Total general revenues and transfers				<u>439,519</u>	<u>33,119</u>	<u>472,638</u>	<u>65,163</u>
<b>Changes in Net Position</b>				55,417	11,945	67,362	(9,556)
<b>Net Position - Beginning of Year</b>				<u>1,242,045</u>	<u>2,657,176</u>	<u>3,899,221</u>	<u>325,232</u>
<b>Net Position - End of Year</b>				<u>\$ 1,297,462</u>	<u>\$ 2,669,121</u>	<u>\$ 3,966,583</u>	<u>\$ 315,676</u>

See Notes to Financial Statements

**Village of Grass Lake**

Balance Sheet  
Governmental Funds  
February 29, 2020

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	<u>General</u>	<u>Major Street</u>	<u>Local Street</u>	<u>Total</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 155,701	\$ 42,418	\$ 113,393	\$ 311,512
Restricted cash	-	6,095	-	6,095
Receivables:				
Taxes receivable	9,111	-	3,114	12,225
Due from other governmental units	39,905	23,519	6,985	70,409
Due from other funds	363,957	-	-	363,957
Total assets	<u>\$ 568,674</u>	<u>\$ 72,032</u>	<u>\$ 123,492</u>	<u>\$ 764,198</u>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable	\$ 8,757	\$ 1,450	\$ -	\$ 10,207
Salaries payable	4,508	1,685	1,546	7,739
Other liabilities	7,124	-	-	7,124
Total liabilities	<u>20,389</u>	<u>3,135</u>	<u>1,546</u>	<u>25,070</u>
Fund Balances:				
Restricted	-	68,897	121,946	190,843
Unassigned	548,285	-	-	548,285
Total fund balances	<u>548,285</u>	<u>68,897</u>	<u>121,946</u>	<u>739,128</u>
Total liabilities and fund balances	<u>\$ 568,674</u>	<u>\$ 72,032</u>	<u>\$ 123,492</u>	<u>\$ 764,198</u>

See Notes to Financial Statements.

## Village of Grass Lake

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position  
of Governmental Activities on the Statement of Net Position  
February 29, 2020

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<b>Total Fund Balances - Governmental Funds</b>	\$ 739,128
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	
The cost of the capital assets is	\$ 1,525,276
Accumulated depreciation is	<u>(873,674)</u>
	651,602
Because revenue is recognized when both measurable and available for governmental funds, payments received up front on long-term leases are included in fund balance. However, in the government-wide statements, lease revenue is recognized on a straight-line basis over the term of the applicable lease.	
Unearned revenue	(182,031)
Long-term liabilities not due and payable in the current period and not reported in the funds:	
Bonds and loans payable	(252,720)
Accrued interest	(2,438)
Internal service funds are used by management to charge the costs of certain equipment usage and administrative costs to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	
Net position of governmental activities accounted for in the internal service funds	<u>343,921</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 1,297,462</u></u>

See Notes to Financial Statements.

**Village of Grass Lake**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended February 29, 2020

	<b>General</b>	<b>Major Street</b>	<b>Local Street</b>	<b>Total</b>
<b>Revenues:</b>				
Property taxes	\$ 203,817	\$ -	\$ 67,031	\$ 270,848
Licenses and permits	1,165	-	-	1,165
Intergovernmental	122,340	126,247	37,497	286,084
Charges for services	7,545	-	-	7,545
Fines and forfeitures	258	-	-	258
Interest and rentals	1,169	35	192	1,396
Other revenue	8,044	-	-	8,044
<b>Total revenues</b>	<b>344,338</b>	<b>126,282</b>	<b>104,720</b>	<b>575,340</b>
<b>Expenditures:</b>				
Legislative	15,046	-	-	15,046
General government	219,437	-	-	219,437
Public safety	37,882	-	-	37,882
Public works	34,596	74,650	56,024	165,270
Parks and recreation	503	-	-	503
Community and economic development	15,387	-	-	15,387
Debt service:				-
Principal, interest, and fees	-	281,858	-	281,858
<b>Total expenditures</b>	<b>322,851</b>	<b>356,508</b>	<b>56,024</b>	<b>735,383</b>
<b>Revenues Over (Under) Expenditures</b>	<b>21,487</b>	<b>(230,226)</b>	<b>48,696</b>	<b>(160,043)</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from issuance of bonds	-	252,720	-	252,720
Transfers in	42,000	-	25,000	67,000
Transfers out	(25,000)	-	-	(25,000)
<b>Total other financing sources (uses)</b>	<b>17,000</b>	<b>252,720</b>	<b>25,000</b>	<b>294,720</b>
<b>Net Changes in Fund Balances</b>	<b>38,487</b>	<b>22,494</b>	<b>73,696</b>	<b>134,677</b>
<b>Fund Balances - Beginning of Year</b>	<b>509,798</b>	<b>46,403</b>	<b>48,250</b>	<b>604,451</b>
<b>Fund Balances - End of Year</b>	<b>\$ 548,285</b>	<b>\$ 68,897</b>	<b>\$ 121,946</b>	<b>\$ 739,128</b>

See Notes to Financial Statements.

