

VILLAGE OF CLINTON, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020
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, 2020, 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, 2020, 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, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 12, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, 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 - 48 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 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

September 18, 2020

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

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, 2020. 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 \$13,737,370 (*net position*). Of this amount, \$2,862,207 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The Village's total net position increased \$653,199.
- ◆ As of the close of the current year, the Village's governmental funds reported combined ending fund balances of \$5,733,826, an increase of \$370,936; compared with an increase of \$379,166 in the prior year.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$828,460, or 68% percent of total general fund expenditures.
- ◆ During the year ended March 31, 2020, Michigan South Central Power Agency reported a decrease in overall net position of \$1,796,227. This included a member equity refund of \$2,758,346. The result was an increase in the Village's proportionate share of the income of \$13,699.

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, 2020**

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 43-48 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, 2020**

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 \$13,737,370 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net position (37 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	2020	2019
Assets:				
Current and other assets	\$ 5,794,099	\$ 2,504,650	\$ 8,298,749	\$ 7,981,065
Capital Assets	2,356,530	4,776,413	7,132,943	7,135,999
Total assets	8,150,629	7,281,063	15,431,692	15,117,064
Deferred outflows of resources	249,027	-	249,027	482,701
Total assets & deferred outflows	<u>\$ 8,399,656</u>	<u>\$ 7,281,063</u>	<u>\$ 15,680,719</u>	<u>\$ 15,599,765</u>
Liabilities:				
Long term liabilities outstanding	\$ 247,068	\$ 1,421,816	\$ 1,668,884	\$ 2,240,118
Other liabilities	44,948	229,516	274,464	275,476
Total Liabilities	292,016	1,651,332	1,943,348	2,515,594
Deferred inflows of resources	-	-	-	-
Net Position:				
Invested in capital assets, net of related debt	2,356,530	2,707,581	5,064,111	4,832,799
Restricted	4,700,520	1,446,331	6,146,851	5,798,517
Unrestricted	1,050,590	1,475,819	2,526,409	2,452,855
Total Net Position	8,107,640	5,629,731	13,737,371	13,084,171
Total liabilities, deferred inflows and net position	<u>\$ 8,399,656</u>	<u>\$ 7,281,063</u>	<u>\$ 15,680,719</u>	<u>\$ 15,599,765</u>

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

VILLAGE OF CLINTON, MICHIGAN'S CHANGE OF NET POSITION

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2020</u>	<u>2019</u>
Revenues:				
Program revenues:				
Charge for services	\$ 210,766	\$ 3,947,548	\$ 4,158,314	\$ 4,219,472
Operating grants				128,135
Capital grants				118,240
General revenues:				
Property taxes	719,549		719,549	728,025
Intergovernmental	538,524		538,524	503,777
License fees and fines	75,533		75,533	71,398
Investment earnings	218,381	58,866	277,247	354,513
Miscellaneous revenue	479,355	22,006	501,361	296,174
Total revenues	<u>\$ 2,242,108</u>	<u>4,028,420</u>	<u>6,270,528</u>	<u>6,419,734</u>
Expenses:				
General government	322,943		322,943	387,357
Public safety	730,426		730,426	815,578
Culture and recreation	160,844		160,844	167,952
Sanitation	151,896		151,896	113,105
Highways and streets	399,786		399,786	286,243
Interest on long-term debt	6,766		6,766	10,181
Electric		2,754,650	2,754,650	2,828,587
Water		299,841	299,841	275,387
Sewer		825,047	825,047	753,595
Total expenses	<u>1,772,661</u>	<u>3,879,538</u>	<u>5,652,199</u>	<u>5,637,985</u>
Increase (decrease) in net position before transfers	469,447	148,882	618,329	781,749
Transfer (to) from component unit	34,870		34,870	37,336
Transfers	60,000	(60,000)		
Change in net position	<u>564,317</u>	<u>88,882</u>	<u>653,199</u>	<u>819,085</u>
Net position - beginning of year	<u>7,543,322</u>	<u>5,540,845</u>	<u>13,084,167</u>	<u>12,265,086</u>
Net position - end of year	<u>\$ 8,107,639</u>	<u>\$ 5,629,727</u>	<u>\$ 13,737,366</u>	<u>\$ 13,084,171</u>

An additional portion of the Village's net position (45 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$2,526,408 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, 2020**

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 \$5,553,602, an increase of \$370,936 in comparison with the prior year. Restricted fund balance of \$4,698,203 is not available for new spending since it already is committed. Permanent (Trusts) fund money \$3,667,671 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 \$828,460.

The fund balance of the Village of Clinton, Michigan's general fund increased by \$35,990 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 \$1,475,819. The total increase in net position for the funds was \$88,882.

Budgetary Highlights

- In Local Streets the Village spent \$105,197 on preventative maintenance. Most of that money was spent on chip sealing to help prolong the life of the streets.
- The Village milled and overlaid Jackson Road last fiscal year and is saving funds to mill and over lay Oak Tree and Edward J Streets next fiscal year.
- 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 \$425,000. The Village submitted a grant application to help fund the truck.
- The DDA made the final payment of \$35,728 on the 2003 Streetscape debt service.
- Last fiscal year the DDA acquired a second property to expand the Church Street Parking Lot. This fiscal year, the DDA demolished a house, expanded the Church Street Parking Lot and reconstructed the South Alley. That project is termed the South Alley Project. The debt service of \$384,589 includes the cost of the two homes, demolition, and construction of the South Alley and expanding the Church Street Parking Lot. That debt is structured over ten years at 2.75 percent.
- 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 million.
- 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.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

- The Equipment Fund spent \$262,286 in Capital to replace a 1994 dump truck, a backhoe and a police car. The dump truck was partially funded with a CMAQ Grant.

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, 2020, amounts to \$7,132,943 (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 \$3,056.

Major capital assets purchased during the current fiscal year were:

Machinery, equipment, and furnishings	\$ 444,590
Utility systems	48,758
Land improvements	134,797
Buildings	279,795

VILLAGE OF CLINTON, MICHIGAN'S CAPITAL ASSETS

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2020</u>	<u>2019</u>
Capital Assets:				
Land	\$ 285,152	\$ 30,645	\$ 315,797	\$ 520,583
Land improvements	385,541		385,541	277,957
Buildings	302,825		302,825	319,078
Equipment and furnishings	687,786		687,786	468,828
Infrastructure	695,226		695,226	871,601
Utility systems		4,745,768	4,745,768	4,677,952
Total	<u>\$ 2,356,530</u>	<u>\$ 4,776,413</u>	<u>\$ 7,132,943</u>	<u>\$ 7,135,999</u>

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

Long-term debt. At the end of the current fiscal year, the Village had total bonded and note debt outstanding of \$1,340,000.

