

# *Village of Almont*

**Lapeer County, Michigan**

Audited Financial Report  
June 30, 2022

**KING & KING CPAs LLC**

Marlette - Imlay City  
Michigan

**Village of Almont**  
 Annual Financial Report  
 For The Fiscal Year Ended June 30, 2022

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**Village of Almont**  
Annual Financial Report  
For The Fiscal Year Ended June 30, 2022

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## Independent Auditor's Report

Honorable Village Council  
**Village of Almont**  
Lapeer County, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the **Village of Almont**, Michigan as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statement, 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the **Village of Almont**, Michigan as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

# KING & KING CPAs LLC

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## **Other Matters**

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and major fund budgetary comparison schedule, as identified in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

### *Others Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Village of Almont**, Michigan's basic financial statements. The other supplemental information, as identified in the Table of Contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material aspects in relation to the basic financial statements as a whole.

*King & King CPAs LLC*

**KING & KING CPAs LLC**  
Imlay City, Michigan

August 17, 2022

# Village of Almont

## Almont, Michigan

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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, 2022. 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.

	Governmental Activities		Business-type Activities		Total	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Current Assets	\$ 2,965,031	\$ 2,454,303	\$ 1,825,409	\$ 1,679,538	\$ 4,790,440	\$ 4,133,841
Noncurrent Assets	3,083,159	2,964,756	8,406,925	8,602,387	11,490,084	11,567,143
Total Assets	<u>6,048,190</u>	<u>5,419,059</u>	<u>10,232,334</u>	<u>10,281,925</u>	<u>16,280,524</u>	<u>15,700,984</u>
Current Liabilities	272,175	183,191	482,529	441,116	754,704	624,307
Noncurrent Liabilities	2,916,262	2,308,813	1,427,694	1,822,694	4,343,956	4,131,507
Total Liabilities	<u>3,188,437</u>	<u>2,492,004</u>	<u>1,910,223</u>	<u>2,263,810</u>	<u>5,098,660</u>	<u>4,755,814</u>
Net Position:						
Net Inv. In Cap. Assets	762,869	953,575	6,572,732	6,386,116	7,335,601	7,339,691
Restricted	925,579	776,982	27,365	28,393	952,944	805,375
Unrestricted	1,171,305	1,196,497	1,722,014	1,603,606	2,893,319	2,800,103
Total Net Position	<u>\$ 2,859,753</u>	<u>\$ 2,927,054</u>	<u>\$ 8,322,111</u>	<u>\$ 8,018,115</u>	<u>\$ 11,181,864</u>	<u>\$ 10,945,169</u>

# Village of Almont

## Almont, Michigan

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### Condensed Financial Information – Continued

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 852,525	\$ 867,611	\$ 1,639,329	\$ 1,579,104	\$ 2,491,854	\$ 2,446,715
Grants & Contributions	378,868	353,772	-	-	378,868	353,772
General Revenues:					-	-
Property Taxes	1,261,068	1,235,701	-	-	1,261,068	1,235,701
State-Shared Revenues	354,713	285,369	-	-	354,713	285,369
Interest Earnings	10,810	5,561	2,794	6,681	13,604	12,242
Other Revenues	214,649	171,212	-	-	214,649	171,212
Transfers	(286,738)	(289,231)	286,738	289,231	-	-
Total Revenues	<u>2,785,895</u>	<u>2,629,995</u>	<u>1,928,861</u>	<u>1,875,016</u>	<u>4,714,756</u>	<u>4,505,011</u>
<b>Program Expenses</b>						
General Government	\$ 710,843	\$ 561,373	\$ -	\$ -	\$ 710,843	\$ 561,373
Public Safety	937,829	873,791	-	-	937,829	873,791
Public Works	1,097,682	740,131	-	-	1,097,682	740,131
Recreation & Culture	37,650	17,440	-	-	37,650	17,440
Interest on LT Debt	8,974	11,045	52,512	63,727	61,486	74,772
Water & Sewer	-	-	1,543,202	1,446,320	1,543,202	1,446,320
Total Program Expenses	<u>2,792,978</u>	<u>2,203,779</u>	<u>1,595,714</u>	<u>1,510,047</u>	<u>4,388,692</u>	<u>3,713,826</u>
<b>Change in Net Position</b>	<u>\$ (7,083)</u>	<u>\$ 426,217</u>	<u>\$ 333,147</u>	<u>\$ 364,969</u>	<u>\$ 326,064</u>	<u>\$ 791,186</u>

### The Village as a Whole

- The Village's Governmental Activities net position decreased by \$7,083 this fiscal year. This compares to a net increase of \$426,217 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 County drain projects conducted in the current fiscal year for \$318,500.
- The Village's Business-type Activities net position increased by \$333,147 this fiscal year. This compares to a net increase of \$364,969 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 80% of total revenue.

# Village of Almont

## Almont, Michigan

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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, 2022 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, 2022, the Parks and & Rec Fund purchased new playground equipment totaling \$39,048 and also installed security cameras for \$7,075. The Water Fund installed a new water main for \$58,138, a water meter for \$6,522 and purchased software totaling \$20,861. The Sewer Fund purchased new software for \$60,825, and also installed pumps totaling \$27,365. The Equipment Fund purchased a 2021 Dodge Charger totaling \$38,794, a scout trailer for \$13,875, a leaf machine for \$93,849, and a 2022 GMC truck for \$33,856. The DDA Fund conducted streetscape work for \$96,776. 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, 2022 for the purchase of a 2021 Dodge Charger Police Vehicle for \$38,764, a 2022 GMC DPW Truck for \$33,856, and for County Drain work for \$318,500. The Village's total debt as of June 30, 2022, was about \$2,311,000, with principal payments of \$483,000 due within one year. There were principal payments of \$475,000 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.



# Village of Almont

## Statement of Net Position

June 30, 2022

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 2,794,005	\$ 1,421,274	\$ 4,215,280
Accounts Receivable	142,820	376,770	519,590
Prepaid Expenses	28,206	27,365	55,571
Due From Other Funds (Net)	-	-	-
Capital Assets			
Nondepreciable Capital Assets	357,000	37,849	394,849
Depreciable Capital Assets	2,726,159	8,369,076	11,095,234
<u>Total Assets</u>	<u>6,048,189</u>	<u>10,232,334</u>	<u>16,280,523</u>
<b><u>Deferred Outflows of Resources</u></b>			
	-	-	-
<b><u>Liabilities</u></b>			
Accounts Payable	181,168	76,030	257,198
Accrued Interest Payable	3,207	11,499	14,706
Current Portion of Long-Term Debt	87,799	395,000	482,799
Noncurrent Liabilities:			
Net Retiree Healthcare Obligation	1,443,452	-	1,443,452
Net Pension Liability	582,136	-	582,136
Long-Term Debt	400,323	1,427,694	1,828,017
<u>Total Liabilities</u>	<u>2,698,086</u>	<u>1,910,223</u>	<u>4,608,309</u>
<b><u>Deferred Inflows of Resources</u></b>			
Deferred Revenues	293,723	-	293,723
Related to the Pension Plan	196,628	-	196,628
<u>Total Deferred Inflows</u>	<u>490,351</u>	<u>-</u>	<u>490,351</u>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	762,869	6,572,732	7,335,600
Nonspendable	25,189	27,365	52,553
Restricted:			
Restricted for Debt Service	237,144	-	237,144
Restricted for Other Uses	663,246	-	663,246
Unrestricted	1,171,305	1,722,014	2,893,319
<u>Total Net Position</u>	<u>\$ 2,859,753</u>	<u>\$ 8,322,111</u>	<u>\$ 11,181,863</u>

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Activities  
For The Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 710,843	\$ 200,775	\$ -	\$ -	\$ (510,068)	\$ -	\$ (510,068)
Public Safety	937,829	370,082	-	-	(567,747)	-	(567,747)
Public Works	1,097,682	281,667	373,388	-	(442,626)	-	(442,626)
Recreation & Culture	37,650	-	5,480	-	(32,170)	-	(32,170)
Interest on Long-Term Debt	8,974	-	-	-	(8,974)	-	(8,974)
<b>Total Governmental Activities</b>	<b>2,792,978</b>	<b>852,525</b>	<b>378,868</b>	<b>-</b>	<b>(1,561,585)</b>	<b>-</b>	<b>(1,561,585)</b>
Business-type Activities	1,543,202	1,639,329	-	-	-	96,127	96,127
Interest on Long-Term Debt	52,512	-	-	-	-	(52,512)	(52,512)
<b>Total Business-type Activities</b>	<b>1,595,714</b>	<b>1,639,329</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,615</b>	<b>43,615</b>
<b>Total Primary Government</b>	<b>\$ 4,388,692</b>	<b>\$ 2,491,854</b>	<b>\$ 378,868</b>	<b>\$ -</b>	<b>\$ (1,561,585)</b>	<b>\$ 43,615</b>	<b>\$ (1,517,970)</b>
<b>General Revenues:</b>							
Property Taxes					\$ 1,261,068	\$ -	\$ 1,261,068
State-Shared Revenues					354,713	-	354,713
Interest Earnings					10,810	2,794	13,604
Other Revenues					214,649	-	214,649
Transfers					(286,738)	286,738	-
<b>Total General Revenues, Special Items &amp; Transfers</b>					<b>1,554,502</b>	<b>289,532</b>	<b>1,844,035</b>
<b>Change in Net Position</b>					<b>(7,083)</b>	<b>333,148</b>	<b>326,065</b>
<b>Net Position - Beginning of Year</b>					<b>2,866,835</b>	<b>7,988,963</b>	<b>10,855,798</b>
<b>Net Position - End of Year</b>					<b>\$ 2,859,753</b>	<b>\$ 8,322,111</b>	<b>\$ 11,181,863</b>

The notes are an integral part of the statements.