## Village of Grass Lake

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended February 29, 2020

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 134,677</b>
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.</p>	
Depreciation expense	\$ (76,264)
Capital outlay	<u>                    -</u> (76,264)
<p>Unearned lease revenue in the Statement of Net Position previously provided fiscal-year resources to the governmental funds and was included in fund balance. These amounts are recognized when earned over the term of the applicable lease in the Statement of Activities.</p>	
Current year lease revenue earned	5,201
<p>Bond proceeds and other debt issued are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position.</p>	
Proceeds from debt refunding bonds	(252,720)
Repayment of principal	264,600
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.</p>	
Increase in accrued interest payable	(2,438)
<p>An internal service fund is used by management to charge the costs of certain equipment usage to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities on the Statement of Activities as this most closely aligns with the purpose of the fund.</p>	
Change in net position from governmental activities in the internal service funds	<u>(17,639)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ 55,417</u></u></b>

See Notes to Financial Statements.



**Village of Grass Lake**  
Statement of Net Position  
Proprietary Funds  
February 29, 2020

	<b>Business-Type Activities Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Building Inspection</b>	<b>Total</b>	
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 60,241	\$ 41,208	\$ 5,797	\$ 107,246	\$ 59,260
Restricted cash	197,178	-	-	197,178	-
Accounts receivable	30,378	37,920	-	68,298	-
Special assessment receivables	-	2,575	-	2,575	-
Due from other governmental units	-	22,244	-	22,244	-
Inventory	8,507	9,760	-	18,267	-
Due from other funds	-	-	-	-	16,387
Total current assets	<u>296,304</u>	<u>113,707</u>	<u>5,797</u>	<u>415,808</u>	<u>75,647</u>
Property, plant and equipment:					
Land	36,000	-	-	36,000	49,792
Buildings	-	-	-	-	279,994
Machinery and equipment	-	-	-	-	452,622
Main and accessories	2,917,670	3,219,071	-	6,136,741	-
Less accumulated depreciation	<u>(956,760)</u>	<u>(1,651,579)</u>	<u>-</u>	<u>(2,608,339)</u>	<u>(435,875)</u>
Total property, plant and equipment	<u>1,996,910</u>	<u>1,567,492</u>	<u>-</u>	<u>3,564,402</u>	<u>346,533</u>
Total assets	<u>2,293,214</u>	<u>1,681,199</u>	<u>5,797</u>	<u>3,980,210</u>	<u>422,180</u>
<b>Liabilities:</b>					
Current liabilities:					
Current portion of long-term debt	164,504	-	-	164,504	13,766
Accounts payable	11,193	3,249	-	14,442	3,951
Accrued expenses	2,406	1,976	42	4,424	-
Accrued interest	2,218	-	-	2,218	-
Due to other governmental units	66,852	48,053	-	114,905	-
Due to other funds	86,359	293,985	-	380,344	-
Total current liabilities	<u>333,532</u>	<u>347,263</u>	<u>42</u>	<u>680,837</u>	<u>17,717</u>
Noncurrent liabilities:					
Bonds payable	630,252	-	-	630,252	-
Notes payable	-	-	-	-	60,542
Total noncurrent liabilities	<u>630,252</u>	<u>-</u>	<u>-</u>	<u>630,252</u>	<u>60,542</u>
Total liabilities	<u>963,784</u>	<u>347,263</u>	<u>42</u>	<u>1,311,089</u>	<u>78,259</u>
<b>Net Position:</b>					
Invested in capital assets, net of related debt	1,394,140	1,567,492	-	2,961,632	272,225
Restricted	197,178	-	-	197,178	-
Unrestricted	<u>(261,888)</u>	<u>(233,556)</u>	<u>5,755</u>	<u>(489,689)</u>	<u>71,696</u>
Total net position	<u>\$1,329,430</u>	<u>\$1,333,936</u>	<u>\$ 5,755</u>	<u>\$ 2,669,121</u>	<u>\$ 343,921</u>

See Notes to Financial Statements.

