

VILLAGE OF CLINTON, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022
WITH
INDEPENDENT AUDITORS' REPORT

VILLAGE OF CLINTON, MICHIGAN

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Village Council
Village of Clinton
Clinton, Michigan

INDEPENDENT AUDITORS' REPORT

Opinion

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 Clinton, Michigan, as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of March 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Clinton, Michigan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Clinton, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village of Clinton, Michigan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Clinton, Michigan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension funding information, and budgetary comparison information on pages 4 - 10, 42 - 43, and 44 - 48 be presented to supplement the basic financial statements. Such information is the responsibility of the council and, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Clinton, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lally Group, PC

Jackson, MI

September 15, 2022

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

As management of the Village of Clinton, Michigan (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended March 31, 2022. We encourage readers to consider the information presented here.

Financial Highlights

- ◆ The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$14,834,579 (*net position*). Of this amount, \$3,690,064 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The Village's total net position increased \$587,334.
- ◆ As of the close of the current year, the Village's governmental funds reported combined ending fund balances of \$5,894,361, an increase of \$102,044; compared with an increase of \$232,882 in the prior year.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$1,125,002, or 89% percent of total general fund expenditures.
- ◆ During the year ended March 31, 2022, Michigan South Central Power Agency reported an increase in overall net position of \$394,487. This included a member equity refund of \$562,043. The result was an increase in the Village's proportionate share of the income of \$39,939.

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 and liabilities, with the difference between the two 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 Village'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 result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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 general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the Village include the utility systems.

The government-wide financial statements include not only the Village itself (known as the *primary government*), but also a legally separate Downtown Development Authority (DDA) for which the Village is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 11-12 of this report.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

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 two categories: governmental funds and proprietary 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.

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 ten 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 fund, capital projects fund, and permanent funds, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village adopts an annual appropriated budget for all funds. Budgetary comparison statements have been provided for all governmental funds (except the permanent funds) to demonstrate compliance with budget. These schedules can be found on 44-48 of this report.

The basic governmental fund financial statements can be found on pages 13-16 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 electric, water, and sewer funds. The *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for equipment and charge out expense (Equipment Fund). Because this service predominantly benefits governmental rather than a business-type function it has 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 the electric, water, and sewer funds, which are considered to be major funds of the Village. The internal service fund (Equipment Fund) is in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 17-20 of this report.

Notes to the 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 the financial statements can be found on pages 21-41 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented as supplementary information to the financing statements. Combining statements and individual fund schedules can be found on pages 49-50 of this report.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

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, assets exceeded liabilities by \$14,834,579 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net position (31 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, 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.

VILLAGE OF CLINTON, MICHIGAN'S NET POSITION

	Governmental Activities	Business-type Activities	2022	2021
Assets:				
Current and other assets	\$ 6,281,986	\$ 2,815,185	\$ 9,097,171	\$ 8,866,219
Capital Assets	2,065,325	4,611,281	6,676,606	6,736,960
Total assets	8,347,311	7,426,466	15,773,777	15,603,179
Deferred outflows of resources				170,167
Total assets & deferred outflows	\$ 8,347,311	\$ 7,426,466	\$ 15,773,777	\$ 15,773,346
Liabilities:				
Long term liabilities outstanding	\$ (523,163)	\$ 1,016,261	\$ 493,098	\$ 1,206,548
Other liabilities	122,783	251,964	374,747	319,553
Total Liabilities	(400,380)	1,268,225	867,845	1,526,101
Deferred inflows of resources	71,353		71,353	
Net Position:				
Invested in capital assets, net of related debt	2,065,325	2,823,609	4,888,934	4,883,128
Restricted	4,744,737	1,510,844	6,255,581	6,314,716
Unrestricted	1,866,276	1,823,788	3,690,064	3,049,401
Total Net Position	8,676,338	6,158,241	14,834,579	14,247,245
Total liabilities, deferred inflows and net position	\$ 8,347,311	\$ 7,426,466	\$ 15,773,777	\$ 15,773,346

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

VILLAGE OF CLINTON, MICHIGAN'S CHANGE OF NET POSITION

	Governmental Activities	Business-type Activities	2022	2021
Revenues:				
Program revenues:				
Charge for services	\$ 250,434	\$ 4,042,790	\$ 4,293,224	\$ 4,256,001
General revenues:				
Property taxes	817,684		817,684	796,858
Intergovernmental	622,328		622,328	532,672
License fees and fines	83,251		83,251	68,485
Investment earnings	(76,291)	40,521	(35,770)	96,428
Miscellaneous revenue	477,521	24,875	502,396	420,904
Cares act funding	10,971	73,483	84,454	95,067
Total revenues	<u>\$ 2,185,898</u>	<u>4,181,669</u>	<u>6,367,567</u>	<u>6,266,415</u>
Expenses:				
General government	281,539		281,539	319,329
Public safety	784,081		784,081	757,388
Culture and recreation	179,256		179,256	160,624
Sanitation	162,499		162,499	162,283
Highways and streets	598,015		598,015	390,319
Interest on long-term debt	3,416		3,416	5,093
Electric		2,687,649	2,687,649	2,823,782
Water		300,562	300,562	303,550
Sewer		783,216	783,216	834,173
Total expenses	<u>2,008,806</u>	<u>3,771,427</u>	<u>5,780,233</u>	<u>5,756,541</u>
Change in net position	177,092	410,242	587,334	509,874
Net position - beginning of year	<u>8,499,246</u>	<u>5,747,999</u>	<u>14,247,245</u>	<u>13,737,371</u>
Net position - end of year	<u><u>\$ 8,676,338</u></u>	<u><u>\$ 6,158,241</u></u>	<u><u>\$ 14,834,579</u></u>	<u><u>\$ 14,247,245</u></u>

An additional portion of the Village's net position (42 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$3,690,064 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5,894,361, an increase of \$102,044 in comparison with the prior year. Restricted fund balance of \$4,742,420 is not available for new spending since it already is committed. Permanent (Trusts) fund money \$3,401,790 represents most of the restricted fund balance.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,125,002.

The fund balance of the Village of Clinton, Michigan's general fund increased by \$201,118 during the current fiscal year.

Proprietary fund. The Village's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the utility funds at the end of the year amounted to \$1,823,788. The total increase in net position for the funds was \$410,242.

Budgetary Highlights

- The General Fund Building and Zoning Fees came in \$8,818 or 55% higher than budgeted due to increased activity.
- In General Fund Soccer Fees were \$19,830 or 298% higher than budgeted due to budgeting for lower revenue in case there was decreased participation due to COVID concerns.
- The General Fund Police Fines were \$10,705 or 207% higher than budgeted due to increased activity.
- The General Fund did not transfer the \$80,000 PILOT payment from the Electric Fund in order to help offset the cost of the new electric substation.
- The General Fund constructed two new volleyball courts in Tate Park during the fiscal year.
- The Village reconstructed Kehoe and Currier Streets with the activity recognized in the Major Street Fund.
- The Fire Fund has ordered a new pumper tanker for a cost of \$435,000. The hope is to pay cash when the truck is delivered.
- In the Electric Fund the Village started the replacement of the 1960 substation. The total estimated cost of the project will be \$3.7 million. The Village intends to pay \$2.2 million of the total cost in cash, while the remaining cost will lead to increased borrowing, projected at \$1.5 million.
- The Village intends for large capital expenditures in the 2022-2023 fiscal year.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

Capital Asset and Debt Administration

Capital assets. The Village's investment in capital assets for its governmental and business-type activities as of March 31, 2022, amounts to \$6,301,632 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment, roads, and other infrastructure. The net decrease in the Village's investment in capital assets for the current fiscal year was \$435,328.

Major capital assets purchased during the current fiscal year were:

Machinery, equipment, and furnishings	\$ 139,559
Utility systems	135,484
Buildings	70,583
Land improvements	53,995

VILLAGE OF CLINTON, MICHIGAN'S CAPITAL ASSETS

	Governmental Activities	Business-type Activities	2022	2021
Capital Assets:				
Land	\$ 285,152	\$ 30,645	\$ 315,797	\$ 315,797
Land improvements	387,738		387,738	364,537
Buildings	290,611		290,611	303,094
Equipment and furnishings	585,371		585,371	609,098
Infrastructure	516,453		516,453	702,323
Software		40,173	40,173	40,173
Utility systems		4,540,463	4,540,463	4,401,938
Total	<u>\$ 2,065,325</u>	<u>\$ 4,611,281</u>	<u>\$ 6,676,606</u>	<u>\$ 6,736,960</u>

Additional information on the Village's capital assets can be found in Note 3 C on pages 29-30.

Long-term debt. At the end of the current fiscal year, the Village had total bonded and note debt outstanding of \$905,000.