# Village of Almont

Governmental Funds

Balance Sheet

June 30, 2022

	<b>General Fund</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 1,572,192	\$ 1,094,663	\$ 2,666,855
Accounts Receivable	53,528	86,343	139,871
Prepaid Expenses	23,230	1,959	25,189
Due From Other Funds	6,362	-	6,362
	<u>1,655,312</u>	<u>1,182,965</u>	<u>2,838,277</u>
<b><u>Total Assets</u></b>	<b><u>\$ 1,655,312</u></b>	<b><u>\$ 1,182,965</u></b>	<b><u>\$ 2,838,277</u></b>
<b><u>Liabilities &amp; Fund Equity</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 66,457	\$ 9,304	\$ 75,761
Unearned Revenues	293,723	-	293,723
Due To Other Funds	2,949	6,362	9,310
	<u>363,129</u>	<u>15,666</u>	<u>378,794</u>
<b><u>Total Liabilities</u></b>	<b><u>363,129</u></b>	<b><u>15,666</u></b>	<b><u>378,794</u></b>
<b><u>Fund Equity</u></b>			
Fund Balances:			
Nonspendable	23,230	1,959	25,189
Restricted For:			
Debt Service	-	237,144	237,144
Highways	-	648,721	648,721
Building Inspection	-	5,930	5,930
Homecoming	5,578	-	5,578
Public Works	-	234,025	234,025
Parks	-	39,520	39,520
Unassigned	1,263,376	-	1,263,376
	<u>1,292,183</u>	<u>1,167,299</u>	<u>2,459,482</u>
<b><u>Total Fund Equity</u></b>	<b><u>1,292,183</u></b>	<b><u>1,167,299</u></b>	<b><u>2,459,482</u></b>
<b><u>Total Liabilities &amp; Fund Equity</u></b>	<b><u>\$ 1,655,312</u></b>	<b><u>\$ 1,182,965</u></b>	<b><u>\$ 2,838,277</u></b>

The notes are an integral part of the statements.

**Village of Almont**  
 Governmental Funds  
 Reconciliation of Fund Balances to the  
 Statement of Net Position  
 For The Fiscal Year Ended June 30, 2022

<b>Total Fund Balances for Governmental Funds and Equipment Fund</b>	\$	2,863,572
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
Capital assets used in Governmental Activities are not financial resources and are not reported in the funds.		2,515,297
Long-term bonds payable are not due and payable in the current period and are not reported in the funds.		(296,900)
Other post-employment benefit obligation in Governmental Activities is not reported in the funds.		(1,443,452)
Net pension liability is not due and payable in the current period and is not reported as fund liabilities.		(582,136)
Certain pension contributions and changes in pension plan liabilities are reported as deferred outflows of resources in the Statement of Net Position.		<u>(196,628)</u>
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>2,859,753</u></u></b>

**Village of Almont**  
Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For The Fiscal Year Ended June 30, 2022

	<b>General Fund</b>	<b>Other Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>Revenues</u></b>			
Property Taxes	\$ 947,288	\$ 313,780	\$ 1,261,068
Intergovernmental Revenues	354,713	373,388	728,101
Licenses, Permits & Fees	60,611	-	60,611
Charges for Services	512,913	134,688	647,601
Interest Earnings	2,443	8,064	10,506
Other Revenues	119,445	40,412	159,857
<b><u>Total Revenues</u></b>	<b><u>1,997,413</u></b>	<b><u>870,332</u></b>	<b><u>2,867,745</u></b>
<b><u>Expenditures</u></b>			
General Government	395,643	-	395,643
Public Safety	930,571	-	930,571
Public Works	688,277	316,723	1,005,000
Recreation & Culture	-	31,125	31,125
Capital Outlay	7,075	135,824	142,899
Debt Service - Principal	21,600	18,299	39,899
Debt Service - Interest	5,882	510	6,392
<b><u>Total Expenditures</u></b>	<b><u>2,049,047</u></b>	<b><u>502,481</u></b>	<b><u>2,551,528</u></b>
<b>Excess of Revenues Over (Under) Expenditures</b>	(51,634)	367,851	316,217
<b><u>Other Financing Sources (Uses)</u></b>			
Grant Revenues	-	5,000	5,000
Loan Proceeds	318,500	-	318,500
Transfers In (Out)	(83,123)	(203,615)	(286,738)
<b>Net Change in Fund Balances</b>	183,743	169,236	352,979
<b><u>Fund Balances - Beginning of Year</u></b>	<b><u>1,108,441</u></b>	<b><u>998,063</u></b>	<b><u>2,106,504</u></b>
<b><u>Fund Balances - End of Year</u></b>	<b><u>\$ 1,292,183</u></b>	<b><u>\$ 1,167,299</u></b>	<b><u>\$ 2,459,482</u></b>

The notes are an integral part of the statements.

# Village of Almont

## Governmental Funds

### Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For The Fiscal Year Ended June 30, 2022

**Net Change in Fund Balances - Total Governmental Funds and Equipment Fund**      \$      300,745

Amounts reported for Governmental Activities in the Statement of  
Activities are different because:

Governmental Funds report capital outlays as expenditures.  
In the Statement of Activities, these costs are capitalized and  
allocated over their estimated useful lives as depreciation.      142,899

Repayment of bond principal is an expenditure in the Governmental  
Funds, but not in the Statement of Activities (where it  
reduces long-term debt).      39,899

Change in other post-employment benefit obligation is recorded  
when incurred in the Statement of Activities.      (116,140)

Pension expense is recognized in the Statement of Activities when  
incurred, but in the Governmental Funds when paid.      67,659

Bond proceeds and loan proceeds are not reported as financing  
sources on the Statement of Activities.      (318,500)

Depreciation is an expenditure for the Statement of  
Activities, but is not reported in the Governmental Funds.      (123,645)

**Net Change in Net Position of Governmental Activities**      \$      (7,083)

# Village of Almont

Proprietary Funds  
Statement of Net Position  
June 30, 2022

	Enterprise Funds		Total Enterprise Funds	Internal
	Sewer Fund	Water Fund		Service Fund Equipment
<b>Assets</b>				
<u>Current Assets</u>				
Cash & Cash Equivalents	\$ 1,354,801	\$ 66,473	\$ 1,421,274	\$ 127,150
Accounts Receivable	224,085	152,686	376,770	2,949
Prepaid Expenses	21,835	5,530	27,365	3,017
Due From Other Funds	-	-	-	2,949
<u>Total Current Assets</u>	<u>1,600,721</u>	<u>224,688</u>	<u>1,825,409</u>	<u>136,065</u>
<u>Noncurrent Assets</u>				
Capital Assets Not Being Depreciated	100	37,749	37,849	-
Capital Assets Being Depreciated	9,650,886	5,847,649	15,498,535	1,531,595
Less: Accumulated Depreciation	<u>(4,961,964)</u>	<u>(2,167,496)</u>	<u>(7,129,460)</u>	<u>(963,734)</u>
<u>Total Noncurrent Assets</u>	<u>4,689,022</u>	<u>3,717,902</u>	<u>8,406,924</u>	<u>567,862</u>
<u>Total Assets</u>	<u>6,289,743</u>	<u>3,942,591</u>	<u>10,232,334</u>	<u>703,926</u>
<u>Deferred Outflows of Resources</u>				
	-	-	-	-
<b>Liabilities</b>				
<u>Current Liabilities</u>				
Accounts Payable	11,584	64,446	76,030	105,407
Due To Other Funds	-	-	-	-
Accrued Interest Payable	4,818	6,681	11,499	3,207
Current Portion of Long-Term Debt	<u>235,000</u>	<u>160,000</u>	<u>395,000</u>	<u>66,199</u>
<u>Total Current Liabilities</u>	<u>251,402</u>	<u>231,127</u>	<u>482,529</u>	<u>174,814</u>
<u>Long-Term Liabilities</u>				
Bonds Payable	<u>410,000</u>	<u>1,017,694</u>	<u>1,427,694</u>	<u>125,023</u>
<u>Total Liabilities</u>	<u>661,402</u>	<u>1,248,821</u>	<u>1,910,223</u>	<u>299,837</u>
<u>Deferred Inflows of Resources</u>				
	-	-	-	-
<b>Net Position</b>				
Net Investment in Capital Assets	4,039,204	2,533,527	6,572,732	373,432
Restricted	21,835	5,530	27,365	3,017
Unrestricted	<u>1,567,302</u>	<u>154,713</u>	<u>1,722,014</u>	<u>27,640</u>
<u>Total Net Position</u>	<u>\$ 5,628,341</u>	<u>\$ 2,693,770</u>	<u>\$ 8,322,111</u>	<u>\$ 404,090</u>

The notes are an integral part of the statements.