**Village of Grass Lake**  
Statement of Revenues, Expenses  
and Changes in Net Position  
Proprietary Funds  
Year Ended February 29, 2020

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>	
	<b>Water</b>	<b>Sewer</b>	<b>Building Inspection</b>	<b>Internal Service Funds</b>	
	<b>Total</b>				
<b>Operating Revenues:</b>					
Charges for services	\$ 279,249	\$ 371,797	\$ 10,225	\$ 661,271	\$ 94,551
Other revenue	10,068	5,085	-	15,153	-
Total operating revenues	<u>289,317</u>	<u>376,882</u>	<u>10,225</u>	<u>676,424</u>	<u>94,551</u>
<b>Operating Expenses:</b>					
Personnel services	59,658	47,154	918	107,730	-
Payroll taxes and benefits	8,164	8,725	97	16,986	-
Professional services	26,407	1,896	7,393	35,696	-
Contracted services	-	193,446	-	193,446	-
Utilities	18,875	14,931	-	33,806	-
Repairs and maintenance	27,049	69,536	-	96,585	42,773
Insurance and bonds	17,256	500	-	17,756	7,507
Operating supplies	4,261	194	-	4,455	13,961
Equipment rent	13,412	12,017	-	25,429	-
Office supplies	-	872	-	872	-
Miscellaneous	1,245	10	-	1,255	9,270
Depreciation and amortization	63,362	63,760	-	127,122	35,306
Total operating expenses	<u>239,689</u>	<u>413,041</u>	<u>8,408</u>	<u>661,138</u>	<u>108,817</u>
<b>Operating Income (Loss)</b>	<u>49,628</u>	<u>(36,159)</u>	<u>1,817</u>	<u>15,286</u>	<u>(14,266)</u>
<b>Nonoperating Revenues (Expenses):</b>					
Interest income	1,071	1,895	-	2,966	-
Interest expense	(21,075)	(232)	-	(21,307)	(3,373)
Total nonoperating revenues (expenses)	<u>(20,004)</u>	<u>1,663</u>	<u>-</u>	<u>(18,341)</u>	<u>(3,373)</u>
<b>Net Income (Loss) Before Transfers</b>	<u>29,624</u>	<u>(34,496)</u>	<u>1,817</u>	<u>(3,055)</u>	<u>(17,639)</u>
<b>Transfers:</b>					
Transfers in	15,000	-	-	15,000	-
Total transfers	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
<b>Changes in Net Position</b>	44,624	(34,496)	1,817	11,945	(17,639)
<b>Net Position - Beginning of Year</b>	<u>1,284,806</u>	<u>1,368,432</u>	<u>3,938</u>	<u>2,657,176</u>	<u>361,560</u>
<b>Net Position - End of Year</b>	<u>\$ 1,329,430</u>	<u>\$ 1,333,936</u>	<u>\$ 5,755</u>	<u>\$ 2,669,121</u>	<u>\$ 343,921</u>

**Village of Grass Lake**  
Statement of Cash Flows  
Proprietary Funds  
Year Ended February 29, 2020

	Business-Type Activities Enterprise Funds				Governmental Activities
					Internal Service Funds
	Water	Sewer	Building Inspection	Total	
<b>Cash Flows From Operating Activities:</b>					
Cash received from customers, residents and users	\$ 284,806	\$ 358,810	\$ 10,225	\$ 653,841	\$ 94,551
Payments to suppliers	(107,932)	(280,588)	(7,490)	(396,010)	(71,365)
Payments to employees	(58,862)	(48,051)	(1,540)	(108,453)	-
Net cash provided by (used by) operating activities	<u>118,012</u>	<u>30,171</u>	<u>1,195</u>	<u>149,378</u>	<u>23,186</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>					
Purchase of capital assets, net	-	-	-	-	(24,468)
Principal and interest on capital debt	(368,478)	(232)	-	(368,710)	(16,659)
Proceeds from issuance of debt	415,280	-	-	415,280	-
Cash received from (paid to) other funds	71,465	(74,589)	-	(3,124)	10,661
Net cash provided by (used by) capital and related financing activities	<u>118,267</u>	<u>(74,821)</u>	<u>-</u>	<u>43,446</u>	<u>(30,466)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest income received	1,071	1,895	-	2,966	-
Net cash provided by investing activities	<u>1,071</u>	<u>1,895</u>	<u>-</u>	<u>2,966</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash</b>	237,350	(42,755)	1,195	195,790	(7,280)
<b>Cash - Beginning of Year</b>	<u>20,069</u>	<u>83,963</u>	<u>4,602</u>	<u>108,634</u>	<u>66,540</u>
<b>Cash - End of Year</b>	<u>\$ 257,419</u>	<u>\$ 41,208</u>	<u>\$ 5,797</u>	<u>\$ 304,424</u>	<u>\$ 59,260</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>					
Operating income (loss)	\$ 49,628	\$ (36,159)	\$ 1,817	\$ 15,286	\$ (14,266)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	63,362	63,760	-	127,122	35,306
Changes in:					
Accounts receivable	(4,511)	4,172	-	(339)	-
Due from other governmental units	-	(22,244)	-	(22,244)	-
Inventory	(8,507)	-	-	(8,507)	-
Accounts payable	14,594	(26,514)	-	(11,920)	2,146
Accrued expenses	796	(897)	(622)	(723)	-
Due to other governmental units	2,650	48,053	-	50,703	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 118,012</u>	<u>\$ 30,171</u>	<u>\$ 1,195</u>	<u>\$ 149,378</u>	<u>\$ 23,186</u>

See Notes to Financial Statements.