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2020</u>	<u>2019</u>
General Obligation Bonds	\$ 0	\$ 0	\$ 0	\$ 35,000
Revenue Bonds		1,340,000	1,340,000	1,550,000
Total	<u>\$ 0</u>	<u>\$ 1,340,000</u>	<u>\$ 1,340,000</u>	<u>\$ 1,585,000</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 2020-21 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 2019-20 fiscal year.

**VILLAGE OF CLINTON, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2020**

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, 2020
WITH COMPARATIVE TOTALS FOR MARCH 31, 2019

	Governmental Activities	Business-Type Activities	Total		Component Unit Downtown Development Authority
			2020	2019	
ASSETS:					
Cash	\$ 1,280,504	\$ 562,485	\$ 1,842,989	\$ 1,776,468	\$ 91,741
Investments	2,972,631	1,006,842	3,979,473	4,007,388	
Accounts receivable (net)	97,262	359,574	456,836	389,549	
Prepaid expenses	26,939	32,959	59,898	48,751	
Internal balances	304,930	(304,930)			
Internal balances - advances	728,832	(728,832)			
Internal balances - component unit	(1,588)		(1,588)	(1,588)	21,822
Advance to component units	384,589		384,589	185,449	(384,589)
Inventory		130,221	130,221	142,416	
Restricted assets:					
Investments in joint venture		1,446,331	1,446,331	1,432,632	
Capital assets:					
Assets not subject to depreciation	285,152	30,645	315,797	520,583	
Assets subject to depreciation	2,071,378	4,745,768	6,817,146	6,615,416	285,498
Total assets	8,150,629	7,281,063	15,431,692	15,117,064	14,472
Deferred outflows of resources					
Deferred pension amounts	249,027		249,027	482,701	
Total assets and deferred outflows of resources	\$ 8,399,656	\$ 7,281,063	\$ 15,680,719	\$ 15,599,765	\$ 14,472
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 16,945	\$ 170,536	\$ 187,481	\$ 191,476	\$
Customer deposits		58,980	58,980	58,553	
Accrued sick and vacation pay - current	28,003		28,003	25,447	
Noncurrent liabilities:					
Due within one year				35,000	
Net pension liability	200,741		200,741	531,989	
Due in more than one year	46,327	1,421,816	1,468,143	1,673,129	
Total liabilities	292,016	1,651,332	1,943,348	2,515,594	
Deferred inflows of resources					
Deferred pension amounts					
NET POSITION:					
Invested in capital assets, net of related debt	2,356,530	2,707,581	5,064,111	4,832,799	(99,091)
Restricted for:					
Investment in joint venture		1,446,331	1,446,331	1,432,632	
Highways and streets	588,503		588,503	442,648	
Public safety	335,799		335,799	275,732	
Culture and recreation	108,547		108,547	99,704	
Debt service				858	
Permanent funds	3,667,671		3,667,671	3,546,943	
Unrestricted	1,050,590	1,475,819	2,526,409	2,452,855	113,563
Total net position	8,107,640	5,629,731	13,737,371	13,084,171	14,472
Total liabilities, deferred inflows of resources and net position	\$ 8,399,656	\$ 7,281,063	\$ 15,680,719	\$ 15,599,765	\$ 14,472

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019**

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		
						2020	2019		
Governmental activities:									
General government	\$ 322,943	\$	\$	\$	\$ (322,943)	\$ (322,943)	\$ (387,357)	\$	
Public safety	730,426	41,280			(689,146)	(689,146)	(522,433)		
Culture and recreation	160,844	18,760			(142,084)	(142,084)	(139,917)		
Sanitation	151,896	150,726			(1,170)	(1,170)	6,500		
Highways and streets	399,786				(399,786)	(399,786)	(286,243)		
Interest on long-term debt	6,766				(6,766)	(6,766)	(10,181)		
Total governmental activities	1,772,661	210,766			(1,561,895)	(1,561,895)	(1,339,631)		
Business-type activities:									
Electric Fund	2,754,650	2,831,310				76,660	191,449		
Water Fund	299,841	300,281				440	(2,490)		
Sewer Fund	825,047	815,957				(9,090)	(21,466)		
Total business-type activities	3,879,538	3,947,548				68,010	167,493		
Total government	\$ 5,652,199	\$ 4,158,314	\$	\$	(1,561,895)	68,010	(1,493,885)	(1,172,138)	
Component unit:									
Downtown development authority	244,130							(244,130)	
Total component unit	\$ 244,130							(244,130)	
General revenues:									
Property taxes					719,549	719,549	728,025	66,936	
Intergovernmental					538,524	538,524	503,777		
Licenses, fees, and fines					75,533	75,533	71,398		
Investment earnings					218,382	58,866	277,248	354,513	
Miscellaneous revenues					479,355	22,006	501,361	3,622	
Intragovernmental transfers					60,000	(60,000)		-	
Transfer from component unit					34,870		37,336	(34,870)	
Total general revenues and transfers					2,126,213	20,872	2,147,085	1,991,223	
Change in net position					564,318	88,882	653,200	819,085	
Total net position - beginning					7,543,322	5,540,845	13,084,167	12,265,086	
Total net position - ending					\$ 8,107,640	\$ 5,629,727	\$ 13,737,367	\$ 13,084,171	

See accompanying notes to the financial statements

**VILLAGE OF CLINTON, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2020
WITH COMPARATIVE TOTALS FOR MARCH 31, 2019**