VILLAGE OF CLINTON, MICHIGAN'S OUTSTANDING DEBT GENERAL OBLIGATION BONDS

	Governmental Activities	Business-type Activities	2022	2021
Revenue Bonds	\$ 0	\$ 905,000	\$ 1,125,000	\$ 1,125,000
Total	<u>\$ 0</u>	<u>\$ 905,000</u>	<u>\$ 1,125,000</u>	<u>\$ 1,125,000</u>

Additional information on the Village's long-term debt can be found in Note 3 E on page 32 of this report.

Economic Factors and Next Year's Budgets and Rates

Even though the taxable value of real property increased by one percent, the Village is still concerned about the slow economic recovery in the State of Michigan and the possible negative ramifications on the 2022-23 budget from the State's elimination of personal property taxes. Adjusting for the non-recurring items as discussed in the budgetary highlights section above, the Village has adopted a similar budget to the 2021-22 fiscal year.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2022**

Requests for Information

This financial report is designed to provide a general overview of the Village of Clinton, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Clinton, 119 East Michigan Avenue, P.O. Box Drawer E, Clinton, Michigan 49236.

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF NET POSITION
MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR MARCH 31, 2021

	Governmental Activities	Business-Type Activities	Total		Component Unit Downtown Development Authority
			2022	2021	
ASSETS:					
Cash	\$ 1,961,847	\$ 777,447	\$ 2,739,294	\$ 2,375,811	\$ 157,603
Investments	2,695,017	909,827	3,604,844	4,044,800	
Accounts receivable (net)	99,462	424,680	524,142	439,951	
Prepaid expenses	26,939	237,195	264,134	59,192	
Internal balances	295,023	(295,023)			
Internal balances - advances	882,672	(882,672)			
Internal balances - component unit	(1,588)		(1,588)	(1,588)	1,588
Advance to component units	322,614		322,614	358,990	(322,615)
Inventory		132,887	132,887	118,158	
Restricted assets:					
Investments in joint venture		1,510,844	1,510,844	1,470,905	
Capital assets:					
Assets not subject to depreciation	285,152	159,971	445,123	315,797	
Assets subject to depreciation	1,780,173	4,451,310	6,231,483	6,421,163	246,370
Total assets	8,347,311	7,426,466	15,773,777	15,603,179	82,946
Deferred outflows of resources				170,167	
Deferred pension amounts					
Total assets and deferred outflows of resources	\$ 8,347,311	\$ 7,426,466	\$ 15,773,777	\$ 15,773,346	\$ 82,946
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 49,167	\$ 182,280	\$ 231,447	\$ 224,393	\$
Deferred revenue	46,845		46,845		
Customer deposits		69,684	69,684	64,253	
Accrued sick and vacation pay - current	26,771		26,771	30,907	
Noncurrent liabilities:					
Due within one year					
Net pension liability	(558,569)		(558,569)	(52,972)	
Due in more than one year	35,406	1,016,261	1,051,667	1,259,520	
Total liabilities	(400,380)	1,268,225	867,845	1,526,101	
Deferred inflows of resources					
Deferred pension amounts	71,353		71,353		
NET POSITION:					
Invested in capital assets, net of related debt	2,065,325	2,823,609	4,888,934	4,883,128	(76,245)
Restricted for:					
Investment in joint venture		1,510,844	1,510,844	1,470,905	
Highways and streets	715,040		715,040	681,093	
Public safety	493,360		493,360	395,833	
Culture and recreation	134,547		134,547	113,029	
Permanent funds	3,401,790		3,401,790	3,653,856	
Unrestricted	1,866,276	1,823,788	3,690,064	3,049,401	159,191
Total net position	8,676,338	6,158,241	14,834,579	14,247,245	82,946
Total liabilities, deferred inflows of resources and net position	\$ 8,347,311	\$ 7,426,466	\$ 15,773,777	\$ 15,773,346	\$ 82,946

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Unit	
					Governmental Activities	Business-Type Activities	Total	Downtown	
								Development Authority	
Governmental activities:									
General government	\$ 281,539	\$	\$	\$	\$ (281,539)	\$	\$ (281,539)	\$ (319,329)	\$
Public safety	784,081	44,156			(739,925)		(739,925)	(714,908)	
Culture and recreation	179,256	36,802			(142,454)		(142,454)	(160,894)	
Sanitation	162,499	169,476			6,977		6,977	(2,248)	
Highways and streets	598,015				(598,015)		(598,015)	(390,319)	
Interest on long-term debt	3,416				(3,416)		(3,416)	(5,093)	
Total governmental activities	2,008,806	250,434			(1,758,372)		(1,758,372)	(1,592,791)	
Business-type activities:									
Electric Fund	2,687,649	3,014,552				326,903	326,903	135,392	
Water Fund	300,562	296,062				(4,500)	(4,500)	(6,898)	
Sewer Fund	783,216	732,176				(51,040)	(51,040)	(36,243)	
Total business-type activities	3,771,427	4,042,790				271,363	271,363	92,251	
Total government	\$ 5,780,233	\$ 4,293,224	\$	\$	(1,758,372)	271,363	(1,487,009)	(1,500,540)	
Component unit:									
Downtown development authority	40,503								(40,503)
Total component unit	\$ 40,503								(40,503)
General revenues:									
Property taxes					817,684		817,684	796,858	72,850
Intergovernmental					622,328		622,328	532,672	
Licenses, fees, and fines					83,251		83,251	68,485	
Investment earnings					(76,291)	40,521	(35,770)	96,428	
Miscellaneous revenues					477,521	24,875	502,396	447,800	3,479
Covid relief funds					10,971	73,483	84,454	68,171	
Total general revenues and transfers					1,935,464	138,879	2,074,343	2,010,414	76,329
Change in net position					177,092	410,242	587,334	509,874	35,826
Total net position - beginning					8,499,246	5,747,999	14,247,245	13,737,371	47,120
Total net position - ending					\$ 8,676,338	\$ 6,158,241	\$ 14,834,579	\$ 14,247,245	\$ 82,946

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR MARCH 31, 2021**

			Permanent Funds				Total	
	General	Major Street	Fire Department	Robison Trust	Capital Improvement Tate Park	Other Governmental Funds	Governmental Funds 2022	2021
ASSETS:								
Cash	\$ 902,328	\$ 283,204	\$ 268,511	\$	\$	\$ 223,641	\$ 1,677,684	\$ 1,301,156
Investments	307,271		226,282	690,659	1,461,484	9,321	2,695,017	3,028,615
Receivables:								
Accounts (net)	23,715					1,287	25,002	37,863
Due from other funds		306,724				18,600	325,324	325,096
Due from other governmental units	22,777	37,601				14,082	74,460	62,568
Due from component unit	10,410						10,410	6,655
Advance to other funds				882,672	44,361		927,033	809,778
Advance from component unit					322,614		322,614	358,990
Prepaid expense	15,966	118	8,656			2,199	26,939	35,987
Total assets	<u>\$ 1,282,467</u>	<u>\$ 627,647</u>	<u>\$ 503,449</u>	<u>\$ 1,573,331</u>	<u>\$ 1,828,459</u>	<u>\$ 269,130</u>	<u>\$ 6,084,483</u>	<u>\$ 5,966,708</u>
LIABILITIES:								
Accounts payable	\$ 22,996	\$	\$	\$	\$	\$	\$ 22,996	\$ 17,251
Accrued expenditures	18,104	949	1,433			1,688	22,174	19,278
Deferred revenue	46,845						46,845	
Due to other funds	30,109					192	30,301	24,788
Due to component unit	1,588						1,588	1,588
Advance from other funds		44,361					44,361	80,946
Accrued sick and vacation pay	21,857						21,857	30,540
Total liabilities	<u>141,499</u>	<u>45,310</u>	<u>1,433</u>			<u>1,880</u>	<u>190,122</u>	<u>174,391</u>
FUND BALANCES:								
Nonspendable	15,966	118	8,656			2,199	26,939	35,987
Restricted		582,219	493,360	1,573,331	1,828,459	265,051	4,742,420	4,841,494
Unassigned	<u>1,125,002</u>						<u>1,125,002</u>	<u>914,836</u>
Total fund balance	<u>1,140,968</u>	<u>582,337</u>	<u>502,016</u>	<u>1,573,331</u>	<u>1,828,459</u>	<u>267,250</u>	<u>5,894,361</u>	<u>5,792,317</u>
Total liabilities & fund balance	<u>\$ 1,282,467</u>	<u>\$ 627,647</u>	<u>\$ 503,449</u>	<u>\$ 1,573,331</u>	<u>\$ 1,828,459</u>	<u>\$ 269,130</u>	<u>\$ 6,084,483</u>	<u>\$ 5,966,708</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

