

VILLAGE OF CLINTON, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2021
WITH
INDEPENDENT AUDITORS' REPORT

VILLAGE OF CLINTON, MICHIGAN

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Village Council
Village of Clinton
Clinton, Michigan

INDEPENDENT AUDITORS' REPORT

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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

Opinion

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, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Village of Clinton, Michigan's March 31, 2020, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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 3 - 9, 41 - 42, and 43 - 47 be presented to supplement the basic financial statements. Such information, 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.

Other 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lally Group, PC

Jackson, MI

August 23, 2021

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021. We encourage readers to consider the information presented here.

Financial Highlights

- ◆ The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$14,247,245 (*net position*). Of this amount, \$3,049,401 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The Village's total net position increased \$509,874.
- ◆ As of the close of the current year, the Village's governmental funds reported combined ending fund balances of \$5,966,708, an increase of \$232,882; compared with an increase of \$370,936 in the prior year.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$914,836, or 81% percent of total general fund expenditures.
- ◆ During the year ended March 31, 2021, Michigan South Central Power Agency reported a decrease in overall net position of \$4,083,573. This included a member equity refund of \$1,500,000. The result was an increase in the Village's proportionate share of the income of \$24,574.

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 10-11 of this report.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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 43-47 of this report.

The basic governmental fund financial statements can be found on pages 12-15 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 16-19 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 20-40 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, 2021**

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$14,247,245 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net position (34 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	2021	2020
Assets:				
Current and other assets	\$ 6,133,013	\$ 2,733,206	\$ 8,866,219	\$ 8,298,749
Capital Assets	2,264,204	4,472,756	6,736,960	7,132,943
Total assets	<u>8,397,217</u>	<u>7,205,962</u>	<u>15,603,179</u>	<u>15,431,692</u>
Deferred outflows of resources	<u>170,167</u>	<u>-</u>	<u>170,167</u>	<u>249,027</u>
Total assets & deferred outflows	<u>\$ 8,567,384</u>	<u>\$ 7,205,962</u>	<u>\$ 15,773,346</u>	<u>\$ 15,680,719</u>
Liabilities:				
Long term liabilities outstanding	\$ (2,272)	\$ 1,208,820	\$ 1,206,548	\$ 1,668,884
Other liabilities	70,410	249,143	319,553	274,464
Total Liabilities	<u>68,138</u>	<u>1,457,963</u>	<u>1,526,101</u>	<u>1,943,348</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:				
Invested in capital assets, net of related debt	2,264,204	2,618,924	4,883,128	5,064,111
Restricted	4,843,811	1,470,905	6,314,716	6,146,851
Unrestricted	1,391,231	1,658,170	3,049,401	2,526,409
Total Net Position	<u>8,499,246</u>	<u>5,747,999</u>	<u>14,247,245</u>	<u>13,737,371</u>
Total liabilities, deferred inflows and net position	<u>\$ 8,567,384</u>	<u>\$ 7,205,962</u>	<u>\$ 15,773,346</u>	<u>\$ 15,680,719</u>

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

VILLAGE OF CLINTON, MICHIGAN'S CHANGE OF NET POSITION

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2021</u>	<u>2020</u>
Revenues:				
Program revenues:				
Charge for services	\$ 202,245	\$ 4,053,756	\$ 4,256,001	\$ 4,158,319
General revenues:				
Property taxes	796,858		796,858	719,549
Intergovernmental	532,672		532,672	538,524
License fees and fines	68,485		68,485	75,533
Investment earnings	57,307	39,121	96,428	277,247
Miscellaneous revenue	420,904		420,904	
Cares act funding	68,171	26,896	95,067	501,361
Total revenues	<u>\$ 2,146,642</u>	<u>4,119,773</u>	<u>6,266,415</u>	<u>6,270,533</u>
Expenses:				
General government	319,329		319,329	322,943
Public safety	757,388		757,388	730,426
Culture and recreation	160,624		160,624	160,844
Sanitation	162,283		162,283	151,896
Highways and streets	390,319		390,319	399,786
Interest on long-term debt	5,093		5,093	6,766
Electric		2,823,782	2,823,782	2,754,650
Water		303,550	303,550	299,841
Sewer		834,173	834,173	825,047
Total expenses	<u>1,795,036</u>	<u>3,961,505</u>	<u>5,756,541</u>	<u>5,652,199</u>
Increase (decrease) in net position before transfers	351,606	158,268	509,874	618,334
Transfer (to) from component unit				34,870
Transfers	40,000	(40,000)		
Change in net position	391,606	118,268	509,874	653,204
Net position - beginning of year	<u>8,107,640</u>	<u>5,629,731</u>	<u>13,737,371</u>	<u>13,084,167</u>
Net position - end of year	<u>\$ 8,499,246</u>	<u>\$ 5,747,999</u>	<u>\$ 14,247,245</u>	<u>\$ 13,737,371</u>

An additional portion of the Village's net position (44 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$3,049,401 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, 2021**

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 \$5,792,317, an increase of \$238,715 in comparison with the prior year. Restricted fund balance of \$4,843,811 is not available for new spending since it already is committed. Permanent (Trusts) fund money \$3,653,856 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 \$914,836.

The fund balance of the Village of Clinton, Michigan's general fund increased by \$95,423 during the current fiscal year.

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

Unrestricted net position of the utility funds at the end of the year amounted to \$1,658,170. The total increase in net position for the funds was \$118,268.

Budgetary Highlights

- The General Fund Personal Property Taxes came in \$40,122 higher than budgeted because of a new filing.
- The General Fund State Shared Revenue came in \$4,004 less than budgeted.
- In General Fund the Soccer Fees were down \$18,825 because the two seasons were canceled.
- The General Fund received \$39,803 in Federal CARES Act Grant funding.
- In Major Roads the State Shared Revenue was down \$10,972 from the amount budgeted.
- In Major Roads the transfer to Local Streets was increased from \$48,000 to \$78,000 to help fund Local Street sidewalk improvements. Because of Covid-19 restrictions, the Village was able to secure very favorable concrete prices for replacing bad sidewalk and curbs.
- In Local Streets the State Shared Revenue was down \$2,512 from the amount budgeted.
- In Local Streets the Village pulverized portions of Oak Tree and Edward J Streets for a total cost of \$155,701.
- The Fire Department is trying to systematically allocate funds to reserve so it can make a sizeable down payment on a new pumper-tanker estimated at \$430,000.
- The Fire Department received \$28,368 in CARES Act Grant Funding.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

- The Smith-Kimball Community Center has restructured the operations of the community center to help reduce operating costs. They would like to systematically increase community events and allocate funds for preventative maintenance of the building.
- The Electric Fund is in the early phases of planning for the replacement of the 1960's Transformer One. The project is anticipated to cost about \$3.2 million.
- The Electric sales came in 3 percent or \$76,977 higher than budgeted.
- The Sewer Fund revenues came in as budgeted despite concerns about decreased sales from Covid-19.
- The Sewer Fund Capital Improvement Fund debt service was proactively amended to interest only to reduce costs in case sales were down.
- Water Fund Sales came in about 7 percent or \$22,346 below budgeted amount.
- The Water Fund Capital Improvement Fund debt service was proactively amended to interest only to reduce costs in case sales were down.
- The Water and Sewer Fund rates have been systematically increased the last few years to help generate adequate revenue to fund the replacement of key components of the plant.