	<u>Permanent Funds</u>				<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
	<u>General</u>	<u>Major Street</u>	<u>Fire Department</u>	<u>Robison Trust</u>		<u>Capital Improvement Tate Park</u>	<u>2020</u>	<u>2019</u>
ASSETS:								
Cash	\$ 528,638	\$ 274,211	\$ 115,779	\$	\$	\$ 158,106	\$ 1,076,734	\$ 897,089
Investments	304,424		221,108	1,001,791	1,436,607	8,701	2,972,631	3,018,590
Receivables:								
Accounts (net)	30,610					2,705	33,315	17,350
Due from other funds		305,970				18,362	324,332	321,539
Due from other governmental units	18,853	32,748				12,346	63,947	60,583
Due from component unit	6,655						6,655	-
Advance to other funds				728,832	115,852		844,684	867,358
Advance from component unit					384,589		384,589	185,449
Prepaid expense	15,966	118	8,656			2,199	26,939	26,135
Total assets	<u>\$ 905,146</u>	<u>\$ 613,047</u>	<u>\$ 345,543</u>	<u>\$ 1,730,623</u>	<u>\$ 1,937,048</u>	<u>\$ 202,419</u>	<u>\$ 5,733,826</u>	<u>\$ 5,394,093</u>
LIABILITIES:								
Accounts payable	\$ 1,971	\$	\$ 584	\$	\$	\$ 863	\$ 3,418	\$ 11,748
Accrued expenditures	10,252	372	504			1,137	12,265	9,946
Deferred revenue								
Due to other funds	19,210					192	19,402	16,609
Due to component unit	1,588						1,588	1,588
Advance from other funds		115,852					115,852	149,158
Accrued sick and vacation pay	27,699						27,699	22,383
Total liabilities	<u>60,720</u>	<u>116,224</u>	<u>1,088</u>			<u>2,192</u>	<u>180,224</u>	<u>211,432</u>
FUND BALANCES:								
Nonspendable	15,966	118	8,656			2,199	26,939	26,135
Restricted		496,705	335,799	1,730,623	1,937,048	198,028	4,698,203	4,363,620
Unassigned	828,460						828,460	792,906
Total fund balance	<u>844,426</u>	<u>496,823</u>	<u>344,455</u>	<u>1,730,623</u>	<u>1,937,048</u>	<u>200,227</u>	<u>5,553,602</u>	<u>5,182,661</u>
Total liabilities & fund balance	<u>\$ 905,146</u>	<u>\$ 613,047</u>	<u>\$ 345,543</u>	<u>\$ 1,730,623</u>	<u>\$ 1,937,048</u>	<u>\$ 202,419</u>	<u>\$ 5,733,826</u>	<u>\$ 5,394,093</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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019

	2020	2019
Total governmental fund balances	\$ 5,553,602	\$ 5,182,661
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds:	2,356,530	2,222,616
Accrued interest payable on long term debt is recognized in governmental funds when paid and not when accrued.	-	(656)
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.	(46,327)	(38,825)
Loan indebtedness is recognized in the governmental funds when paid and not when accrued.	-	(35,000)
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	625,854	467,947
Internal service fund net capital assets are included in the general capital asset adjustment above.	(430,305)	(206,133)
Net internal service fund position added to governmental activities	195,549	261,814
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	249,027	482,701
Deferred inflows related to the net pension liability	(200,741)	(531,989)
Net pension liability	(200,741)	(531,989)
Net differences	2,554,038	2,360,661
Total net position of governmental activities	\$ 8,107,640	\$ 7,543,322

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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019

	General	Major Street	Fire Department	Permanent Funds		Total Other Governmental Funds	Total Governmental Funds	
				Robison Trust	Tate Park Capital Improvement		2020	2019
REVENUES:								
Property taxes	\$ 659,139	\$	\$	\$	\$	\$ 60,409	\$ 719,548	\$ 728,025
Intergovernmental revenues	286,594	182,957				68,973	538,524	503,777
Operating grants							-	128,135
Capital grants							-	118,240
Licenses, fees and charges for services	245,019		41,280				286,299	265,808
Rentals	12,770					4,986	17,756	17,974
Interest	11,261	2,235	5,251	50,818	45,231	760	115,556	94,968
Other	18,295		198,560			50	216,905	222,203
Realized gain (loss) on investment				(1,631)	(2,472)		(4,103)	(3,493)
Unrealized gain (loss) on investment				13,981	92,948		106,929	53,986
Total revenues	1,233,078	185,192	245,091	63,168	135,707	135,178	1,997,414	2,129,623
EXPENDITURES:								
Current:								
General government	427,960			4,057	5,337		437,354	313,884
Public safety	532,116		184,713				716,829	933,565
Culture and recreation	108,869					56,804	165,673	160,713
Sanitation	151,896						151,896	113,105
Highways and streets		50,360				156,813	207,173	280,968
Debt service:								
Principal						35,000	35,000	35,000
Interest		6,694				728	7,422	10,558
Total expenditures	1,220,841	57,054	184,713	4,057	5,337	249,345	1,721,347	1,847,793
Excess (deficiency) of revenues over (under) expenditures	12,237	128,138	60,378	59,111	130,370	(114,167)	276,067	281,830
Other financing sources (uses):								
Sale of equipment								
Transfers in	88,753	40,000				138,420	267,173	222,801
Transfers out	(65,000)	(38,550)		(46,453)	(22,300)		(172,303)	(125,465)
Total other financing sources (uses)	23,753	1,450		(46,453)	(22,300)	138,420	94,870	97,336
Change in fund balances	35,990	129,588	60,378	12,658	108,070	24,253	370,937	379,166
Total fund balances - beginning	808,436	367,235	284,077	1,717,965	1,828,978	175,974	5,182,665	4,803,495
Total fund balances - ending	\$ 844,426	\$ 496,823	\$ 344,455	\$ 1,730,623	\$ 1,937,048	\$ 200,227	\$ 5,553,602	\$ 5,182,661

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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019**

	2020	2019
Change in fund balances total governmental funds	\$ 370,937	\$ 379,166
<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	180,024	346,324
Depreciation amounted to	(315,052)	(292,364)
Net adjustment for capital related activities for the year	(135,028)	53,960
<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	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	377
Accrued long-term sick and vacation pay - net effect	(7,502)	14,247
<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>		
	202,677	90,326
<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	97,578	(84,000)
Change in net position of governmental activities	\$ 564,318	\$ 489,076

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2020
WITH COMPARATIVE TOTALS FOR MARCH 31, 2019