	<u>2022</u>	<u>2021</u>
Total governmental fund balances	\$ 5,894,361	\$ 5,792,317
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	2,065,325	2,264,204
Accrued interest payable on long term debt is recognized in governmental funds when paid and not when accrued.		
Long-term portion of accrued sick and vacation pay liability is not due and payable in the current period and, therefore, are not reported in the governmental funds.	(35,406)	(50,700)
Loan indebtedness is recognized in the governmental funds when paid and not when accrued.		
Internal Service Fund (Equipment Fund) is used by the Village to charge for equipment rental to individual funds. The assets and liabilities of the Equipment Fund are included in governmental activities in the statement of net position. A reconciliation of the adjustments are as follows:		
Internal service fund net position	622,656	644,551
Internal service fund net capital assets are included in the general capital asset adjustment above.	(357,814)	(374,265)
Net internal service fund position added to governmental activities	<u>264,842</u>	<u>270,286</u>
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds:		
Deferred outflows related to the net pension liability		170,167
Deferred inflows related to the net pension liability	(71,353)	
Net pension liability	<u>558,569</u>	<u>52,972</u>
Net differences	<u>2,781,977</u>	<u>2,706,929</u>
Total net position of governmental activities	<u>\$ 8,676,338</u>	<u>\$ 8,499,246</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

	Permanent Funds					Total Other	Total	
	General	Major Street	Fire Department	Robison Trust	Tate Park Capital Improvement	Governmental Funds	Governmental Funds	
							2022	2021
REVENUES:								
Property taxes	\$ 750,519		\$	\$	\$	\$ 67,165	\$ 817,684	\$ 796,858
Intergovernmental revenues	331,157	211,649				79,522	622,328	532,672
Licenses, fees and charges for services	289,529		44,156				333,685	270,730
Rentals	12,813					2,669	15,482	13,148
Interest	(786)	165	560	3,694	42,291	445	46,369	90,536
Other	24,052		262,260				286,312	239,880
Realized gain (loss) on investment				1,443	158		1,601	2,032
Unrealized gain (loss) on investment				(51,700)	(72,561)		(124,261)	(35,261)
Total revenues	<u>1,407,284</u>	<u>211,814</u>	<u>306,976</u>	<u>(46,563)</u>	<u>(30,112)</u>	<u>149,801</u>	<u>1,999,200</u>	<u>1,910,595</u>
EXPENDITURES:								
Current:								
General government	345,922			4,453	5,167		355,542	362,421
Public safety	568,461		211,901				780,362	751,040
Culture and recreation	183,555					48,698	232,253	134,616
Sanitation	162,499						162,499	162,283
Highways and streets		292,487				81,569	374,056	364,598
Debt service:								
Principal								
Interest		3,416					3,416	5,093
Total expenditures	<u>1,260,437</u>	<u>295,903</u>	<u>211,901</u>	<u>4,453</u>	<u>5,167</u>	<u>130,267</u>	<u>1,908,128</u>	<u>1,780,051</u>
Excess (deficiency) of revenues over (under) expenditures	<u>146,847</u>	<u>(84,089)</u>	<u>95,075</u>	<u>(51,016)</u>	<u>(35,279)</u>	<u>19,534</u>	<u>91,072</u>	<u>130,544</u>
Other financing sources (uses):								
Sale of equipment								
Covid relief funding	8,520		2,451				10,971	68,171
Transfers in	85,751	100,020				20,000	205,771	338,289
Transfers out	(40,000)			(80,020)	(85,751)		(205,771)	(298,289)
Total other financing sources (uses)	<u>54,271</u>	<u>100,020</u>	<u>2,451</u>	<u>(80,020)</u>	<u>(85,751)</u>	<u>20,000</u>	<u>10,971</u>	<u>108,171</u>
Change in fund balances	<u>201,118</u>	<u>15,931</u>	<u>97,526</u>	<u>(131,036)</u>	<u>(121,030)</u>	<u>39,534</u>	<u>102,043</u>	<u>238,715</u>
Total fund balances - beginning	<u>939,850</u>	<u>566,406</u>	<u>404,490</u>	<u>1,704,367</u>	<u>1,949,489</u>	<u>227,716</u>	<u>5,792,318</u>	<u>5,553,602</u>
Total fund balances - ending	<u>\$ 1,140,968</u>	<u>\$ 582,337</u>	<u>\$ 502,016</u>	<u>\$ 1,573,331</u>	<u>\$ 1,828,459</u>	<u>\$ 267,250</u>	<u>\$ 5,894,361</u>	<u>\$ 5,792,317</u>

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021**

	<u>2022</u>	<u>2021</u>
Change in fund balances total governmental funds	\$ 102,043	\$ 238,715
<p>Amounts reported for governmental activities in the statement of activities are different because Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount of depreciation is more than the capital outlay in the current period.</p>		
Capital outlays amounted to	164,739	258,000
Depreciation amounted to	(363,618)	(350,322)
Net adjustment for capital related activities for the year	<u>(198,879)</u>	<u>(92,322)</u>
<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 governmental funds.</p>		
Accrued long-term sick and vacation pay - net effect	15,295	(4,374)
<p>Internal Service Fund (Equipment Fund) is used by the Village to charge equipment rental to individual funds. The net income (loss) of this activity, adjusted for depreciation and capital outlays above, is reported with governmental activities in the government-wide statements, however, it is reported with the proprietary funds in the fund financial statements.</p>		
	(5,444)	74,737
<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>		
Change in the net pension liability and related deferred amounts	<u>264,077</u>	<u>174,850</u>
Change in net position of governmental activities	<u>\$ 177,092</u>	<u>\$ 391,606</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR MARCH 31, 2021

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2022	2021	Internal Service Fund
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 539,754	\$ 206,273	\$ 31,420	\$ 777,447	\$ 794,373	\$ 284,163
Investments	731,461	46,279	132,087	909,827	1,016,185	
Accounts receivable (net)	325,010	23,540	76,130	424,680	339,520	
Due from other funds	12,282			12,282	6,997	
Prepaid expenses	227,662	4,952	4,581	237,195	23,205	
Inventory	132,887			132,887	118,158	
Total current assets	1,969,056	281,044	244,218	2,494,318	2,298,438	284,163
Noncurrent assets:						
Investment in joint venture	1,510,844			1,510,844	1,470,905	
Capital assets:						
Land	17,496	3,000	10,149	30,645	30,645	
Buildings	624,927	322,499	5,860,181	6,807,607	6,757,607	
Utility systems	1,874,138	1,669,050	848,796	4,391,984	4,048,010	
Equipment/trucks	1,302,861	132,276	331,943	1,767,080	1,717,682	1,156,586
Software		17,460	22,713	40,173	40,173	
Construction in progress	129,326			129,326		
Accumulated depreciation	(3,303,903)	(992,040)	(4,259,591)	(8,555,534)	(8,121,361)	(798,772)
Total capital assets - net	644,845	1,152,245	2,814,191	4,611,281	4,472,756	357,814
Total noncurrent assets	2,155,689	1,152,245	2,814,191	6,122,125	5,943,661	357,814
Total assets	\$ 4,124,745	\$ 1,433,289	\$ 3,058,409	\$ 8,616,443	\$ 8,242,099	\$ 641,977
LIABILITIES:						
Current Liabilities:						
Accounts payable	\$ 149,248	\$ 25	\$ 991	\$ 150,264	157,136	\$ 2,734
Accrued expenses	24,863	1,993	5,160	32,016	27,754	1,263
Due to other funds	299,530	5,400	2,375	307,305	307,305	10,410
Advance payable to other funds		760,710	121,962	882,672	728,832	
Total current liabilities	473,641	768,128	130,488	1,372,257	1,221,027	14,407
Current liabilities payable from restricted assets:						
Customer deposits	69,684			69,684	64,253	
Noncurrent liabilities:						
Accrued sick and vacation pay	60,823	9,346	41,092	111,261	83,820	4,914
SRF loan payable			905,000	905,000	1,125,000	
Total liabilities	604,148	777,474	1,076,580	2,458,202	2,494,100	19,321
NET POSITION:						
Invested in capital assets, net of related debt	644,845	391,535	1,787,229	2,823,609	2,618,924	357,814
Restricted for joint venture	1,510,844			1,510,844	1,470,905	
Unrestricted	1,364,908	264,280	194,600	1,823,788	1,658,170	264,842
Total net position	3,520,597	655,815	1,981,829	6,158,241	5,747,999	622,656
Total liabilities and net position	\$ 4,124,745	\$ 1,433,289	\$ 3,058,409	\$ 8,616,443	\$ 8,242,099	\$ 641,977

