

VILLAGE OF CLINTON, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023
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, 2023, 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, 2023, 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 13, 2023

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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, 2023. 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 \$15,321,521 (*net position*). Of this amount, \$3,573,183 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The Village's total net position increased \$486,942.
- ◆ As of the close of the current year, the Village's governmental funds reported combined ending fund balances of \$5,199,758, a decrease of \$694,600; compared with an increase of \$102,043 in the prior year.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$1,019,166, or 80% percent of total general fund expenditures.
- ◆ During the year ended March 31, 2023, Michigan South Central Power Agency reported an increase in overall net position of \$86,912. This included a member equity refund of \$300,000. The result was a decrease in the Village's proportionate share of the income of \$272,964.

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, 2023**

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, 2023**

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 \$15,321,521 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net position (41 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	2023	2022
Assets:				
Current and other assets	\$ 5,781,148	\$ 2,933,484	\$ 8,714,632	\$ 9,097,171
Capital Assets	2,371,639	6,945,465	9,317,104	6,676,606
Total assets	8,152,787	9,878,949	18,031,736	15,773,777
Deferred outflows of resources	622,295		622,295	
Total assets & deferred outflows	\$ 8,775,082	\$ 9,878,949	\$ 18,654,031	\$ 15,773,777
Liabilities:				
Long term liabilities outstanding	\$ 470,826	\$ 2,230,223	\$ 2,701,049	\$ 493,098
Other liabilities	316,240	315,221	631,461	374,747
Total liabilities	787,066	2,545,444	3,332,510	867,845
Deferred inflows of resources				71,353
Net Position:				
Invested in capital assets, net of related debt	2,371,639	3,982,850	6,354,489	4,888,934
Restricted	4,155,969	1,237,880	5,393,849	6,255,581
Unrestricted	1,460,408	2,112,775	3,573,183	3,690,064
Total net position	7,988,016	7,333,505	15,321,521	14,834,579
Total liabilities, deferred inflows and net position	\$ 8,775,082	\$ 9,878,949	\$ 18,654,031	\$ 15,773,777

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

VILLAGE OF CLINTON, MICHIGAN'S CHANGE OF NET POSITION

	Governmental Activities	Business-type Activities	2023	2022
Revenues:				
Program revenues:				
Charge for services	\$ 261,283	\$ 4,477,104	\$ 4,738,387	\$ 4,293,224
General revenues:				
Property taxes	859,017		859,017	817,684
Intergovernmental	674,078		674,078	622,328
Capital grants				
License fees and fines	83,335		83,335	83,251
Investment earnings	82,986	(213,771)	(130,785)	(35,770)
Miscellaneous revenue	430,853	1,012,895	1,443,748	502,396
Cares act funding				84,454
Total revenues	<u>\$ 2,391,552</u>	<u>5,276,228</u>	<u>7,667,780</u>	<u>6,367,567</u>
Expenses:				
General government	758,635		758,635	281,539
Public safety	892,732		892,732	784,081
Culture and recreation	181,953		181,953	179,256
Sanitation	173,263		173,263	162,499
Highways and streets	776,004		776,004	598,015
Interest on long-term debt	1,657		1,657	3,416
Electric		3,268,518	3,268,518	2,687,649
Water		337,005	337,005	300,562
Sewer		791,071	791,071	783,216
Total expenses	<u>2,784,244</u>	<u>4,396,594</u>	<u>7,180,838</u>	<u>5,780,233</u>
Increase (decrease) in net position before transfers	(392,692)	879,634	486,942	587,334
Transfers	(295,630)	295,630		
Change in net position	(688,322)	1,175,264	486,942	587,334
Net position - beginning of year	<u>8,676,338</u>	<u>6,158,241</u>	<u>14,834,579</u>	<u>14,247,245</u>
Net position - end of year	<u><u>\$ 7,988,016</u></u>	<u><u>\$ 7,333,505</u></u>	<u><u>\$ 15,321,521</u></u>	<u><u>\$ 14,834,579</u></u>

An additional portion of the Village's net position (35 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$3,573,183 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, 2023**

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 \$5,199,758, a decrease of \$694,603 in comparison with the prior year. Restricted fund balance of \$4,153,652 is not available for new spending since it already is committed. Permanent (Trusts) fund money \$3,363,890 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 \$1,019,166.

The fund balance of the Village of Clinton, Michigan's general fund decreased by \$105,836 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 \$2,112,775. The total increase in net position for the funds was \$1,175,264.

Budgetary Highlights

- In General Fund, the Building and Zoning Fees came in \$6,600 or 29 percent higher than budgeted due to increased activity.
- In General Fund, the Village did not transfer the \$80,000 PILOT payment from the Electric Fund in order to help offset the cost of the new electric substation.
- In the General Fund, there was \$390,110 transferred to Local Streets for the Marion Street Construction Project.
- In Major Roads, the Gas Tax Revenue came in \$18,110 or 9% lower than budgeted.
- In Local Streets, the Village spent \$332,855 to reconstruct Marion Street.
- In Fire Fund, the department paid about \$432,000 cash for the new pumper-tanker fire truck.
- In the Electric Fund, the Village started replacement of the 1960 substation for a cost estimate of \$3,700,000. The Village is looking to pay \$2,200,000 cash for the project and borrow \$1,500,000. The Village paid \$2,055,980 during the 2023 fiscal year. The project should be completed by the end of 2023.
- In fiscal year 2023, the Village purchased the water main for the E. Michigan Avenue Water Main Project. The work started in April 2023.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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, 2023, amounts to \$9,317,104 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment, roads, and other infrastructure. The net increase in the Village's investment in capital assets for the current fiscal year was \$2,640,498.

Major capital assets purchased during the current fiscal year were:

Construction in progress	\$ 2,665,432
Machinery, equipment, and furnishings	603,287
Utility systems	14,454
Buildings	49,311

VILLAGE OF CLINTON, MICHIGAN'S CAPITAL ASSETS

	Governmental Activities	Business-type Activities	2023	2022
Capital Assets:				
Land	\$ 285,152	\$ 30,645	\$ 315,797	\$ 315,797
Construction in progress		2,794,758	2,794,758	
Land improvements	356,344		356,344	387,738
Buildings	256,947		256,947	290,611
Equipment and furnishings	1,016,597		1,016,597	585,371
Infrastructure	456,599		456,599	516,453
Software		40,173	40,173	40,173
Utility systems		4,079,889	4,079,889	4,540,463
Total	<u>\$ 2,371,639</u>	<u>\$ 6,945,465</u>	<u>\$ 9,317,104</u>	<u>\$ 6,676,606</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 \$2,129,000.