	Business-type Activities			Total Proprietary Funds		Governmental
	Enterprise Funds					2020
	Electric Fund	Water Fund	Sewer Fund	2019		
ASSETS:						
Current assets:						
Cash and cash equivalents	\$ 336,427	\$ 147,276	\$ 78,782	\$ 562,485	\$ 613,239	\$ 203,770
Investments	829,980	46,080	130,782	1,006,842	988,798	
Accounts receivable (net)	250,649	26,700	82,225	359,574	311,616	
Prepaid expenses	23,425	4,953	4,581	32,959	22,616	
Inventory	130,221			130,221	142,416	
Total current assets	1,570,702	225,009	296,370	2,092,081	2,078,685	203,770
Noncurrent assets:						
Investment in joint venture	1,446,331			1,446,331	1,432,632	
Capital assets:						
Land	17,496	3,000	10,149	30,645	30,645	
Buildings	574,927	322,499	5,849,742	6,747,168	6,480,871	
Utility systems	1,853,493	1,419,053	775,464	4,048,010	3,999,253	
Equipment/trucks	1,228,241	126,576	310,731	1,665,548	1,521,627	1,120,015
Construction in progress					204,786	
Accumulated depreciation	(3,157,279)	(877,762)	(3,679,917)	(7,714,958)	(7,323,799)	(689,710)
Total capital assets - net	516,878	993,366	3,266,169	4,776,413	4,913,383	430,305
Total noncurrent assets	1,963,209	993,366	3,266,169	6,222,744	6,346,015	430,305
Total assets	\$ 3,533,911	\$ 1,218,375	\$ 3,562,539	\$ 8,314,825	\$ 8,424,700	\$ 634,075
LIABILITIES:						
Current Liabilities:						
Accounts payable	\$ 134,049	\$ 515	\$ 11,605	\$ 146,169	145,071	\$ 1,262
Accrued expenses	18,261	1,015	5,091	24,367	22,793	
Due to other funds	299,530	5,400		304,930	304,930	6,655
Advance payable to other funds		580,980	147,852	728,832	718,200	
Total current liabilities	451,840	587,910	164,548	1,204,298	1,190,994	7,917
Current liabilities payable from restricted assets:						
Customer deposits	58,980			58,980	58,553	
Noncurrent liabilities:						
Accrued sick and vacation pay	49,075	10,188	22,553	81,816	84,304	304
SRF loan payable			1,340,000	1,340,000	1,550,000	
Total liabilities	559,895	598,098	1,527,101	2,685,094	2,883,851	8,221
NET POSITION:						
Invested in capital assets, net of related debt	516,878	412,386	1,778,317	2,707,581	2,645,183	430,305
Restricted for joint venture	1,446,331			1,446,331	1,432,632	
Unrestricted	1,010,807	207,891	257,121	1,475,819	1,463,034	195,549
Total net position	2,974,016	620,277	2,035,438	5,629,731	5,540,849	625,854
Total liabilities and net position	\$ 3,533,911	\$ 1,218,375	\$ 3,562,539	\$ 8,314,825	\$ 8,424,700	\$ 634,075

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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019

	Business-type Activities			Total		Governmental
	Enterprise Funds					Proprietary Funds
	Electric Fund	Water Fund	Sewer Fund	2020	2019	Service Fund
Operating revenue:						
Metered sales	\$ 2,797,768	\$ 297,463	\$ 802,583	\$ 3,897,814	\$ 3,972,170	\$
Penalties and service charges	33,542	2,818	13,374	49,734	52,892	
Miscellaneous	4,913	9,295	914	15,122	6,773	89,309
Rentals	6,884			6,884	6,691	155,385
Total operating revenues	<u>2,843,107</u>	<u>309,576</u>	<u>816,871</u>	<u>3,969,554</u>	<u>4,038,526</u>	<u>244,694</u>
Operating expenses:						
Light plant	96,725			96,725	84,525	
Purchased power	1,672,084			1,672,084	1,779,857	
Administrative	282,296	51,842	33,808	367,946	357,835	
Electric distribution system	595,045			595,045	583,659	
Water distribution		187,472		187,472	162,850	
Collection system			17,115	17,115	19,541	
Sewer treatment plant			457,828	457,828	381,060	
Depreciation	69,240	41,595	280,321	391,156	383,011	44,769
Professional services	39,260	2,140	2,646	44,046	60,260	
Equipment operation and maintenance						42,017
Total operating expenses	<u>2,754,650</u>	<u>283,049</u>	<u>791,718</u>	<u>3,829,417</u>	<u>3,812,598</u>	<u>86,786</u>
Operating income (loss)	<u>88,457</u>	<u>26,527</u>	<u>25,153</u>	<u>140,137</u>	<u>225,928</u>	<u>157,908</u>
Nonoperating revenues (expenses):						
Income from joint venture	13,699			13,699	178,916	
Interest income	24,162	9,851	11,154	45,167	30,136	
Interest expense		(16,792)	(33,329)	(50,121)	(44,971)	
Total nonoperating revenues (expenses)	<u>37,861</u>	<u>(6,941)</u>	<u>(22,175)</u>	<u>8,745</u>	<u>164,081</u>	
Net income (loss) before transfers	126,318	19,586	2,978	148,882	390,009	157,908
Transfers in						
Transfers out	(60,000)			(60,000)	(60,000)	
Change in net position	66,318	19,586	2,978	88,882	330,009	157,908
Total net position - beginning	<u>2,907,698</u>	<u>600,691</u>	<u>2,032,460</u>	<u>5,540,849</u>	<u>5,210,840</u>	<u>467,946</u>
Total net position - ending	<u>\$ 2,974,016</u>	<u>\$ 620,277</u>	<u>\$ 2,035,438</u>	<u>\$ 5,629,731</u>	<u>\$ 5,540,849</u>	<u>\$ 625,854</u>

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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019

	<u>Business-type Activities</u>			<u>Total</u>		<u>Governmental</u>
	<u>Enterprise Funds</u>			<u>Proprietary Funds</u>		<u>Activities</u>
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>2020</u>	<u>2019</u>	<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>			<u>Service Fund</u>
Cash flows from operating activities:						
Cash received from customers	\$ 2,835,735	\$ 299,470	\$ 786,391	\$ 3,921,596	\$ 3,963,164	\$
Cash received for interfund services provided						220,723
Cash paid to suppliers and employees	(2,669,001)	(222,596)	(491,152)	(3,382,749)	(3,399,847)	(38,123)
Cash paid for interfund services received	(26,250)	(18,518)	(8,282)	(53,050)	(40,876)	
Net cash provided by (used in) operating activities	<u>140,484</u>	<u>58,356</u>	<u>286,957</u>	<u>485,797</u>	<u>522,441</u>	<u>182,600</u>
Cash flows from noncapital financing activities:						
SRF loan proceeds (payment)			(210,000)	(210,000)	(205,000)	
Transfer from (to) other funds	(60,000)			(60,000)	(60,000)	
Advance proceeds (payment)		30,501	(19,869)	10,632	232,207	
Net cash provided by (used in) noncapital financing activities	<u>(60,000)</u>	<u>30,501</u>	<u>(229,869)</u>	<u>(259,368)</u>	<u>(32,793)</u>	
Cash flows from investing activities:						
Purchase of capital assets	(156,834)	(55,388)	(41,966)	(254,188)	(268,736)	
Sale of capital assets						150
Sale (Purchase) of investments	(15,322)	(782)	(1,937)	(18,041)	14,881	
Interest received	24,162	9,851	11,154	45,167	30,136	
Interest expense		(16,792)	(33,329)	(50,121)	(44,971)	
Net cash provided by (used in) investing activities	<u>(147,994)</u>	<u>(63,111)</u>	<u>(66,078)</u>	<u>(277,183)</u>	<u>(268,690)</u>	<u>150</u>
Net increase (decrease) in cash and cash equivalents	(67,510)	25,746	(8,990)	(50,754)	220,958	182,750
Cash and cash equivalents at beginning of year	<u>403,937</u>	<u>121,530</u>	<u>87,772</u>	<u>613,239</u>	<u>392,281</u>	<u>266,140</u>
Cash and cash equivalents at end of year	<u>\$ 336,427</u>	<u>\$ 147,276</u>	<u>\$ 78,782</u>	<u>\$ 562,485</u>	<u>\$ 613,239</u>	<u>\$ 448,890</u>