**Village of Grass Lake**  
Notes to Financial Statements

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**1. Summary of Significant Accounting Policies**

**Village Operations and Principles of Preparation**

The Village of Grass Lake, Michigan, covers an area of approximately one square mile in Jackson County. The Village operates under a council form of government and provides various services to its residents in many areas including community enrichment and development, human services, water and sewer services, highways and streets, public safety, and general administrative services.

The financial statements of the Village of Grass Lake, Michigan have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), 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 more significant of the government's accounting policies are described below.

**Reporting Entity**

The accompanying financial statements of the Village have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, scope of public service, fiscal dependency, special financial relationships, and whether the financial statements would be misleading if data were not included. Education services are provided through the local school system, which is a separate governmental entity, and therefore, is not represented in the financial statements included herein. The component unit discussed below is included in the Village's reporting entity because the Village is considered to be financially accountable for it.

**Component Unit**

**Downtown Development Authority** - The Downtown Development Authority (DDA) was formed to enhance the Village's business district by preservation, creation and implementation of the development plans in the district to be financed by taxes from properties within its district.

**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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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.

**Village of Grass Lake**  
Notes to Financial Statements

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**1. Summary of Significant Accounting Policies (Continued)**

**Government-Wide and Fund Financial Statements (Continued)**

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 enterprise funds are reported as separate columns in the fund financial statements.

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

**Government-Wide Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

**Fund-Based Statements** - 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 if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Village of Grass Lake**  
Notes to Financial Statements

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**1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Fund-Based Statements (Continued)** – The government reports the following major governmental funds:

**General Fund** – This 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.

**Major Street Fund** – This fund is a special revenue fund. It accounts for revenues received primarily from the State of Michigan Department of Transportation and accounts for street activity relating to the major street functions of the Village.

**Local Street Fund** – This fund is a special revenue fund. It accounts for revenues received primarily from the State of Michigan Department of Transportation and accounts for street activity relating to the local street functions of the Village.

The government reports the following major proprietary funds:

**Water Fund** – The Water Fund accounts for the activities of the government’s water production, purification, and distribution systems.

**Sewer Fund** – The Sewer Fund accounts for the activities of the government’s sewage collection and treatment systems.

**Building Inspection Fund** – The Building Inspection Fund accounts for the activities of the building inspection department.

Additionally, the government reports the following fund types:

**Internal Service Funds** – The internal service funds account for operations that provide services (equipment rental) to other departments of the Village on a cost-reimbursement basis.

**Additional Financial Statement Presentation Information** - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water, sewer and building inspection enterprise funds and of the government’s internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Village of Grass Lake**  
Notes to Financial Statements

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**1. Summary of Significant Accounting Policies (Continued)**

**Deposits and Investments** – Cash and cash equivalents include cash on hand, demand deposits, and certificates of deposit.

The Village reports its investments (when applicable) in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Village intends to hold the investment until maturity. Accordingly, investments in bankers' acceptances and commercial paper are recorded at amortized cost. The Village had no investments at the current year-end.

State statutes authorize the Village to invest in bonds, and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Village is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

**Receivables and Payables** – All receivables are reported at their net value. They are reduced, where appropriate, by the estimated portion that is expected to be uncollectible.

Activities 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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**Inventory** – Certain purchases reflect items on hand for providing water and sewer services to residents. These items are recorded in inventory at cost when purchased in both the government-wide and fund financial statements.

**Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

**Village of Grass Lake**  
Notes to Financial Statements

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**1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets (Continued)** – Major outlays for capital assets and improvements are capitalized as projects are constructed. 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. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Machinery and equipment	5 - 20
Infrastructure	20
Systems and improvements	10 - 50

**Compensated Absences** – Village personnel policies provide full-time employees with one week of vacation leave after one year of employment; two weeks after two years; and three weeks after five years. Sick leave is granted at the rate of one day per month, limited to a maximum of thirty days accumulation. Neither vacation nor sick time is recorded until paid. Current accumulated leave time, which is immaterial, has not been recorded.

**Long-Term Obligations** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, 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. Bond premiums and discounts are reported as a deferred inflow or outflow of resources, separate from assets and liabilities, over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity** – The Village has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. In accordance with this guidance, fund balances of governmental funds are categorized according to five defined categories of fund balance. These categories consist of nonspendable amounts which are legally or contractually required to be maintained intact, restricted amounts that are constrained for specific purposes set by external parties or law, committed amounts that are constraints set by the highest decision making authority (Village Council) and may only be removed by those individuals, assigned amounts that have an intended but no formal specific purpose, and unassigned amounts which are the residual of the other categories and have no specific purpose.