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2022	2021	Internal Service Fund
Operating revenue:						
Metered sales	\$ 2,987,293	\$ 293,880	\$ 722,751	\$ 4,003,924	\$ 4,046,565	\$
Penalties and service charges	27,259	2,182	9,425	38,866	7,191	
Miscellaneous	19,513	(114)	36	19,435	21,115	10,411
Rentals	5,440			5,440	5,781	165,316
Total operating revenues	3,039,505	295,948	732,212	4,067,665	4,080,652	175,727
Operating expenses:						
Light plant	22,323			22,323	12,119	
Purchased power	1,789,879			1,789,879	1,815,085	
Administrative	267,849	39,574	37,593	345,016	370,115	
Electric distribution system	518,160			518,160	593,507	
Water distribution		180,802		180,802	197,652	
Collection system			43,422	43,422	14,679	
Sewer treatment plant			362,232	362,232	465,737	
Depreciation	75,663	65,044	293,467	434,174	406,403	72,350
Professional services	13,775	5,098	26,100	44,973	53,500	
Equipment operation and maintenance						125,271
Total operating expenses	2,687,649	290,518	762,814	3,740,981	3,928,797	197,621
Operating income (loss)	351,856	5,430	(30,602)	326,684	151,855	(21,894)
Nonoperating revenues (expenses):						
Income from joint venture	39,939			39,939	24,574	
Interest income	110	697	(225)	582	14,547	
Interest expense		(10,044)	(20,402)	(30,446)	(32,708)	
ARPA funds		43,533	29,950	73,483		
Total nonoperating revenues (expenses)	40,049	34,186	9,323	83,558	6,413	
Net income (loss) before transfers	391,905	39,616	(21,279)	410,242	158,268	(21,894)
Transfers in						
Transfers out					(40,000)	
Change in net position	391,905	39,616	(21,279)	410,242	118,268	(21,894)
Total net position - beginning	3,128,692	616,199	2,003,108	5,747,999	5,629,731	644,550
Total net position - ending	\$ 3,520,597	\$ 655,815	\$ 1,981,829	\$ 6,158,241	\$ 5,747,999	\$ 622,656

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2022	2021	Internal Service Fund
Cash flows from operating activities:						
Cash received from customers	\$ 2,946,177	\$ 295,125	\$ 741,203	\$ 3,982,505	\$ 4,100,706	\$
Cash received for interfund services provided						171,727
Cash paid to suppliers and employees	(2,777,128)	(216,200)	(448,937)	(3,442,265)	(3,413,569)	(115,946)
Cash paid for interfund services received	(48,000)	(7,000)	(8,000)	(63,000)	(63,000)	
Net cash provided by (used in) operating activities	121,049	71,925	284,266	477,240	624,137	55,781
Cash flows from noncapital financing activities:						
ARPA funds		43,533	29,950	73,483		
SRF loan proceeds (payment)			(220,000)	(220,000)	(215,000)	
Transfer from (to) other funds					(40,000)	
Advance proceeds (payment)		179,730	(25,890)	153,840		
Net cash provided by (used in) noncapital financing activities		223,263	(215,940)	7,323	(255,000)	
Cash flows from investing activities:						
Purchase of capital assets	(249,370)	(249,996)	(73,333)	(572,699)	(102,748)	(55,900)
Sale of capital assets						4,000
Sale (Purchase) of investments	105,958	(233)	634	106,359	(9,343)	
Interest received	(5,175)	697	(225)	(4,703)	7,550	
Interest expense		(10,044)	(20,402)	(30,446)	(32,708)	
Net cash provided by (used in) investing activities	(148,587)	(259,576)	(93,326)	(501,489)	(137,249)	(51,900)
Net increase (decrease) in cash and cash equivalents	(27,538)	35,612	(25,000)	(16,926)	231,888	3,881
Cash and cash equivalents at beginning of year	567,292	170,661	56,420	794,373	562,485	280,282
Cash and cash equivalents at end of year	\$ 539,754	\$ 206,273	\$ 31,420	\$ 777,447	\$ 794,373	\$ 284,163

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2022	2021	Internal Service Fund
Net operating (loss) income	\$ 351,856	\$ 5,430	\$ (30,602)	\$ 326,684	\$ 151,855	\$ (21,894)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	75,663	65,044	293,467	434,174	406,403	72,350
(Gain) loss on disposal of capital assets						(4,000)
(Increase) decrease in:						
Receivables	(93,328)	(823)	8,991	(85,160)	20,054	
Prepaid expenses	(213,990)			(213,990)	9,753	
Inventory	(14,729)			(14,729)	12,063	
Increase (decrease) in:						
Accrued expenses and other liabilities	4,724	967	(8,302)	(2,611)	14,352	1,023
Accrued leave	5,422	1,307	20,712	27,441	2,009	4,547
Customer deposits	5,431			5,431	5,273	
Due to other funds					2,375	3,755
Net cash provided by (used in) operating activities	<u>\$ 121,049</u>	<u>\$ 71,925</u>	<u>\$ 284,266</u>	<u>\$ 477,240</u>	<u>\$ 624,137</u>	<u>\$ 55,781</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village of Clinton, Michigan (the Village) is a Michigan Municipal Village governed by the Village Council. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Discretely presented component unit.

Downtown Development Authority (DDA) was created as a separate legal entity under Public Act 197 of 1975 of the State of Michigan. The purpose of the DDA is to plan and develop the downtown area of the Village and to attract new businesses and residents. The governing body of DDA is appointed by the Village Council for a fixed term. The Village approves the annual budget and any capital projects of DDA. Prior approval by the Village is needed on any taxation by DDA, and the Village's approval is needed for any borrowing undertaken by the DDA. The Downtown Development Authority is presented as a governmental fund type.

Separate financial statements for the component unit are not available.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund 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 the legally separate *component unit* 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*.

Separate financial statements are provided for governmental funds, proprietary funds, and permanent funds. Major individual governmental funds and major individual utility funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting and financial statement presentation

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.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting and financial statement presentation (Continued)

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* when they are collectible 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 are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General 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.

Special Revenue – Major Street Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Special Revenue – Fire Department Fund is used to account for fire protection services of the Village.

Permanent Funds – The *Village of Clinton Robison Trust Fund* is a Nonexpendable Trust Fund in which the principal may not be expended. The *John F. Robison Tate Park Trust Fund* is a Trust Fund in which the principal may not be expended, and interest may only be expended for park improvements. See Notes 8 and 9 for further details on these Trusts.

The government reports the following major proprietary funds:

The *Electric Fund* accounts for the activities of the Village's electric distribution operations.

The *Water Fund* accounts for the acquisition, operation, and maintenance of the Village's water system.

The *Sewer Fund* accounts for the acquisition, operation, and maintenance of the Village's sewer system.

Additionally, the government reports the following fund types:

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Special Revenue Funds (Local Street, and Community Center Fund) are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The *Internal Service Fund* (Equipment Fund) is used to account for equipment acquisition, maintenance and operation, and provides equipment rental to other funds or departments of the Village.

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 of utility charges between the Village's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting and financial statement presentation (Continued)

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.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* 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 utility funds are charges to customers for sales and services. Operating expenses for the 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.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, liabilities, and net assets or equity

1. Cash and investments

Cash and cash equivalents include amounts in cash on hand, demand deposits, except those deposits noted as investments (see below), as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments include money market and certificates of deposit where the intent is to hold funds long-term, as well as investments with maturity dates greater than three months.

State statutes authorize the government to invest in Obligations of the U.S. Treasury, Federal Agencies, commercial paper, corporate bonds, repurchase agreements, and State approved investment pools.

Investments are stated at cost or amortized cost. The Village Council will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.

2. Receivables and payables

Activity between funds that is 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 inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Village has advances from the Village of Clinton Robison

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Receivables and payables (Continued)

Trust to the Water Fund. The Tate Park Capital Improvement Fund has advanced money to Major Street Fund and, Robison Trust has advanced to Downtown Development Authority.

Personal property taxes receivable is shown net of an allowance for uncollectible accounts.

Property taxes are levied as of July 1 on property values assessed as of the prior December 1. The billing is mailed on July 1 and is considered due upon receipt by the taxpayer; however, the actual due date is September 14. A lien on property occurs when property taxes are levied (July 1). On September 14, the bill becomes delinquent and penalties and interest may be assessed by the Village.

The Village had a general tax millage of 10.00 for 2022. The Village's maximum allowable millage is 12.50 mills. It also levied .98 mills for the Smith-Kimball Community Center.

Delinquent real property taxes are turned over to the County and reimbursed through a revolving fund.

3. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method.

4. Capital Assets

Capital assets, which include property, building, equipment, and infrastructure assets (e.g., road, storm sewers and utility systems) 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 \$1,000 (amount not rounded) 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 market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, buildings, and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land improvements	30
Buildings	15 - 16
Machinery, equipment, and furnishings	10 - 20
Utility systems	20 - 60
Infrastructure	20 - 30

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Compensated absences

The current portion of the liability for accumulated sick, personal, vacation, and compensated time vested is shown in the relative governmental funds. The total (current and long-term portions) are shown in the Proprietary Funds and in the government-wide statements.