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, 2021, amounts to \$6,736,960 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment, roads, and other infrastructure. The net decrease in the Village's investment in capital assets for the current fiscal year was \$395,983.

Major capital assets purchased during the current fiscal year were:

Machinery, equipment, and furnishings	\$ 121,016
Utility systems	48,758
Land improvements	8,567
Infrastructure	189,904

VILLAGE OF CLINTON, MICHIGAN'S CAPITAL ASSETS

	Governmental Activities	Business-type Activities	2021	2020
Capital Assets:				
Land	\$ 285,152	\$ 30,645	\$ 315,797	\$ 315,797
Land improvements	364,537		364,537	385,541
Buildings	303,094		303,094	302,825
Equipment and furnishings	609,098		609,098	687,786
Infrastructure	702,323		702,323	695,226
Software		40,173	40,173	
Utility systems		4,401,938	4,401,938	4,745,768
Total	\$ 2,264,204	\$ 4,472,756	\$ 6,736,960	\$ 7,132,943

Additional information on the Village's capital assets can be found in Note 3 C on pages 28-29.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

Long-term debt. At the end of the current fiscal year, the Village had total bonded and note debt outstanding of \$1,125,000.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2021</u>	<u>2020</u>
General Obligation Bonds	\$ 0	\$ 0	\$ 0	\$ 0
Revenue Bonds		1,125,000	1,125,000	1,340,000
Total	<u>\$ 0</u>	<u>\$ 1,125,000</u>	<u>\$ 1,125,000</u>	<u>\$ 1,340,000</u>

Additional information on the Village's long-term debt can be found in Note 3 E on page 31 of this report.

Economic Factors and Next Year's Budgets and Rates

Even though the taxable value of real property increased by one percent, the Village is still concerned about the slow economic recovery in the State of Michigan and the possible negative ramifications on the 2021-22 budget from the State's elimination of personal property taxes. Adjusting for the non-recurring items as discussed in the budgetary highlights section above, the Village has adopted a similar budget to the 2020-21 fiscal year.

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, 2021
WITH COMPARATIVE TOTALS FOR MARCH 31, 2020**

	Governmental Activities	Business-Type Activities	Total		Component Unit Downtown Development Authority
			2021	2020	
ASSETS:					
Cash	\$ 1,581,438	\$ 794,373	\$ 2,375,811	\$ 1,842,989	\$ 139,126
Investments	3,028,615	1,016,185	4,044,800	3,979,473	
Accounts receivable (net)	100,431	339,520	439,951	456,836	
Prepaid expenses	35,987	23,205	59,192	59,898	
Internal balances	300,308	(300,308)			
Internal balances - advances	728,832	(728,832)			
Internal balances - component unit	(1,588)		(1,588)	(1,588)	1,588
Advance to component units	358,990		358,990	384,589	(358,989)
Inventory		118,158	118,158	130,221	
Restricted assets:					
Investments in joint venture		1,470,905	1,470,905	1,446,331	
Capital assets:					
Assets not subject to depreciation	285,152	30,645	315,797	315,797	
Assets subject to depreciation	1,979,052	4,442,111	6,421,163	6,817,146	265,934
Total assets	8,397,217	7,205,962	15,603,179	15,431,692	47,659
Deferred outflows of resources					
Deferred pension amounts	170,167		170,167	249,027	
Total assets and deferred outflows of resources	\$ 8,567,384	\$ 7,205,962	\$ 15,773,346	\$ 15,680,719	\$ 47,659
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 39,503	\$ 184,890	\$ 224,393	\$ 187,481	\$ 538
Customer deposits		64,253	64,253	58,980	
Accrued sick and vacation pay - current	30,907		30,907	28,003	
Noncurrent liabilities:					
Due within one year					
Net pension liability	(52,972)		(52,972)	200,741	
Due in more than one year	50,700	1,208,820	1,259,520	1,468,143	
Total liabilities	68,138	1,457,963	1,526,101	1,943,348	538
Deferred inflows of resources					
Deferred pension amounts					
NET POSITION:					
Invested in capital assets, net of related debt	2,264,204	2,618,924	4,883,128	5,064,111	(93,055)
Restricted for:					
Investment in joint venture		1,470,905	1,470,905	1,446,331	
Highways and streets	681,093		681,093	588,503	
Public safety	395,833		395,833	335,799	
Culture and recreation	113,029		113,029	108,547	
Permanent funds	3,653,856		3,653,856	3,667,671	
Unrestricted	1,391,231	1,658,170	3,049,401	2,526,409	140,176
Total net position	8,499,246	5,747,999	14,247,245	13,737,371	47,121
Total liabilities, deferred inflows of resources and net position	\$ 8,567,384	\$ 7,205,962	\$ 15,773,346	\$ 15,680,719	\$ 47,659

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020**

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	Governmental Activities	Primary Government		Downtown Development Authority	
						Business-Type Activities	Total		
						2021	2020		
Governmental activities:									
General government	\$ 319,329	\$	\$	\$	\$ (319,329)	\$ (319,329)	\$ (322,943)	\$	
Public safety	757,388	42,480			(714,908)	(714,908)	(689,146)		
Culture and recreation	160,624	(270)			(160,894)	(160,894)	(142,084)		
Sanitation	162,283	160,035			(2,248)	(2,248)	(1,170)		
Highways and streets	390,319				(390,319)	(390,319)	(399,786)		
Interest on long-term debt	5,093				(5,093)	(5,093)	(6,766)		
Total governmental activities	<u>1,795,036</u>	<u>202,245</u>			<u>(1,592,791)</u>	<u>(1,592,791)</u>	<u>(1,561,895)</u>		
Business-type activities:									
Electric Fund	2,823,782	2,959,174				135,392	135,392	76,660	
Water Fund	303,550	296,652				(6,898)	(6,898)	440	
Sewer Fund	834,173	797,930				(36,243)	(36,243)	(9,090)	
Total business-type activities	<u>3,961,505</u>	<u>4,053,756</u>				<u>92,251</u>	<u>92,251</u>	<u>68,010</u>	
Total government	<u>\$ 5,756,541</u>	<u>\$ 4,256,001</u>	<u>\$</u>	<u>\$</u>	<u>(1,592,791)</u>	<u>92,251</u>	<u>(1,500,540)</u>	<u>(1,493,885)</u>	
Component unit:									
Downtown development authority	<u>37,864</u>							<u>(37,864)</u>	
Total component unit	<u>\$ 37,864</u>							<u>(37,864)</u>	
General revenues:									
Property taxes					796,858	796,858	719,549	68,123	
Intergovernmental					532,672	532,672	538,524		
Licenses, fees, and fines					68,485	68,485	75,533		
Investment earnings					57,307	39,121	96,428	277,248	
Miscellaneous revenues					420,904	26,896	447,800	501,365	
Cares act funding					68,171	68,171		2,390	
Intragovernmental transfers					40,000	(40,000)		-	
Transfer from component unit					-	-	34,870	-	
Total general revenues and transfers					<u>1,984,397</u>	<u>26,017</u>	<u>2,010,414</u>	<u>2,147,089</u>	
Change in net position					391,606	118,268	509,874	653,204	
Total net position - beginning					<u>8,107,640</u>	<u>5,629,731</u>	<u>13,737,371</u>	<u>13,084,167</u>	
Total net position - ending					<u>\$ 8,499,246</u>	<u>\$ 5,747,999</u>	<u>\$ 14,247,245</u>	<u>\$ 13,737,371</u>	