It is the Village's policy to generally use fund balance in order according to the hierarchy of fund balance categories, from restricted down to unassigned.



**Village of Grass Lake**  
Notes to Financial Statements

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**1. Summary of Significant Accounting Policies (Continued)**

**Property Taxes** - The government's property taxes are levied each July 1 on the taxable valuation of property located in the Village as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Jackson County.

Assessed values as established annually by the government, and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. Real and personal property in the Village for 2019 had a taxable value of approximately \$32,000,000 (not including properties subject to Industrial Facilities Tax exemption), representing 50% of estimated current market value. The government's property tax rates for fiscal year 2019-2020 were 7.4662 mills for general operations and an additional 2.5338 mills for highways and streets.

Property taxes for the DDA are derived from a tax increment financing agreement between the DDA and other related taxing districts. Under this arrangement, the DDA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain properties located in the Village of Grass Lake, which are within the DDA district. Property taxes are recognized in the fiscal year in which they are levied.

No tax abatements were provided to property tax payers which would require disclosure in accordance with GASB Statement No. 77, *Tax Abatement Disclosures*.

**Segment Information – Enterprise Funds** – The government issued revenue bonds to finance certain improvements to its water distribution and treatment system. Because the Water Fund, which is an individual fund that accounts entirely for the Village's water distribution and treatment activities, is a segment, and is reported as a major fund in the fund financial statements, segment disclosures herein are not required.

**2. Stewardship, Compliance and Accountability**

The general and special revenue funds are the governmental fund types under formal budgetary control. The Village adopts its budget in accordance with Public Act 621, the *Uniform Budgeting and Accounting Act*, which mandates an annual budget process and annual appropriation act to implement the budget.

- 1) A general and special revenue funds budget is presented to Village Council in February, at which time hearings on the budget are scheduled. A Public Hearing is also held in February and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Council.
- 2) The budget, and an appropriation ordinance implementing it, is then adopted in February.
- 3) Formal budget integration is employed as a management control device during the year for all funds.
- 4) Budgets presented for the general and special revenue funds were prepared on the modified cash basis of accounting. Encumbrances are not recorded at year-end.
- 5) Expenditures may not legally exceed activity (department) totals. All other special revenue funds cannot legally exceed their respective fund totals. Violations, if any, are noted in the required supplementary information section.

**Village of Grass Lake**  
Notes to Financial Statements

**2. Stewardship, Compliance and Accountability (Continued)**

- 6) Budgets for the current year are reviewed during the year for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Council for action.
- 7) The Council has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the general fund at the activity level if it desires. Management has no authority to amend budgets at the fund level. Management can make transfers within funds at the departmental level without governing board approval but not between departments.
- 8) All budget appropriations lapse at the end of each fund's fiscal year.

**3. Cash and Cash Equivalents**

To facilitate better management of the Village's resources, cash is combined in a pooled operating account for much of the Village's activity.

At year-end, the Village's deposits were reported in the basic financial statements in the following categories:

	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
Cash and cash equivalents	\$ 370,772	\$ 107,246	\$ 478,018	\$ 114,744	\$ 592,762
Restricted cash	6,095	197,178	203,273	-	203,273
Total cash	<u>\$ 376,867</u>	<u>\$ 304,424</u>	<u>\$ 681,291</u>	<u>\$ 114,744</u>	<u>\$ 796,035</u>

Restricted cash consists of funds deposited in escrow for the first debt payment on the bonds refunded at the end of February 2020 and the new bond proceeds restricted for capital improvements.

The breakdown between deposits and investments for the Village is as follows:

Deposits in checking and savings accounts	\$ 739,582
Certificates of deposit and money market	56,253
Petty cash and cash on hand	200
Total	<u>\$ 796,035</u>

**Custodial Credit Risk – Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village has not adopted and State law does not require a policy for deposit custodial credit risk. As of year-end, approximately \$690,000 of the Village's bank balance of \$940,000 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Village of Grass Lake**  
Notes to Financial Statements

**4. Receivables**

Receivables of the governmental activities of the primary government at year-end, consist of the following:

Other governmental units (primarily the State of Michigan)	\$ 70,409
Taxes	12,225
Total	<u>\$ 82,634</u>