**Village of Almont**  
Proprietary Funds  
Statement of Revenues, Expenditures and  
Changes in Net Position  
June 30, 2022

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Fund Equipment</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>		
<b><u>Operating Revenues</u></b>				
User Charges & Penalties	\$ 892,571	\$ 715,808	\$ 1,608,380	\$ 35,382
Service Connection Charges	11,250	13,953	25,203	-
Other Income	2,494	3,253	5,747	12,677
Grant Income	-	-	-	-
Equipment Rental	-	-	-	135,358
<b><u>Total Operating Revenues</u></b>	<b><u>906,315</u></b>	<b><u>733,014</u></b>	<b><u>1,639,329</u></b>	<b><u>183,417</u></b>
<b><u>Operating Expenditures</u></b>				
Cost of Water	-	248,731	248,731	-
Operation & Maintenance	574,544	320,272	894,816	167,715
General & Administration	18,978	11,504	30,482	600
Depreciation	249,075	120,098	369,173	81,225
<b><u>Total Operating Expenditures</u></b>	<b><u>842,597</u></b>	<b><u>700,605</u></b>	<b><u>1,543,202</u></b>	<b><u>249,540</u></b>
Operating Income (Loss)	63,718	32,410	96,127	(66,123)
<b><u>Non-Operating Revenues (Expenditures)</u></b>				
Interest Earned	2,672	122	2,794	304
Interest Expense	(24,905)	(27,608)	(52,512)	(2,582)
Gain (Loss) on Sale of Fixed Assets	-	-	-	16,168
Transfers From (To) Other Funds	163,034	123,704	286,738	-
<b>Change in Net Position</b>	<b>204,519</b>	<b>128,628</b>	<b>333,148</b>	<b>(52,234)</b>
<b><u>Net Position - Beginning of Year</u></b>	<b><u>5,423,822</u></b>	<b><u>2,565,141</u></b>	<b><u>7,988,963</u></b>	<b><u>456,323</u></b>
<b><u>Net Position - End of Year</u></b>	<b><u>\$ 5,628,341</u></b>	<b><u>\$ 2,693,770</u></b>	<b><u>\$ 8,322,111</u></b>	<b><u>\$ 404,090</u></b>

The notes are an integral part of the statements.



**Village of Almont**  
Proprietary Funds  
Statement of Cash Flows  
For The Fiscal Year Ended June 30, 2022

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>		<u>Equipment</u>
<b><u>Cash Flows From Operating Activities</u></b>				
Receipts From Customers	\$ 927,237	\$ 753,419	\$ 1,680,656	\$ 183,347
Payments For Operation, Maintenance & Water	(605,942)	(537,239)	(1,143,181)	(71,573)
Payments For General & Administration	(18,978)	(11,504)	(30,482)	(600)
<u>Net Cash Provided by Operating Activities</u>	<u>302,318</u>	<u>204,677</u>	<u>506,994</u>	<u>111,174</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>				
Operating Transfers In (Out)	163,034	123,704	286,738	-
Received (Paid) "Due To / From Other Funds"	500	-	500	(2,949)
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>163,534</u>	<u>123,704</u>	<u>287,238</u>	<u>(2,949)</u>
<b><u>Cash Flows From Capital &amp; Related Financing Activities</u></b>				
Interest Expense	(26,098)	(28,492)	(54,590)	(5,530)
Net Proceeds From Issuance (Payments) of Long-Term Debt	(225,000)	(155,000)	(380,000)	17,679
Sale (Purchase) of Capital Assets	(88,190)	(85,521)	(173,711)	(164,205)
<u>Net Cash Provided by Capital &amp; Related Financing Activities</u>	<u>(339,288)</u>	<u>(269,012)</u>	<u>(608,300)</u>	<u>(152,057)</u>
<b><u>Cash Flows From Investing Activities</u></b>				
Increase in Customer Deposits	-	-	-	-
Interest Received on Investments	2,672	122	2,794	304
<u>Net Increase (Decrease) in Cash &amp; Cash Equivalents</u>	<u>129,235</u>	<u>59,491</u>	<u>188,726</u>	<u>(43,527)</u>
<b><u>Cash &amp; Cash Equivalents - Beginning of Year</u></b>	<u>1,225,566</u>	<u>6,982</u>	<u>1,232,548</u>	<u>170,678</u>
<b><u>Cash &amp; Cash Equivalents - End of Year</u></b>	<u>\$ 1,354,801</u>	<u>\$ 66,473</u>	<u>\$ 1,421,274</u>	<u>\$ 127,150</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>				
<b><u>From Operating Activities</u></b>				
Operating Income (Loss)	63,718	32,410	96,128	(66,123)
Adjustments to Reconcile Operating Income (Loss) From Operating Activities:				
Depreciation	249,075	120,098	369,173	81,225
Changes in Assets & Liabilities:				
Prior Period Adjustment	(22,295)	(6,857)	(29,152)	(20,352)
Prepaid Expenses	(773)	1,802	1,028	17,335
Accounts Receivable	20,922	20,405	41,327	(70)
Accounts Payable	(8,329)	36,820	28,491	99,159
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 302,318</u>	<u>\$ 204,677</u>	<u>\$ 506,994</u>	<u>\$ 111,174</u>

The notes are an integral part of the statements.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies**

The accounting policies of the **Village of Almont**, Lapeer County, Michigan (the “Village”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the **Village of Almont**, Lapeer County, Michigan.

**Financial Reporting Entity**

The **Village of Almont** was incorporated under the laws of the State of Michigan in 1855 and has operated since 1968 under a Home Rule Village - Council Manager form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Village (the primary government) and its component units. The component units discussed below are included in the Village reporting entity because of the significance of their operational or financial relationships with the Village.

**Component Units** - In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units.

**Blended Component Units** - The Downtown Development Authority (DDA) of the **Village of Almont**, an entity legally separate from the Village, is governed by an eleven-member Council appointed by the Village Council. For financial reporting purposes, the DDA is reported as if it were part of the Village’s operations because its purpose is to finance and provide assistance to businesses and citizens within the DDA District of the Village.

**Government-wide and Fund Financial Statements**

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the Village (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues are reported separate from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separate from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

**General Fund** - The General Fund is the Village’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies - Continued**

The Village reports the following major enterprise funds and internal service fund:

**Water Fund** - The Water Fund accounts for the activities of the water distribution system. Funding is provided primarily through user charges.

**Sewer Fund** - The Sewer Fund accounts for the activities of the sewage disposal system. Funding is provided primarily through user charges.

**Equipment Fund (Internal Service Fund)** - This fund was established to account for the financing of goods or services provided by one department to other departments of the Village on a cost reimbursement basis.

**Measurement Focus and Basis of Accounting**

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenue is 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 revenue 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.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services and interest. All other revenue items are considered to be available only when cash is received by the Village. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

**Cash** - The Village pools the cash resources of its various funds. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Village's investments.

**Investments** - Debt securities are valued at cost since it is generally the policy of the Village to hold such investments until they mature.

**Due To and Due From Other Funds** - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies - Continued**

**Property Tax Revenues** - Property taxes are levied on each July 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

The Village's 2021 tax is levied and collectible on July 1, 2021, and is recognized as revenue in the fiscal year ended June 30, 2022, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the Village totaled about \$77 million (a portion of which is captured by the DDA), on which taxes levied consisted of 13.5670 mills for operating purposes and 1.6000 mills for water tower debt service. This resulted in approximately \$946,000 for operating and \$130,000 for water tower debt service. These amounts are recognized in the General Fund and Water System Improvement Debt Fund financial statements as tax revenue.

**Vacation, Sick Leave and Other Compensated Absences** - The Village Manager, Police Chief and Clerk/Treasurer each have unique contracts which specify their compensated absences. Most of the other Village employees are members of the Union and their compensated absences are specified in the collective bargaining agreement. The remaining employees' compensated absences are stipulated in the employee handbook. As of June 30, 2022, the accumulated value of compensated absences was \$129,602.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased. Inventories and supplies held by the Water Fund and Sewer Fund, which are immaterial in amount, have not been recognized. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both Government-wide and Fund Financial Statements.

**Capital Assets** - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. 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.

Capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	40 years
Water & Sewer Distribution Systems	20 to 75 years
Buildings & Building Improvements	20 to 40 years
Machinery & Equipment	3 to 10 years

**Long-Term Obligations** - In the Government-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 statement of net position. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize 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 are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**1. Summary of Significant Accounting Policies - Continued**

**Net Position Flow Assumption** – The Village will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Classification** - In the fund financial statements, governmental funds report nonspendable fund balance for amounts of assets that will not be converted to cash soon enough to affect the current period; restrictions of fund balance for amounts that are legally restricted by outside parties or enabling legislation to use for a specific purpose; committed fund balance for constraints placed on resources by a formal action of the council; and assigned fund balance for constraints placed on resources by the Village's intent to be used for specific purposes.