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR MARCH 31, 2020**

				<u>Permanent Funds</u>		Other Governmental Funds	<u>Total Governmental Funds</u>	
	General	Major Street	Fire Department	Robison Trust	Capital Improvement Tate Park		2021	2020
ASSETS:								
Cash	\$ 635,409	\$ 308,095	\$ 172,319	\$	\$	\$ 185,333	\$ 1,301,156	\$ 1,076,734
Investments	308,588		225,968	975,535	1,509,553	8,971	3,028,615	2,972,631
Receivables:								
Accounts (net)	36,199					1,664	37,863	33,315
Due from other funds		306,559				18,537	325,096	324,332
Due from other governmental units	17,194	32,952				12,422	62,568	63,947
Due from component unit	6,655						6,655	6,655
Advance to other funds				728,832	80,946		809,778	844,684
Advance from component unit					358,990		358,990	384,589
Prepaid expense	25,013	118	8,657			2,199	35,987	26,939
Total assets	<u>\$ 1,029,058</u>	<u>\$ 647,724</u>	<u>\$ 406,944</u>	<u>\$ 1,704,367</u>	<u>\$ 1,949,489</u>	<u>\$ 229,126</u>	<u>\$ 5,966,708</u>	<u>\$ 5,733,826</u>
LIABILITIES:								
Accounts payable	\$ 16,362	\$	\$ 508	\$	\$	\$ 381	\$ 17,251	\$ 3,418
Accrued expenditures	16,123	372	1,946			837	19,278	12,265
Deferred revenue								
Due to other funds	24,596					192	24,788	19,402
Due to component unit	1,588						1,588	1,588
Advance from other funds		80,946					80,946	115,852
Accrued sick and vacation pay	30,540						30,540	27,699
Total liabilities	<u>89,209</u>	<u>81,318</u>	<u>2,454</u>			<u>1,410</u>	<u>174,391</u>	<u>180,224</u>
FUND BALANCES:								
Nonspendable	25,013	118	8,657			2,199	35,987	26,939
Restricted		566,288	395,833	1,704,367	1,949,489	225,517	4,841,494	4,698,203
Unassigned	914,836						914,836	828,460
Total fund balance	<u>939,849</u>	<u>566,406</u>	<u>404,490</u>	<u>1,704,367</u>	<u>1,949,489</u>	<u>227,716</u>	<u>5,792,317</u>	<u>5,553,602</u>
Total liabilities & fund balance	<u>\$ 1,029,058</u>	<u>\$ 647,724</u>	<u>\$ 406,944</u>	<u>\$ 1,704,367</u>	<u>\$ 1,949,489</u>	<u>\$ 229,126</u>	<u>\$ 5,966,708</u>	<u>\$ 5,733,826</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, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	2021	2020
Total governmental fund balances	\$ 5,792,317	\$ 5,553,602
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	2,264,204	2,356,530
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.	(50,700)	(46,327)
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	644,551	625,854
Internal service fund net capital assets are included in the general capital asset adjustment above.	(374,265)	(430,305)
Net internal service fund position added to governmental activities	270,286	195,549
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds:		
Deferred outflows related to the net pension liability	170,167	249,027
Deferred inflows related to the net pension liability	52,972	(200,741)
Net pension liability	52,972	(200,741)
Net differences	2,706,929	2,554,038
Total net position of governmental activities	\$ 8,499,246	\$ 8,107,640

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, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	Permanent Funds					Total Other Governmental Funds	Total Governmental Funds	
	General	Major Street	Fire Department	Robison Trust	Tate Park Capital Improvement		2021	2020
REVENUES:								
Property taxes	\$ 731,592	\$	\$	\$	\$	\$ 65,266	\$ 796,858	\$ 719,548
Intergovernmental revenues	282,155	182,029				68,488	532,672	538,524
Operating grants							-	
Capital grants							-	
Licenses, fees and charges for services	228,250		42,480				270,730	286,299
Rentals	12,770					378	13,148	17,756
Interest	5,659	589	5,189	31,427	47,184	488	90,536	115,556
Other	49,021		190,809			50	239,880	216,905
Realized gain (loss) on investment				920	1,112		2,032	(4,103)
Unrealized gain (loss) on investment				(13,940)	(21,321)		(35,261)	106,929
Total revenues	1,309,447	182,618	238,478	18,407	26,975	134,670	1,910,595	1,997,414
EXPENDITURES:								
Current:								
General government	352,513			4,663	5,245		362,421	437,354
Public safety	544,229		206,811				751,040	716,829
Culture and recreation	73,091					61,525	134,616	165,673
Sanitation	162,283						162,283	151,896
Highways and streets		69,942				294,656	364,598	207,173
Debt service:								
Principal						-	-	35,000
Interest		5,093				-	5,093	7,422
Total expenditures	1,132,116	75,035	206,811	4,663	5,245	356,181	1,780,051	1,721,347
Excess (deficiency) of revenues over (under) expenditures	177,331	107,583	31,667	13,744	21,730	(221,511)	130,544	276,067
Other financing sources (uses):								
Sale of equipment								
Cares act funding	39,803		28,368				68,171	-
Transfers in	49,289	40,000				249,000	338,289	267,173
Transfers out	(171,000)	(78,000)		(40,000)	(9,289)		(298,289)	(172,303)
Total other financing sources (uses)	(81,908)	(38,000)	28,368	(40,000)	(9,289)	249,000	108,171	94,870
Change in fund balances	95,423	69,583	60,035	(26,256)	12,441	27,489	238,715	370,937
Total fund balances - beginning	844,426	496,823	344,455	1,730,623	1,937,048	200,227	5,553,602	5,182,665
Total fund balances - ending	\$ 939,849	\$ 566,406	\$ 404,490	\$ 1,704,367	\$ 1,949,489	\$ 227,716	\$ 5,792,317	\$ 5,553,602

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, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020**

	2021	2020
Change in fund balances total governmental funds	\$ 238,715	\$ 370,937
<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	258,000	180,024
Depreciation amounted to	<u>(350,322)</u>	<u>(315,052)</u>
Net adjustment for capital related activities for the year	(92,322)	(135,028)
<p>The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.</p>		
Debt incurred during current year		
Less: principal repayment	-	35,000
<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 interest - net	-	656
Accrued long-term sick and vacation pay - net effect	(4,374)	(7,502)
<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>		
	74,737	202,677
<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>174,850</u>	<u>97,578</u>
Change in net position of governmental activities	<u><u>\$ 391,606</u></u>	<u><u>\$ 564,318</u></u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR MARCH 31, 2020