Change in investment in joint venture of \$13,699 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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019

	<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>2020</u>	<u>2019</u>	<u>Service Fund</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>			<u>Fund</u>
Net operating (loss) income	\$ 88,457	\$ 26,527	\$ 25,153	\$ 140,137	\$ 225,928	\$ 157,908
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation	69,240	41,595	280,321	391,156	383,011	44,769
(Gain) loss on disposal of capital assets						(23,972)
(Increase) decrease in:						
Receivables	(7,372)	(10,106)	(30,480)	(47,958)	(75,362)	
Prepaid expenses	(10,055)	(171)	(117)	(10,343)	6,606	
Inventory	12,195			12,195		
Increase (decrease) in:						
Accrued expenses and other liabilities	(8,120)	(407)	11,198	2,671	4,677	
Accrued leave	(4,288)	918	882	(2,488)	(26,192)	(2,760)
Customer deposits	427			427	3,773	
Due to other funds						6,655
Net cash provided by (used in) operating activities	<u>\$ 140,484</u>	<u>\$ 58,356</u>	<u>\$ 286,957</u>	<u>\$ 485,797</u>	<u>\$ 522,441</u>	<u>\$ 182,600</u>

See accompanying notes to the financial statements

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

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, 2020**

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, 2020

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, 2020

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 9.75 for 2020. 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, 2020

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, 2020**

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, 2020, the Village incurred expenditures in the major governmental funds in excess of the amounts appropriated by function as follows:

	Actual	Budget	Variance
General Fund:			
Professional Services	\$ 16,685	\$ 11,810	\$ 4,875
Building and zoning inspection	25,268	24,950	318
 Fire Department:			
Professional fees	851	700	151
Truck Maintenance	19,877	15,000	4,877

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 44% of investments with Old National Bank, 1% with TLC Community Credit Union, 5% with First Federal Bank of Midwest, 38% with Comerica Bank, and 12% 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, 2020**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

Primary Government Deposits

At year end, the bank value of deposits amounted to \$1,993,355. Of this amount \$250,000 was covered by Federal Depository Insurance and \$1,743,355 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, \$1,610,079 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 \$1,842,989, including restricted cash accounts. Of that amount, \$205,684 was in cash and checking accounts; and \$1,637,125 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 \$91,741 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 \$3,848,205 at year end of which \$797,025 is covered by Federal Depository Insurance. Investments consist of:

Certificates of Deposit and Money Market Funds	Balance March 31, 2020
General Fund	\$ 304,917
Fire Fund	88,989
Smith-Kimball Community Center Fund	8,768
Electric Fund	829,460
Sewer Fund	131,512
Water Fund	46,161
Managed Accounts at Old National Bank	Current Yield
Village of Clinton Robison Trust	2.66 1,001,791
John F. Robison Tate Park	2.32 1,436,607
	\$ 3,848,205

Bond securities in the managed accounts are quality rated AA.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

B. Accounts receivable

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

	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Community Center</u>	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Accounts Receivable:								
Taxes	\$ 26,919	\$	\$	\$ 2,705	\$	\$	\$	\$ 29,624
Accounts	3,691				250,649	26,700	82,225	363,265
Intergovernmental	18,853	32,748	12,346					63,947
Gross receivables	49,463	32,748	12,346	2,705	250,649	26,700	82,225	456,836
Less: allowance for uncollectible accounts								
Net accounts receivable	<u>\$ 49,463</u>	<u>\$ 32,748</u>	<u>\$ 12,346</u>	<u>\$ 2,705</u>	<u>\$ 250,649</u>	<u>\$ 26,700</u>	<u>\$ 82,225</u>	<u>\$ 456,836</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital assets

Capital asset activity for the year ended March 31, 2020 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	754,423	134,797		889,220
Buildings	1,407,400	13,500		1,420,900
Equipment, machinery and furnishings	3,315,819	300,669	83,204	3,533,284
Infrastructure	5,543,228			5,543,228
Depreciable capital assets	11,020,870	448,966	83,204	11,386,632
Less accumulated depreciation for:				
Land improvements	(476,467)	(27,213)		(503,680)
Buildings	(1,088,321)	(29,753)		(1,118,074)
Equipment, machinery and furnishings	(2,846,991)	(81,711)	(83,204)	(2,845,498)
Infrastructure	(4,671,627)	(176,375)		(4,848,002)
Total accumulated depreciation	(9,083,406)	(315,052)	(83,204)	(9,315,254)
Total net capital assets being depreciated	1,937,464	133,914		2,071,378
Governmental activities net capital assets	<u>\$ 2,222,616</u>	<u>\$ 133,914</u>	<u>\$</u>	<u>\$ 2,356,530</u>
	Beginning Balance	Additions	Disposals	Ending Balance
Business-type activities:				
Assets not being depreciated:				
Land	\$ 30,645	\$	\$	\$ 30,645
Construction in process	204,786		204,786	
Total assets not being depreciated	235,431		204,786	30,645
Capital assets, being depreciated:				
Buildings	6,480,871	266,295		6,747,166
Equipment	1,521,627	143,921		1,665,548
Utility systems	3,999,253	48,758		4,048,011
Depreciable capital assets	12,001,751	458,974		12,460,725
Less accumulated depreciation for:				
Buildings	(3,510,620)	(248,594)		(3,759,214)
Equipment	(1,284,517)	(42,279)		(1,326,796)
Utility systems	(2,528,662)	(100,285)		(2,628,947)
Total accumulated depreciation	(7,323,799)	(391,158)		(7,714,957)
Total net capital assets being depreciated	4,677,952	67,816		4,745,768
Business-type activities net capital assets	<u>\$ 4,913,383</u>	<u>\$ 67,816</u>	<u>\$ 204,786</u>	<u>\$ 4,776,413</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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	\$ 25,204
Public safety	53,559
Culture and recreation	47,258
Highways and streets	189,031
Total depreciation - governmental activities	\$ 315,052
 Business-type activities:	
Utility	\$ 100,285
Total depreciation - business-type activities	\$ 100,285

Discretely presented component unit:

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2020 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets, being depreciated:				
Land improvements	\$ 306,412	\$134,872	\$137,022	\$ 304,262
Less accumulated depreciation for:				
Land improvements	(18,764)	_____	_____	(18,764)
DDA net capital assets	\$ 287,648	\$134,872	\$137,022	\$ 285,498

DDA impairment loss:

During March 2019, the DDA purchased a house on Tecumseh Street with the intention of demolishing the structure for additional parking downtown. The cost of the building, including fees and closing costs was \$147,822, of which, the value of the land was estimated to be \$10,800. As a result of this transaction, an impairment loss of \$137,022 is recorded in the DDA expense line of the government-wide statement of activities.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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	\$ 8,648	General	\$ 8,648
Local Street	3,562	General	3,562
Smith-Kimball Community Center	7,000	General	7,000
General	6,655	Equipment	6,655
Major Street	192	Local Street	192
Major Street	295,631	Electric	295,631
Major Street	1,500	Water	1,500
Local Street	3,900	Electric	3,900
Local Street	3,900	Water	3,900
Total	<u>\$ 330,988</u>	Total	<u>\$ 330,988</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	115,852	Major Street	115,852
		Downtown Development	
Tate Park Trust	<u>384,589</u>	Authority	<u>384,589</u>
Total	<u>\$ 1,229,273</u>	Total	<u>\$ 1,229,273</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, 2020**

NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term debt

Debt related to governmental activities

The Village has a general obligation debt (2003 General Obligation Limited Bond issue) which funded capital improvements. The original bond issue was \$410,000 with an interest rate at 7% and final maturity at May 1, 2019. Outstanding balance at March 31, 2020 was \$0.

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, 2020 was \$1,340,000.

Annual Debt Service requirements to maturity are projected as follows:

<u>Year Ending March 31</u>	<u>Principal</u>	<u>Interest</u>
2021	\$	\$ 10,888
2022	215,000	20,029
2023	220,000	16,494
2024	220,000	12,919
2025	225,000	9,304
2026-2027	<u>460,000</u>	<u>7,476</u>
	<u>\$ 1,340,000</u>	<u>\$ 77,110</u>

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2020:

	<u>Governmental Activities Bond Issue</u>	<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, 2019	\$ 35,000	\$ 1,550,000	\$ 123,129	\$ 1,708,129	\$
Principal payment	(35,000)	(210,000)		(245,000)	
Increase in accrued employee benefits			5,015	5,015	
Long-term debt at March 31, 2020	<u>\$ -</u>	<u>\$ 1,340,000</u>	<u>\$ 128,144</u>	<u>\$ 1,468,144</u>	<u>\$ -</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2020, is \$115,852. 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
2021	\$ 34,907	\$ 5,093
2022	36,584	3,415
2023	44,361	1,658
	\$ 115,852	\$ 10,166

The Clinton Robison Trust has loaned the Downtown Development Authority \$58,037 to purchase property (108 Tecumseh Road). The loan was to be paid over 8 years at an interest rate of 3.00%. The outstanding balance of this loan at March 31, 2020 is \$0.

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
2021	\$ 18,147	\$ 15,853
2022	24,691	15,309
2023	25,374	14,626
2024	26,077	13,923
2025	26,799	13,201
2026-2036	459,892	76,992
Total	\$ 580,980	\$ 149,904

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2020, 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:

Year Ending March 31	Principal	Interest
2021	0	2,218
2022	25,889	2,121
2023	26,279	1,731
2024	26,674	1,336
2025	29,071	934
2026-2027	39,939	548
Total	\$147,852	\$ 8,888

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, 2020**

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

	2019 Valuation	2018 Valuation
Benefit Multiplier:	2.50% Multiplier (80% Max)	2.50% Multiplier (80% Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	8.00%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

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

	2019 Valuation	2018 Valuation
Benefit Multiplier:	2.50% Multiplier (80% Max)	2.50% Multiplier (80% Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	7.50%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

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

	2019 Valuation	2018 Valuation
Benefit Multiplier:	2.00% Multiplier (No Max)	2.00% Multiplier (No Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	7.50%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

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

	2019 Valuation	2018 Valuation
Benefit Multiplier:	2.00% Multiplier (No Max)	2.00% Multiplier (No Max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced)	0	0
Early Retirement (Reduced)	50/25 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions	7.50%	7.50%
Act 88:	Yes (Adopted 12/2/1970)	Yes (Adopted 12/2/1970)

VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020

NOTE 5. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

At the December 31, 2019, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	1
Active employees	<u>16</u>
	<u>34</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, 2019, totaled \$230,893.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2019, 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, 2019 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 mortality table used to project the mortality experience of non-disabled plan members is 50% Male – 50% Female blend of the following tables:

1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is a 50% Male – 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2018	\$ 5,927,915	\$ 5,395,925	\$ 531,990
Changes for the Year			
Service cost	100,521		100,521
Interest on total pension liability	440,157		440,157
Changes in benefits	2,170		2,170
Difference between expected and actual experience	(24,571)		(24,571)
Changes in assumptions	181,904		181,904
Employer contributions		230,893	(230,893)
Employee contributions		79,110	(79,110)
Net investment income		734,075	(734,075)
Benefit payments, including employee refunds	(373,281)	(373,281)	
Administrative expense		(12,645)	12,645
Other changes			
Net changes	<u>326,900</u>	<u>658,152</u>	<u>(331,252)</u>
Balances as of December 31, 2019	<u>\$ 6,254,815</u>	<u>\$ 6,054,077</u>	<u>\$ 200,738</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, 2019	\$ 200,738	\$ 200,738
Change in Net Pension Liability	639,217		(548,419)
Net Pension Liability	<u>\$ 839,955</u>	<u>\$ 200,738</u>	<u>\$ (347,681)</u>

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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, 2019, the employer recognized pension expense of \$216,786. 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	\$ 57,645	\$
Differences in assumptions	136,428	
Excess (Deficit) investment returns	(31,145)	
Contributions subsequent to the measurement date	86,099	
Total	\$ 249,027	\$

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:

2021	\$ 125,383
2022	53,729
2023	122,215
2024	(52,300)
	\$ 249,027

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

NOTE 6. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY

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

<u>Municipality</u>	<u>Percentage Share</u>
Clinton	6.3%
Coldwater	53.9%
Hillsdale	17.3%
Marshall	20.2%
Union City	2.3%
	<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, 2018.