**5. Capital Assets**

Capital assets activity for the year ended February 29, 2020 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 49,792	\$ -	\$ -	\$ 49,792
Total capital assets not being depreciated	<u>49,792</u>	<u>-</u>	<u>-</u>	<u>49,792</u>
Capital assets being depreciated:				
Buildings and improvements	279,994	-	-	279,994
Machinery and equipment	428,154	24,468	-	452,622
Infrastructure	1,525,276	-	-	1,525,276
Total capital assets being depreciated	<u>2,233,424</u>	<u>24,468</u>	<u>-</u>	<u>2,257,892</u>
Accumulated depreciation:				
Buildings and improvements	170,744	5,750	-	176,494
Machinery and equipment	230,096	29,285	-	259,381
Infrastructure	797,410	76,264	-	873,674
Total accumulated depreciation	<u>1,198,250</u>	<u>111,299</u>	<u>-</u>	<u>1,309,549</u>
Total capital assets being depreciated - net	<u>1,035,174</u>	<u>(86,831)</u>	<u>-</u>	<u>948,343</u>
Governmental activities capital assets - net	<u>\$ 1,084,966</u>	<u>\$ (86,831)</u>	<u>\$ -</u>	<u>\$ 998,135</u>
<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 36,000	\$ -	\$ -	\$ 36,000
Total capital assets not being depreciated	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>36,000</u>
Capital assets being depreciated:				
Systems and improvements	6,084,336	-	-	6,084,336
Machinery and equipment	52,405	-	-	52,405
Total capital assets being depreciated	<u>6,136,741</u>	<u>-</u>	<u>-</u>	<u>6,136,741</u>
Accumulated depreciation	2,481,217	127,122	-	2,608,339
Total capital assets being depreciated - net	<u>3,655,524</u>	<u>(127,122)</u>	<u>-</u>	<u>3,528,402</u>
Business-type activities capital assets - net	<u>\$ 3,691,524</u>	<u>\$ (127,122)</u>	<u>\$ -</u>	<u>\$ 3,564,402</u>

**Village of Grass Lake**  
Notes to Financial Statements

**5. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Public works	\$ 75,993
Capital assets held by the Village's internal service funds are charged to the various functions based on usage of the assets	35,306
Total depreciation expense - governmental activities	<u>\$ 111,299</u>
Business-Type Activities:	
Sewer	\$ 63,760
Water	63,362
Total depreciation expense - business-type activities	<u>\$ 127,122</u>

**6. Interfund Transfers and Balances**

Interfund balances as of current year-end are as follows:

	<b>Due To Other Funds</b>	<b>Due From Other Funds</b>
General Fund	\$ -	\$ 363,957
Equipment Pool Fund	-	16,387
Sewer Fund	293,985	-
Water Fund	86,359	-
	<u>\$ 380,344</u>	<u>\$ 380,344</u>

Interfund transfers during the year were as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 42,000	\$ 25,000
Local Street Fund	25,000	-
Water Fund	15,000	-
Component Unit (DDA)	-	57,000
	<u>\$ 82,000</u>	<u>\$ 82,000</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Village of Grass Lake**  
Notes to Financial Statements

**7. Unearned Revenue**

During the 2015/2016 fiscal year, the Village entered into a contract to lease the easement area where the Village's cell phone tower is located. The lease of the easement area is over a term of 40 years and required an up-front payment for the entire lease of \$208,036. The total contract was considered unearned at the time it was entered into and is being amortized and recognized as revenue over the 40 year term of the lease in the government-wide statements. The balance of the unearned revenue at the current year-end is \$182,031.

**8. Long-Term Debt**

The Village issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village.

Governmental activities – long-term obligation activity can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds	\$ 264,600	\$ 252,720	\$ 264,600	\$ 252,720	\$ 32,940
Note payable	87,592	-	13,284	74,308	13,766
	<u>\$ 352,192</u>	<u>\$ 252,720</u>	<u>\$ 277,884</u>	<u>\$ 327,028</u>	<u>\$ 46,706</u>

<u>Governmental Activities:</u>	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
2020 Capital Improvement and Refunding Bonds	2.30%	2029	\$ 252,720
Note Payable - Farmers State Bank	3.90%	2024	74,308
			<u>\$ 327,028</u>

Annual debt service requirements to maturity for the governmental activities are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 46,706	\$ 6,359	\$ 53,065
2022	43,466	7,419	50,885
2023	43,483	6,192	49,675
2024	44,062	4,954	49,016
2025	44,011	3,694	47,705
2026-2029	105,300	5,974	111,274
	<u>\$ 327,028</u>	<u>\$ 34,592</u>	<u>\$ 361,620</u>

**Village of Grass Lake**  
Notes to Financial Statements

**8. Long-Term Debt (Continued)**

Business-type activities – long-term obligation activity can be summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Business-Type Activities:</b>					
Bonds	\$ 723,755	\$ 415,280	\$ 344,279	\$ 794,756	\$ 164,504

<b>Business-Type Activities:</b>	<b>Interest Rate</b>	<b>Maturing Through</b>	<b>Principal Outstanding</b>
2002 Michigan State Revolving Loan Program Bonds	2.50%	2023	\$ 379,476
2020 Capital Improvement and Refunding Bonds	2.30%	2035	415,280
			\$ 794,756

