

Village of Almont

Lapeer County, Michigan

Audited Financial Report
June 30, 2021

KING & KING CPAs LLC

Marlette - Imlay City
Michigan

Village of Almont
 Annual Financial Report
 For The Fiscal Year Ended June 30, 2021

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MANAGEMENT’S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the **Village of Almont**, Michigan’s (the “Village”) financial performance provides an overview of the Village’s financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the Village’s financial statements.

Using this Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a long-term view of the Village’s finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current fiscal year and whether the taxpayers have fully funded the cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers’ resources were spent during the fiscal year, as well as how much is available for future spending. Fund financial statements also report the Village’s operations in more detail than the government-wide financial statements by providing information about the Village’s most significant funds. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government.

Condensed Financial Information

The following table shows in a condensed format, the net position as of the current fiscal year. Comparative data of the prior audit’s net position is included.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Current Assets	\$ 2,454,303	\$ 2,048,417	\$ 1,679,538	\$ 1,844,873	\$ 4,133,841	\$ 3,893,290
Noncurrent Assets	2,964,756	3,110,677	8,602,387	8,438,908	11,567,143	11,549,585
Total Assets	<u>5,419,059</u>	<u>5,159,094</u>	<u>10,281,925</u>	<u>10,283,781</u>	<u>15,700,984</u>	<u>15,442,875</u>
Current Liabilities	183,191	333,609	441,116	427,938	624,307	761,547
Noncurrent Liabilities	2,308,813	2,324,646	1,822,694	2,202,694	4,131,507	4,527,340
Total Liabilities	<u>2,492,004</u>	<u>2,658,255</u>	<u>2,263,810</u>	<u>2,630,632</u>	<u>4,755,814</u>	<u>5,288,887</u>
Net Position:						
Net Inv. In Cap. Assets	953,575	1,203,083	6,386,116	5,855,582	7,339,691	7,058,665
Restricted	776,982	580,076	28,393	15,064	805,375	595,140
Unrestricted	1,196,497	717,679	1,603,606	1,782,501	2,800,103	2,500,180
Total Net Position	<u>\$ 2,927,054</u>	<u>\$ 2,500,838</u>	<u>\$ 8,018,115</u>	<u>\$ 7,653,147</u>	<u>\$ 10,945,169</u>	<u>\$ 10,153,985</u>

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Condensed Financial Information – Continued

The following table shows the changes of the net position during the current fiscal year:

	Governmental Activities		Business-type Activities		Total	
	6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020
Revenues						
Program Revenues:						
Charges for Services	\$ 867,611	\$ 811,315	\$ 1,579,104	\$ 1,479,021	\$ 2,446,715	\$ 2,290,336
Grants & Contributions	353,772	356,282	-	-	353,772	356,282
General Revenues:						
Property Taxes	1,235,701	1,171,407	-	-	1,235,701	1,171,407
State-Shared Revenues	285,369	283,592	-	-	285,369	283,592
Interest Earnings	5,561	21,631	6,681	20,742	12,242	42,373
Other Revenues	171,212	182,420	-	-	171,212	182,420
Transfers	(289,231)	(273,799)	289,231	273,799	-	-
Total Revenues	<u>2,629,995</u>	<u>2,552,848</u>	<u>1,875,016</u>	<u>1,773,562</u>	<u>4,505,011</u>	<u>4,326,410</u>
Program Expenses						
General Government	\$ 561,373	\$ 950,891	\$ -	\$ -	\$ 561,373	\$ 950,891
Public Safety	873,791	873,353	-	-	873,791	873,353
Public Works	740,131	838,338	-	-	740,131	838,338
Recreation & Culture	17,440	17,760	-	-	17,440	17,760
Interest on L/T Debt	11,045	7,727	63,727	78,193	74,772	85,920
Water & Sewer	-	-	1,446,320	1,352,483	1,446,320	1,352,483
Total Program Expenses	<u>2,203,779</u>	<u>2,688,069</u>	<u>1,510,047</u>	<u>1,430,676</u>	<u>3,713,826</u>	<u>4,118,745</u>
Change in Net Position	<u>\$ 426,217</u>	<u>\$ (135,221)</u>	<u>\$ 364,969</u>	<u>\$ 342,886</u>	<u>\$ 791,186</u>	<u>\$ 207,665</u>

The Village as a Whole

- The Village's Governmental Activities net position increased by \$426,217 this fiscal year. This compares to a net decrease of \$135,221 in the previous fiscal year. The difference between the Change in Net Position for the current year and the prior year was largely due to the changes in costs recognized for Pension and OPEB.
- The Village's Business-type Activities net position increased by \$364,969 this fiscal year. This compares to a net increase of \$342,886 in the previous fiscal year. Although revenues increased, there was also an increase in expenses in the current fiscal year for maintaining the utility infrastructure.
- The Village's primary source of revenue is from charges for services and property taxes, which represent 82% of total revenue.

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The Village's Funds

Our analysis of the Village's major funds begins on Page 5, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. The Village's only major fund for the fiscal year ended June 30, 2021 is the General Fund.

Other major funds are the Water and Sewer Funds, which are categorized as enterprise or proprietary funds. These funds operate on revenue they receive from the customers (users) of the water and sewer systems.

General Fund Budgetary Highlights

The Village made amendments to the budget throughout the year to cover the expenditures incurred.

Capital Asset and Debt Administration

During the fiscal year ended June 30, 2021, the Water Fund installed a new water main totaling \$450,884.53. The Sewer Fund purchased a boiler for the wastewater plant for \$21,000 and also paid for pump repairs totaling \$46,596.75. The DDA Fund conducted streetscape work for \$56,334. Additional information regarding the Village's capital assets can be found in Note 4 to the financial statements.

The Village incurred additional debt in the fiscal year ended June 30, 2021 for the purchase of a 2020 Dodge Durango Police Vehicle for \$42,500. The Village's total debt as of June 30, 2021, was about \$2,395,000, with principal payments of \$453,000 due within one year. There were principal payments of \$437,000 made during the fiscal year. Additional information regarding the Village's long-term debt can be found in Note 6 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Village's tax base remained relatively constant. The Village will need to continue to watch the budget very closely in all categories.

Contacting the Village

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Village Office in Almont, Michigan by telephone at (810) 798-8528.