	Business-type Activities			Total		Governmental
	Enterprise Funds					Proprietary Funds
	Electric Fund	Water Fund	Sewer Fund	2021	2020	Service Fund
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 567,292	\$ 170,661	\$ 56,420	\$ 794,373	\$ 562,485	\$ 280,282
Investments	837,419	46,046	132,720	1,016,185	1,006,842	
Accounts receivable (net)	231,682	22,717	85,121	339,520	359,574	
Due from other funds	6,997			6,997		
Prepaid expenses	13,672	4,952	4,581	23,205	32,959	
Inventory	118,158			118,158	130,221	
Total current assets	<u>1,775,220</u>	<u>244,376</u>	<u>278,842</u>	<u>2,298,438</u>	<u>2,092,081</u>	<u>280,282</u>
Noncurrent assets:						
Investment in joint venture	1,470,905			1,470,905	1,446,331	
Capital assets:						
Land	17,496	3,000	10,149	30,645	30,645	
Buildings	574,927	322,499	5,860,181	6,757,607	6,747,168	
Utility systems	1,853,493	1,419,053	775,464	4,048,010	4,048,010	
Equipment/trucks	1,253,463	132,276	331,943	1,717,682	1,665,548	1,131,882
Software		17,460	22,713	40,173		
Construction in progress						
Accumulated depreciation	(3,228,241)	(926,995)	(3,966,125)	(8,121,361)	(7,714,958)	(757,617)
Total capital assets - net	<u>471,138</u>	<u>967,293</u>	<u>3,034,325</u>	<u>4,472,756</u>	<u>4,776,413</u>	<u>374,265</u>
Total noncurrent assets	<u>1,942,043</u>	<u>967,293</u>	<u>3,034,325</u>	<u>5,943,661</u>	<u>6,222,744</u>	<u>374,265</u>
Total assets	<u>\$ 3,717,263</u>	<u>\$ 1,211,669</u>	<u>\$ 3,313,167</u>	<u>\$ 8,242,099</u>	<u>\$ 8,314,825</u>	<u>\$ 654,547</u>
LIABILITIES:						
Current Liabilities:						
Accounts payable	\$ 148,795	\$ 36	\$ 8,305	\$ 157,136	146,169	\$ 1,711
Accrued expenses	20,591	1,015	6,148	27,754	24,367	1,263
Due to other funds	299,530	5,400	2,375	307,305	304,930	6,655
Advance payable to other funds		580,980	147,852	728,832	728,832	
Total current liabilities	<u>468,916</u>	<u>587,431</u>	<u>164,680</u>	<u>1,221,027</u>	<u>1,204,298</u>	<u>9,629</u>
Current liabilities payable from restricted assets:						
Customer deposits	64,253			64,253	58,980	
Noncurrent liabilities:						
Accrued sick and vacation pay	55,402	8,039	20,379	83,820	81,816	367
SRF loan payable			1,125,000	1,125,000	1,340,000	
Total liabilities	<u>588,571</u>	<u>595,470</u>	<u>1,310,059</u>	<u>2,494,100</u>	<u>2,685,094</u>	<u>9,996</u>
NET POSITION:						
Invested in capital assets, net of related debt	471,138	386,313	1,761,473	2,618,924	2,707,581	374,265
Restricted for joint venture	1,470,905			1,470,905	1,446,331	
Unrestricted	1,186,649	229,886	241,635	1,658,170	1,475,819	270,286
Total net position	<u>3,128,692</u>	<u>616,199</u>	<u>2,003,108</u>	<u>5,747,999</u>	<u>5,629,731</u>	<u>644,551</u>
Total liabilities and net position	<u>\$ 3,717,263</u>	<u>\$ 1,211,669</u>	<u>\$ 3,313,167</u>	<u>\$ 8,242,099</u>	<u>\$ 8,314,825</u>	<u>\$ 654,547</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	Business-type Activities			Total		Governmental
	Enterprise Funds			Proprietary Funds		Activities
	Electric Fund	Water Fund	Sewer Fund	2021	2020	Internal Service Fund
Operating revenue:						
Metered sales	\$ 2,951,977	\$ 296,654	\$ 797,934	\$ 4,046,565	\$ 3,897,814	\$
Penalties and service charges	7,197	(2)	(4)	7,191	49,734	
Miscellaneous	19,782	1,200	133	21,115	15,122	200
Rentals	5,781			5,781	6,884	167,675
Total operating revenues	2,984,737	297,852	798,063	4,080,652	3,969,554	167,875
Operating expenses:						
Light plant	12,119			12,119	96,725	
Purchased power	1,815,085			1,815,085	1,672,084	
Administrative	285,376	44,714	40,025	370,115	367,946	
Electric distribution system	593,507			593,507	595,045	
Water distribution		197,652		197,652	187,472	
Collection system			14,679	14,679	17,115	
Sewer treatment plant			465,737	465,737	457,828	
Depreciation	70,962	49,233	286,208	406,403	391,156	67,906
Professional services	46,733	3,236	3,531	53,500	44,046	
Equipment operation and maintenance						81,272
Total operating expenses	2,823,782	294,835	810,180	3,928,797	3,829,417	149,178
Operating income (loss)	160,955	3,017	(12,117)	151,855	140,137	18,697
Nonoperating revenues (expenses):						
Income from joint venture	24,574			24,574	13,699	
Interest income	9,147	1,620	3,780	14,547	45,167	
Interest expense		(8,715)	(23,993)	(32,708)	(50,121)	
Total nonoperating revenues (expenses)	33,721	(7,095)	(20,213)	6,413	8,745	
Net income (loss) before transfers	194,676	(4,078)	(32,330)	158,268	148,882	18,697
Transfers in						
Transfers out	(40,000)			(40,000)	(60,000)	
Change in net position	154,676	(4,078)	(32,330)	118,268	88,882	18,697
Total net position - beginning	2,974,016	620,277	2,035,438	5,629,731	5,540,849	625,854
Total net position - ending	\$ 3,128,692	\$ 616,199	\$ 2,003,108	\$ 5,747,999	\$ 5,629,731	\$ 644,551

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, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	<u>Business-type Activities</u>			<u>Total</u>		<u>Governmental</u>
	<u>Enterprise Funds</u>					<u>Proprietary Funds</u>
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>2021</u>	<u>2020</u>	<u>Service Fund</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>			
Cash flows from operating activities:						
Cash received from customers	\$ 3,003,704	\$ 301,835	\$ 795,167	\$ 4,100,706	\$ 3,921,596	\$
Cash received for interfund services provided						167,875
Cash paid to suppliers and employees	(2,654,327)	(241,229)	(518,013)	(3,413,569)	(3,382,749)	(79,497)
Cash paid for interfund services received	(48,000)	(7,000)	(8,000)	(63,000)	(53,050)	
Net cash provided by (used in) operating activities	<u>301,377</u>	<u>53,606</u>	<u>269,154</u>	<u>624,137</u>	<u>485,797</u>	<u>88,378</u>
Cash flows from noncapital financing activities:						
SRF loan proceeds (payment)			(215,000)	(215,000)	(210,000)	
Transfer from (to) other funds	(40,000)			(40,000)	(60,000)	
Advance proceeds (payment)		-	-	-	10,632	
Net cash provided by (used in) noncapital financing activities	<u>(40,000)</u>	<u>-</u>	<u>(215,000)</u>	<u>(255,000)</u>	<u>(259,368)</u>	
Cash flows from investing activities:						
Purchase of capital assets	(25,222)	(23,161)	(54,365)	(102,748)	(254,188)	(11,866)
Sale of capital assets						
Sale (Purchase) of investments	(7,440)	35	(1,938)	(9,343)	(18,041)	
Interest received	2,150	1,620	3,780	7,550	45,167	
Interest expense		(8,715)	(23,993)	(32,708)	(50,121)	
Net cash provided by (used in) investing activities	<u>(30,512)</u>	<u>(30,221)</u>	<u>(76,516)</u>	<u>(137,249)</u>	<u>(277,183)</u>	<u>(11,866)</u>
Net increase (decrease) in cash and cash equivalents	230,865	23,385	(22,362)	231,888	(50,754)	76,512
Cash and cash equivalents at beginning of year	<u>336,427</u>	<u>147,276</u>	<u>78,782</u>	<u>562,485</u>	<u>613,239</u>	<u>203,770</u>
Cash and cash equivalents at end of year	<u>\$ 567,292</u>	<u>\$ 170,661</u>	<u>\$ 56,420</u>	<u>\$ 794,373</u>	<u>\$ 562,485</u>	<u>\$ 280,282</u>

Change in investment in joint venture of \$24,574 is a noncash transaction and does not effect cash flow in Electric Fund.