VILLAGE OF CLINTON, MICHIGAN'S OUTSTANDING DEBT

	Governmental Activities	Business-type Activities	2023	2022
Revenue Bonds	\$ 0	\$ 2,129,000	\$ 2,129,000	\$ 1,125,000
Total	<u>\$ 0</u>	<u>\$ 2,129,000</u>	<u>\$ 2,129,000</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.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

Economic Factors and Next Year's Budgets and Rates

Even though the taxable value of real property increased, the Village is concerned about the higher inflationary pressures making it more difficult to fund operations. The higher operating cost will force the Village to find ways to control costs or increase rates to compensate for inflation.

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, 2023
WITH COMPARATIVE TOTALS FOR MARCH 31, 2022

	Governmental	Business-Type	Total		Component
	Activities	Activities	2023	2022	Unit
					Downtown
					Development
					Authority
ASSETS:					
Cash	\$ 1,936,704	\$ 1,312,164	\$ 3,248,868	\$ 2,739,294	\$ 169,260
Investments	2,595,791	641,319	3,237,110	3,604,844	
Accounts receivable (net)	104,012	427,616	531,628	524,142	
Prepaid expenses	26,940	23,205	50,145	264,134	
Internal balances	378	(4,678)	(4,300)		
Internal balances - advances	833,615	(833,615)			
Internal balances - component unit	(1,588)		(1,588)	(1,588)	1,588
Advance to component units	285,296		285,296	322,614	(285,296)
Inventory		129,593	129,593	132,887	
Restricted assets:					
Investments in joint venture		1,237,880	1,237,880	1,510,844	
Capital assets:					
Assets not subject to depreciation	285,152	2,825,403	3,110,555	445,123	
Assets subject to depreciation	2,086,487	4,120,062	6,206,549	6,231,483	237,326
Total assets	8,152,787	9,878,949	18,031,736	15,773,777	122,878
Deferred outflows of resources					
Deferred pension amounts	622,295		622,295		
Total assets and deferred outflows of resources	\$ 8,775,082	\$ 9,878,949	\$ 18,654,031	\$ 15,773,777	\$ 122,878
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 55,508	\$ 238,051	\$ 293,559	\$ 231,447	\$
Deferred revenue	222,359		222,359	46,845	1,200
Customer deposits		77,170	77,170	69,684	
Accrued sick and vacation pay - current	38,373		38,373	26,771	
Noncurrent liabilities:					
Due within one year					
Net pension liability	421,230		421,230	(558,569)	
Due in more than one year	49,596	2,230,223	2,279,819	1,051,667	
Total liabilities	787,066	2,545,444	3,332,510	867,845	1,200
Deferred inflows of resources					
Deferred pension amounts				71,353	
NET POSITION:					
Invested in capital assets, net of related debt	2,371,639	3,982,850	6,354,489	4,888,934	(47,970)
Restricted for:					
Investment in joint venture		1,237,880	1,237,880	1,510,844	
Highways and streets	543,772		543,772	715,040	
Public safety	117,309		117,309	493,360	
Culture and recreation	130,998		130,998	134,547	
Permanent funds	3,363,890		3,363,890	3,401,790	
Unrestricted	1,460,408	2,112,775	3,573,183	3,690,064	169,648
Total net position	7,988,016	7,333,505	15,321,521	14,834,579	121,678
Total liabilities, deferred inflows of resources and net position	\$ 8,775,082	\$ 9,878,949	\$ 18,654,031	\$ 15,773,777	\$ 122,878

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total	Downtown Development Authority
					Governmental Activities	Business-Type Activities		2023	2022
Governmental activities:									
General government	\$ 758,635	\$	\$	\$	\$ (758,635)	\$	\$ (758,635)	\$ (281,539)	\$
Public safety	892,732	44,892			(847,840)		(847,840)	(739,925)	
Culture and recreation	181,953	38,407			(143,546)		(143,546)	(142,454)	
Sanitation	173,263	177,984			4,721		4,721	6,977	
Highways and streets	776,004				(776,004)		(776,004)	(598,015)	
Interest on long-term debt	1,657				(1,657)		(1,657)	(3,416)	
Total governmental activities	<u>2,784,244</u>	<u>261,283</u>			<u>(2,522,961)</u>		<u>(2,522,961)</u>	<u>(1,758,372)</u>	
Business-type activities:									
Electric Fund	3,268,518	3,429,820				161,302	161,302	326,903	
Water Fund	337,005	312,383				(24,622)	(24,622)	(4,500)	
Sewer Fund	791,071	734,901				(56,170)	(56,170)	(51,040)	
Total business-type activities	<u>4,396,594</u>	<u>4,477,104</u>				<u>80,510</u>	<u>80,510</u>	<u>271,363</u>	
Total government	<u>\$ 7,180,838</u>	<u>\$ 4,738,387</u>	<u>\$</u>	<u>\$</u>	<u>(2,522,961)</u>	<u>80,510</u>	<u>(2,442,451)</u>	<u>(1,487,009)</u>	
Component unit:									
Downtown development authority	46,423								(46,423)
Total component unit	<u>\$ 46,423</u>								<u>(46,423)</u>
General revenues:									
Property taxes					859,017		859,017	817,684	83,421
Intergovernmental					674,078		674,078	622,328	
Capital grants									
Licenses, fees, and fines					83,335		83,335	83,251	
Investment earnings					82,986	(213,771)	(130,785)	(35,770)	
Miscellaneous revenues					430,853	1,012,895	1,443,748	502,396	1,733
Covid relief funds								84,454	
Intragovernmental transfers					(295,630)	295,630			
Transfer from component unit									
Total general revenues and transfers					<u>1,834,639</u>	<u>1,094,754</u>	<u>2,929,393</u>	<u>2,074,343</u>	<u>85,154</u>
Change in net position					<u>(688,322)</u>	<u>1,175,264</u>	<u>486,942</u>	<u>587,334</u>	<u>38,731</u>
Total net position - beginning					<u>8,676,338</u>	<u>6,158,241</u>	<u>14,834,579</u>	<u>14,247,245</u>	<u>82,947</u>
Total net position - ending					<u>\$ 7,988,016</u>	<u>\$ 7,333,505</u>	<u>\$ 15,321,521</u>	<u>\$ 14,834,579</u>	<u>\$ 121,678</u>