6. Long-term obligations

In the governmental-wide 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 assets.

In the fund financial statements, governmental fund types recognize any 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.

7. Fund Balance Classification Policies and Procedures

Fund balance classifications shown in the governmental fund financial statements are nonspendable, restricted, committed, assigned and unassigned.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the Village Council.

Amounts in the assigned fund balance classification are constrained by the Village Council's intent to be used for specific purposes, but are neither restricted nor committed. Intent may be expressed by (a) the Village itself or a delegated body (for example a budget or finance committee) or (b) an official to which the Village Council has delegated the authority to assign accounts to be used for specific purposes.

Unassigned fund balance is the residual classification usually used for the Village's General Fund and includes all spendable amounts not contained in the other classifications.

Under Village policy, when both restricted and unrestricted (committed, assigned or unassigned) amounts are available for a purpose, the Village considers using the restricted funds first and then the unrestricted when an expenditure is incurred. Within the unrestricted fund balance amounts, the Village considers the committed first used, then unassigned for an applicable expenditure.

For determination of classification, the Village first determines the nonspendable then the restricted, committed, assigned, and unassigned, in that order. If a deficit occurs for a certain purpose in a fund, assigned amounts for other purposes would be used to offset the deficit, if possible.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The accounting basis used by the Village for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Village follows the budgetary procedures outlined by the State of Michigan, including public hearings and proper adoption. All funds of the Village have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

B. Excess of expenditures over appropriations in budgetary funds

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan, provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Village for these budgetary funds were adopted at the activity level.

During the year ended March 31, 2022, the Village incurred expenditures in the major governmental funds in excess of the amounts appropriated by function as follows:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
General Fund:			
Administration	\$ 113,785	\$ 97,620	\$ 16,165
Building and zoning inspection	22,895	15,400	7,495
Parks	183,555	146,880	36,675
Fire Department:			
Wages	99,722	86,000	13,722
Benefits	12,156	11,300	856
Workshops	8,546	7,000	1,546
Utilities	6,165	6,000	165
Equipment maintenance	10,572	7,000	3,572
Truck maintenance	28,845	18,000	10,845

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

The Village limits its exposure to interest rate risk by keeping certificate of deposits at short term maturation, as noted below. However, in the managed accounts at Old National Bank, 95% of the investments are fixed income securities, which are subject to interest rate risk.

The Village is subject to credit risk, having a large portion of cash and investments which are above FDIC insurance limits.

The Village is also subject to custodial credit risk, having 33% of investments with Old National Bank, 4% with TLC Community Credit Union, 4% with Premier Bank, 48% with Comerica Bank, and 11% with Arbor Trust. All demand deposits are with Comerica Bank.

The Village does not have policies covering interest rate risk, credit risks or custodial risk.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Primary Government Deposits

At year end, the bank value of deposits amounted to \$2,994,378. Of this amount \$250,000 was covered by Federal Depository Insurance and \$2,744,378 was uninsured and uncollateralized. At certain times of the year, especially when property taxes are being collected, the Village's uncollateralized deposits increase significantly; as a result, the amounts of uncollateralized deposits at those times were higher. All deposits are with banks located in Michigan as required by statutes. Of the uninsured and uncollateralized deposits, \$2,440,027 are invested in government backed securities.

At year end, bank balances, net of checks written but not cleared, as recorded in the financial statements were \$2,739,295, including restricted cash accounts. Of that amount, \$384,419 was in cash and checking accounts; and \$2,354,876 in the general checking account. Such accounts are authorized by statutes.

Component Unit Deposits

The component unit had deposits with a carrying value and an allocated balance of \$157,603 at year end. This account is part of the general checking with Comerica Bank.

Primary Government Investments

The Village had investments with carrying value and bank balance of \$3,639,187 at year end of which \$985,643 is covered by Federal Depository Insurance. Investments consist of:

Certificates of Deposit and Money Market Funds		Balance March 31, 2022
General Fund		\$ 306,760
Fire Fund		226,318
Smith-Kimball Community Center Fund		9,321
Electric Fund		731,097
Sewer Fund		131,848
Water Fund		46,195
Managed Accounts at Old National Bank	Current Yield	
Village of Clinton Robison Trust	2.69	721,876
John F. Robison Tate Park	2.52	1,465,772
		<u>\$ 3,639,187</u>

Bond securities in the managed accounts are quality rated AA.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Accounts receivable

Accounts receivable as of the end of the fiscal year for the government's individual funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Community Center</u>	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Accounts Receivable:								
Taxes	\$ 15,944	\$	\$	\$ 1,287	\$	\$	\$	\$ 17,231
Accounts	7,771				325,010	23,540	76,130	432,451
Intergovernmental	<u>22,777</u>	<u>37,601</u>	<u>14,082</u>					<u>74,460</u>
Gross receivables	46,492	37,601	14,082	1,287	325,010	23,540	76,130	524,142
Less: allowance for uncollectible accounts								
Net accounts receivable	<u>\$ 46,492</u>	<u>\$ 37,601</u>	<u>\$ 14,082</u>	<u>\$ 1,287</u>	<u>\$325,010</u>	<u>\$ 23,540</u>	<u>\$ 76,130</u>	<u>\$524,142</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended March 31, 2022, was as follows:

Primary Government

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities:				
Assets not being depreciated-land	\$ 285,152	\$	\$	\$ 285,152
Capital assets, being depreciated:				
Land improvements	897,787	53,995		951,782
Buildings	1,451,717	20,583		1,472,300
Equipment, machinery and furnishings	3,561,994	90,161	31,194	3,620,961
Infrastructure	5,733,132			5,733,132
Depreciable capital assets	11,644,630	164,739	31,194	11,778,175
Less accumulated depreciation for:				
Land improvements	(533,250)	(30,794)		(564,044)
Buildings	(1,148,622)	(33,066)		(1,181,688)
Equipment, machinery and furnishings	(2,952,896)	(113,888)	(31,194)	(3,035,590)
Infrastructure	(5,030,810)	(185,870)		(5,216,680)
Total accumulated depreciation	(9,665,578)	(363,618)	(31,194)	(9,998,002)
Total net capital assets being depreciated	1,979,052	(198,879)		1,780,173
Governmental activities net capital assets	\$ 2,264,204	\$ (198,879)	\$	\$ 2,065,325
	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities:				
Assets not being depreciated:				
Land	\$ 30,645	\$	\$	\$ 30,645
Construction in process		129,326		129,326
Total assets not being depreciated	30,645	129,326		159,971
Capital assets, being depreciated:				
Buildings	6,757,606	50,000		6,807,606
Equipment	1,717,681	49,398		1,767,079
Software	40,173			40,173
Utility systems	4,048,011	343,974		4,391,985
Depreciable capital assets	12,563,471	443,372		13,006,843
Less accumulated depreciation for:				
Buildings	(4,014,066)	(257,000)		(4,271,066)
Equipment	(1,376,012)	(52,544)		(1,428,556)
Software	(4,687)	(8,035)		(12,722)
Utility systems	(2,726,595)	(116,594)		(2,843,189)
Total accumulated depreciation	(8,121,360)	(434,173)		(8,555,533)
Total net capital assets being depreciated	4,442,111	9,199		4,451,310
Business-type activities net capital assets	\$ 4,472,756	\$ 138,525	\$	\$ 4,611,281

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets (Continued)

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

Governmental activities:	
General government	\$ 29,089
Public safety	61,815
Culture and recreation	54,543
Highways and streets	<u>218,171</u>
Total depreciation - governmental activities	<u><u>\$ 363,618</u></u>
Business-type activities:	
Buildings	\$ 257,000
Equipment	52,544
Software	8,035
Utility	<u>116,594</u>
Total depreciation - business-type activities	<u><u>\$ 434,173</u></u>

Discretely presented component unit:

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 602,249	\$	\$	\$ 602,249
Less accumulated depreciation for:				
Land improvements	<u>(336,315)</u>	<u>(19,564)</u>	<u></u>	<u>(355,879)</u>
DDA net capital assets	<u><u>\$ 265,934</u></u>	<u><u>\$(19,564)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 246,370</u></u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund receivables, payables, and transfers

Primary Government

The purpose of due to and from is mainly for reimbursing expenses between funds.