**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, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Business-type Activities</u>			<u>Total</u>		<u>Governmental</u>
	<u>Enterprise Funds</u>					
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>2021</u>	<u>2020</u>	<u>Service Fund</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>			
Net operating (loss) income	\$ 160,955	\$ 3,017	\$ (12,117)	\$ 151,855	\$ 140,137	\$ 18,697
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	70,962	49,233	286,208	406,403	391,156	67,906
(Increase) decrease in:						
Receivables	18,967	3,983	(2,896)	20,054	(47,958)	
Prepaid expenses	9,753			9,753	(10,343)	
Inventory	12,063			12,063	12,195	
Increase (decrease) in:						
Accrued expenses and other liabilities	17,075	(480)	(2,243)	14,352	2,671	1,712
Accrued leave	6,329	(2,147)	(2,173)	2,009	(2,488)	63
Customer deposits	5,273			5,273	427	
Due to other funds			2,375	2,375		
Net cash provided by (used in) operating activities	<u>\$ 301,377</u>	<u>\$ 53,606</u>	<u>\$ 269,154</u>	<u>\$ 624,137</u>	<u>\$ 485,797</u>	<u>\$ 88,378</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2021

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, 2021

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 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.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Receivables and payables (Continued)

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 2021. The Village's maximum allowable millage is 12.50 mills. It also levied .98 mills for the Smith-Kimball Community Center.

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

3. Inventory

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

4. Capital Assets

Capital assets, which include property, building, equipment, and infrastructure assets (e.g., road, storm sewers and utility systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2021**

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, 2021, the Village incurred expenditures in the major governmental funds in excess of the amounts appropriated by function as follows:

	Actual	Budget	Variance
General Fund:			
Administration	\$ 110,893	\$ 110,875	\$ 18
Insurance	17,591	15,000	2,591
Police department	527,304	229,500	297,804
 Fire Department:			
Wages	104,825	86,000	18,825
Communications	5,204	4,500	704
Insurance	14,513	12,800	1,713
Utilities	6,579	6,000	579

NOTE 3. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

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

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

The Village is also subject to custodial credit risk, having 41% of investments with Old National Bank, 1% with TLC Community Credit Union, 4% with Premier Bank, 43% with Comerica Bank, and 11% with Arbor Trust. All demand deposits are with Comerica Bank.

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

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Primary Government Deposits

At year end, the bank value of deposits amounted to \$2,557,759. Of this amount \$250,000 was covered by Federal Depository Insurance and \$2,307,759 was uninsured and uncollateralized. At certain times of the year, especially when property taxes are being collected, the Village's uncollateralized deposits increase significantly; as a result, the amounts of uncollateralized deposits at those times were higher. All deposits are with banks located in Michigan as required by statutes. Of the uninsured and uncollateralized deposits, \$2,128,916 are invested in government backed securities.

At year end, bank balances, net of checks written but not cleared, as recorded in the financial statements were \$2,375,811, including restricted cash accounts. Of that amount, \$266,730 was in cash and checking accounts; and \$2,109,081 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 \$139,126 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 \$3,909,516 at year end of which \$798,484 is covered by Federal Depository Insurance. Investments consist of:

Certificates of Deposit and Money Market Funds	Balance March 31, 2021
General Fund	\$ 308,612
Fire Fund	90,438
Smith-Kimball Community Center Fund	9,041
Electric Fund	837,038
Sewer Fund	132,738
Water Fund	46,561
Managed Accounts at Old National Bank	Current Yield
Village of Clinton Robison Trust	2.50 975,536
John F. Robison Tate Park	2.41 1,509,552
	\$ 3,909,516

Bond securities in the managed accounts are quality rated AA.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

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:

	General	Major Streets	Local Streets	Community Center	Electric Fund	Water Fund	Sewer Fund	Total
Accounts Receivable:								
Taxes	\$ 16,972	\$	\$	\$ 1,664	\$	\$	\$	\$ 18,636
Accounts	19,227				231,682	22,717	85,121	358,747
Intergovernmental	17,194	32,952	12,422					62,568
Gross receivables	53,393	32,952	12,422	1,664	231,682	22,717	85,121	439,951
Less: allowance for uncollectible accounts								
Net accounts receivable	<u>\$ 53,393</u>	<u>\$ 32,952</u>	<u>\$ 12,422</u>	<u>\$ 1,664</u>	<u>\$ 231,682</u>	<u>\$ 22,717</u>	<u>\$ 85,121</u>	<u>\$ 439,951</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended March 31, 2021, 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	889,220	8,567		897,787
Buildings	1,420,900	30,817		1,451,717
Equipment, machinery and furnishings	3,533,284	28,710		3,561,994
Infrastructure	5,543,228	189,904		5,733,132
Depreciable capital assets	11,386,632	257,998		11,644,630
Less accumulated depreciation for:				
Land improvements	(503,680)	(29,570)		(533,250)
Buildings	(1,118,074)	(30,548)		(1,148,622)
Equipment, machinery and furnishings	(2,845,498)	(107,398)		(2,952,896)
Infrastructure	(4,848,002)	(182,808)		(5,030,810)
Total accumulated depreciation	(9,315,254)	(350,324)		(9,665,578)
Total net capital assets being depreciated	2,071,378	(92,326)		1,979,052
Governmental activities net capital assets	<u>\$ 2,356,530</u>	<u>\$ (92,326)</u>	<u>\$</u>	<u>\$ 2,264,204</u>
	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities:				
Assets not being depreciated:				
Land	\$ 30,645	\$	\$	\$ 30,645
Construction in process				
Total assets not being depreciated	30,645			30,645
Capital assets, being depreciated:				
Buildings	6,747,166	10,440		6,757,606
Equipment	1,665,548	52,133		1,717,681
Software		40,173		40,173
Utility systems	4,048,011			4,048,011
Depreciable capital assets	12,460,725	102,746		12,563,471
Less accumulated depreciation for:				
Buildings	(3,759,214)	(254,852)		(4,014,066)
Equipment	(1,326,796)	(49,216)		(1,376,012)
Software		(4,687)		(4,687)
Utility systems	(2,628,947)	(97,648)		(2,726,595)
Total accumulated depreciation	(7,714,957)	(406,403)		(8,121,360)
Total net capital assets being depreciated	4,745,768	(303,657)		4,442,111
Business-type activities net capital assets	<u>\$ 4,776,413</u>	<u>\$ (303,657)</u>	<u>\$</u>	<u>\$ 4,472,756</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

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	\$ 28,026
Public safety	59,555
Culture and recreation	52,549
Highways and streets	210,194
Total depreciation - governmental activities	\$ 350,324
 Business-type activities:	
Buildings	\$ 254,852
Equipment	49,216
Software	4,687
Utility	97,648
Total depreciation - business-type activities	\$ 406,403

Discretely presented component unit:

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated:				
Land improvements	\$ 602,249	\$	\$	\$ 602,249
Less accumulated depreciation for:				
Land improvements	(316,749)	(19,566)		(336,315)
DDA net capital assets	\$ 285,500	\$(19,566)	\$ 0	\$ 265,934

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

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.