- For *committed* fund balances, the Village's highest level of decision-making authority is the Council and it takes a Council resolution to establish a fund balance commitment.
- For *assigned* fund balances, the Village Manager or Council can authorize to assign amounts to a specific purpose.
- The Village's policy is that the restricted amounts are considered to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.
- The Village's policy is if it has *committed*, *assigned*, or *unassigned* fund balance available when it incurs an expenditure it will use the fund balance in the order of committed, assigned and then unassigned.
- The Village does not have a policy with respect to a fund balance.

**Proprietary Funds Operating Classification** – 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 funds' principal ongoing operations. The principal operating revenue of the Water and Sewer Funds are charges to customers for sales and services. The Water and Sewer Funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of 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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

The Village is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund, Major Special Revenue Funds, Debt Service Funds and Capital Project Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Village’s actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Village Council as a management tool during the year for all budgetary funds. The budgets are adopted on an accrual basis, which is consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund, Major Special Revenue Funds, Debt Service Funds and Capital Project Funds are presented in the required supplemental information. During the fiscal year ended June 30, 2022, the Village incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
NONE			

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**3. Cash and Investments**

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Village Council has designated two banks for the deposit of Village funds. The investment policy adopted by the council is in accordance with Public Act 196 of 1997. The Council has authorized investment in bank accounts and CDs, but not the remainder of state statutory authority as listed above. All cash deposits and investments of the Village are held by the Village in the Village's name.

At the fiscal year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total Primary Government</b>
Cash & Cash Equivalents	\$ 2,794,005	\$ 1,421,274	\$ 4,215,280

The breakdown between deposits and investments is as follows:

	<b>Primary Government</b>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 4,215,280

The bank balance of the primary government's deposits is \$4,215,280 of which \$3,631,935 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Village's name.

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village has a deposit policy for custodial credit risk. At the fiscal year end, the Village had approximately \$583,344 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investment choices.

At the fiscal year end, there were no deposits and investments reported in the basic financial statements with additional credit risk.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**4. Capital Assets**

Capital assets activity of the Village's governmental and business-type activities was as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Disposals &amp; Adjustments</u>	<u>Balance June 30, 2022</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated - Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Capital Assets Not Being Depreciated - DDA	330,000	-	-	330,000
Total Capital Assets Not Being Depreciated	<u>357,000</u>	<u>-</u>	<u>-</u>	<u>357,000</u>
Capital Assets Being Depreciated:				
Infrastructure	1,272,082	-	-	1,272,082
Infrastructure - DDA	1,516,902	96,776	-	1,613,678
Buildings & Building Improvements	879,235	-	-	879,235
Machinery & Equipment	193,157	46,123	-	239,280
Office Equipment	94,664	-	-	94,664
Equipment - Internal Service Fund	1,382,028	180,373	30,806	1,531,595
Total Capital Assets Being Depreciated	<u>5,338,068</u>	<u>323,273</u>	<u>30,806</u>	<u>5,630,534</u>
Accumulated Depreciation:				
Infrastructure	693,757	40,822	-	734,579
Infrastructure - DDA	571,131	48,416	-	619,547
Buildings & Building Improvements	336,301	22,180	-	358,482
Machinery & Equipment	157,415	7,722	-	165,137
Office Equipment	58,393	4,506	-	62,898
Equipment - Internal Service Fund	913,315	81,225	30,806	963,734
Total Accumulated Depreciation	<u>2,730,312</u>	<u>204,870</u>	<u>30,806</u>	<u>2,904,376</u>
<b>Governmental Activities Capital Assets - Net</b>	<u>\$ 2,964,756</u>	<u>\$ 118,402</u>	<u>\$ -</u>	<u>\$ 3,083,158</u>
<b>Business-type Activities:</b>				
Capital Assets Not Being Depreciated - Land	\$ 37,849	\$ -	\$ -	\$ 37,849
Capital Assets Being Depreciated:				
Sewage Treatment Plant	9,562,696	88,190	-	9,650,886
Water Distribution System	5,762,128	85,521	-	5,847,649
Total Capital Assets Being Depreciated	<u>15,324,824</u>	<u>173,711</u>	<u>-</u>	<u>15,498,535</u>
Accumulated Depreciation:				
Sewage Treatment Plant	4,712,889	249,075	-	4,961,965
Water Distribution System	2,047,398	120,098	-	2,167,496
Total Accumulated Depreciation	<u>6,760,287</u>	<u>369,173</u>	<u>-</u>	<u>7,129,460</u>
<b>Business-type Activities Capital Assets - Net</b>	<u>\$ 8,602,386</u>	<u>\$ (195,462)</u>	<u>\$ -</u>	<u>\$ 8,406,924</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 17,179
Public Safety	41,700
Public Works	139,467
Recreation & Culture	6,525
<b>Total Governmental Activities</b>	<u>\$ 204,870</u>
<b>Business-type Activities:</b>	
Sewer Fund	\$ 249,075
Water Fund	120,098
<b>Total Business-type Activities</b>	<u>\$ 369,173</u>



**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**5. Interfund Receivables, Payables and Transfers**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due From Other Funds” or “Due To Other Funds” on the balance sheet. The amounts of interfund receivables and payables are as follows:

	<b>Due From Other Funds</b>		<b>Due To Other Funds</b>	
General Fund	\$ 1,108	Park & Recreation Fund	\$ 1,108	(1)
General Fund	5,254	Downtown Development Authority	5,254	(1)
Equipment Fund	2,949	General Fund	2,949	(1)
Total	\$ 9,310		\$ 9,310	

(1) Unreimbursed bills and deposit errors as of the fiscal year end.

Interfund transfers reported in the Fund Statements are as follows:

	<b>Transferred From</b>		<b>Transferred To</b>	
General Fund	\$ 31,370	Sewer Fund	\$ 31,370	(2)
Major Streets Fund	96,000	Local Streets Fund	96,000	(2)
General Fund	31,204	Park & Recreation Fund	31,204	(2)
General Fund	20,549	Water Tower Debt Service Fund	20,549	(3)
W.W.T.P. Improvement Debt Service	131,664	Sewer Fund	131,664	(3)
Water Tower Debt Service Fund	123,704	Water Fund	123,704	(3)
Total	\$ 434,491		\$ 434,491	

(2) To assist with operations.

(3) To fund current debt payment.

Interfund balances and transfers are netted out in the government-wide statements where possible.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**6. Long-Term Debt**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>						
Direct Borrowings & Direct Placements of Debt						
2018 Ford F-750 Dump Truck						
Amount of Issue - \$124,693		\$9,819 -				
Maturing Through June 2023	2.45%	\$25,814	\$ 41,070	\$ (25,827)	\$ 15,242	\$ 15,242
Cherry Street Bridge - Local Streets						
Amount of Issue - \$162,227		\$14,280 -				
Maturing Through October 2021	2.75%	\$18,305	\$ 18,299	\$ (18,299)	\$ -	\$ -
2019 GMC 2500 Truck - Equipment Fund						
Amount of Issue - \$30,251		\$7,229 -				
Maturing Through January 2024	3.00%	\$7,902	\$ 23,024	\$ (7,451)	\$ 15,574	\$ 7,672
2019 John Deere Back Hoe - Equipment Fund						
Amount of Issue - \$88,282		\$7,345 -				
Maturing Through October 2029	4.00%	\$10,467	\$ 80,983	\$ (7,645)	\$ 73,338	\$ 7,955
2020 Dodge Durango Police Vehicle						
Amount of Issue - \$42,500		\$14,028 -				
Maturing Through March 2023	2.88%	\$14,438	\$ 28,466	\$ (14,017)	\$ 14,449	\$ 14,449
2022 GMC 2500 Truck - Equipment Fund						
Amount of Issue - \$33,856		\$8,214 -				
Maturing Through March 2026	2.00%	\$8,717	\$ -	\$ 33,856	\$ 33,856	\$ 8,214
2021 Dodge Charger Police Vehicle						
Amount of Issue - \$38,764		\$12,667 -				
Maturing Through November 2024	2.00%	\$13,178	\$ -	\$ 38,764	\$ 38,764	\$ 12,667
Other						
Lapeer County Drain Commission	1.66% -	\$500 -		318,500		
Maturing Through 2035	2.30%	\$21,100	-	(21,600)	296,900	21,600
<b>Total Governmental Activities</b>			<b>\$ 191,842</b>	<b>\$ 296,280</b>	<b>\$ 488,123</b>	<b>\$ 87,799</b>
<b>Business-type Activities:</b>						
General Obligation Bonds						
2018 WWTP Improvement Bonds						
Amount of Issue - \$530,000	2.65% -	\$50,000 -				
Maturing through April 2028	3.50%	\$65,000	\$ 425,000	\$ (55,000)	\$ 370,000	\$ 60,000
2007 Revolving Drinking Water Bonds						
Amount of Issue - \$2,090,000		\$85,000 -				
Maturing through October 2028	2.13%	\$115,000	\$ 932,694	\$ (105,000)	\$ 827,694	\$ 110,000
2011 Lapeer Co. Refunding Bonds						
Amount of Issue - \$1,180,000	2.00%	\$90,000 -				
Maturing through December 2022	3.50%	\$130,000	\$ 255,000	\$ (125,000)	\$ 130,000	\$ 130,000
2014 Lapeer Co. General Obligation Bond						
Amount of Issue - \$650,000		\$25,000 -				
Maturing through November 2026	2.61%	\$75,000	\$ 400,000	\$ (50,000)	\$ 350,000	\$ 50,000
Lapeer Co. Lift Station Bonds						
Amount of Issue - \$465,000	3.50%	\$25,000 -				
Maturing through October 2024	4.00%	\$50,000	\$ 190,000	\$ (45,000)	\$ 145,000	\$ 45,000
<b>Total Business-type Activities</b>			<b>\$ 2,202,694</b>	<b>\$ (380,000)</b>	<b>\$ 1,822,694</b>	<b>\$ 395,000</b>
<b>Total</b>			<b>\$ 2,394,536</b>	<b>\$ (83,720)</b>	<b>\$ 2,310,817</b>	<b>\$ 482,799</b>