Receivable Fund	Interfund Receivable	Payable Fund	Interfund Payable
Major Street	\$ 9,402	General	\$ 9,402
Local Street	3,800	General	3,800
Smith-Kimball Community Center	7,000	General	7,000
Electric	9,907	General	9,907
Electric	2,375	Sewer	2,375
General	10,410	Equipment	10,410
Major Street	192	Local Street	192
Major Street	295,630	Electric	295,630
Major Street	1,500	Water	1,500
Local Street	3,900	Electric	3,900
Local Street	<u>3,900</u>	Water	<u>3,900</u>
Total	<u>\$ 348,016</u>	Total	<u>\$ 348,016</u>

Advance to/from other funds:

Robison Trust	\$ 760,710	Water Fund	\$ 760,710
Robison Trust	121,962	Sewer Fund	121,962
Tate Park Trust	44,361	Major Street	44,361
		Downtown Development	
Tate Park Trust	<u>322,614</u>	Authority	<u>322,614</u>
Total	<u>\$ 1,249,647</u>	Total	<u>\$ 1,249,647</u>

Due to/from Primary Government and Component Unit:

Due to and due from are for cash flow needs between funds or to meet payable or receivable obligations between funds.

Receivable Entity		Payable Entity	
Downtown Development Authority (Component Unit)	<u>\$ 1,588</u>	General Fund (Primary Government)	<u>\$ 1,588</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term debt

Debt related to business-type activities

The Village of Clinton has issued bonds (Village of Clinton Sewage Disposal System Revenue Bond, Series 2008) for the purpose of funding a new sewer plant. The amount of the issue is \$4,000,000 at an interest rate of 1.625%. Under a purchase contract, the Michigan Municipal Bond Authority has acquired all the bonds, and is paying the bond proceeds through the State Water Pollution Control Revolving Fund, commonly known as State Revolving Fund (SRF). Funds are disbursed from the State on a construction cost reimbursement basis. The outstanding debt balance at March 31, 2022, was \$905,000.

Annual Debt Service requirements to maturity are projected as follows:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 0	\$ 7,353
2024	220,000	12,919
2025	225,000	9,303
2026	230,000	5,606
2027	230,000	1,868
	<u>\$ 905,000</u>	<u>\$ 46,190</u>

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2022:

	<u>Business-type Activities Bond Issue</u>	<u>Accrued Employee Benefits</u>	<u>Total</u>	<u>Due in One Year</u>
Long-term debt at March 31, 2021	\$ 1,125,000	\$ 134,526	\$ 1,259,526	\$
Principal payment	(220,000)		(220,000)	
Increase in accrued employee benefits		12,141	12,141	
Long-term debt at March 31, 2022	<u>\$ 905,000</u>	<u>\$ 146,667</u>	<u>\$ 1,051,667</u>	<u>\$</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. Advance (loan) to other funds

The Capital Improvement Tate Park Fund has loaned money for road construction to the Major Street Fund in the amount of \$294,130. The outstanding balance of the loan as of March 31, 2022, is \$44,361. This loan is to be repaid over ten years, with final maturity March 31, 2023. The loan bears interest at a rate of 4.75%. The annual debt service requirements are as follows:

Year Ending March 31	Principal	Interest
2023	44,361	1,658
	\$ 44,361	\$ 1,658

The Village constructed Well Five for a cost of \$479,993, which included boring a water main under the river. The Village spent \$282,421 on an iron removal plant and \$25,251 on test wells. The Water Fund consolidated all those costs into a loan of \$772,023, which is amortized over 12.5 years at 1.5%.

The loan is due November 1, 2032. The annual debt service requirements are as follows:

Year Ending March 31	Principal	Interest
2023	\$ 22,778	\$ 11,222
2024	67,182	10,818
2025	68,194	9,806
2026	69,220	8,780
2027	70,262	7,738
2028-2032	463,074	21,985
Total	\$ 760,710	\$ 70,349

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. Advance (loan) to other funds (Continued)

The Village has performed improvements to the wastewater plant financed from an advance from the Village of Clinton Robison Trust. As of March 31, 2022, the advance balance was \$121,964.

The loan is due May 1, 2026, at an interest rate of 1.50%. The annual debt service requirements for the next five years are as follows:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 26,279	\$ 1,731
2024	26,674	1,336
2025	29,071	934
2026	31,020	481
2027	<u>8,920</u>	<u>67</u>
Total	<u>\$121,964</u>	<u>\$ 4,549</u>

NOTE 4. PROPERTY LIABILITY, UNEMPLOYMENT, AND WORKMEN'S COMPENSATION

INSURANCE COVERAGE

The Village is a member of the Michigan Municipal League Property and Liability Pool for insuring its properties and for general liability.

The Village is a member of the Municipal Unemployment Compensation Group Account under the Michigan Municipal League for unemployment coverage.

Workers' Compensation coverage is under the Michigan Municipal League Workers' Compensation Fund.

Any contingent liabilities under these arrangements are not known.

NOTE 5. DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

B. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

01 - General: Closed to new hires, linked to Division 10

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.50% Multiplier (80% Max)	2.50% Multiplier (80% Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	8.00%	8.00%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

02 - Police/Fire: Closed to new hires, linked to division 20

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.50% Multiplier (80% Max)	2.50% Multiplier (80% Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	7.50%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

10 - General after 4/1/15: Open Division, linked to Division 01

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.00% Multiplier (No Max)	2.00% Multiplier (No Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	7.50%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

20 - Police/Fire after 4/1/15: Open Division, linked to Division 02

	2021 Valuation	2020 Valuation
Benefit Multiplier:	2.00% Multiplier (No Max)	2.00% Multiplier (No Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25	50/25
	55/15	55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	7.50%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

At the December 31, 2021, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>15</u>
	<u>37</u>

Contributions

The Village of Clinton is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions for the calendar year ended December 31, 2021, totaled \$229,389.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2021, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases: 3.00% in the long-term

Investment rate of return: 6.85%, net of investment expense, including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

The valuation incorporates fully generational mortality using the tables as described below and are based on amount weighted sex distinct rates:

Pre-retirement mortality:

1. 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
2. 100% of PubG-2010 Employee Mortality Tables for Ages 18-80
3. 100% of PubG-2010 Healthy Retiree Tables for Ages 81-120

Non-disabled retired plan members and beneficiaries:

1. 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
2. 106% of PubG-2010 Employee Mortality Tables for Ages 18-80
3. 106% of PubG-2010 Healthy Retiree Tables for Ages 81-120

Disabled retired plan members:

1. 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17
2. 100% of PubNS-2010 Disabled Retiree Tables for Age 18-120

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.6%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at December 31, 2020	\$ 6,694,397	\$ 6,747,367	\$ (52,970)
Changes for the Year			
Service cost	107,306		107,306
Interest on total pension liability	496,958		496,958
Changes in benefits			
Difference between expected and actual experience	(99,342)		(99,342)
Changes in assumptions	236,919		236,919
Employer contributions		229,389	(229,389)
Employee contributions		80,271	(80,271)
Net investment income		948,663	(948,663)
Benefit payments, including employee refunds	(418,258)	(418,258)	
Administrative expense		(10,886)	10,886
Other changes			
Net changes	323,583	829,179	(505,596)
Balances as of December 31, 2021	\$ 7,017,980	\$ 7,576,546	\$ (558,566)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.6%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.6%) or 1% higher (8.6%) than the current rate.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability at December 31, 2021	\$ (558,566)	\$ (558,566)	\$ (558,566)
Change in Net Pension Liability	759,365		(642,178)
Net Pension Liability	<u>\$ 200,799</u>	<u>\$ (558,566)</u>	<u>\$(1,200,744)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the employer recognized pension expense of \$(49,988). The employer reported deferred outflows and inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences in experience	\$	\$ 53,603
Differences in assumptions		(311,769)
Excess (Deficit) investment returns		405,162
Contributions subsequent to the measurement date		(75,643)
Total	<u>\$</u>	<u>\$ 71,353</u>

Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense for the fiscal years ended March 31 as follows:

2023	\$ 168,317
2024	(81,841)
2025	(87,365)
2026	(70,464)
	<u>\$ (71,353)</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 6. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY

The Village is a member municipality of the Michigan South Central Power Agency. The Michigan South Central Power Agency (the Agency) is a public body politic and corporate of the State of Michigan organized on March 21, 1978, under the authority of Michigan Public Act 448 of 1976 (the Act), to supply electricity to member municipalities in South Central Michigan. The Act provides that the Agency will establish rates and charges so as to generate revenues sufficient to cover its costs (excluding depreciation and amortization expense) including debt service, but it may not operate its projects for profit, except insofar as any such profit will inure to the benefit of the public. Each member municipality appoints one member to the Board of the Agency. The member municipalities and their percentage shares are as follows:

<u>Municipality</u>	<u>Percentage Share</u>
Clinton	7.9%
Coldwater	49.8%
Hillsdale	21.9%
Marshall	17.5%
Union City	2.9%
	<u>100.0%</u>

Each member is a municipal corporation, organized under the laws of the State of Michigan, which owns and operates a municipal electric system. The member municipalities presently supply their customers with power and energy generated from the Agency's Project I and from the municipalities' existing generating facilities and also with power purchased from other utility companies.