**VILLAGE OF CLINTON, MICHIGAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2020**

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

A summary of financial information on Michigan South Central Power Agency at June 30, 2019 and 2018 follows:

	<u>2019</u>	<u>2018</u>
Total assets and deferred outflows	\$ 48,448,455	\$ 54,034,645
Total liabilities and deferred inflows	25,534,410	29,324,373
Net position	22,914,045	24,710,272
Operating revenues	52,454,104	50,272,122
Operating expenses	<u>51,509,331</u>	<u>48,180,598</u>
Income from operations	944,773	2,091,524
Investment and miscellaneous income	263,893	819,410
Other income (expense)	(3,254,446)	(1,909,400)
Realized and unrealized gain (loss) on investments	249,553	(188,465)
Gain(loss) on disposal of assets	<u> </u>	<u>2,473,591</u>
Change in net position	<u>\$ (1,796,227)</u>	<u>\$ 3,286,660</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 \$1,730,623. 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 \$1,937,048. 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, 2020

NOTE 10. 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 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 18, 2020. No events have occurred from March 31, 2020, through September 18, 2020, 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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability				
Service cost	\$ 100,521	\$ 102,309	\$ 93,879	\$ 93,732
Interest	440,157	451,727	430,698	422,694
Changes of benefit terms	2,170	(2,358)	(4,599)	(284)
Difference between expected and actual experience	(24,571)	(57,095)	63,317	56,875
Changes of assumptions	181,904			
Benefit payments including employee refunds	(373,281)	(324,199)	(325,106)	(275,117)
Other		(2)		(12,809)
Net Change in total pension liability	<u>326,900</u>	<u>170,382</u>	<u>258,189</u>	<u>285,091</u>
Total pension liability beginning	<u>5,927,915</u>	<u>5,757,533</u>	<u>5,499,344</u>	<u>5,214,253</u>
Total pension liability ending	<u><u>\$ 6,254,815</u></u>	<u><u>\$ 5,927,915</u></u>	<u><u>\$ 5,757,533</u></u>	<u><u>\$ 5,499,344</u></u>
 Plan Fiduciary Net Position				
Contributions-employer	230,892	206,763	163,881	128,680
Contributions-employee	79,110	69,624	55,881	45,000
Net Investment income	734,075	(223,960)	675,928	534,226
Benefit payments including employee refunds	(373,281)	(324,199)	(325,106)	(275,117)
Administrative expense	(12,645)	(11,042)	(10,701)	(10,543)
Net change in plan fiduciary net position	<u>658,151</u>	<u>(282,814)</u>	<u>559,883</u>	<u>422,246</u>
Plan fiduciary net position beginning	<u>5,395,926</u>	<u>5,678,740</u>	<u>5,118,857</u>	<u>4,696,611</u>
Plan fiduciary net position ending	<u><u>6,054,077</u></u>	<u><u>5,395,926</u></u>	<u><u>5,678,740</u></u>	<u><u>5,118,857</u></u>
 Employer net pension liability (Asset)	<u><u>\$ 200,738</u></u>	<u><u>\$ 531,989</u></u>	<u><u>\$ 78,793</u></u>	<u><u>\$ 380,487</u></u>
 Plan fiduciary net position as a percentage of the Total pension liability	<u>97%</u>	<u>91%</u>	<u>99%</u>	<u>93%</u>
 Covered Employee Payroll	968,182	968,182	909,538	898,796
Employer's net pension liability as a percentage of covered employee payroll	<u>21%</u>	<u>55%</u>	<u>9%</u>	<u>42%</u>

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**VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS
DECEMBER 31, 2019**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contributions	\$ 31,667	\$ 26,845	\$ 20,406	\$ 6,130	\$ 1,026	\$	\$	\$	\$ 18,201	\$ 143,649	\$ 158,035
Contributions in relation to the actuarially determined contribution	230,893	206,763	163,881	128,680	94,340	69,691	44,827	45,227	83,143	143,649	158,035
Contribution deficiency (excess)	\$ (199,226)	\$ (179,918)	\$ (143,475)	\$ (122,550)	\$ (93,314)	\$ (69,691)	\$ (44,827)	\$ (45,227)	\$ (64,942.00)	\$	\$
Covered employee payroll	1,011,402	968,182	909,538	898,796	874,360	548,950	520,734	553,705	509,679	535,947	565,497
Contributions as a percentage of covered employee payroll	23%	21%	18%	14%	11%	13%	9%	8%	16%	27%	28%

Notes to Schedule

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

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VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 659,470	\$ 659,470	\$ 659,139	\$ (331)
Intergovernmental revenue	181,290	181,290	286,594	105,304
Licenses, fees, and service charges	243,100	243,100	245,019	1,919
Rentals	11,850	11,850	12,770	920
Interest	13,890	13,890	11,261	(2,629)
Other	18,130	18,130	18,295	165
Total revenues	<u>1,127,730</u>	<u>1,127,730</u>	<u>1,233,078</u>	<u>105,348</u>
EXPENDITURES:				
General government:				
Council	18,340	18,340	18,332	8
Administration	81,540	81,540	76,931	4,609
Buildings and grounds	302,430	302,430	297,718	4,712
Planning commission	4,720	4,720	2,522	2,198
Professional service	11,810	11,810	16,685	(4,875)
Insurance	16,200	16,200	15,772	428
Total general government	<u>435,040</u>	<u>435,040</u>	<u>427,960</u>	<u>7,080</u>
Public safety:				
Police department	551,420	551,420	506,848	44,572
Building and zoning inspection	24,950	24,950	25,268	(318)
Total public safety	<u>576,370</u>	<u>576,370</u>	<u>532,116</u>	<u>44,254</u>
Sanitation:				
Waste collection and disposal	152,000	152,000	151,896	104
Culture - recreation				
Parks	110,230	110,230	108,869	1,361
Total culture-recreation	<u>110,230</u>	<u>110,230</u>	<u>108,869</u>	<u>1,361</u>
Total expenditures	<u>1,273,640</u>	<u>1,273,640</u>	<u>1,220,841</u>	<u>52,799</u>
Excess (deficiency) of revenues (under) expenditures	<u>(145,910)</u>	<u>(145,910)</u>	<u>12,237</u>	<u>158,147</u>
Other financing sources (uses):				
Transfers in	82,300	82,300	88,753	6,453
Transfers out	(78,640)	(78,640)	(65,000)	13,640
Total other financing sources (uses)	<u>3,660</u>	<u>3,660</u>	<u>23,753</u>	<u>20,093</u>
Change in fund balance		(142,250)	35,990	178,240
Total fund balances - beginning			<u>808,432</u>	
Total fund balances - ending			<u><u>\$ 844,422</u></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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 165,000	\$ 165,000	\$ 182,957	\$ 17,957
Interest			2,235	2,235
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>185,192</u>	<u>20,192</u>
EXPENDITURES:				
Routine maintenance	44,520	44,520	32,421	12,099
Traffic service	3,990	3,990	3,906	84
Winter maintenance	15,070	15,070	10,075	4,995
Administrative	4,020	4,020	3,958	62
Total expenditures	<u>67,600</u>	<u>67,600</u>	<u>50,360</u>	<u>17,240</u>
Excess (deficiency) of revenues over (under) expenditures	97,400	97,400	134,832	37,432
Other financing sources (uses):				
Debt service	(40,020)	(40,020)	(6,694)	33,326
Transfers in (out)	1,470	1,470	1,450	(20)
Net change in fund balance			129,588	70,738
Total fund balances - beginning			<u>367,235</u>	
Total fund balances - ending			<u><u>\$ 496,823</u></u>	