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2023
WITH COMPARATIVE TOTALS FOR MARCH 31, 2022**

				Permanent Funds		Other Governmental Funds	Total Governmental Funds	
	General	Major Street	Fire Department	Robison Trust	Capital Improvement Tate Park		2023	2022
ASSETS:								
Cash	\$ 923,466	\$ 345,157	\$ 157,820	\$	\$	\$ 228,550	\$ 1,654,993	\$ 1,677,684
Investments	310,472		20,151	744,098	1,500,881	20,189	2,595,791	2,695,017
Receivables:								
Accounts (net)	23,560					1,728	25,288	25,002
Due from other funds		13,635				19,539	33,174	325,324
Due from other governmental units	22,285	37,932				14,207	74,424	74,460
Due from component unit	10,410						10,410	10,410
Advance to other funds				833,615			833,615	927,033
Advance from component unit					285,296		285,296	322,614
Accrued interest								
Prepaid expense	15,966	118	8,657			2,199	26,940	26,939
Total assets	<u>\$ 1,306,159</u>	<u>\$ 396,842</u>	<u>\$ 186,628</u>	<u>\$ 1,577,713</u>	<u>\$ 1,786,177</u>	<u>\$ 286,412</u>	<u>\$ 5,539,931</u>	<u>\$ 6,084,483</u>
LIABILITIES:								
Accounts payable	\$ 20,087	\$	\$ 3,683	\$	\$	\$	\$ 23,770	\$ 22,996
Accrued expenditures	21,040	1,492	1,790			2,500	26,822	22,174
Deferred revenue	167,170		55,189				222,359	46,845
Due to other funds	28,304	1,332				3,160	32,796	30,301
Due to component unit	1,588						1,588	1,588
Advance from other funds							-	44,361
Accrued sick and vacation pay	32,838						32,838	21,857
Total liabilities	<u>271,027</u>	<u>2,824</u>	<u>60,662</u>			<u>5,660</u>	<u>340,173</u>	<u>190,122</u>
FUND BALANCES:								
Nonspendable	15,966	118	8,657			2,199	26,940	26,939
Restricted		393,900	117,309	1,577,713	1,786,177	278,553	4,153,652	4,742,420
Unassigned	1,019,166						1,019,166	1,125,002
Total fund balance	<u>1,035,132</u>	<u>394,018</u>	<u>125,966</u>	<u>1,577,713</u>	<u>1,786,177</u>	<u>280,752</u>	<u>5,199,758</u>	<u>5,894,361</u>
Total liabilities & fund balance	<u>\$ 1,306,159</u>	<u>\$ 396,842</u>	<u>\$ 186,628</u>	<u>\$ 1,577,713</u>	<u>\$ 1,786,177</u>	<u>\$ 286,412</u>	<u>\$ 5,539,931</u>	<u>\$ 6,084,483</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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

	<u>2023</u>	<u>2022</u>
Total governmental fund balances	\$ 5,199,758	\$ 5,894,361
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	2,371,639	2,065,325
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.	(49,596)	(35,406)
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	612,497	622,656
Internal service fund net capital assets are included in the general capital asset adjustment above.	(347,347)	(357,814)
Net internal service fund position added to governmental activities	<u>265,150</u>	<u>264,842</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	622,295	
Deferred inflows related to the net pension liability		(71,353)
Net pension liability	<u>(421,230)</u>	<u>558,569</u>
Net differences	<u>2,788,258</u>	<u>2,781,977</u>
Total net position of governmental activities	<u>\$ 7,988,016</u>	<u>\$ 8,676,338</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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

	Permanent Funds					Total Other Governmental Funds	Total Governmental Funds	
	General	Major Street	Fire Department	Robison Trust	Tate Park Capital Improvement		2023	2022
REVENUES:								
Property taxes	\$ 791,629	\$	\$	\$	\$	\$ 67,388	\$ 859,017	\$ 817,684
Intergovernmental revenues	372,073	219,716				82,289	674,078	622,328
Operating grants								
Capital grants								
Licenses, fees and charges for services	299,726		44,892				344,618	333,685
Rentals	14,303					2,825	17,128	15,482
Interest	17,061	2,541	2,637	12,953	41,633	1,537	78,362	46,369
Other	22,318		210,909			1,360	234,587	286,312
Realized gain (loss) on investment				(13,076)	(13,078)		(26,154)	1,601
Unrealized gain (loss) on investment				54,826	(24,048)		30,778	(124,261)
Total revenues	1,517,110	222,257	258,438	54,703	4,507	155,399	2,212,414	1,999,200
EXPENDITURES:								
Current:								
General government	386,505			4,303	4,905		395,713	355,542
Public safety	594,098		634,487				1,228,585	780,362
Culture and recreation	120,854					75,719	196,573	232,253
Sanitation	173,263						173,263	162,499
Highways and streets		159,306				456,287	615,593	374,056
Debt service:								
Principal								
Interest		1,657					1,657	3,416
Total expenditures	1,274,720	160,963	634,487	4,303	4,905	532,006	2,611,384	1,908,128
Excess (deficiency) of revenues over (under) expenditures	242,390	61,294	(376,049)	50,400	(398)	(376,607)	(398,970)	91,072
Other financing sources (uses):								
Sale of equipment								10,971
Covid relief funding								
Transfers in	41,884	46,018			295,630	390,110	773,642	205,771
Transfers out	(390,110)	(295,630)		(46,018)	(337,514)		(1,069,272)	(205,771)
Total other financing sources (uses)	(348,226)	(249,612)		(46,018)	(41,884)	390,110	(295,630)	10,971
Change in fund balances	(105,836)	(188,318)	(376,049)	4,382	(42,282)	13,503	(694,600)	102,043
Total fund balances - beginning	1,140,968	582,336	502,015	1,573,331	1,828,459	267,249	5,894,358	5,792,318
Total fund balances - ending	\$ 1,035,132	\$ 394,018	\$ 125,966	\$ 1,577,713	\$ 1,786,177	\$ 280,752	\$ 5,199,758	\$ 5,894,361