Each of the member municipalities entered into (a) a Power Sales Contract with the Agency for the supply of power and energy from the Agency, and (b) a Substation Agreement with the Agency for services provided by the Agency to the member municipality with respect to substation facilities. Each member municipality also entered into an Economic Dispatch Agreement with the Agency providing for the dispatch by the Agency of power and energy from certain existing generating facilities of the member municipalities on an economic basis. The Power Sales Contracts between the Agency and the member municipalities require the Agency to provide, and the member municipalities to purchase from the Agency, all of the members' bulk power supply, as defined in the contracts. Each member is obligated to pay its share of the Agency's operating and debt service costs of Project I.

The Substation Agreements require the Agency to provide, and the municipalities to purchase, services of the municipalities' substation facilities for transmission, transformation, and delivery of electric power and energy from the Agency to the municipalities. Under the Economic Dispatch Agreement, the member municipalities are required to sell to the Agency power generated by their facilities, defined as dedicated capacity.

In March of 2011, the Agency used redemption and reserve funds on hand to defease the remaining \$5,010,000 of outstanding 2000 bonds and the remaining \$8,305,000 of outstanding 2004 bonds. The net resources of \$14,055,799 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the 2000 and 2004 bonds. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the statement on net assets. The cash flow requirements on the bonds prior to the defeasance were \$14,073,925 through 2012.

As a result, Michigan South Central Power Agency has no long-term bond debt at June 30, 2021.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022

NOTE 6. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY (Continued)

A summary of financial information on Michigan South Central Power Agency at June 30, 2021 and 2020 follows:

	<u>2021</u>	<u>2020</u>
Total assets and deferred outflows	\$ 29,790,801	\$ 29,920,499
Total liabilities and deferred inflows	<u>10,565,842</u>	<u>11,090,027</u>
Net position	19,224,959	18,830,472
Operating revenues	51,868,940	49,415,564
Operating expenses	<u>50,905,180</u>	<u>48,581,322</u>
Income from operations	963,760	834,242
Investment and miscellaneous income	28,118	112,761
Other income (expense)	(12,470)	(3,656,901)
Realized and unrealized gain (loss) on investments	(22,878)	126,325
Member equity refund	<u>(562,043)</u>	<u>(1,500,000)</u>
Change in net position	<u>\$ 394,487</u>	<u>\$ (4,083,573)</u>

NOTE 7. JOINT VENTURE – AMERICAN MUNICIPAL POWER

The Village of Clinton, as a means of obtaining supplemental electric power to the Village in addition to agreement with Michigan South Central Power Agency, has contracted with American Municipal Power.

The Village has agreed to be a participant in the purchase of electrical power from the Fremont (Ohio) Energy Center owned by American Municipal Power.

Michigan South Central Power Agency will act as agent for the Village under this agreement.

As a participant, the Village is required to obtain a certain percentage of the energy produced at the Fremont Energy Center to cover the Center's costs. The current percentage for the Village of Clinton is approximately 2%.

NOTE 8. VILLAGE OF CLINTON – ROBISON TRUST

The Village has created a trust funded by unrestricted gifts from the Estate of John F. Robison. The trust has a current fund balance of \$1,573,331. It is the intent of the Village that all gifts to this trust will be held as endowments with the principal invested permanently and the investment income to be used for the benefit of the Village of Clinton.

NOTE 9. JOHN F. ROBISON TATE PARK TRUST

This trust has been created by the Village to provide a legal entity for handling the restricted gifts from the Estate of John F. Robison. The trust has a current fund balance of \$1,828,459. The donor has restricted the use of these gifts to the operation, improvement, and maintenance of Tate Park. It is the intent of the Village that all gifts to the trust will be held as endowments with the principal invested permanently and the investment income to be used for Tate Park.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2022**

NOTE 10. AMERICAN RESCUE PLAN ACT

As part of the American Rescue Plan Act signed into law March 10, 2021, state and local governments qualified for federal grants to be used on eligible purposes such as responding to COVID-19 and making necessary investments in water, sewer, or broadband infrastructure. The Village of Clinton was granted \$239,691 as part of this program. The village received half of the money during the year ended March 31, 2022, with the other half due in the year end March 31, 2023. Grant revenue is to be recognized only following qualifying expenses with the remaining funds received to be recognized as deferred revenue. Deferred revenue on March 31, 2022, consisted of \$46,845 in American Rescue Plan Act (ARPA) grant money received that had not yet been expensed in the year then ended.

NOTE 11. COVID RELIEF FUNDS

In response to the Covid-19 pandemic the Village received the following CARES Act grants:

American Rescue Plan Act (ARPA):	\$ 73,483
Public Safety Payroll Reimbursement (PSPHPR):	<u>10,971</u>
Total grants received:	<u>\$ 84,454</u>

The grants were used during the year on expenditures as mandated by the grant programs. The proceeds from the grants are recognized as income during the current year on the government-wide statement of activities.

NOTE 12. COVID-19 PANDEMIC:

The extent of the impact of COVID-19 on our future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our taxpayers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our future financial condition and results of operations remains uncertain.

NOTE 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 15, 2022. No events have occurred from March 31, 2022, through August 31, 2022, that would require adjustment to, or disclosure in, the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
DECEMBER 31, 2021

	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 107,306	\$ 116,163	\$ 100,521	\$ 102,309
Interest	496,958	466,436	440,157	451,727
Changes of benefit terms			2,170	(2,358)
Difference between expected and actual experience	(99,342)	54,091	(24,571)	(57,095)
Changes of assumptions	236,919	177,210	181,904	
Benefit payments including employee refunds	(418,258)	(397,487)	(373,281)	(324,199)
Other		23,169		(2)
Net Change in total pension liability	323,583	439,582	326,900	170,382
Total pension liability beginning	6,694,397	6,254,815	5,927,915	5,757,533
Total pension liability ending	\$ 7,017,980	\$ 6,694,397	\$ 6,254,815	\$ 5,927,915
Plan Fiduciary Net Position				
Contributions-employer	229,389	241,311	230,892	206,763
Contributions-employee	80,271	84,175	79,110	69,624
Net Investment income	948,663	777,505	734,075	(223,960)
Benefit payments including employee refunds	(418,258)	(397,487)	(373,281)	(324,199)
Administrative expense	(10,886)	(12,214)	(12,645)	(11,042)
Net change in plan fiduciary net position	829,179	693,290	658,151	(282,814)
Plan fiduciary nt position beginning	6,747,367	6,054,077	5,395,926	5,678,740
Plan fiduciary net position ending	7,576,546	6,747,367	6,054,077	5,395,926
Employer net pension liability (Asset)	\$ (558,566)	\$ (52,970)	\$ 200,738	\$ 531,989
Plan fiduciary net position as a percentage of the Total pension liability	108%	101%	97%	91%
Covered Employee Payroll	1,007,691	1,119,028	1,011,402	968,182
Employer's net pension liability (asset) as a percentage of covered employee payroll	-55%	-5%	20%	55%

See independent auditors' report

**VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
DECEMBER 31, 2021**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 52,535	\$ 36,192	\$ 31,667	\$ 26,845	\$ 20,406	\$ 6,130	\$ 1,026	\$	\$	\$	\$ 18,201
Contributions in relation to the actuarially determined contribution	229,389	241,311	230,893	206,763	163,881	128,680	94,340	69,691	44,827	45,227	83,143
Contribution deficiency (excess)	<u>\$ (176,854)</u>	<u>\$ (205,119)</u>	<u>\$ (199,226)</u>	<u>\$ (179,918)</u>	<u>\$ (143,475)</u>	<u>\$ (122,550)</u>	<u>\$ (93,314)</u>	<u>\$ (69,691)</u>	<u>\$ (44,827)</u>	<u>\$ (45,227)</u>	<u>\$ (64,942)</u>
Covered employee payroll	1,007,691	1,119,028	1,011,402	968,182	909,538	898,796	874,360	548,950	520,734	553,705	509,679
Contributions as a percentage of covered employee payroll	23%	22%	23%	21%	18%	14%	11%	13%	9%	8%	16%

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	23 years
Asset valuation method	5 year smoothed
Inflation	3.00%
Salary Increases	3.00%
Investment rate of return	7.35%
Retirement age	60
Mortality	50% Female/50% Male RP-2014 Group
	Annuity Mortality Table

