

# BATTLE CREEK TRANSIT SYSTEM

Year Ended  
June 30, 2020

Financial  
Statements

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# BATTLE CREEK TRANSIT SYSTEM

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**BATTLE CREEK TRANSIT SYSTEM**

Unaudited

**Urban (Less than 100,000) Regular Service Nonfinancial Report**  
Schedule 4N  
For the Year Ended September 30, 2019

<b>Public Service</b>					
<b>Code</b>	<b>Description</b>	<b>Weekday</b>	<b>Saturday</b>	<b>Sunday</b>	<b>Total</b>
610	Vehicle Hours	35,335	3,430	-	38,765
611	Vehicle Miles	476,496	47,456	-	523,952

The methodology used for compiling vehicle hours and mileage has been reviewed and found to be adequate and reliable.

Note: This Schedule is considered unaudited as there were no procedures performed on nonfinancial data.



# BATTLE CREEK TRANSIT SYSTEM

## Operating Assistance Calculation

Schedule 5

For the Year Ended September 30, 2019

	<b>Urban less than 100,000</b>
<b>Total expenses</b>	\$ 4,818,257
<b>Less ineligible expenses</b>	
Depreciation on capital assets acquired with federal and state grants	333,382
Other ineligible expenses	56,587
Michigan Public Transit Association dues	781
American Public Transit Association dues	600
Other ineligible expense associated with auxiliary and nontransportation revenue	9,206
Ineligible fringe benefits	318,164
<b>Total ineligible expenses per R &amp; E Manual</b>	718,720
<b>Total eligible expenses</b>	\$ 4,099,537
<b>Eligible expenses for state reimbursement</b>	\$ 4,099,537
x Reimbursement percentage	38.1712%
State operating assistance - calculated	\$ 1,564,842
<b>State operating assistance - actual</b>	\$ 1,479,063

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

December 21, 2020

To the Honorable Mayor and Members of  
the City Commission  
City of Battle Creek, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Battle Creek Transit System** (the "System"), an enterprise fund of the City of Battle Creek, Michigan, as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.