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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022**

	<u>2023</u>	<u>2022</u>
Change in fund balances total governmental funds	\$ (694,600)	\$ 102,043
<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	564,418	164,739
Depreciation amounted to	<u>(258,107)</u>	<u>(363,618)</u>
Net adjustment for capital related activities for the year	306,311	(198,879)
<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	(14,190)	15,295
<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>		
	308	(5,444)
<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>(286,151)</u>	<u>264,077</u>
Change in net position of governmental activities	<u>\$ (688,322)</u>	<u>\$ 177,092</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2023
WITH COMPARATIVE TOTALS FOR MARCH 31, 2022

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2023	2022	Internal Service Fund
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 1,066,126	\$ 252,274	\$ (6,236)	\$ 1,312,164	\$ 777,447	\$ 281,711
Investments	460,869	46,801	133,649	641,319	909,827	
Accounts receivable (net)	343,545	17,236	66,835	427,616	424,680	
Due from other funds	6,997			6,997	12,282	4,300
Prepaid expenses	13,672	4,952	4,581	23,205	237,195	
Inventory	129,593			129,593	132,887	
Total current assets	2,020,802	321,263	198,829	2,540,894	2,494,318	286,011
Noncurrent assets:						
Investment in joint venture	1,237,880			1,237,880	1,510,844	
Capital assets:						
Land	17,496	3,000	10,149	30,645	30,645	
Buildings	674,237	322,499	5,860,181	6,856,917	6,807,607	
Utility systems	1,874,138	1,683,505	848,796	4,406,439	4,391,984	
Equipment/trucks	1,309,230	132,276	364,440	1,805,946	1,767,080	1,215,453
Software		17,460	22,713	40,173	40,173	
Construction in progress	2,794,758			2,794,758	129,326	
Accumulated depreciation	(3,384,561)	(1,064,894)	(4,539,958)	(8,989,413)	(8,555,534)	(868,106)
Total capital assets - net	3,285,298	1,093,846	2,566,321	6,945,465	4,611,281	347,347
Total noncurrent assets	4,523,178	1,093,846	2,566,321	8,183,345	6,122,125	347,347
Total assets	\$ 6,543,980	\$ 1,415,109	\$ 2,765,150	\$ 10,724,239	\$ 8,616,443	\$ 633,358
LIABILITIES:						
Current Liabilities:						
Accounts payable	\$ 191,507	\$ 9,739	\$ (44)	\$ 201,202	\$ 150,264	\$ 3,220
Accrued expenses	26,029	2,751	8,069	36,849	32,016	1,696
Due to other funds	3,900	5,400	2,375	11,675	307,305	10,410
Advance payable to other funds		737,931	95,684	833,615	882,672	
Total current liabilities	221,436	755,821	106,084	1,083,341	1,372,257	15,326
Current liabilities payable from restricted assets:						
Customer deposits	77,170			77,170	69,684	
Noncurrent liabilities:						
Accrued sick and vacation pay	61,810	9,535	29,878	101,223	111,261	5,535
SRF loan payable	1,444,000		685,000	2,129,000	905,000	
Total liabilities	1,804,416	765,356	820,962	3,390,734	2,458,202	20,861
NET POSITION:						
Invested in capital assets, net of related debt	1,841,298	355,915	1,785,637	3,982,850	2,823,609	347,347
Restricted for joint venture	1,237,880			1,237,880	1,510,844	
Unrestricted	1,660,386	293,838	158,551	2,112,775	1,823,788	265,150
Total net position	4,739,564	649,753	1,944,188	7,333,505	6,158,241	612,497
Total liabilities and net position	\$ 6,543,980	\$ 1,415,109	\$ 2,765,150	\$ 10,724,239	\$ 8,616,443	\$ 633,358

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Internal
	Electric Fund	Water Fund	Sewer Fund	2023	2022	Service Fund
Operating revenue:						
Metered sales	\$ 3,397,262	\$ 309,033	\$ 726,199	\$ 4,432,494	\$ 4,003,924	\$
Penalties and service charges	32,558	3,350	8,702	44,610	38,866	
Miscellaneous	5,908	833	45	6,786	19,435	7,600
Rentals	1,006,109			1,006,109	5,440	171,538
Total operating revenues	4,441,837	313,216	734,946	5,489,999	4,067,665	179,138
Operating expenses:						
Light plant	16,116			16,116	22,323	
Purchased power	2,083,658			2,083,658	1,789,879	
Administrative	295,868	44,689	41,427	381,984	345,016	
Electric distribution system	647,114			647,114	518,160	
Water distribution		204,127		204,127	180,802	
Collection system			18,471	18,471	43,422	
Sewer treatment plant			432,258	432,258	362,232	
Depreciation	80,658	72,854	280,368	433,880	434,174	69,334
Professional services	101,295	4,113	2,110	107,518	44,973	
Equipment operation and maintenance						119,963
Total operating expenses	3,224,709	325,783	774,634	4,325,126	3,740,981	189,297
Operating income (loss)	1,217,128	(12,567)	(39,688)	1,164,873	326,684	(10,159)
Nonoperating revenues (expenses):						
Income from joint venture	(272,964)			(272,964)	39,939	
Interest income	22,982	17,727	18,484	59,193	582	
Interest expense	(43,809)	(11,222)	(16,437)	(71,468)	(30,446)	
ARPA funds					73,483	
Total nonoperating revenues (expenses)	(293,791)	6,505	2,047	(285,239)	83,558	
Net income (loss) before transfers	923,337	(6,062)	(37,641)	879,634	410,242	(10,159)
Transfers in	295,630			295,630		
Transfers out						
Change in net position	1,218,967	(6,062)	(37,641)	1,175,264	410,242	(10,159)
Total net position - beginning	3,520,597	655,815	1,981,829	6,158,241	5,747,999	622,656
Total net position - ending	\$ 4,739,564	\$ 649,753	\$ 1,944,188	\$ 7,333,505	\$ 6,158,241	\$ 612,497