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VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
LOCAL STREET SPECIAL REVENUE FUND
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
State gas weight tax	\$ 62,500	\$ 62,500	\$ 68,973	\$ 6,473
Interest			558	558
Total revenues	<u>62,500</u>	<u>62,500</u>	<u>69,531</u>	<u>7,031</u>
EXPENDITURES:				
Routine maintenance	139,530	139,530	138,312	1,218
Traffic service	3,990	3,990	3,905	85
Winter maintenance	13,540	13,540	10,746	2,794
Administrative	4,040	4,040	3,850	190
Total expenditures	<u>161,100</u>	<u>161,100</u>	<u>156,813</u>	<u>4,287</u>
Excess (deficiency) of revenues over (under) expenditures	(98,600)	(98,600)	(87,282)	11,318
Other financing sources:				
Transfers in	<u>103,550</u>	<u>103,550</u>	<u>103,550</u>	<u>-</u>
Net change in fund balance			16,268	11,318
Total fund balances - beginning			<u>75,413</u>	
Total fund balances - ending			<u><u>\$ 91,681</u></u>	

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**VILLAGE OF CLINTON, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED MARCH 31, 2020**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES:				
Debt service:				
Principal	\$ 35,000	\$ 35,000	\$ 35,000	\$
Interest	790	790	728	62
	35,790	35,790	35,728	62
Total expenditures				
Deficiency of revenues under expenditures	(35,790)	(35,790)	(35,728)	62
Other financing sources:				
Transfers in	35,790	35,790	34,870	
	35,790	35,790	34,870	
Net change in fund balance			(858)	62
Total fund balances - beginning			858	
Total fund balances - ending			\$ -	

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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Miscellaneous	\$ 181,500	\$ 181,500	\$ 195,260	\$ 13,760
Township contributions	41,280	41,280	41,280	-
Operating grants			-	-
Capital grants			-	-
Interest	700	700	5,251	4,551
Total revenues	223,480	223,480	241,791	18,311
EXPENDITURES:				
Wages	93,600	93,600	72,129	21,471
Benefits	11,980	11,980	10,655	1,325
Supplies	29,500	29,500	25,198	4,302
Professional fees	700	700	851	(151)
Communications	4,500	4,500	3,938	562
Workshops	12,100	12,100	5,242	6,858
Gas and oil	3,000	3,000	2,102	898
Insurance	13,300	13,300	13,064	236
Utilities	6,500	6,500	6,287	213
Equipment maintenance	7,000	7,000	3,295	3,705
Truck maintenance	15,000	15,000	19,877	(4,877)
Building maintenance	6,000	6,000	694	5,306
Capital outlay	24,000	24,000	21,381	2,619
Total expenditures	227,180	227,180	184,713	42,467
Excess (deficiency) of revenues (under) expenditures	(3,700)	(3,700)	57,078	60,778
Net change in fund balance			57,078	60,778
Total fund balances - beginning			284,076	
Total fund balances - ending			<u>\$ 341,154</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 59,400	\$ 59,400	\$ 60,409	\$ 1,009
Miscellaneous	400	400	50	(350)
Rentals	5,000	5,000	4,986	(14)
Interest	60	60	202	142
	<u>64,860</u>	<u>64,860</u>	<u>65,647</u>	<u>787</u>
EXPENDITURES:				
Community Center expenses	<u>93,000</u>	<u>93,000</u>	<u>56,804</u>	<u>36,196</u>
Total expenditures	<u>93,000</u>	<u>93,000</u>	<u>56,804</u>	<u>36,196</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,140)</u>	<u>(28,140)</u>	<u>8,843</u>	<u>36,983</u>
Net change in fund balance			8,843	36,983
Total fund balances - beginning			<u>99,704</u>	
Total fund balances - ending			<u><u>\$ 108,547</u></u>	

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OTHER SUPPLEMENTARY INFORMATION

**VILLAGE OF CLINTON, MICHIGAN
REQUIRED SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2020
WITH COMPARATIVE TOTALS FOR MARCH 31, 2019**

	Debt Service	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds	
				2020	2019
ASSETS:					
Cash	\$ -	\$ 68,465	\$ 89,641	\$ 158,106	\$ 136,492
Investments			8,701	8,701	8,537
Receivables:					
Accounts			2,705	2,705	1,330
Due from other funds		11,362	7,000	18,362	17,804
Due from other governmental units		12,346		12,346	11,674
Prepaid expense		81	2,118	2,199	2,128
Total assets	\$ -	\$ 92,254	\$ 110,165	\$ 202,419	\$ 177,965
LIABILITIES:					
Accounts payable	\$	\$	\$ 863	\$ 863	\$ 962
Accrued expenditures		382	755	1,137	836
Due to other funds		192		192	192
Total liabilities		574	1,618	2,192	1,990
FUND BALANCES:					
Nonspendable		81	2,118	2,199	2,128
Restricted	-	91,599	106,429	198,028	173,847
Total fund balance	-	91,680	108,547	200,227	175,975
Total liabilities & fund balance	\$ -	\$ 92,254	\$ 110,165	\$ 202,419	\$ 177,965

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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, 2020
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2019

	Debt Service	Local Streets	Community Center Fund	Total Nonmajor Governmental Funds	
				2020	2019
REVENUES:					
Property taxes	\$	\$	\$ 60,409	\$ 60,409	\$ 59,841
Intergovernmental revenues		68,973		68,973	74,452
Rentals			4,986	4,986	5,204
Interest		558	202	760	608
Other			50	50	394
Total revenues		69,531	65,647	135,178	140,499
EXPENDITURES:					
Current:					
Culture and recreation			56,804	56,804	38,534
Highways and streets		156,813		156,813	75,394
Debt service:					
Principal	35,000			35,000	35,000
Interest	728			728	2,336
Total expenditures	35,728	156,813	56,804	249,345	151,264
Excess (deficiency) of revenues over (under) expenditures	(35,728)	(87,282)	8,843	(114,167)	(10,765)
Other financing sources (uses):					
Transfers in	34,870	103,550		138,420	67,336
Total other financing sources (uses)	34,870	103,550		138,420	67,336
Change in fund balances	(858)	16,268	8,843	24,253	56,571
Total fund balances - beginning	858	75,412	99,704	175,974	119,404
Total fund balances - ending	\$ -	\$ 91,680	\$ 108,547	\$ 200,227	\$ 175,975

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