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VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 729,000	\$ 729,000	\$ 750,519	\$ 21,519
Intergovernmental revenue	256,300	256,300	331,157	74,857
Licenses, fees, and service charges	235,400	235,400	289,529	54,129
Rentals	12,800	12,800	12,813	13
Interest	4,000	4,000	(786)	(4,786)
Other	26,000	26,000	24,052	(1,948)
Total revenues	1,263,500	1,263,500	1,407,284	143,784
EXPENDITURES:				
General government:				
Council	24,370	24,370	10,843	13,527
Administration	97,620	97,620	113,785	(16,165)
Buildings and grounds	224,520	224,520	190,280	34,240
Planning commission	17,720	17,720	6,692	11,028
Professional service	24,300	24,300	7,377	16,923
Insurance	18,200	18,200	16,945	1,255
Total general government	406,730	406,730	345,922	60,808
Public safety:				
Police department	570,650	570,650	545,566	25,084
Building and zoning inspection	15,400	15,400	22,895	(7,495)
Total public safety	586,050	586,050	568,461	17,589
Sanitation:				
Waste collection and disposal	166,000	166,000	162,499	3,501
Culture - recreation				
Parks	146,880	146,880	183,555	(36,675)
Total culture-recreation	146,880	146,880	183,555	(36,675)
Total expenditures	1,305,660	1,305,660	1,260,437	45,223
Excess (deficiency) of revenues (under) expenditures	(42,160)	(42,160)	146,847	189,007
Other financing sources (uses):				
CARES Act funding			8,520	8,520
Transfers in	143,000	143,000	85,751	(57,249)
Transfers out	(74,632)	(74,632)	(40,000)	34,632
Total other financing sources (uses)	68,368	68,368	54,271	(14,097)
Change in fund balance	26,208	26,208	201,118	174,910
Total fund balances - beginning			939,850	
Total fund balances - ending			\$ 1,140,968	

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**VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
MAJOR STREET SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
State gas weight tax	\$ 272,700	\$ 272,700	\$ 211,649	\$ (61,051)
Interest			165	165
Total revenues	<u>272,700</u>	<u>272,700</u>	<u>211,814</u>	<u>(60,886)</u>
EXPENDITURES:				
Routine maintenance	307,190	307,190	274,575	32,615
Traffic service	5,840	5,840	4,445	1,395
Winter maintenance	13,660	13,660	7,457	6,203
Administrative	<u>6,020</u>	<u>6,020</u>	<u>6,010</u>	<u>10</u>
Total expenditures	<u>332,710</u>	<u>332,710</u>	<u>292,487</u>	<u>40,223</u>
Excess (deficiency) of revenues over (under) expenditures	(60,010)	(60,010)	(80,673)	(20,663)
Other financing sources (uses):				
Debt service	(40,010)	(40,010)	(3,416)	36,594
Transfers in (out)	<u>100,020</u>	<u>100,020</u>	<u>100,020</u>	
Net change in fund balance	<u><u> </u></u>	<u><u> </u></u>	<u>15,931</u>	<u>15,931</u>
Total fund balances - beginning			<u>566,406</u>	
Total fund balances - ending			<u><u>\$ 582,337</u></u>	

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VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
LOCAL STREET SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 60,000	\$ 60,000	\$ 79,522	\$ 19,522
Interest			63	63
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>79,585</u>	<u>19,585</u>
EXPENDITURES:				
Routine maintenance	86,042	86,042	56,376	29,666
Traffic service	5,330	5,330	4,519	811
Winter maintenance	17,240	17,240	14,871	2,369
Administrative	<u>6,020</u>	<u>6,020</u>	<u>5,803</u>	<u>217</u>
Total expenditures	<u>114,632</u>	<u>114,632</u>	<u>81,569</u>	<u>33,063</u>
Excess (deficiency) of revenues over (under) expenditures	(54,632)	(54,632)	(1,984)	52,648
Other financing sources:				
Transfers in	<u>54,632</u>	<u>54,632</u>	<u>20,000</u>	<u>(34,632)</u>
Net change in fund balance	<u><u> </u></u>	<u><u> </u></u>	<u>18,016</u>	<u>18,016</u>
Total fund balances - beginning			<u>114,687</u>	
Total fund balances - ending			<u><u>\$ 132,703</u></u>	

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VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
FIRE FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Miscellaneous	\$	\$	\$ 202,010	\$ 202,010
Township contributions	119,400	119,400	59,406	(59,994)
Interest	300	300	560	260
Total revenues	119,700	119,700	261,976	142,276
EXPENDITURES:				
Wages	86,000	86,000	99,722	(13,722)
Benefits	11,300	11,300	12,156	(856)
Supplies	28,500	28,500	21,378	7,122
Professional fees	1,400	1,400	683	717
Communications	4,500	4,500	4,172	328
Workshops	7,000	7,000	8,546	(1,546)
Gas and oil	3,000	3,000	2,206	794
Insurance	15,000	15,000	13,976	1,024
Utilities	6,000	6,000	6,165	(165)
Equipment maintenance	7,000	7,000	10,572	(3,572)
Truck maintenance	18,000	18,000	28,845	(10,845)
Building maintenance	5,500	5,500	3,480	2,020
Capital outlay	448,000	448,000		448,000
Total expenditures	641,200	641,200	211,901	429,299
Excess (deficiency) of revenues (under) expenditures	(521,500)	(521,500)	50,075	571,575
Other financing sources (uses):				
Cares act funding			2,451	2,451
Net change in fund balance	(521,500)	(521,500)	52,526	574,026
Total fund balances - beginning			404,490	
Total fund balances - ending			\$ 457,016	

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VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
SMITH-KIMBALL COMMUNITY CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 65,500	\$ 65,500	\$ 67,165	\$ 1,665
Miscellaneous	100	100		(100)
Rentals	4,000	4,000	2,669	(1,331)
Interest	160	160	382	222
	<u>69,760</u>	<u>69,760</u>	<u>70,216</u>	<u>456</u>
EXPENDITURES:				
Community Center expenses	<u>73,350</u>	<u>73,350</u>	<u>48,698</u>	<u>24,652</u>
	<u>73,350</u>	<u>73,350</u>	<u>48,698</u>	<u>24,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,590)</u>	<u>(3,590)</u>	<u>21,518</u>	<u>25,108</u>
Other financing uses:				
Transfers out				
Net change in fund balance	<u>(3,590)</u>	<u>(3,590)</u>	<u>21,518</u>	<u>25,108</u>
Total fund balances - beginning			<u>113,029</u>	
Total fund balances - ending			<u>\$ 134,547</u>	

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OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR MARCH 31, 2021

	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds 2022	2021
ASSETS:				
Cash	\$ 108,033	\$ 115,608	\$ 223,641	\$ 185,333
Investments		9,321	9,321	8,971
Receivables:				
Accounts		1,287	1,287	1,664
Due from other funds	11,600	7,000	18,600	18,537
Due from other governmental units	14,082		14,082	12,422
Prepaid expense	81	2,118	2,199	2,199
Total assets	<u>\$ 133,796</u>	<u>\$ 135,334</u>	<u>\$ 269,130</u>	<u>\$ 229,126</u>
LIABILITIES:				
Accounts payable	\$	\$	\$	\$ 381
Accrued expenditures	901	787	1,688	837
Due to other funds	192		192	192
Total liabilities	<u>1,093</u>	<u>787</u>	<u>1,880</u>	<u>1,410</u>
FUND BALANCES:				
Nonspendable	81	2,118	2,199	2,199
Restricted	132,622	132,429	265,051	225,517
Total fund balance	<u>132,703</u>	<u>134,547</u>	<u>267,250</u>	<u>227,716</u>
Total liabilities & fund balance	<u>\$ 133,796</u>	<u>\$ 135,334</u>	<u>\$ 269,130</u>	<u>\$ 229,126</u>

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VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2021

	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds 2022	2021
REVENUES:				
Property taxes	\$	\$ 67,165	\$ 67,165	\$ 65,266
Intergovernmental revenues	79,522		79,522	68,488
Rentals		2,669	2,669	378
Interest	63	382	445	488
Other				50
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	79,585	70,216	149,801	134,670
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Current:				
Culture and recreation		48,698	48,698	61,525
Highways and streets	81,569		81,569	294,656
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	81,569	48,698	130,267	356,181
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	<hr/> (1,984) <hr/>	<hr/> 21,518 <hr/>	<hr/> 19,534 <hr/>	<hr/> (221,511) <hr/>
Other financing sources (uses):				
Transfers in	20,000		20,000	249,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	20,000		20,000	249,000
	<hr/>	<hr/>	<hr/>	<hr/>
Change in fund balances	18,016	21,518	39,534	27,489
Total fund balances - beginning	114,687	113,029	227,716	200,227
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances - ending	<u>\$ 132,703</u>	<u>\$ 134,547</u>	<u>\$ 267,250</u>	<u>\$ 227,716</u>

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