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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2023	2022	Internal Service Fund
Cash flows from operating activities:						
Cash received from customers	\$ 4,423,302	\$ 319,520	\$ 744,241	\$ 5,487,063	\$ 3,982,505	\$
Cash received for interfund services provided						179,138
Cash paid to suppliers and employees	(3,122,500)	(235,268)	(495,607)	(3,853,375)	(3,442,265)	(118,423)
Cash paid for interfund services received	(48,000)	(7,000)	(8,000)	(63,000)	(63,000)	
Net cash provided by (used in) operating activities	1,252,802	77,252	240,634	1,570,688	477,240	60,715
Cash flows from noncapital financing activities:						
ARPA funds					73,483	
SRF loan proceeds (payment)	1,444,000		(220,000)	1,224,000	(220,000)	
Transfer from (to) other funds	295,630			295,630		
Advance proceeds (payment)		(22,779)	(26,278)	(49,057)	153,840	
Net cash provided by (used in) noncapital financing activities	1,739,630	(22,779)	(246,278)	1,470,573	7,323	
Cash flows from investing activities:						
Purchase of capital assets	(2,721,110)	(14,455)	(32,499)	(2,768,064)	(572,699)	(58,867)
Sale of capital assets						
Sale (Purchase) of investments	270,592	(522)	(1,561)	268,509	106,359	
Interest received	28,267	17,727	18,484	64,478	(4,703)	(4,300)
Interest expense	(43,809)	(11,222)	(16,437)	(71,468)	(30,446)	
Net cash provided by (used in) investing activities	(2,466,060)	(8,472)	(32,013)	(2,506,545)	(501,489)	(63,167)
Net increase (decrease) in cash and cash equivalents	526,372	46,001	(37,657)	534,716	(16,926)	(2,452)
Cash and cash equivalents at beginning of year	539,754	206,273	31,420	777,447	794,373	284,163
Cash and cash equivalents at end of year	\$ 1,066,126	\$ 252,274	\$ (6,237)	\$ 1,312,163	\$ 777,447	\$ 281,711

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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Internal
	Electric Fund	Water Fund	Sewer Fund	2023	2022	Service Fund
Net operating (loss) income	\$ 1,217,128	\$ (12,567)	\$ (39,688)	\$ 1,164,873	\$ 326,684	\$ (10,159)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	80,658	72,854	280,368	433,880	434,174	69,334
(Gain) loss on disposal of capital assets						
(Increase) decrease in:						
Receivables	(18,535)	6,304	9,295	(2,936)	(85,160)	
Prepaid expenses	213,990			213,990	(213,990)	
Inventory	3,294			3,294	(14,729)	
Increase (decrease) in:						
Accrued expenses and other liabilities	43,424	10,472	1,874	55,770	(2,611)	919
Accrued leave	987	189	(11,214)	(10,038)	27,441	621
Customer deposits	7,486			7,486	5,431	
Due to other funds	(295,630)			(295,630)		
Net cash provided by (used in) operating activities	<u>\$ 1,252,802</u>	<u>\$ 77,252</u>	<u>\$ 240,634</u>	<u>\$ 1,570,689</u>	<u>\$ 477,240</u>	<u>\$ 60,715</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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, 2023

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, 2023

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, 2023**

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 2023. The Village's maximum allowable millage is 12.50 mills. It also levied .93 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, 2023**

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, 2023**

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, 2023, 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	118,382	106,320	12,062
Building and zoning inspection	29,145	28,700	445
Fire Department:			
Communications	4,762	4,500	262
Gas and oil	4,170	3,500	670
Utilities	8,251	6,500	1,751
Equipment maintenance	8,088	7,000	1,088
Building maintenance	7,882	5,000	2,882

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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, 58% 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 34% of investments with Old National Bank, 55% 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.

Primary Government Deposits

At year end, the bank value of deposits amounted to \$3,489,433. Of this amount \$250,000 was covered by Federal Depository Insurance and \$3,239,433 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, \$3,066,469 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 \$3,248,868, including restricted cash accounts. Of that amount, \$258,870 was in cash and checking accounts; and \$2,989,998 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 \$169,260 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 \$3,307,985 at year end of which \$540,348 is covered by Federal Depository Insurance. Investments consist of:

Certificates of Deposit and Money Market Funds		Balance March 31, 2023
General Fund		\$ 311,703
Fire Fund		20,151
Smith-Kimball Community Center Fund		20,189
Electric Fund		462,111
Sewer Fund		134,269
Water Fund		47,018
Managed Accounts at Old National Bank		
	Current Yield	
Village of Clinton Robison Trust	3.06	755,576
John F. Robison Tate Park	2.07	1,556,968
		\$ 3,307,985

Bond securities in the managed accounts are quality rated AA.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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	\$ 18,586	\$	\$	\$	\$	\$	\$	\$ 18,586
Accounts	4,584			1,728	343,545	17,236	66,835	433,928
Intergovernmental	<u>22,285</u>	<u>37,932</u>	<u>14,207</u>					<u>74,424</u>
Gross receivables	45,455	37,932	14,207	1,728	343,545	17,236	66,835	526,938
Less: allowance for uncollectible accounts								
Net accounts receivable	<u>\$ 45,455</u>	<u>\$ 37,932</u>	<u>\$ 14,207</u>	<u>\$ 1,728</u>	<u>\$ 343,545</u>	<u>\$ 17,236</u>	<u>\$ 66,835</u>	<u>\$ 526,938</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended March 31, 2023, 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	951,782			951,782
Buildings	1,472,300			1,472,300
Equipment, machinery and furnishings	3,620,961	564,420		4,185,381
Infrastructure	5,733,132			5,733,132
Depreciable capital assets	11,778,175	564,420		12,342,595
Less accumulated depreciation for:				
Land improvements	(564,044)	(31,394)		(595,438)
Buildings	(1,181,688)	(33,664)		(1,215,352)
Equipment, machinery and furnishings	(3,035,590)	(133,194)		(3,168,784)
Infrastructure	(5,216,680)	(59,854)		(5,276,534)
Total accumulated depreciation	(9,998,002)	(258,106)		(10,256,108)
Total net capital assets being depreciated	1,780,173	306,314		2,086,487
Governmental activities net capital assets	<u>\$ 2,065,325</u>	<u>\$ 306,314</u>	<u>\$</u>	<u>\$ 2,371,639</u>
	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities:				
Assets not being depreciated:				
Land	\$ 30,645	\$	\$	\$ 30,645
Construction in process	129,326	2,665,432		2,794,758
Total assets not being depreciated	159,971	2,665,432		2,825,403
Capital assets, being depreciated:				
Buildings	6,807,606	49,311		6,856,917
Equipment	1,767,079	38,867		1,805,946
Software	40,173			40,173
Utility systems	4,391,985	14,454		4,406,439
Depreciable capital assets	13,006,843	102,632		13,109,475
Less accumulated depreciation for:				
Buildings	(4,271,066)	(239,346)		(4,510,412)
Equipment	(1,428,556)	(57,740)		(1,486,296)
Software	(12,722)	(8,035)		(20,757)
Utility systems	(2,843,189)	(128,759)		(2,971,948)
Total accumulated depreciation	(8,555,533)	(433,880)		(8,989,413)
Total net capital assets being depreciated	4,451,310	(331,248)		4,120,062
Business-type activities net capital assets	<u>\$ 4,611,281</u>	<u>\$ 2,334,184</u>	<u>\$</u>	<u>\$ 6,945,465</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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	\$ 20,648
Public safety	43,878
Culture and recreation	38,716
Highways and streets	154,864
Total depreciation - governmental activities	<u>\$ 258,106</u>
Business-type activities:	
Buildings	\$ 239,346
Equipment	57,740
Software	8,035
Utility	128,759
Total depreciation - business-type activities	<u>\$ 433,880</u>