The Lapeer County Drain Commission has made improvements to the following drains and levied multi-year assessments against the Township as follows:

Stroup Drain	(15 Year Assessment through 2035)	1.66% Interest	\$ 295,400
Belle River Drain	(4 Year Assessment through 2024)	2.31% Interest	1,500
			<u>\$ 296,900</u>

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**6. Long-Term Debt - Continued**

Annual debt service requirements to maturity for the governmental bond and contract obligations are as follows:

Year(s) Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 66,199	\$ 5,400	\$ 71,599	\$ 395,000	\$ 45,422	\$ 440,422
2024	37,474	3,885	41,359	300,000	33,165	333,165
2025	30,321	2,899	33,220	300,000	25,884	325,884
2026	17,665	2,112	19,777	255,000	18,479	273,479
2027	9,306	1,581	10,887	260,000	11,877	271,877
2028-2030	30,257	2,451	32,708	312,694	6,378	319,072
<b>Total</b>	<b>\$ 191,222</b>	<b>\$ 18,328</b>	<b>\$ 209,550</b>	<b>\$ 1,822,694</b>	<b>\$ 141,205</b>	<b>\$ 1,963,899</b>

The Village's direct borrowings are secured by the asset purchased with the debt. The County Drain Assessments are secured by the future tax revenues of the Township. The Business-type bonds are secured by the financial credit of the Village.

**7. Retirement System - MERS Operated**

**Plan Description** - The Village participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee Defined Benefit Pension Plan (the "plan") that covers eligible employees of the Village. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

**Benefits Provided** - Benefits provided include plans with a multipliers of 1.00% to 2.25%. Vesting periods are between six and ten years depending on the department. Normal retirement age is 60 with early retirement at 50 with 25 years of service or 55 with 15 years of service. Final average compensation is calculated based on three or five years depending on the department. Member contributions range from 0% to 4.57% depending on the department.

**Employees Covered by Benefit Terms** - At the December 31, 2021 valuation date, the following employees were covered by benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	8
Inactive Employees Entitled to, but Not	
Yet Receiving Benefits	7
Active Employees	15
	<u>30</u>

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**7. Retirement System - MERS Operated - Continued**

**Contributions** - The employer is required to contribute amounts at least equally 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 obligation to contribute to and maintain the system for these employees was established by negotiation with the Village's competitive bargaining units and requires a contribution from the employees, depending on the department (Police Department, Waste Water Treatment Plant and DPW) of 4.57%, 2.00% and 2.00%. The Village makes a fixed contribution of \$3,118, \$1,255 and \$2,455 to the Police, Waste Water Treatment, and DPW departments' closed plans and contribution of 4.77%, 3.66% and 4.25% to the Police, Waste Water Treatment, and DPW departments' hybrid plans adopted in 2013.

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

**Actuarial Assumptions** - The total pension liability in the December 31, 2021 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.5%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return 7.00%, net of investment expense including inflation.

Mortality rates used were based on the RP-2014 Mortality Tables of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Global Equity	57.5%	5.02%
Global Fixed Income	20.0%	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%
	100.0%	

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**7. Retirement System - MERS Operated - Continued**

**Discount Rate** - The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans 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.

The schedule of Changes in Net Position Liability is as follows:

<b>Total Pension Liability</b>	
Service Cost	\$ 50,163
Interest on the Total Pension Liability	234,509
Differences Between Expected and Actual Experience of the Total Net Pension Liability	(53,061)
Other Adjustments	145,204
Benefit Payments and Refunds	<u>(159,687)</u>
Net Change in Total Pension Liability	217,128
Total Pension Liability - Beginning	<u>3,190,594</u>
Total Pension Liability - Ending (a)	<u><u>\$ 3,407,722</u></u>
<b>Plan Fiduciary Net Position</b>	
Employer Contributions	100,090
Employee Contributions	10,031
Pension Plan Net Investment Income	354,775
Administrative Expenses	(4,070)
Benefit Payments and Refunds	<u>(159,687)</u>
Net Change in Plan Fiduciary Net Position	301,139
Plan Fiduciary Net Position - Beginning	<u>2,524,447</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>2,825,586</u></u>
Net Pension Liability (a-b)	<u><u>\$ 582,136</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.92%
Covered Employee Payroll	\$ 891,432
Net Pension Liability as a Percentage of Covered Employee Payroll	65.30%

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**7. Retirement System - MERS Operated - Continued**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as that the employer's net pension liability would be using a discount rate that is 1% point lower (6.25%) or 1% higher (8.25%) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net Pension Liability	\$ 461,544	\$ 582,136	\$ (380,478)

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - For the fiscal year ended June 30, 2022, the employer recognized pension expense of \$67,659. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ (178,063)
Net Difference Between Expected & Actual Experience Changes in Assumptions	(53,061) 141,389
Contributions Subsequent to the Measurement Date*	61,423
<b>Total</b>	<b>\$ (28,312)</b>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2022.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended,</b>		
2023	\$	14,956
2024		14,956
2025		14,956
2026		14,956
2027		14,956
2028		14,956
	\$	89,736

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**8. Deficit Fund Balance or Retained Earnings Balances of Individual Funds**

NONE

**9. Risk Management**

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries as well as medical and workman’s compensation benefits provided to employees. The Village has purchased commercial insurance for the various risks of loss stated above. Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage obtained through commercial insurance during the past year.

**10. Deferred Compensation Plan**

The Village offers its employees a Deferred Compensation Plan (the “plan”) created in accordance with IRC Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian there of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Village’s financial statements. The total contributions for the fiscal year ending June 30, 2022 were \$17,176.

The Simplified Employee Plan (SEP-IRA) under IRC Section 401(a) provides annual contributions to each employee SEP-IRA of five to nine percent of annual compensation. The SEP-IRA retirement contributions are 100% vested. Total SEP-IRA contributions for the fiscal year ending June 30, 2022, were \$18,241.

**11. Other Post-Employment Benefits**

**Plan Description** - The Village provides retiree healthcare benefits (the “plan”) to eligible employees and their spouses.

This is a Single Employer Defined Benefit Plan administered by the Village. Benefits are provided under collective bargaining agreements for employees hired before June 1, 2013. Employees hired after June 1, 2013 are under a hybrid plan. The plans do not issue separate stand-alone financial statements. Administrative costs are paid by the plans through employer contributions.

**Employees Covered by Benefit Terms-**

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	3
Inactive Employees Entitled To, But Not	
Yet Receiving Benefits	0
Active Employees	<u>7</u>
	<u><u>10</u></u>

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**11. Other Post-Employment Benefits - Continued**

**Funding Policy** - The collective bargaining agreements currently do not require a contribution from employees. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a “pay-as-you-go” basis). The only current contributions being made are to pay the actual current premiums of the retirees. The amount of the annual required contribution is reflected in the schedule to follow.

**Funding Status and Fund Progress** - The Village estimated the cost of providing retiree healthcare benefits through ACOPEB75 utilizing actuarial valuations as of June 30, 2022. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. As of June 30, 2022, the value of assets contributed to the plan was \$-0-.

**Actuarial Methods and Assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Village qualified to use the Alternative Measurement Method (AMM), the calculation of the actuarial accrued liability and annual required contribution has been completed without a traditional actuarial valuation. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted per GASB guidelines. In the June 30, 2020 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a zero percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer’s own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of eight percent initially, grading down to four and seven tenths of a percent over the next ten years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2022, was 30 years.



**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**11. Other Post-Employment Benefits - Continued**

The schedule of Changes in Net Position Liability is as follows:

<b>Total OPEB Liability</b>	
Service Cost	\$ 86,314
Interest on the Total OPEB Liability	49,774
Differences Between Expected and Actual Experience of the Total OPEB Liability	-
Benefit Payments and Refunds	(19,948)
Other Adjustments	-
	<hr/>
Net Change in Total OPEB Liability	116,140
Total OPEB Liability - Beginning	<hr/> 1,327,312
Total OPEB Liability - Ending (a)	<hr/> <u>\$ 1,443,452</u>
<b>Plan Fiduciary Net Position</b>	
Employer Contributions	19,948
Employee Contributions	-
OPEB Plan Net Investment Income Net of Fees	-
Benefit Payments and Refunds	(19,948)
	<hr/>
Net Change in Plan Fiduciary Net Position	-
Plan Fiduciary Net Position - Beginning	<hr/> -
Plan Fiduciary Net Position - Ending (b)	<hr/> <u>-</u>
Net OPEB Liability (a-b)	<hr/> <u>\$ 1,443,452</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%
Covered Employee Payroll	\$ 698,194
Net OPEB Liability as a Percentage of Covered Employee Payroll	206.74%

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the net OPEB liability of the employer, calculated using the discount rate of 4.00%, as well as that the employer's net OPEB liability would be using a discount rate that is 1% lower (3.00%) or 1% higher (5.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<b>Net OPEB Liability</b>	<u>\$ 1,543,408</u>	<u>\$ 1,443,452</u>	<u>\$ 1,324,659</u>

**Sensitivity of the Net OPEB Liability to Changes in Healthcare cost trend rates** - The following presents the Net OPEB Liability of the employer, as well as that the employer's Net OPEB Liability would be using healthcare cost trend rates that is 1% lower (4.50%) or 1% higher (6.50%) than the current healthcare trend rates.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<b>Net OPEB Liability</b>	<u>\$ 978,894</u>	<u>\$ 1,443,452</u>	<u>\$ 1,600,780</u>

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2022

**11. Other Post-Employment Benefits - Continued**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended June 30, 2022, the employer recognized OPEB expense of \$136,088. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ -
<b>Total</b>	<b>\$ -</b>

**12. Subsequent Events**

As of August 17, 2022, there were no subsequent events which would have a material impact on the financial statements.

**13. Tax Abatements**

**Industrial Facilities Exemption**

The Village entered into a property tax abatement agreement with multiple businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFE on a new plant and non-industrial property, such as some high-tech personal property, is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2022, the Village abated property tax revenues totaling \$1,932 under this program.

**Required Supplemental Information**

# Village of Almont

Required Supplemental Information

Budgetary Comparison Schedule

General Fund

For The Fiscal Year Ended June 30, 2022

<b>Revenues</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>Taxes</b>				
Current Property Tax	\$ 1,045,010	\$ 1,052,600	\$ 947,288	\$ (105,312)
<b>State-Shared Revenues</b>	274,780	352,780	354,713	1,933
<b>Licenses, Permits &amp; Fees</b>				
Tax Fees, Penalties & Interest	14,450	15,120	13,870	(1,250)
Liquor Licenses	2,750	3,540	3,488	(52)
Zoning Permits & Site Plan Review	1,200	1,200	820	(380)
Police Fines & District Court Fees	3,000	4,300	3,329	(971)
Franchise Fees	36,900	38,830	39,104	274
<b>Total Licenses, Permits &amp; Fees</b>	<b>58,300</b>	<b>62,990</b>	<b>60,611</b>	<b>(2,379)</b>
<b>Charges for Services</b>				
Trash Collection	145,450	146,850	146,979	129
Live Scan	-	-	-	-
Police Contract	365,900	365,900	365,934	34
<b>Total Charges for Services</b>	<b>511,350</b>	<b>512,750</b>	<b>512,913</b>	<b>163</b>
<b>Miscellaneous Revenues</b>				
Refunds & Reimbursements	73,840	76,040	70,532	(5,508)
Miscellaneous	9,300	9,300	16,950	7,650
Donations/Homecoming	400	500	480	(20)
Cellular Land Lease	26,430	33,400	31,483	(1,917)
<b>Total Miscellaneous Revenues</b>	<b>109,970</b>	<b>119,240</b>	<b>119,445</b>	<b>205</b>
<b>Interest Earnings</b>	4,200	4,410	2,443	(1,967)
<b>Total Revenues</b>	<b>\$ 2,003,610</b>	<b>\$ 2,104,770</b>	<b>\$ 1,997,413</b>	<b>\$ (107,357)</b>

# Village of Almont

Required Supplemental Information

Budgetary Comparison Schedule

General Fund - *Continued*

For The Fiscal Year Ended June 30, 2022

<b>Expenditures</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b>General Government</b>				
Legislative	\$ 7,990	\$ 9,090	\$ 9,027	\$ 63
Executive	181,680	176,670	155,914	20,756
General Administration	159,010	162,200	156,575	5,625
Central Municipal Activities	178,040	194,760	74,126	120,634
<b>Total General Government</b>	<b>526,720</b>	<b>542,720</b>	<b>395,643</b>	<b>147,077</b>
<b>Public Safety</b>				
Police Department	943,530	980,550	923,014	57,536
Planning & Zoning	7,630	7,630	7,557	74
<b>Total Public Safety</b>	<b>951,160</b>	<b>988,180</b>	<b>930,571</b>	<b>57,609</b>
<b>Public Works</b>				
Department of Public Works	509,390	507,390	478,027	29,363
Street Lighting	48,330	56,710	55,972	738
Sanitation	134,310	161,300	154,279	7,022
<b>Total Public Works</b>	<b>692,030</b>	<b>725,400</b>	<b>688,277</b>	<b>37,123</b>
<b>Capital Outlay</b>	7,100	7,100	7,075	25
<b>Debt Service-Principal</b>	22,000	22,000	21,600	400
<b>Debt Service-Interest</b>	6,000	6,000	5,882	118
<b>Total Expenditures</b>	<b>2,205,010</b>	<b>2,291,400</b>	<b>2,049,047</b>	<b>242,353</b>
<b>Excess of Revenues Over (Under) Expenditure</b>	(201,400)	(186,630)	(51,634)	134,996
<b>Other Financing Sources (Uses)</b>				
Grant Revenues	-	146,870	-	(146,870)
Loan Proceeds	318,500	318,500	318,500	-
Transfers In (Out)	(56,870)	(83,170)	(83,123)	47
<b>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</b>	<b>60,230</b>	<b>195,570</b>	<b>183,743</b>	<b>(11,827)</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,128,320</b>	<b>1,128,320</b>	<b>1,108,441</b>	<b>(19,879)</b>
<b>Fund Balance - End of Year</b>	<b>\$ 1,188,550</b>	<b>\$ 1,323,890</b>	<b>\$ 1,292,183</b>	<b>\$ (31,707)</b>

**Village of Almont**  
 Required Supplemental Information  
 Municipal Employees Retirement System of Michigan  
 Schedule of Employer Contributions  
 For The Fiscal Year Ended June 30, 2022

Actuarial Valuation Date	Annual Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2012	\$ 55,653	\$ 55,653	\$ -	\$ 651,777	8.54%
12/31/2013	\$ 57,525	\$ 57,525	\$ -	\$ 594,290	9.68%
12/31/2014	\$ 64,872	\$ 64,872	\$ -	\$ 606,507	10.70%
12/31/2015	\$ 70,919	\$ 70,919	\$ -	\$ 504,281	14.06%
12/31/2016	\$ 79,774	\$ 80,204	\$ (430)	\$ 726,286	11.04%
12/31/2017	\$ 86,533	\$ 90,833	\$ (4,300)	\$ 754,809	12.03%
12/31/2018	\$ 86,202	\$ 91,362	\$ (5,160)	\$ 759,554	12.03%
12/31/2019	\$ 89,971	\$ 95,131	\$ (5,160)	\$ 756,956	12.57%
12/31/2020	\$ 90,337	\$ 95,927	\$ (5,590)	\$ 903,290	10.62%
12/31/2021	\$ 95,360	\$ 100,090	\$ (4,730)	\$ 891,432	11.23%

Note: Actuarially determined contribution amounts are calculated as of December 31 each year, which is six months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine Contributions Rates:**

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	19
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
Retirement age	60
Mortality	RP-2014 Mortality Tables of 50% male and 50% female blend

**Village of Almont**  
 Required Supplemental Information  
 Municipal Employees Retirement System of Michigan  
 Schedule of Changes in Net Pension Liability and Related Ratios  
 For The Fiscal Year Ended June 30, 2022

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Pension Liability</b>						
Service Cost	\$ 50,163	\$ 54,116	\$ 48,913	\$ 50,331	\$ 50,570	\$ 48,713
Interest on the Total Pension Liability	234,509	221,025	201,410	227,214	215,274	215,656
Diff. Between Exp. & Act. Experience of the Total Net Pension Liab.	(53,061)	(19,700)	28,102	(287,934)	25,450	(111,105)
Changes in Assumptions & Other Adjustments	145,204	75,195	128,067	-	-	-
Benefit Payments and Refunds	(159,687)	(147,185)	(139,616)	(128,739)	(155,072)	(162,907)
Net Change in Total Pension Liability	217,128	183,451	266,876	(139,128)	136,222	(9,643)
Total Pension Liability - Beginning	3,190,594	3,007,143	2,740,267	2,879,395	2,743,173	2,752,816
Total Pension Liability - Ending (a)	<u>\$ 3,407,722</u>	<u>\$ 3,190,594</u>	<u>\$ 3,007,143</u>	<u>\$ 2,740,267</u>	<u>\$ 2,879,395</u>	<u>\$ 2,743,173</u>
<b>Plan Fiduciary Net Position</b>						
Employer Contributions	\$ 100,090	\$ 95,928	\$ 98,666	\$ 91,362	\$ 90,833	\$ 80,204
Employee Contributions	10,031	13,355	13,705	13,669	14,625	16,184
Pension Plan Net Investment Income	354,775	291,825	121,763	80,324	124,905	103,568
Other Adjustments	(4,070)	(4,584)	-	-	-	-
Benefit Payments and Refunds	(159,687)	(147,185)	(139,616)	(128,739)	(155,072)	(162,907)
Net Change in Plan Fiduciary Net Position	301,139	249,339	94,518	56,616	75,291	37,049
Plan Fiduciary Net Position - Beginning	2,524,447	2,275,108	2,210,573	2,153,957	2,078,666	2,041,617
Plan Fiduciary Net Position - Ending (b)	<u>2,825,586</u>	<u>2,524,447</u>	<u>2,305,091</u>	<u>2,210,573</u>	<u>2,153,957</u>	<u>2,078,666</u>
Net Pension Liability (a-b)	<u>\$ 582,136</u>	<u>\$ 666,147</u>	<u>\$ 702,052</u>	<u>\$ 529,694</u>	<u>\$ 725,438</u>	<u>\$ 664,507</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.92%	79.12%	76.65%	80.67%	74.81%	75.78%
Covered Employee Payroll	\$ 891,432	\$ 903,290	\$ 756,956	\$ 759,554	\$ 754,809	\$ 726,286
Net Pension Liability as a Percentage of Covered Employee Payroll	65.30%	73.75%	92.75%	69.74%	96.11%	91.49%

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2016 and does not require retroactive implementation.  
 Data will be added as information is available until 10 years of such data is available.

**Village of Almont**  
 Required Supplemental Information  
 Other Post Employment Benefits  
 Schedule of Employer Contributions  
 For The Fiscal Year Ended June 30, 2022

<b>Fiscal Year Ending</b>	<b>Annual Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
6/30/2019	\$ 39,569	\$ 39,569	\$ -	\$ 399,365	9.91%
6/30/2020	\$ 29,034	\$ 29,034	\$ -	\$ 587,490	4.94%
6/30/2021	\$ 16,448	\$ 16,448	\$ -	\$ 273,145	6.02%
6/30/2022	\$ 19,948	\$ 19,948	\$ -	\$ 698,194	2.86%

Note: GASB Statement No. 75 was implemented for the fiscal year end June 30, 2019 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**Methods and Assumptions Used to Determine Contributions Rates:**

Valuation date	June 30, 2021
Actuarial cost method	Individual entry-age
Amortization method	Not applicable
Remaining amortization period	Not applicable
Asset valuation method	Not applicable
Actuarial assumptions:	
Investment rate of return	Not applicable
Projected salary increases	3.00%
Medical care cost trend rate	5.1% year 1 graded to 5.6% year 21



**Village of Almont**  
Required Supplemental Information  
Other Post Employment Benefits  
Schedule of Changes in Net OPEB and Related Ratios  
For The Fiscal Year Ended June 30, 2022

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total OPEB Liability</b>				
Service Cost	\$ 86,314	\$ 77,474	\$ 69,326	\$ 17,542
Interest on the Total OPEB Liability	49,774	45,769	36,764	37,464
Differences between expected and actual experience	-	-	163,093	-
Changes in assumptions	-	-	-	-
Benefit payments and refunds	(19,948)	(16,448)	(29,034)	(39,569)
Other	-	-	28,338	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Total OPEB Liability	116,140	106,795	268,487	15,437
Total OPEB Liability - Beginning	1,327,312	1,220,517	952,030	936,593
	<hr/>	<hr/>	<hr/>	<hr/>
Total OPEB Liability - Ending (a)	\$ 1,443,452	\$ 1,327,312	\$ 1,220,517	\$ 952,030
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 19,948	\$ 16,448	\$ 29,034	\$ 39,569
Employee Contributions	-	-	-	-
OPEB Plan Net Investment Income	-	-	-	-
Benefit Payments and Refunds	(19,948)	(16,448)	(29,034)	(39,569)
OPEB Plan Administrative Expense	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>	<hr/>
Net OPEB Asset (a-b)	\$ 1,443,452	\$ 1,327,312	\$ 1,220,517	\$ 952,030
	<hr/>	<hr/>	<hr/>	<hr/>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$ 698,194	\$ 273,145	\$ 587,490	\$ 399,365
	<hr/>	<hr/>	<hr/>	<hr/>
Net Pension Liability as a Percentage of Covered Employee Payroll	206.74%	485.94%	207.75%	238.39%
Investment Returns	0.00%	0.00%	0.00%	0.00%

Note: GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2019 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**Other Supplemental Information**

# Village of Almont

Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2022

	Special Revenue Funds					Debt Service Funds		Total Nonmajor Governmental Funds
	Major Streets Fund	Local Streets Fund	Downtown Development Authority	Inspection Fund	Parks & Recreation Fund	Water Tower	W.W.T.P. Improvement Project	
<b><u>Assets</u></b>								
Cash & Cash Equivalents	\$ 416,677	\$ 188,404	\$ 240,337	\$ 5,930	\$ 41,583	\$ 100,123	\$ 101,609	\$ 1,094,663
Accounts Receivable	36,072	14,859	-	-	-	1,044	34,368	86,343
Prepaid Expenses	1,169	507	-	-	283	-	-	1,959
Due From Other Funds	-	-	-	-	-	-	-	-
<b><u>Total Assets &amp; Deferred Outflows</u></b>	<b><u>\$ 453,918</u></b>	<b><u>\$ 203,770</u></b>	<b><u>\$ 240,337</u></b>	<b><u>\$ 5,930</u></b>	<b><u>\$ 41,866</u></b>	<b><u>\$ 101,167</u></b>	<b><u>\$ 135,977</u></b>	<b><u>\$ 1,182,965</u></b>
<b><u>Liabilities &amp; Fund Balances</u></b>								
<b><u>Liabilities</u></b>								
Accounts Payable	\$ 6,475	\$ 815	\$ 1,059	\$ -	\$ 955	\$ -	\$ -	\$ 9,304
Due To Other Funds	-	-	5,254	-	1,108	-	-	6,362
<b><u>Total Liabilities</u></b>	<b><u>6,475</u></b>	<b><u>815</u></b>	<b><u>6,312</u></b>	<b><u>-</u></b>	<b><u>2,063</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>15,666</u></b>
<b><u>Fund Balances</u></b>								
Nonspendable	1,169	507	-	-	283	-	-	1,959
Restricted For:								
Debt Service	-	-	-	-	-	101,167	135,977	237,144
Highways	446,274	202,447	-	-	-	-	-	648,721
Building Inspections	-	-	-	5,930	-	-	-	5,930
Public Works	-	-	234,025	-	-	-	-	234,025
Recreation & Culture	-	-	-	-	39,520	-	-	39,520
<b><u>Total Liabilities &amp; Fund Balances</u></b>	<b><u>\$ 453,918</u></b>	<b><u>\$ 203,770</u></b>	<b><u>\$ 240,337</u></b>	<b><u>\$ 5,930</u></b>	<b><u>\$ 41,866</u></b>	<b><u>\$ 101,167</u></b>	<b><u>\$ 135,977</u></b>	<b><u>\$ 1,182,965</u></b>

# Village of Almont

Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For The Fiscal Year Ended June 30, 2022

	Special Revenue Funds					Debt Service Funds		Total Nonmajor Governmental Funds
	Major Streets Fund	Local Streets Fund	Downtown Development Authority	Inspection Fund	Park & Recreation Fund	Water Tower	W.W.T.P. Improvement Project	
<b>Revenues</b>								
Property Taxes	\$ -	\$ -	\$ 184,519	\$ -	\$ -	\$ 129,261	\$ -	313,780
Intergovernmental Revenues	238,735	106,079	-	-	28,574	-	-	\$ 373,388
Licenses, Fees & Permits	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	134,688	134,688
Interest Earnings	799	212	6,728	12	5	143	165	8,064
Other Revenues	108	-	33,282	-	5,830	-	1,192	40,412
<b>Total Revenues</b>	239,643	106,291	224,529	12	34,409	129,404	136,046	870,332
<b>Expenditures</b>								
Public Safety	-	-	-	-	-	-	-	-
Public Works	85,696	91,626	139,400	-	-	-	-	316,723
Recreation & Culture	-	-	-	-	31,125	-	-	31,125
Capital Outlay	-	-	96,776	-	39,048	-	-	135,824
Debt Service - Principal	-	18,299	-	-	-	-	-	18,299
Debt Service - Interest	-	510	-	-	-	-	-	510
<b>Total Expenditures</b>	85,696	110,436	236,176	-	70,173	-	-	502,481
<b>Excess of Revenues Over (Under)</b>								
<b>Expenditures</b>	153,946	(4,145)	(11,647)	12	(35,764)	129,404	136,046	367,851
<b>Other Financing Sources (Uses)</b>								
Grant Revenue	-	-	-	-	5,000	-	-	5,000
Transfers In (Out)	(96,000)	96,000	-	-	31,204	(103,155)	(131,664)	(203,615)
<b>Net Change in Fund Balances</b>	57,946	91,855	(11,647)	12	440	26,248	4,382	169,236
<b>Fund Balances - Beginning of Year</b>	389,496	111,099	245,672	5,919	39,362	74,919	131,595	998,063
<b>Fund Balances - End of Year</b>	\$ 447,443	\$ 202,954	\$ 234,025	\$ 5,930	\$ 39,803	\$ 101,167	\$ 135,977	\$ 1,167,299

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2022

**Business-type Activities General Obligation Bonds & Contracts**

Lapeer County Revolving Drinking Water Bonds  
Water Tower Project

Dated: September 20, 2007  
 Original Issue: \$2,090,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.13%	10/1/2021	\$ -	\$ 105,000	\$ -
2.13%	10/1/2022	110,000	110,000	16,419
2.13%	10/1/2023	115,000	115,000	14,029
2.13%	10/1/2024	115,000	115,000	11,586
2.13%	10/1/2025	120,000	120,000	9,089
2.13%	10/1/2026	120,000	120,000	6,539
2.13%	10/1/2027	125,000	125,000	3,936
2.13%	10/1/2028	122,694	122,694	1,304
<u>Total Revolving Drinking Water Bond</u>		<u>\$ 827,694</u>	<u>\$ 932,694</u>	<u>\$ 62,902</u>

Lapeer County General Obligation Limited Tax Bond  
Pump Station

Dated: November 6, 2014  
 Original Issue: \$650,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.61%	11/6/2021	\$ -	\$ 50,000	\$ -
2.61%	11/6/2022	50,000	50,000	8,483
2.61%	11/6/2023	75,000	75,000	6,851
2.61%	11/6/2024	75,000	75,000	5,873
2.61%	11/6/2025	75,000	75,000	3,915
2.61%	11/6/2026	75,000	75,000	1,958
<u>Total General Obligation Bond</u>		<u>\$ 350,000</u>	<u>\$ 400,000</u>	<u>\$ 27,080</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness - *Continued*  
 June 30, 2022

Lapeer County 2011 Refunding Bonds  
W.W.T.P. Improvement Project

Dated: October 5, 2011  
 Original Issue: \$1,180,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
3.38%	12/1/2021	\$ -	\$ 125,000	\$ -
3.50%	12/1/2022	130,000	130,000	4,550
<u>Total Refunding Bonds</u>		<u>\$ 130,000</u>	<u>\$ 255,000</u>	<u>\$ 4,550</u>

Lapeer County Lift Station Bonds  
E. St. Clair Lift Station

Dated: March 29, 2012  
 Original Issue: \$465,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
4.00%	10/1/2021	\$ -	\$ 45,000	\$ -
4.00%	10/1/2022	45,000	45,000	4,900
4.00%	10/1/2023	50,000	50,000	3,000
4.00%	10/1/2024	50,000	50,000	1,000
<u>Total Lift Station Bonds</u>		<u>\$ 145,000</u>	<u>\$ 190,000</u>	<u>\$ 8,900</u>

Lapeer County 2018 WWTP Improvement Bonds  
Wastewater Treatment Plant Improvements

Dated: June 13, 2018  
 Original Issue: \$530,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.85%	4/1/2022	\$ -	\$ 55,000	\$ -
2.95%	4/1/2023	60,000	60,000	11,070
3.00%	4/1/2024	60,000	60,000	9,285
3.20%	4/1/2025	60,000	60,000	7,425
3.30%	4/1/2026	60,000	60,000	5,475
3.40%	4/1/2027	65,000	65,000	3,380
3.50%	4/1/2028	65,000	65,000	1,138
<u>Total 2018 WWTP Improvement Bonds</u>		<u>\$ 370,000</u>	<u>\$ 425,000</u>	<u>\$ 37,773</u>

<b><u>Total Business-type Activities Long-Term Debt</u></b>	<b><u>\$ 1,822,694</u></b>	<b><u>\$ 2,202,694</u></b>	<b><u>\$ 141,205</u></b>
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**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness - *Continued*  
 June 30, 2022

**Governmental Activities General Obligation Bonds & Contracts**

Tri-County Bank  
Cherry Street Bridge

Dated: October 5, 2011  
 Original Issue: \$162,227

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.75%	10/5/2021	\$ -	\$ 18,299	\$ -
<u>Total Cherry Street Bridge</u>		<u>\$ -</u>	<u>\$ 18,299</u>	<u>\$ -</u>

Installment Purchase Contract Payable  
DPW Dump Truck: 2018 Ford F-750

Dated: November 27, 2017  
 Original Issue: \$124,693

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.45%	6/30/2022	\$ -	\$ 25,827	\$ -
2.45%	6/30/2023	15,242	15,242	128
<u>Total Installment Purchase Contract</u>		<u>\$ 15,242</u>	<u>\$ 41,070</u>	<u>\$ 128</u>

Installment Purchase Contract Payable  
DPW 2019 GMC Sierra 2500HD Pickup

Dated: January 1, 2020  
 Original Issue: \$30,251

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
3.00%	1/1/2022	\$ -	\$ 7,451	\$ -
3.00%	1/1/2023	7,672	7,672	467
3.00%	1/1/2024	7,902	7,902	237
<u>Total Installment Purchase Contract</u>		<u>\$ 15,574</u>	<u>\$ 23,024</u>	<u>\$ 704</u>

Installment Purchase Contract Payable  
2020 Dodge Durango Police Vehicle

Dated: July 9, 2020  
 Original Issue: \$42,500

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.88%	3/9/2022	\$ -	\$ 14,017	\$ -
2.88%	3/9/2023	14,449	14,449	421
<u>Total Installment Purchase Contract</u>		<u>\$ 14,449</u>	<u>\$ 28,466</u>	<u>\$ 421</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness - *Continued*  
 June 30, 2022

Installment Purchase Contract Payable  
DPW 2019 John Deere Back Hoe

Dated: October 1, 2019  
 Original Issue: \$88,282

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
4.00%	10/1/2021	\$ -	\$ 7,645	\$ -
4.00%	10/1/2022	7,955	7,955	2,932
4.00%	10/1/2023	8,273	8,273	2,613
4.00%	10/1/2024	8,598	8,598	2,289
4.00%	10/1/2025	8,948	8,948	1,938
4.00%	10/1/2026	9,306	9,306	1,581
4.00%	10/1/2027	9,678	9,678	1,208
4.00%	10/1/2028	10,063	10,063	823
4.00%	10/1/2029	10,517	10,517	419
<u>Total Installment Purchase Contract</u>		<u>\$ 73,338</u>	<u>\$ 80,983</u>	<u>\$ 13,803</u>

Installment Purchase Contract Payable  
DPW 2022 GMC Sierra 2500HD Pickup

Dated: January 31, 2022  
 Original Issue: \$33,856

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.00%	3/1/2023	\$ 8,214	\$ -	\$ 677
2.00%	3/1/2024	8,379	-	513
2.00%	3/1/2025	8,545	-	346
2.00%	3/1/2026	8,717	-	174
<u>Total Installment Purchase Contract</u>		<u>\$ 33,856</u>	<u>\$ -</u>	<u>\$ 1,710</u>

Installment Purchase Contract Payable  
2021 Dodge Charger Police Vehicle

Dated: December 31, 2021  
 Original Issue: \$38,764

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2022</u>	<u>2021</u>	
2.00%	11/1/2022	\$ 12,667	\$ -	\$ 775
2.00%	11/1/2023	12,920	-	522
2.00%	11/1/2024	13,178	-	264
<u>Total Installment Purchase Contract</u>		<u>\$ 38,764</u>	<u>\$ -</u>	<u>\$ 1,562</u>

<b><u>Total Gov. Activities Long-Term Debt</u></b>	<b><u>\$ 191,222</u></b>	<b><u>\$ 191,842</u></b>	<b><u>\$ 18,328</u></b>
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# KING & KING CPAs LLC

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August 17, 2022

**Village of Almont**  
817 North Main Street  
Almont, MI 48003

To the Members of the Council:

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information as of and for the fiscal year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the **Village of Almont's** internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses may exist that we have not identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the **Village of Almont's** internal control to be a significant deficiency:

**Segregation of Duties** – Due to the limited number of people, many critical duties are combined and given to the available employees/council members. To the extent possible, duties should be segregated to serve as a check and balance to maintain the best control possible. We recommend the Village segregate duties whenever possible.

This information is intended solely for the information and use of management, **Village of Almont**, and others within the organization, and is not intended to be, nor should it be used by anyone other than these specified parties.

Sincerely,

*King & King CPAs LLC*

**KING & KING CPAs LLC**  
Imlay City, Michigan

# KING & KING CPAs LLC

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August 17, 2022

**Village of Almont**  
817 North Main Street  
Almont, MI 48003

To the Members of the Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the **Village of Almont** for the fiscal year ended June 30, 2022, and have issued our report thereon dated August 17, 2022. Professional standards require that we provide you with the following information related to our audit.

## **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated September 3, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted auditing standards. Our audit of the financial statements does not relieve you or management of your responsibilities.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you.

## **Significant Audit Findings**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of auditing standards and their application. The significant accounting policies used by the **Village of Almont** are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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## **Audit Adjustments (Corrected and Uncorrected Misstatements)**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 17, 2022.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Restriction on Use*

This information is intended solely for the information and use of management, the Council of the **Village of Almont**, and Federal and State agencies and is not intended to be, nor should it be used by anyone other than these specified parties.

Sincerely,

*King & King CPAs LLC*

**KING & KING CPAs LLC**  
Imlay City, Michigan