Annual debt service requirements to maturity for the business-type activities are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 164,504	\$ 13,785	\$ 178,289
2022	163,856	12,045	175,901
2023	163,396	8,591	171,987
2024	36,380	7,738	44,118
2025	35,920	6,462	42,382
2026-2030	154,700	28,032	182,732
2031-2035	76,000	23,391	99,391
	\$ 794,756	\$ 100,044	\$ 894,800

**Current Refunding** – In February, 2020, the Village issued \$468,000 in general obligation bonds with an interest rate of 2.30%. The proceeds of these bonds were used to advance refund \$450,000 of outstanding bonds. The net proceeds of approximately \$460,00 (payment of \$18,000 in underwriting fees and other issuance costs) plus an additional \$11,288 of debt service monies were used to purchase U.S. government securities and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered defeased and the liability for the bonds has been removed from the Village’s long-term obligations. The advance refunding reduced the total debt service payment by \$48,352.

The Village has defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village’s financial statements. At year-end, \$450,000 of bonds outstanding are considered defeased.

**Village of Grass Lake**  
Notes to Financial Statements

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**9. 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; injuries to employees; and natural disasters. During the fiscal year, the Village carried commercial insurance to cover all risks of losses. The Village had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

**10. Contingencies**

The Village is subject to legal action as a normal course of business. However, management, with counsel's assistance, vigorously upholds their position on any such action. No ascertainable matters are noted, and thus no provision has been made in the financial statements.

**11. Shared Services Agreements**

The Jackson County Sheriff Department provides law enforcement services to the Village and Grass Lake Township and its residents. Under this agreement, the Village and the Township are billed at a monthly fixed rate which is split equally between the two municipalities.

Grass Lake Township provides fire protection services to the Village and its residents, which is funded through a tax levy on Village and Township property owners. The Township levies and collects all of the property taxes for fire protection.

The Village has two contracts in place with Grass Lake Township to provide mowing and snow removal services to the Township. These services are billed to the Township based on hourly employee rates plus any costs associated with these services.

## **Required Supplementary Information**



**Village of Grass Lake**  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget to Actual  
General Fund  
Year Ended February 29, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Property taxes	\$ 244,750	\$ 244,750	\$ 203,817
Licenses and permits	1,100	1,100	1,165
Intergovernmental	125,700	125,700	122,340
Charges for services	8,500	8,500	7,545
Fines and forfeitures	-	-	258
Interest and rentals	4,000	4,000	1,169
Other revenue	14,500	14,500	8,044
Total revenues	<u>398,550</u>	<u>398,550</u>	<u>344,338</u>
<b>Expenditures:</b>			
Legislative:			
Council	<u>21,375</u>	<u>21,375</u>	<u>15,046</u>
General government:			
Village Council	44,600	44,600	41,463
Village President	5,050	5,050	3,796
Clerk	34,100	26,100	22,760
Treasurer	27,900	27,900	25,313
Buildings and grounds	84,300	99,500	101,491
General administrative	18,500	25,000	24,614
Total general government	<u>214,450</u>	<u>228,150</u>	<u>219,437</u>
Public safety:			
Police	<u>38,000</u>	<u>38,000</u>	<u>37,882</u>
Public works:			
Highways and streets	32,000	32,000	31,530
Sanitation and land-fill	3,000	3,000	3,066
Total public works	<u>35,000</u>	<u>35,000</u>	<u>34,596</u>
Parks and recreation	<u>600</u>	<u>600</u>	<u>503</u>
Community and economic development:			
Planning commission	<u>33,400</u>	<u>24,900</u>	<u>15,387</u>
Total expenditures	<u>342,825</u>	<u>348,025</u>	<u>322,851</u>
<b>Revenues Over (Under) Expenditures</b>	<u>55,725</u>	<u>50,525</u>	<u>21,487</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	54,750	54,750	42,000
Transfers out	(64,425)	(71,730)	(25,000)
Total other financing sources (uses)	<u>(9,675)</u>	<u>(16,980)</u>	<u>17,000</u>
<b>Net Changes in Fund Balances</b>	46,050	33,545	38,487
<b>Fund Balances - Beginning of Year</b>	<u>509,798</u>	<u>509,798</u>	<u>509,798</u>
<b>Fund Balances - End of Year</b>	<u>\$ 555,848</u>	<u>\$ 543,343</u>	<u>\$ 548,285</u>