Discretely presented component unit:

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2023, 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	\$ 11,321	\$	\$ 613,570
Less accumulated depreciation for:				
Land improvements	<u>(355,879)</u>	<u>(20,365)</u>		<u>(376,244)</u>
DDA net capital assets	<u>\$ 246,370</u>	<u>\$ (9,044)</u>	<u>\$</u>	<u>\$ 237,326</u>

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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	\$ 11,943	General	\$ 11,943
Local Street	4,739	General	4,739
Smith-Kimball Community Center	7,000	General	7,000
Electric	4,622	General	4,622
Electric	2,375	Sewer	2,375
General	10,410	Equipment	10,410
Major Street	192	Local Street	192
Major Street	1,500	Water	1,500
Equipment	1,332	Major Street	1,332
Local Street	3,900	Electric	3,900
Local Street	3,900	Water	3,900
Equipment	2,968	Local Street	2,968
	<u> </u>		<u> </u>
Total	<u>\$ 54,881</u>	Total	<u>\$ 54,881</u>

Advance to/from other funds:

Robison Trust	\$ 737,931	Water Fund	\$ 737,931
Robison Trust	95,684	Sewer Fund	95,684
		Downtown Development	
Tate Park Trust	285,296	Authority	285,296
	<u> </u>		<u> </u>
Total	<u>\$ 1,118,911</u>	Total	<u>\$ 1,118,911</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, 2023

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). The Village of Clinton also issued bonds at \$1,500,000 at an interest rate of 3.03%. Funds are disbursed from the State on a construction cost reimbursement basis. The outstanding debt balance at March 31, 2023, was \$2,129,000.

Annual Debt Service requirements to maturity are projected as follows:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 0	\$ 34,796
2025	283,000	52,178
2026	289,000	46,708
2027	291,000	41,152
2028	1,266,000	330,904
	<u>\$ 2,129,000</u>	<u>\$ 505,738</u>

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2023:

	<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, 2022	\$ 905,000	\$ 146,668	\$ 1,051,668	\$
Bond proceeds	1,500,000		1,500,000	
Principal payment	(276,000)		(276,000)	
Increase in accrued employee benefits		4,151	4,151	
Long-term debt at March 31, 2023	<u>\$ 2,129,000</u>	<u>\$ 150,819</u>	<u>\$ 2,279,819</u>	<u>\$</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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. This loan was repaid over ten years, with final maturity March 31, 2023.

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
2024	\$ 67,182	\$ 10,818
2025	68,194	9,806
2026	69,220	8,780
2027	70,262	7,738
2028	77,343	6,657
2029-2032	385,730	15,328
Total	<u>\$ 737,931</u>	<u>\$ 59,127</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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, 2023, the advance balance was \$95,684.

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:

Year Ending March 31	Principal	Interest
2024	\$ 26,674	\$ 1,336
2025	29,071	934
2026	31,020	481
2027	8,919	67
Total	<u>\$ 95,684</u>	<u>\$ 2,818</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, 2023**

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

	2022 Valuation	2021 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 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	9.00%	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

	2022 Valuation	2021 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 55/15	50/25 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

	2022 Valuation	2021 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 55/15	50/25 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

	2022 Valuation	2021 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 55/15	50/25 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, 2023**

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

At the December 31, 2022, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>17</u>
	<u><u>39</u></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, 2022, totaled \$249,528.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2022, 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, 2022, 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 2.75% 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 18-49
3. 106% of PubG-2010 Healthy Retiree Tables for Ages 50-120

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, 2023

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. 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, 2021	\$ 7,017,978	\$ 7,576,547	\$ (558,569)
Changes for the Year			
Service cost	135,119		135,119
Interest on total pension liability	498,482		498,482
Changes in benefits	(2,556)		(2,556)
Difference between expected and actual experience	(109,595)		(109,595)
Changes in assumptions			
Employer contributions		249,528	(249,528)
Employee contributions		90,651	(90,651)
Net investment income		(784,555)	784,555
Benefit payments, including employee refunds	(419,857)	(419,857)	
Administrative expense		(13,973)	13,973
Other changes			
Net changes	101,593	(878,206)	979,799
Balances as of December 31, 2022	<u>\$ 7,119,571</u>	<u>\$ 6,698,341</u>	<u>\$ 421,230</u>

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 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate.