<u>Receivable Fund</u>	<u>Interfund Receivable</u>	<u>Payable Fund</u>	<u>Interfund Payable</u>
Major Street	\$ 9,237	General	\$ 9,237
Local Street	3,737	General	3,737
Smith-Kimball Community Center	7,000	General	7,000
Electric	4,622	General	4,622
Electric	2,375	Sewer	2,375
General	6,655	Equipment	6,655
Major Street	192	Local Street	192
Major Street	295,630	Electric	295,630
Major Street	1,500	Water	1,500
Local Street	3,900	Electric	3,900
Local Street	3,900	Water	3,900
	<u>338,748</u>		<u>338,748</u>
Total	<u>\$ 338,748</u>	Total	<u>\$ 338,748</u>

Advance to/from other funds:

Robison Trust	\$ 580,980	Water Fund	\$ 580,980
Robison Trust	147,852	Sewer Fund	147,852
Tate Park Trust	80,946	Major Street	80,946
		Downtown Development	
Tate Park Trust	<u>358,990</u>	Authority	<u>358,990</u>
Total	<u>\$ 1,168,768</u>	Total	<u>\$ 1,168,768</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.

<u>Receivable Entity</u>		<u>Payable Entity</u>	
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, 2021**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term debt

Debt related to business-type activities

The Village of Clinton has issued bonds (Village of Clinton Sewage Disposal System Revenue Bond, Series 2008) for the purpose of funding a new sewer plant. The amount of the issue is \$4,000,000 at an interest rate of 1.625%. Under a purchase contract, the Michigan Municipal Bond Authority has acquired all the bonds, and is paying the bond proceeds through the State Water Pollution Control Revolving Fund, commonly known as State Revolving Fund (SRF). Funds are disbursed from the State on a construction cost reimbursement basis. The outstanding debt balance at March 31, 2021, was \$1,125,000.

Annual Debt Service requirements to maturity are projected as follows:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 0	\$ 9,141
2023	220,000	16,494
2024	220,000	12,919
2025	225,000	9,303
2026	230,000	5,606
2027	<u>230,000</u>	<u>1,868</u>
	<u>\$ 1,125,000</u>	<u>\$ 55,331</u>

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2021:

	<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, 2020	\$ 1,340,000	\$ 128,144	\$ 1,468,144	\$
Principal payment	(215,000)		(215,000)	
Increase in accrued employee benefits		6,382	6,382	
Long-term debt at March 31, 2021	<u>\$ 1,125,000</u>	<u>\$ 134,526</u>	<u>\$ 1,259,526</u>	<u>\$</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

F. Advance (loan) to other funds

The Capital Improvement Tate Park Fund has loaned money for road construction to the Major Street Fund in the amount of \$294,130. The outstanding balance of the loan as of March 31, 2021, is \$80,946. This loan is to be repaid over ten years, with final maturity March 31, 2023. The loan bears interest at a rate of 4.75%. The annual debt service requirements are as follows:

Year Ending March 31	Principal	Interest
2022	\$ 36,584	\$ 3,415
2023	44,362	1,658
	\$ 80,946	\$ 5,073

In 2012 the Village constructed Well Five for a cost of \$357,095, 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 \$580,980, which is amortized over 16 years at 2.75%.

The loan is due November 1, 2035. The annual debt service requirements are as follows:

Year Ending March 31	Principal	Interest
2022	\$ 24,691	\$ 15,309
2023	25,374	14,626
2024	26,077	13,923
2025	26,799	13,201
2026	33,582	12,418
2027-2036	426,310	64,574
Total	\$ 562,833	\$ 134,051

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

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, 2021, the advance balance was \$147,852.

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

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 25,889	\$ 2,121
2023	26,279	1,731
2024	26,674	1,336
2025	29,071	934
2026	31,020	481
2027	<u>8,919</u>	<u>67</u>
Total	<u>\$147,852</u>	<u>\$ 6,670</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, 2021**

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

	<u>2020 Valuation</u>	<u>2019 Valuation</u>
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	8.00%	8.00%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

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

	<u>2020 Valuation</u>	<u>2019 Valuation</u>
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

	<u>2020 Valuation</u>	<u>2019 Valuation</u>
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

	<u>2020 Valuation</u>	<u>2019 Valuation</u>
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, 2021

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

At the December 31, 2020, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	20
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>17</u>
	<u>38</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, 2020, totaled \$241,311.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2020, 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, 2020, 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: 7.35%, net of investment expense, including inflation

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

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

Pre-retirement mortality:

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

Non-disabled retired plan members and beneficiaries:

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

Disabled retired plan members:

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

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	\$ 6,277,982	\$ 6,054,077	\$ 223,905
Changes for the Year			
Service cost	116,163		116,163
Interest on total pension liability	466,436		466,436
Changes in benefits			
Difference between expected and actual experience	54,091		54,091
Changes in assumptions	177,210		177,210
Employer contributions		241,311	(241,311)
Employee contributions		84,175	(84,175)
Net investment income		777,505	(777,505)
Benefit payments, including employee refunds	(397,487)	(397,487)	
Administrative expense		(12,214)	12,214
Other changes			
Net changes	416,413	693,290	(276,877)
Balances as of December 31, 2020	<u>\$ 6,694,395</u>	<u>\$ 6,747,367</u>	<u>\$ (52,972)</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 7.6%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.6%) or 1% higher (8.6%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	Net Pension Liability at December 31, 2020	\$ (52,972)	\$ (52,972)
Change in Net Pension Liability	727,593		(616,444)
Net Pension Liability	<u>\$ 674,621</u>	<u>\$ (52,972)</u>	<u>\$ (669,416)</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended December 31, 2020, the employer recognized pension expense of \$112,726. The employer reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 14,010	\$
Differences in assumptions	223,859	
Excess (Deficit) investment returns	(145,930)	
Contributions subsequent to the measurement date	78,228	
Total	\$ 170,167	\$

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

2022	\$ 138,488
2023	128,745
2024	(45,771)
2025	(51,295)
	\$ 170,167

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE 6. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY

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

<u>Municipality</u>	<u>Percentage Share</u>
Clinton	7.8%
Coldwater	53.1%
Hillsdale	19.1%
Marshall	17.2%
Union City	2.8%
	<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, 2020.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021**

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

A summary of financial information on Michigan South Central Power Agency at June 30, 2020 and 2019 follows:

	<u>2020</u>	<u>2019</u>
Total assets and deferred outflows	\$ 29,920,499	\$ 48,448,455
Total liabilities and deferred inflows	<u>11,090,027</u>	<u>25,534,410</u>
Net position	18,830,472	22,914,045
Operating revenues	49,415,564	52,454,104
Operating expenses	<u>48,581,322</u>	<u>51,509,331</u>
Income from operations	834,242	944,773
Investment and miscellaneous income	112,761	263,893
Other income (expense)	(3,656,901)	(3,254,446)
Realized and unrealized gain (loss) on investments	126,325	249,553
Member equity refund	<u>(1,500,000)</u>	
Change in net position	<u>\$ (4,083,573)</u>	<u>\$ (1,796,227)</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 \$1,704,367. 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 \$1,949,489. 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, 2021

NOTE 10. CARES ACT

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

Coronavirus Relief Local Government Grants (CRLGG):	\$ 6,187
First Responder Hazard Pay Premiums (FRHPPP):	29,000
Public Safety Payroll Reimbursement (PSPHPR):	<u>32,984</u>
Total grants received:	<u>\$ 68,171</u>

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

NOTE 11. COVID-19 PANDEMIC:

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

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 23, 2021. No events have occurred from March 31, 2021, through August 23, 2021, 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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability				
Service cost	\$ 116,163	\$ 100,521	\$ 102,309	\$ 93,879
Interest	466,436	440,157	451,727	430,698
Changes of benefit terms		2,170	(2,358)	(4,599)
Difference between expected and actual experience	54,091	(24,571)	(57,095)	63,317
Changes of assumptions	177,210	181,904		
Benefit payments including employee refunds	(397,487)	(373,281)	(324,199)	(325,106)
Other	23,169		(2)	
Net Change in total pension liability	<u>439,582</u>	<u>326,900</u>	<u>170,382</u>	<u>258,189</u>
Total pension liability beginning	<u>6,254,815</u>	<u>5,927,915</u>	<u>5,757,533</u>	<u>5,499,344</u>
Total pension liability ending	<u><u>\$ 6,694,397</u></u>	<u><u>\$ 6,254,815</u></u>	<u><u>\$ 5,927,915</u></u>	<u><u>\$ 5,757,533</u></u>
 Plan Fiduciary Net Position				
Contributions-employer	241,311	230,892	206,763	163,881
Contributions-employee	84,175	79,110	69,624	55,881
Net Investment income	777,505	734,075	(223,960)	675,928
Benefit payments including employee refunds	(397,487)	(373,281)	(324,199)	(325,106)
Administrative expense	(12,214)	(12,645)	(11,042)	(10,701)
Net change in plan fiduciary net position	<u>693,290</u>	<u>658,151</u>	<u>(282,814)</u>	<u>559,883</u>
Plan fiduciary net position beginning	<u>6,054,077</u>	<u>5,395,926</u>	<u>5,678,740</u>	<u>5,118,857</u>
Plan fiduciary net position ending	<u><u>6,747,367</u></u>	<u><u>6,054,077</u></u>	<u><u>5,395,926</u></u>	<u><u>5,678,740</u></u>
 Employer net pension liability (Asset)	<u><u>\$ (52,970)</u></u>	<u><u>\$ 200,738</u></u>	<u><u>\$ 531,989</u></u>	<u><u>\$ 78,793</u></u>
 Plan fiduciary net position as a percentage of the Total pension liability	<u>101%</u>	<u>97%</u>	<u>91%</u>	<u>99%</u>
 Covered Employee Payroll	1,119,028	1,011,402	968,182	909,538
Employer's net pension liability as a percentage of covered employee payroll	<u>-5%</u>	<u>20%</u>	<u>55%</u>	<u>9%</u>

See independent auditors' report

**VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
DECEMBER 31, 2020**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contributions	\$ 36,192	\$ 31,667	\$ 26,845	\$ 20,406	\$ 6,130	\$ 1,026	\$	\$	\$	\$ 18,201	\$ 143,649
Contributions in relation to the actuarially determined contribution	241,311	230,893	206,763	163,881	128,680	94,340	69,691	44,827	45,227	83,143	143,649
Contribution deficiency (excess)	<u>\$ (205,119)</u>	<u>\$ (199,226)</u>	<u>\$ (179,918)</u>	<u>\$ (143,475)</u>	<u>\$ (122,550)</u>	<u>\$ (93,314)</u>	<u>\$ (69,691)</u>	<u>\$ (44,827)</u>	<u>\$ (45,227)</u>	<u>\$ (64,942)</u>	<u>\$</u>
Covered employee payroll	1,119,028	1,011,402	968,182	909,538	898,796	874,360	548,950	520,734	553,705	509,679	535,947
Contributions as a percentage of covered employee payroll	22%	23%	21%	18%	14%	11%	13%	9%	8%	16%	27%

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

See independent auditors' report

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 676,670	\$ 676,670	\$ 731,592	\$ 54,922
Intergovernmental revenue	284,420	284,420	282,155	(2,265)
Licenses, fees, and service charges	245,350	245,350	228,250	(17,100)
Rentals	12,800	12,800	12,770	(30)
Interest	12,000	12,000	5,659	(6,341)
Other	146,295	146,295	49,021	(97,274)
Total revenues	<u>1,377,535</u>	<u>1,377,535</u>	<u>1,309,447</u>	<u>(68,088)</u>
EXPENDITURES:				
General government:				
Council	23,300	23,300	20,231	3,069
Administration	110,875	110,875	110,893	(18)
Buildings and grounds	281,810	281,810	188,769	93,041
Planning commission	9,770	9,770	1,442	8,328
Professional service	20,300	20,300	13,587	6,713
Insurance	15,000	15,000	17,591	(2,591)
Total general government	<u>461,055</u>	<u>461,055</u>	<u>352,513</u>	<u>108,542</u>
Public safety:				
Police department	229,500	229,500	527,304	(297,804)
Building and zoning inspection	19,450	19,450	16,925	2,525
Total public safety	<u>248,950</u>	<u>248,950</u>	<u>544,229</u>	<u>(295,279)</u>
Sanitation:				
Waste collection and disposal	164,000	164,000	162,283	1,717
Culture - recreation				
Parks	98,740	98,740	73,091	25,649
Total culture-recreation	<u>98,740</u>	<u>98,740</u>	<u>73,091</u>	<u>25,649</u>
Debt Service:				
Principal	290,460	290,460	-	290,460
Interest	22,500	22,500	-	22,500
Total debt service	<u>312,960</u>	<u>312,960</u>	<u>-</u>	<u>312,960</u>
Total expenditures	<u>1,285,705</u>	<u>1,285,705</u>	<u>1,132,116</u>	<u>153,589</u>
Excess (deficiency) of revenues (under) expenditures	<u>91,830</u>	<u>91,830</u>	<u>177,331</u>	<u>85,501</u>
Other financing sources (uses):				
CARES Act funding			39,803	39,803
Transfers in	80,000	80,000	49,289	(30,711)
Transfers out	(171,830)	(171,830)	(171,000)	830
Total other financing sources (uses)	<u>(91,830)</u>	<u>(91,830)</u>	<u>(81,908)</u>	<u>9,922</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>95,423</u>	<u>95,423</u>
Total fund balances - beginning			<u>844,426</u>	
Total fund balances - ending			<u>\$ 939,849</u>	