**Village of Grass Lake**  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget to Actual  
Major Street Fund  
Year Ended February 29, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Intergovernmental	\$ 105,000	\$ 105,000	\$ 126,247
Interest and rentals	1,000	1,000	35
Total revenues	<u>106,000</u>	<u>106,000</u>	<u>126,282</u>
<b>Expenditures:</b>			
Highways and streets:			
Maintenance	400,500	49,800	44,438
Traffic services	4,900	4,100	3,278
Winter maintenance	19,110	20,610	21,567
Administrative	5,610	5,610	5,367
Debt service:			
Principal, interest, and fiscal charges	36,153	36,153	281,858
Total expenditures	<u>466,273</u>	<u>116,273</u>	<u>356,508</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(360,273)</u>	<u>(10,273)</u>	<u>(230,226)</u>
<b>Other Financing Sources (Uses):</b>			
Proceeds from the issuance of bonds	-	-	252,720
Operating transfers in	385,000	35,000	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>385,000</u>	<u>35,000</u>	<u>252,720</u>
<b>Net Changes in Fund Balances</b>	24,727	24,727	22,494
<b>Fund Balances - Beginning of Year</b>	<u>46,403</u>	<u>46,403</u>	<u>46,403</u>
<b>Fund Balances - End of Year</b>	<u>\$ 71,130</u>	<u>\$ 71,130</u>	<u>\$ 68,897</u>

**Village of Grass Lake**  
Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget to Actual  
Local Street Fund  
Year Ended February 29, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Property taxes	\$ 65,700	\$ 65,700	\$ 67,031
Intergovernmental	42,000	42,000	37,497
Interest and rentals	500	500	192
Total revenues	<u>108,200</u>	<u>108,200</u>	<u>104,720</u>
<b>Expenditures:</b>			
Highways and streets:			
Maintenance	63,300	60,941	33,243
Traffic services	250	250	-
Winter maintenance	16,310	17,810	17,444
Administrative	5,500	5,500	5,337
Total expenditures	<u>85,360</u>	<u>84,501</u>	<u>56,024</u>
<b>Revenues Over (Under) Expenditures</b>	<u>22,840</u>	<u>23,699</u>	<u>48,696</u>
<b>Other Financing Sources (Uses):</b>			
Operating transfers in	25,000	25,000	25,000
Operating transfers out	(15,000)	(15,859)	-
Total other financing sources (uses)	<u>10,000</u>	<u>9,141</u>	<u>25,000</u>
<b>Net Changes in Fund Balances</b>	32,840	32,840	73,696
<b>Fund Balances - Beginning of Year</b>	<u>48,250</u>	<u>48,250</u>	<u>48,250</u>
<b>Fund Balances - End of Year</b>	<u>\$ 81,090</u>	<u>\$ 81,090</u>	<u>\$ 121,946</u>

## **Other Supplementary Information**

**Village of Grass Lake**  
Schedule of Bonded Indebtedness  
Major Street Fund  
February 29, 2020

**Michigan Municipal Bond Authority**  
**2020 Capital Improvement and Refunding Bonds**

<u>Issue Date</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Payable</u>	<u>Annual Interest Payable</u>
February 27, 2020	\$ 252,720				
		2.300%	10/1/2020	\$ 32,940	\$ 3,455
		2.300%	10/1/2021	29,160	5,055
		2.300%	10/1/2022	28,620	4,384
		2.300%	10/1/2023	28,620	3,726
		2.300%	10/1/2024	28,080	3,068
		2.300%	10/1/2025	27,540	2,422
		2.300%	10/1/2026	26,460	1,788
		2.300%	10/1/2027	25,920	1,180
		2.300%	10/1/2028	25,380	584
				<u>\$ 252,720</u>	<u>\$ 25,663</u>

**Village of Grass Lake**  
Schedule of Bonded Indebtedness  
Water Fund  
February 29, 2020

**Michigan Municipal Bond Authority**  
**Revenue Bonds - Series 2002**

<u>Issue Date</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Payable</u>	<u>Annual Interest Payable</u>
September 26, 2002	\$ 2,255,000				
		2.500%	4/1/2021	\$ 123,444	\$ 8,107
		2.500%	4/1/2022	128,016	4,801
		2.500%	4/1/2023	128,016	1,600
				<u>\$ 379,476</u>	<u>\$ 14,509</u>

**2020 Capital Improvement and Refunding Bonds**

<u>Issue Date</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Payable</u>	<u>Annual Interest Payable</u>
February 27, 2020	\$ 415,280				
		2.300%	10/1/2020	\$ 41,060	\$ 5,678
		2.300%	10/1/2021	35,840	7,244
		2.300%	10/1/2022	35,380	6,991
		2.300%	10/1/2023	36,380	7,738
		2.300%	10/1/2024	35,920	6,462
		2.300%	10/1/2025	35,460	6,186
		2.300%	10/1/2026	35,540	5,910
		2.300%	10/1/2027	35,080	5,611
		2.300%	10/1/2028	34,620	5,312
		2.300%	10/1/2029	14,000	5,013
		2.300%	10/1/2030	14,000	4,691
		2.300%	10/1/2031	15,000	4,369
		2.300%	10/1/2032	15,000	4,024
		2.300%	10/1/2033	16,000	3,679
		2.300%	10/1/2034	16,000	6,623
				<u>\$ 415,280</u>	<u>\$ 219,967</u>