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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, 2022	\$ 421,230	\$ 421,230	\$ 421,230
Change in Net Pension Liability	782,122		(659,954)
Net Pension Liability	<u><u>\$ 1,203,352</u></u>	<u><u>\$ 421,230</u></u>	<u><u>\$ (238,724)</u></u>

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

For the year ended December 31, 2022, the employer recognized pension expense of \$286,611. 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	\$ (118,344)	\$
Differences in assumptions	162,761	
Excess (Deficit) investment returns	485,211	
Contributions subsequent to the measurement date	92,667	
Total	<u><u>\$ 622,295</u></u>	<u><u>\$</u></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:

2024	\$ 196,299
2025	98,109
2026	115,012
2027	212,875
	<u><u>\$ 622,295</u></u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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	6.4%
Coldwater	52.7%
Hillsdale	22.2%
Marshall	18.7%
	<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, 2022.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023**

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

A summary of financial information on Michigan South Central Power Agency at June 30, 2022 and 2021, follows:

	<u>2022</u>	<u>2021</u>
Total assets and deferred outflows	\$ 31,824,560	\$ 29,790,801
Total liabilities and deferred inflows	<u>12,512,689</u>	<u>10,565,842</u>
Net position	19,311,871	19,224,959
Operating revenues	54,899,924	51,868,940
Operating expenses	<u>54,525,960</u>	<u>50,905,180</u>
Income from operations	373,964	963,760
Investment and miscellaneous income	19,047	28,118
Other income (expense)	0	(12,470)
Realized and unrealized gain (loss) on investments	(6,099)	(22,878)
Member equity refund	<u>(300,000)</u>	<u>(562,043)</u>
Change in net position	<u>\$ 86,912</u>	<u>\$ 394,487</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 \$1,577,713. 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 \$1,786,177. 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, 2023**

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 \$240,653 as part of this program. The Village received half of the money during the year ended March 31, 2022, with the other half received 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. Neither the \$46,845 deferred from the prior year nor the \$120,325 in funds the Village received in the year end March 31, 2023, have not yet been expensed, leaving a deferred balance of \$167,170 at year end March 31, 2023.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 13, 2023. No events have occurred from March 31, 2023, through August 31, 2023, 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, 2022

	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 135,119	\$ 107,306	\$ 116,163	\$ 100,521
Interest	498,482	496,958	466,436	440,157
Changes of benefit terms	(2,558)			2,170
Difference between expected and actual experience	(109,595)	(99,342)	54,091	(24,571)
Changes of assumptions		236,919	177,210	181,904
Benefit payments including employee refunds	(419,857)	(418,258)	(397,487)	(373,281)
Other			23,169	
Net Change in total pension liability	101,591	323,583	439,582	326,900
Total pension liability beginning	7,017,980	6,694,397	6,254,815	5,927,915
Total pension liability ending	\$ 7,119,571	\$ 7,017,980	\$ 6,694,397	\$ 6,254,815
Plan Fiduciary Net Position				
Contributions-employer	249,528	229,389	241,311	230,892
Contributions-employee	90,651	80,271	84,175	79,110
Net Investment income	(784,554)	948,663	777,505	734,075
Benefit payments including employee refunds	(419,857)	(418,258)	(397,487)	(373,281)
Administrative expense	(13,973)	(10,886)	(12,214)	(12,645)
Net change in plan fiduciary net position	(878,205)	829,179	693,290	658,151
Plan fiduciary nt position beginning	7,576,546	6,747,367	6,054,077	5,395,926
Plan fiduciary net position ending	6,698,341	7,576,546	6,747,367	6,054,077
Employer net pension liability (Asset)	\$ 421,230	\$ (558,566)	\$ (52,970)	\$ 200,738
Plan fiduciary net position as a percentage of the Total pension liability	94%	108%	101%	97%
Covered Employee Payroll	1,202,860	1,007,691	1,119,028	1,011,402
Employer's net pension liability as a percentage of covered employee payroll	35%	-55%	-5%	20%

See independent auditors' report

**VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
DECEMBER 31, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contributions	\$ 67,293	\$ 52,535	\$ 36,192	\$ 31,667	\$ 26,845	\$ 20,406	\$ 6,130	\$ 1,026	\$	\$	\$
Contributions in relation to the actuarially determined contribution	249,528	229,389	241,311	230,893	206,763	163,881	128,680	94,340	69,691	44,827	45,227
Contribution deficiency (excess)	<u>\$ (182,235)</u>	<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>
Covered employee payroll	1,202,860	1,007,691	1,119,028	1,011,402	968,182	909,538	898,796	874,360	548,950	520,734	553,705
Contributions as a percentage of covered employee payroll	21%	23%	22%	23%	21%	18%	14%	11%	13%	9%	8%

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 768,000	\$ 784,000	\$ 791,628	\$ 7,628
Intergovernmental revenue	300,600	348,600	372,073	23,473
Licenses, fees, and service charges	286,300	294,300	299,726	5,426
Rentals	12,800	12,800	14,303	1,503
Interest	1,500	22,500	17,061	(5,439)
Other	237,800	237,800	22,318	(215,482)
Total revenues	1,607,000	1,700,000	1,517,109	(182,891)
EXPENDITURES:				
General government:				
Council	21,830	21,830	21,406	424
Administration	106,320	106,320	118,382	(12,062)
Buildings and grounds	256,230	256,230	212,699	43,531
Planning commission	17,290	17,290	7,351	9,939
Professional service	18,700	18,700	9,150	9,550
Insurance	18,000	18,000	17,516	484
Total general government	438,370	438,370	386,504	51,866
Public safety:				
Police department	574,180	574,180	564,953	9,227
Building and zoning inspection	19,700	28,700	29,145	(445)
Total public safety	593,880	602,880	594,098	8,782
Sanitation:				
Waste collection and disposal	171,800	173,800	173,263	537
Culture - recreation				
Parks	142,840	142,840	120,854	21,986
Total culture-recreation	142,840	142,840	120,854	21,986
Total expenditures	1,346,890	1,357,890	1,274,719	83,171
Excess (deficiency) of revenues (under) expenditures	260,110	342,110	242,390	(99,720)
Other financing sources (uses):				
Transfers in	130,000	50,000	41,884	(8,116)
Transfers out	(390,110)	(390,110)	(390,110)	
Total other financing sources (uses)	(260,110)	(340,110)	(348,226)	(8,116)
Change in fund balance		2,000	(105,836)	(107,836)
Total fund balances - beginning			1,140,968	
Total fund balances - ending			\$ 1,035,132	

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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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 200,000	\$ 200,000	\$ 219,716	\$ 19,716
Interest			2,541	2,541
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>222,257</u>	<u>22,257</u>
EXPENDITURES:				
Routine maintenance	146,994	146,994	135,721	11,273
Traffic service	7,490	7,490	5,106	2,384
Winter maintenance	15,490	15,490	11,921	3,569
Administrative	<u>6,320</u>	<u>6,620</u>	<u>6,558</u>	<u>62</u>
Total expenditures	<u>176,294</u>	<u>176,594</u>	<u>159,306</u>	<u>17,288</u>
Excess (deficiency) of revenues over (under) expenditures	23,706	23,406	62,951	39,545
Other financing sources (uses):				
Debt service	(46,030)	(46,030)	(1,657)	44,373
Transfers in (out)	<u>46,030</u>	<u>46,030</u>	<u>46,018</u>	<u>(12)</u>
Net change in fund balance	<u>23,706</u>	<u>23,406</u>	107,312	<u>83,906</u>
Total fund balances - beginning			<u>582,336</u>	
Total fund balances - ending			<u>\$ 689,648</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 70,000	\$ 70,000	\$ 82,289	\$ 12,289
Interest			939	939
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>83,228</u>	<u>13,228</u>
EXPENDITURES:				
Routine maintenance	447,850	447,850	427,538	20,312
Traffic service	6,960	6,960	5,350	1,610
Winter maintenance	19,060	18,760	16,841	1,919
Administrative	<u>6,320</u>	<u>6,620</u>	<u>6,558</u>	<u>62</u>
Total expenditures	<u>480,190</u>	<u>480,190</u>	<u>456,287</u>	<u>23,903</u>
Excess (deficiency) of revenues over (under) expenditures	(410,190)	(410,190)	(373,059)	37,131
Other financing sources:				
Transfers in	<u>410,190</u>	<u>410,190</u>	<u>390,110</u>	<u>(20,080)</u>
Net change in fund balance	<u> </u>	<u> </u>	17,051	<u>17,051</u>
Total fund balances - beginning			<u>132,703</u>	
Total fund balances - ending			<u>\$ 149,754</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Miscellaneous	\$	\$	\$ 210,909	\$ 210,909
Township contributions	42,900	42,900	44,892	1,992
Operating grants				
Capital grants				
Interest	300	300	2,637	2,337
Total revenues	43,200	43,200	258,438	215,238
EXPENDITURES:				
Wages	94,000	94,000	90,250	3,750
Benefits	12,100	12,100	11,574	526
Supplies	28,000	28,000	23,847	4,153
Professional fees	1,400	1,400	735	665
Communications	4,500	4,500	4,762	(262)
Workshops	9,000	9,000	6,724	2,276
Gas and oil	3,500	3,500	4,170	(670)
Insurance	15,000	15,000	14,515	485
Utilities	6,500	6,500	8,251	(1,751)
Equipment maintenance	7,000	7,000	8,088	(1,088)
Truck maintenance	18,000	18,000	11,005	6,995
Building maintenance	5,000	5,000	7,882	(2,882)
Capital outlay	449,360	449,360	442,684	6,676
Total expenditures	653,360	653,360	634,487	18,873
Excess (deficiency) of revenues (under) expenditures	(610,160)	(610,160)	(376,049)	234,111
Other financing sources (uses):				
Cares act funding				
Net change in fund balance	(610,160)	(610,160)	(376,049)	234,111
Total fund balances - beginning			502,015	
Total fund balances - ending			\$ 125,966	

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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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 65,670	\$ 65,670	\$ 68,748	\$ 3,078
Miscellaneous				
Rentals	2,200	2,200	2,825	625
Interest	400	400	598	198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>68,270</u>	<u>68,270</u>	<u>72,171</u>	<u>3,901</u>
EXPENDITURES:				
Community Center expenses	<u>74,200</u>	<u>76,200</u>	<u>75,719</u>	<u>481</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>74,200</u>	<u>76,200</u>	<u>75,719</u>	<u>481</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,930)</u>	<u>(7,930)</u>	<u>(3,548)</u>	<u>4,382</u>
Other financing uses:				
Transfers out	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	<u>(5,930)</u>	<u>(7,930)</u>	<u>(3,548)</u>	<u>4,382</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances - beginning			<u>134,546</u>	
			<u> </u>	
Total fund balances - ending			<u>\$ 130,998</u>	

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OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2023
WITH COMPARATIVE TOTALS FOR MARCH 31, 2022

	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds 2023	2022
ASSETS:				
Cash	\$ 127,499	\$ 101,051	\$ 228,550	\$ 223,641
Investments		20,189	20,189	9,321
Receivables:				
Accounts		1,728	1,728	1,287
Due from other funds	12,539	7,000	19,539	18,600
Due from other governmental units	14,207		14,207	14,082
Prepaid expense	81	2,118	2,199	2,199
Total assets	<u>\$ 154,326</u>	<u>\$ 132,086</u>	<u>\$ 286,412</u>	<u>\$ 269,130</u>
LIABILITIES:				
Accounts payable	\$	\$	\$	\$
Accrued expenditures	1,412	1,088	2,500	1,688
Due to other funds	<u>3,160</u>	<u></u>	<u>3,160</u>	<u>192</u>
Total liabilities	<u>4,572</u>	<u>1,088</u>	<u>5,660</u>	<u>1,880</u>
FUND BALANCES:				
Nonspendable	81	2,118	2,199	2,199
Restricted	<u>149,673</u>	<u>128,880</u>	<u>278,553</u>	<u>265,051</u>
Total fund balance	<u>149,754</u>	<u>130,998</u>	<u>280,752</u>	<u>267,250</u>
Total liabilities & fund balance	<u>\$ 154,326</u>	<u>\$ 132,086</u>	<u>\$ 286,412</u>	<u>\$ 269,130</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, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2022

	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds 2023	2022
REVENUES:				
Property taxes	\$	\$ 67,388	\$ 67,388	\$ 67,165
Intergovernmental revenues	82,289		82,289	79,522
Rentals		2,825	2,825	2,669
Interest	939	598	1,537	445
Other		1,360	1,360	
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	83,228	72,171	155,399	149,801
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Current:				
Culture and recreation		75,719	75,719	48,698
Highways and streets	456,287		456,287	81,569
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	456,287	75,719	532,006	130,267
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(373,059)	(3,548)	(376,607)	19,534
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses):				
Transfers in	390,110		390,110	20,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	390,110		390,110	20,000
	<hr/>	<hr/>	<hr/>	<hr/>
Change in fund balances	17,051	(3,548)	13,503	39,534
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances - beginning	132,703	134,546	267,249	227,716
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances - ending	\$ 149,754	\$ 130,998	\$ 280,752	\$ 267,250
	<hr/>	<hr/>	<hr/>	<hr/>

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