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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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 193,000	\$ 193,000	\$ 182,029	\$ (10,971)
Interest			589	589
Total revenues	<u>193,000</u>	<u>193,000</u>	<u>182,618</u>	<u>(10,382)</u>
EXPENDITURES:				
Routine maintenance	93,290	93,290	47,970	45,320
Traffic service	7,430	7,430	5,822	1,608
Winter maintenance	13,430	13,430	10,097	3,333
Administrative	6,710	6,710	6,053	657
Total expenditures	<u>120,860</u>	<u>120,860</u>	<u>69,942</u>	<u>50,918</u>
Excess (deficiency) of revenues over (under) expenditures	72,140	72,140	112,676	40,536
Other financing sources (uses):				
Debt service	(40,020)	(40,020)	(5,093)	34,927
Transfers in (out)	(7,980)	(7,980)	(38,000)	(30,020)
Net change in fund balance	<u>24,140</u>	<u>24,140</u>	69,583	<u>45,443</u>
Total fund balances - beginning			<u>496,823</u>	
Total fund balances - ending			<u>\$ 566,406</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 71,000	\$ 71,000	\$ 68,488	\$ (2,512)
Interest			175	175
Total revenues	<u>71,000</u>	<u>71,000</u>	<u>68,663</u>	<u>(2,337)</u>
EXPENDITURES:				
Routine maintenance	282,590	282,590	261,366	21,224
Traffic service	6,930	6,930	5,822	1,108
Winter maintenance	22,850	22,850	21,760	1,090
Administrative	6,710	6,710	5,708	1,002
Total expenditures	<u>319,080</u>	<u>319,080</u>	<u>294,656</u>	<u>24,424</u>
Excess (deficiency) of revenues over (under) expenditures	(248,080)	(248,080)	(225,993)	22,087
Other financing sources:				
Transfers in	<u>248,080</u>	<u>248,080</u>	<u>249,000</u>	<u>920</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>23,007</u>	<u>23,007</u>
Total fund balances - beginning			<u>91,680</u>	
Total fund balances - ending			<u>\$ 114,687</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Miscellaneous	\$	\$	\$ 190,809	\$ 190,809
Township contributions	41,480	41,480	42,480	1,000
Operating grants	3,500	3,500	-	(3,500)
Capital grants			-	-
Interest	800	800	5,189	4,389
Total revenues	<u>45,780</u>	<u>45,780</u>	<u>238,478</u>	<u>192,698</u>
EXPENDITURES:				
Wages	86,000	86,000	104,825	(18,825)
Benefits	12,000	12,000	9,733	2,267
Supplies	29,500	29,500	22,204	7,296
Professional fees	1,680	1,680	1,411	269
Communications	4,500	4,500	5,204	(704)
Workshops	9,000	9,000	3,558	5,442
Gas and oil	3,000	3,000	1,438	1,562
Insurance	12,800	12,800	14,513	(1,713)
Utilities	6,000	6,000	6,579	(579)
Equipment maintenance	7,000	7,000	4,449	2,551
Truck maintenance	19,000	19,000	17,802	1,198
Building maintenance	7,000	7,000	355	6,645
Capital outlay	19,000	19,000	14,740	4,260
Total expenditures	<u>216,480</u>	<u>216,480</u>	<u>206,811</u>	<u>9,669</u>
Excess (deficiency) of revenues (under) expenditures	<u>(170,700)</u>	<u>(170,700)</u>	<u>31,667</u>	<u>202,367</u>
Other financing sources (uses):				
Cares act funding	<u>-</u>	<u>-</u>	<u>28,368</u>	<u>28,368</u>
Net change in fund balance	<u><u>(170,700)</u></u>	<u><u>(170,700)</u></u>	<u>60,035</u>	<u><u>230,735</u></u>
Total fund balances - beginning			<u>344,455</u>	
Total fund balances - ending			<u><u>\$ 404,490</u></u>	

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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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 59,760	\$ 59,760	\$ 65,266	\$ 5,506
Miscellaneous	100	100	50	(50)
Rentals	5,000	5,000	378	(4,622)
Interest	200	200	313	113
Total revenues	<u>65,060</u>	<u>65,060</u>	<u>66,007</u>	<u>947</u>
EXPENDITURES:				
Community Center expenses	<u>75,250</u>	<u>75,250</u>	<u>61,525</u>	<u>13,725</u>
Total expenditures	<u>75,250</u>	<u>75,250</u>	<u>61,525</u>	<u>13,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,190)</u>	<u>(10,190)</u>	<u>4,482</u>	<u>14,672</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(10,190)</u>	<u>(10,190)</u>	4,482	<u>14,672</u>
Total fund balances - beginning			<u>108,547</u>	
Total fund balances - ending			<u>\$ 113,029</u>	

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OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2021
WITH COMPARATIVE TOTALS FOR MARCH 31, 2020**

	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds	
			2021	2020
ASSETS:				
Cash	\$ 91,221	\$ 94,112	\$ 185,333	\$ 158,106
Investments		8,971	8,971	8,701
Receivables:				
Accounts		1,664	1,664	2,705
Due from other funds	11,537	7,000	18,537	18,362
Due from other governmental units	12,422		12,422	12,346
Prepaid expense	81	2,118	2,199	2,199
Total assets	<u>\$ 115,261</u>	<u>\$ 113,865</u>	<u>\$ 229,126</u>	<u>\$ 202,419</u>
LIABILITIES:				
Accounts payable	\$	\$ 381	\$ 381	\$ 863
Accrued expenditures	382	455	837	1,137
Due to other funds	192		192	192
Total liabilities	<u>574</u>	<u>836</u>	<u>1,410</u>	<u>2,192</u>
FUND BALANCES:				
Nonspendable	81	2,118	2,199	2,199
Restricted	114,606	110,911	225,517	198,028
Total fund balance	<u>114,687</u>	<u>113,029</u>	<u>227,716</u>	<u>200,227</u>
Total liabilities & fund balance	<u>\$ 115,261</u>	<u>\$ 113,865</u>	<u>\$ 229,126</u>	<u>\$ 202,419</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, 2021
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2020

	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds	
			2021	2020
REVENUES:				
Property taxes	\$	\$ 65,266	\$ 65,266	\$ 60,409
Intergovernmental revenues	68,488		68,488	68,973
Rentals		378	378	4,986
Interest	175	313	488	760
Other		50	50	50
Total revenues	<u>68,663</u>	<u>66,007</u>	<u>134,670</u>	<u>135,178</u>
EXPENDITURES:				
Current:				
Culture and recreation		61,525	61,525	56,804
Highways and streets	294,656		294,656	156,813
Debt service:				
Principal			-	35,000
Interest			-	728
Total expenditures	<u>294,656</u>	<u>61,525</u>	<u>356,181</u>	<u>249,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,993)</u>	<u>4,482</u>	<u>(221,511)</u>	<u>(114,167)</u>
Other financing sources (uses):				
Transfers in	<u>249,000</u>		<u>249,000</u>	<u>138,420</u>
Total other financing sources (uses)	<u>249,000</u>		<u>249,000</u>	<u>138,420</u>
Change in fund balances	23,007	4,482	27,489	24,253
Total fund balances - beginning	<u>91,680</u>	<u>108,547</u>	<u>200,227</u>	<u>175,974</u>
Total fund balances - ending	<u>\$ 114,687</u>	<u>\$ 113,029</u>	<u>\$ 227,716</u>	<u>\$ 200,227</u>

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