

VILLAGE OF BYRON

STATEMENT OF ACTIVITIES

Year Ended February 28, 2019

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
PRIMARY GOVERNMENT:					
<i>Governmental activities:</i>					
General government	\$ 88,409	\$ 25,856	\$ -	\$ -	\$ (62,553)
Public safety	35,169	9,004	-	-	(26,165)
Public works	140,782	37,468	100,814	-	(2,500)
Total governmental activities	<u>264,360</u>	<u>72,328</u>	<u>100,814</u>	<u>-</u>	<u>(91,218)</u>
<i>Business-type activities:</i>					
Sewer	\$ 114,783	\$ 93,585	\$ -	\$ -	\$ (21,198)
Water	62,695	155,887	-	-	93,192
Total business-type activities	<u>177,478</u>	<u>249,472</u>	<u>-</u>	<u>-</u>	<u>71,994</u>
Total primary government	<u>\$ 441,838</u>	<u>\$ 321,800</u>	<u>\$ 100,814</u>	<u>\$ -</u>	<u>\$ (19,224)</u>
COMPONENT UNIT:					
Downtown development authority	<u>\$ 4,817</u>	<u>\$ -</u>	<u>\$ 4,252</u>	<u>\$ -</u>	<u>\$ (565)</u>

continued

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

VILLAGE OF BYRON

STATEMENT OF ACTIVITIES, CONTINUED

Year Ended February 28, 2019

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
<i>Changes in net position:</i>				
Net (Expense) Revenue	\$ (91,218)	\$ 71,994	\$ (19,224)	\$ (565)
General revenues:				
Taxes:				
Property taxes, levied for general purpose	78,091	-	78,091	-
Property taxes, levied for focal streets	18,897	-	18,897	-
Property taxes, captured by DDA	-	-	-	-
Franchise fees	7,036	-	7,036	5,476
Grants and contributions not restricted to specific programs	60,071	-	60,071	-
Unrestricted investment earnings	2,400	1,812	4,212	-
Other	4,844	-	4,844	-
Special items:				
Gain on sale of capital asset	1,500			
Total general revenues and special item	<u>172,839</u>	<u>1,812</u>	<u>173,151</u>	<u>5,476</u>
Changes in net position	81,621	73,806	153,927	4,911
Net position, beginning of year	<u>847,735</u>	<u>1,458,086</u>	<u>2,305,821</u>	<u>22,323</u>
Net position, end of year	<u>\$ 929,356</u>	<u>\$ 1,531,892</u>	<u>\$ 2,459,748</u>	<u>\$ 27,234</u>

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

VILLAGE OF BYRON

NOTES TO FINANCIAL STATEMENTS

February 28, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies used by the Village of Byron, (the "Village"):

Reporting Entity:

The Village of Byron is governed by an elected seven member Council and provides services to approximately 600 residents.

The accompanying financial statements present the Village as the primary government. Component units are separate legal entities for which the Village is financially accountable. Blended component units are, in substance, part of the primary government's operations, and presented as funds of the primary government. Discretely presented component units are reported in separate columns in the government-wide financial statements. The Village has determined that it has one component unit and that it should be discretely presented.

Discretely Presented Component Unit:

Downtown Development Authority – The Village established a Downtown Development Authority (DDA) on October 15, 2013, in accordance with Act 197, Public Acts of 1975. The purpose of the DDA is to carry out those purposes and exercise those powers as conferred upon it by Act 197 of the Michigan Public Acts of 1975, as amended. The Authority shall have all the powers which now or hereafter may be conferred by law on authorities organized under this act.

Accounting and Reporting Principles:

The Village follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Government Accounting Standards Board.

Report Presentation:

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenue.