

Village of Almont

Lapeer County, Michigan

Audited Financial Report
June 30, 2023

KING & KING CPAs LLC

Marlette ~ Imlay City
Michigan

Village of Almont
Annual Financial Report
For The Fiscal Year Ended June 30, 2023

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Independent Auditor's Report

Honorable Village Council
Village of Almont
Lapeer County, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, and each major fund for the **Village of Almont**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statements, which collectively comprise the **Village of Almont's** basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the **Village of Almont**, as of **June 30, 2023**, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **Village of Almont**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Village of Almont's** ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Village of Almont's** internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Village of Almont's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required 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 is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Village of Almont's** basic financial statements. The other supplemental information, as identified in the Table of Contents, is presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the Table of Contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

King & King CPAs LLC

KING & KING CPAs LLC
Imlay City, Michigan

August 30, 2023

Village of Almont

Almont, Michigan

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, 2023. 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	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Current Assets	\$ 3,101,969	\$ 2,965,031	\$ 2,119,001	\$ 1,825,409	\$ 5,220,970	\$ 4,790,440
Noncurrent Assets	3,260,629	3,083,159	8,273,288	8,406,925	11,533,917	11,490,084
Total Assets	6,362,598	6,048,190	10,392,289	10,232,334	16,754,887	16,280,524
Deferred Inflows	309,345	-	-	-	309,345	-
Current Liabilities	209,424	272,175	503,125	482,529	712,549	754,704
Noncurrent Liabilities	2,619,637	2,425,911	1,127,694	1,427,694	3,747,331	3,853,605
Total Liabilities	2,829,061	2,698,086	1,630,819	1,910,223	4,459,880	4,608,309
Deferred Inflows	140,634	490,351	-	-	140,634	490,351
Net Position:						
Net Inv. In Cap. Assets	845,240	762,869	6,836,277	6,572,732	7,681,517	7,335,601
Restricted	857,579	925,579	18,030	27,365	875,609	952,944
Unrestricted	1,999,431	1,171,305	1,907,163	1,722,014	3,906,594	2,893,319
Total Net Position	\$ 3,702,250	\$ 2,859,753	\$ 8,761,470	\$ 8,322,111	\$ 12,463,720	\$ 11,181,864

Village of Almont

Almont, Michigan

Condensed Financial Information – Continued

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

	Governmental Activities		Business-type Activities		Total	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Revenues						
Program Revenues:						
Charges for Services	\$ 788,803	\$ 852,525	\$ 1,812,622	\$ 1,639,329	\$ 2,601,425	\$ 2,491,854
Grants & Contributions	526,380	378,868	-	-	526,380	378,868
General Revenues:						
Property Taxes	1,424,418	1,261,068	-	-	1,424,418	1,261,068
State-Shared Revenues	362,621	354,713	-	-	362,621	354,713
Interest Earnings	26,090	10,810	8,750	2,794	34,840	13,604
Other Revenues	190,179	214,649	-	-	190,179	214,649
Transfers	(411,784)	(286,738)	411,784	286,738	-	-
Total Revenues	<u>2,906,707</u>	<u>2,785,895</u>	<u>2,233,156</u>	<u>1,928,861</u>	<u>5,139,863</u>	<u>4,714,756</u>
Program Expenses						
General Government	\$ 137,360	\$ 710,843	\$ -	\$ -	\$ 137,360	\$ 710,843
Public Safety	973,946	937,829	-	-	973,946	937,829
Public Works	872,891	1,097,682	-	-	872,891	1,097,682
Recreation & Culture	60,293	37,650	-	-	60,293	37,650
Interest on L/T Debt	17,157	8,974	40,965	52,512	58,122	61,486
Water & Sewer	-	-	1,752,832	1,543,202	1,752,832	1,543,202
Total Program Expenses	<u>2,061,647</u>	<u>2,792,978</u>	<u>1,793,797</u>	<u>1,595,714</u>	<u>3,855,444</u>	<u>4,388,692</u>
Change in Net Position	<u>\$ 845,060</u>	<u>\$ (7,083)</u>	<u>\$ 439,359</u>	<u>\$ 333,147</u>	<u>\$ 1,284,419</u>	<u>\$ 326,064</u>

The Village as a Whole

- The Village's Governmental Activities net position increased by \$845,060 this fiscal year. This compares to a net decrease of \$7,083 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 Pension and OPEB adjustments for the current year, which resulted in an income of \$537,000 this fiscal year compared to an expense of \$48,000 in the previous year.
- The Village's Business-type Activities net position increased by \$439,359 this fiscal year. This compares to a net increase of \$333,147 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 78% of total revenue.

Village of Almont

Almont, Michigan

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 major funds for the fiscal year ended June 30, 2023 are the General Fund and Downtown Development Authority 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. There were some small items in which the expenditures exceeded the amounts budgeted, but by a small amount.

Capital Asset and Debt Administration

During the fiscal year ended June 30, 2023, The General Fund purchased police body cameras for \$14,925 and constructed a salt shed for \$56,103. The Local Streets Fund paved the streets for Orchard Hills subdivision for \$89,950. The DDA Fund installed street light poles for \$126,956. The Equipment Fund purchased and outfitted a 2023 Dodge Charger police vehicle for \$48,337, 2022 Ford F-350 DPW truck for \$63,787 and a snow plow for \$5,974. The Village Sewer Fund conducted relining of some of the sewer lines for \$178,067. 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, 2023 for the purchase of a 2023 Dodge Charger (\$35,592), Downtown Street Lamps (\$126,956), a 2022 Bonnell Leaf Machine (\$93,849), and a 2022 Ford F-350 (\$63,787). The Village's total debt as of June 30, 2023 was about \$2,148,134, with principal payments of \$395,000 due within one year. There were principal payments of \$483,000 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. As our current economy is seeing increased inflation and interest rates, the Village will need to be conscious of proper budgeting practices to manage increases in costs.

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, 2023

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<u>Assets</u>			
Cash & Cash Equivalents	\$ 2,952,386	\$ 1,693,454	\$ 4,645,841
Accounts Receivable	107,323	407,517	514,839
Prepaid Expenses	42,260	18,030	60,290
Capital Assets			
Nondepreciable Capital Assets	95,592	37,849	133,441
Depreciable Capital Assets	3,165,037	8,235,439	11,400,476
<u>Total Assets</u>	<u>6,362,598</u>	<u>10,392,288</u>	<u>16,754,887</u>
<u>Deferred Outflows of Resources</u>			
Related to the Pension Plan	309,345	-	309,345
<u>Liabilities</u>			
Accounts Payable	104,326	193,808	298,134
Accrued Interest Payable	10,109	9,317	19,425
Current Portion of Long-Term Debt	94,989	300,000	394,989
Noncurrent Liabilities:			
Net Retiree Healthcare Obligation	909,456	-	909,456
Net Pension Liability	1,084,731	-	1,084,731
Long-Term Debt	625,450	1,127,694	1,753,144
<u>Total Liabilities</u>	<u>2,829,060</u>	<u>1,630,819</u>	<u>4,459,879</u>
<u>Deferred Inflows of Resources</u>			
Deferred Revenues	140,634	-	140,634
<u>Net Position</u>			
Net Investment in Capital Assets	845,240	6,836,277	7,681,517
Nonspendable	40,607	18,030	58,637
Restricted:			
Restricted for Debt Service	115,453	-	115,453
Restricted for Other Uses	701,519	-	701,519
Unrestricted	1,999,431	1,907,163	3,906,594
<u>Total Net Position</u>	<u>\$ 3,702,249</u>	<u>\$ 8,761,470</u>	<u>\$ 12,463,719</u>

The notes are an integral part of the statements.

Village of Almont

Statement of Activities

For The Fiscal Year Ended June 30, 2023

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	\$ 137,360	\$ 199,028	\$ -	\$ -	\$ 61,668	\$ -	\$ 61,668
Public Safety	973,946	413,723	160,089	-	(400,135)	-	(400,135)
Public Works	872,891	176,052	361,961	-	(334,878)	-	(334,878)
Recreation & Culture	60,293	-	4,330	-	(55,963)	-	(55,963)
Interest on Long-Term Debt	17,157	-	-	-	(17,157)	-	(17,157)
<u>Total Governmental Activities</u>	<u>2,061,646</u>	<u>788,803</u>	<u>526,380</u>	<u>-</u>	<u>(746,463)</u>	<u>-</u>	<u>(746,463)</u>
Business-type Activities	1,752,832	1,812,622	-	-	-	59,790	59,790
Interest on Long-Term Debt	40,965	-	-	-	-	(40,965)	(40,965)
<u>Total Business-type Activities</u>	<u>1,793,797</u>	<u>1,812,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,825</u>	<u>18,825</u>
Total Primary Government	<u>\$ 3,855,444</u>	<u>\$ 2,601,425</u>	<u>\$ 526,380</u>	<u>\$ -</u>	<u>\$ (746,463)</u>	<u>\$ 18,825</u>	<u>\$ (727,638)</u>
General Revenues:							
Property Taxes					\$ 1,424,418	\$ -	\$ 1,424,418
State-Shared Revenues					362,621	-	362,621
Interest Earnings					26,090	8,750	34,840
Other Revenues					190,179	-	190,179
Transfers					(411,784)	411,784	-
Total General Revenues, Special Items & Transfers					<u>1,591,524</u>	<u>420,534</u>	<u>2,012,058</u>
Change in Net Position					845,061	439,359	1,284,420
<u>Net Position - Beginning of Year</u>					<u>2,857,189</u>	<u>8,322,111</u>	<u>11,179,299</u>
<u>Net Position - End of Year</u>					<u>\$ 3,702,249</u>	<u>\$ 8,761,470</u>	<u>\$ 12,463,719</u>

The notes are an integral part of the statements.

Village of Almont

Governmental Funds

Balance Sheet

June 30, 2023

	General Fund	Downtown Development Authority Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash & Cash Equivalents	\$ 1,751,039	\$ 307,035	\$ 815,241	\$ 2,873,314
Accounts Receivable	44,951	-	59,261	104,211
Prepaid Expenses	38,914	476	1,216	40,607
Due From Other Funds	5,269	-	-	5,269
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 1,840,173</u>	<u>\$ 307,511</u>	<u>\$ 875,718</u>	<u>\$ 3,023,401</u>
<u>Liabilities & Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 89,792	\$ 2,724	\$ 8,098	\$ 100,614
Unearned Revenues	140,634	-	-	140,634
Due To Other Funds	-	5,269	-	5,269
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>230,426</u>	<u>7,993</u>	<u>8,098</u>	<u>246,517</u>
<u>Fund Equity</u>				
Fund Balances:				
Nonspendable	38,914	476	1,216	40,607
Restricted For:				
Debt Service	-	-	115,453	115,453
Highways	-	-	687,732	687,732
Building Inspection	-	-	5,962	5,962
Homecoming	6,171	-	-	6,171
Public Works	-	299,042	-	299,042
Parks	-	-	57,256	57,256
Unassigned	1,564,661	-	-	1,564,661
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>1,609,746</u>	<u>299,518</u>	<u>867,620</u>	<u>2,776,884</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Equity	<u>\$ 1,840,173</u>	<u>\$ 307,511</u>	<u>\$ 875,718</u>	<u>\$ 3,023,401</u>

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, 2023

Total Fund Balances for Governmental Funds and Equipment Fund	\$ 3,127,545
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and are not reported in the funds.	2,665,451
Long-term bonds payable are not due and payable in the current period and are not reported in the funds.	(402,256)
Accrued interest payable is not reported in the funds.	(3,650)
Other post-employment benefit obligation in Governmental Activities is not reported in the funds.	(909,456)
Net pension liability is not due and payable in the current period and is not reported as fund liabilities.	(1,084,731)
Certain pension contributions and changes in pension plan liabilities are reported as deferred outflows of resources in the Statement of Net Position.	<u>309,345</u>
Net Position of Governmental Activities	<u><u>\$ 3,702,249</u></u>

Village of Almont
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2023

	General Fund	Downtown Development Authority Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$ 1,100,907	\$ 111,567	\$ 130,389	\$ 1,342,863
Intergovernmental Revenues	362,621	81,555	361,961	806,137
Licenses, Permits & Fees	58,359	-	-	58,359
Charges for Services	579,605	-	5,179	584,784
Interest Earnings	19,644	1,661	4,423	25,729
Other Revenues	65,745	53,719	26,313	145,777
<u>Total Revenues</u>	<u>2,186,881</u>	<u>248,502</u>	<u>528,266</u>	<u>2,963,649</u>
<u>Expenditures</u>				
General Government	421,694	-	-	421,694
Public Safety	965,444	-	-	965,444
Public Works	374,052	158,505	235,839	768,396
Recreation & Culture	-	24,504	28,186	52,690
Capital Outlay	71,028	126,956	89,950	287,934
Debt Service - Principal	21,600	-	-	21,600
Debt Service - Interest	4,937	-	-	4,937
<u>Total Expenditures</u>	<u>1,858,754</u>	<u>309,965</u>	<u>353,975</u>	<u>2,522,694</u>
Excess of Revenues Over (Under) Expenditures	328,127	(61,463)	174,291	440,955
<u>Other Financing Sources (Uses)</u>				
Grant Revenues	160,089	-	3,750	163,839
Loan Proceeds	-	126,956	-	126,956
Transfers In (Out)	(168,089)	-	(243,695)	(411,784)
Net Change in Fund Balances	320,127	65,493	(65,654)	319,966
<u>Fund Balances - Beginning of Year</u>	<u>1,289,620</u>	<u>234,025</u>	<u>933,274</u>	<u>2,456,919</u>
<u>Fund Balances - End of Year</u>	<u>\$ 1,609,746</u>	<u>\$ 299,518</u>	<u>\$ 867,620</u>	<u>\$ 2,776,884</u>

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, 2023

Net Change in Fund Balances - Total Governmental Funds and Equipment Fund	\$	266,537
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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.

287,934

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

21,600

Interest expense is reported in the Statement of Activities when a liability is incurred. They are reported in the Governmental Funds only when payment is due.

(3,650)

Change in other post-employment benefit obligation is recorded when incurred in the Statement of Activities.

533,996

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

3,378

Bond proceeds and loan proceeds are not reported as financing sources on the Statement of Activities.

(126,956)

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

(137,779)

Net Change in Net Position of Governmental Activities	\$	<u>845,061</u>
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The notes are an integral part of the statements.

Village of Almont

Proprietary Funds
Statement of Net Position
June 30, 2023

	Enterprise Funds		Total	Internal
	Sewer	Water	Enterprise	Service
Assets	Fund	Fund	Funds	Fund
				Equipment
<u>Current Assets</u>				
Cash & Cash Equivalents	\$ 1,509,083	\$ 184,371	\$ 1,693,454	\$ 79,072
Accounts Receivable	233,115	174,401	407,517	3,111
Prepaid Expenses	14,422	3,608	18,030	1,653
<u>Total Current Assets</u>	<u>1,756,620</u>	<u>362,381</u>	<u>2,119,001</u>	<u>83,837</u>
<u>Noncurrent Assets</u>				
Capital Assets Not Being Depreciated	100	37,749	37,849	-
Capital Assets Being Depreciated	9,888,195	5,847,649	15,735,844	1,606,361
Less: Accumulated Depreciation	(5,214,700)	(2,285,706)	(7,500,406)	(1,011,184)
<u>Total Noncurrent Assets</u>	<u>4,673,596</u>	<u>3,599,692</u>	<u>8,273,287</u>	<u>595,178</u>
<u>Total Assets</u>	<u>6,430,216</u>	<u>3,962,072</u>	<u>10,392,288</u>	<u>679,014</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
<u>Current Liabilities</u>				
Accounts Payable	144,496	49,312	193,808	3,711
Accrued Interest Payable	3,546	5,770	9,317	6,459
Current Portion of Long-Term Debt	110,000	190,000	300,000	62,313
<u>Total Current Liabilities</u>	<u>258,042</u>	<u>245,082</u>	<u>503,125</u>	<u>72,483</u>
<u>Long-Term Liabilities</u>				
Bonds Payable	300,000	827,694	1,127,694	255,870
<u>Total Liabilities</u>	<u>558,042</u>	<u>1,072,776</u>	<u>1,630,819</u>	<u>328,353</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	4,260,050	2,576,227	6,836,277	270,536
Restricted	14,422	3,608	18,030	1,653
Unrestricted	1,597,702	309,461	1,907,163	78,472
<u>Total Net Position</u>	<u>\$ 5,872,174</u>	<u>\$ 2,889,296</u>	<u>\$ 8,761,470</u>	<u>\$ 350,661</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, 2023

	Enterprise Funds		Total	Internal
	Sewer	Water	Enterprise	Service
	Fund	Fund	Funds	Fund
				Equipment
<u>Operating Revenues</u>				
User Charges & Penalties	\$ 956,713	\$ 825,133	\$ 1,781,846	\$ 34,015
Service Connection Charges	6,750	11,616	18,366	-
Other Income	2,139	10,271	12,410	6,708
Grant Income	-	-	-	-
Equipment Rental	-	-	-	142,304
<u>Total Operating Revenues</u>	<u>965,601</u>	<u>847,021</u>	<u>1,812,622</u>	<u>183,027</u>
<u>Operating Expenditures</u>				
Cost of Water	-	254,320	254,320	-
Operation & Maintenance	677,684	423,460	1,101,145	143,949
General & Administration	15,145	11,276	26,421	1,130
Depreciation	252,735	118,211	370,946	90,782
<u>Total Operating Expenditures</u>	<u>945,565</u>	<u>807,267</u>	<u>1,752,832</u>	<u>235,861</u>
Operating Income (Loss)	20,037	39,754	59,790	(52,834)
<u>Non-Operating Revenues (Expenditures)</u>				
Interest Earned	7,906	844	8,750	361
Interest Expense	(16,973)	(23,992)	(40,965)	(8,570)
Gain (Loss) on Sale of Fixed Assets	-	-	-	7,614
Transfers From (To) Other Funds	232,864	178,920	411,784	-
Change in Net Position	243,833	195,526	439,359	(53,428)
<u>Net Position - Beginning of Year</u>	<u>5,628,341</u>	<u>2,693,770</u>	<u>8,322,111</u>	<u>404,090</u>
<u>Net Position - End of Year</u>	<u>\$ 5,872,174</u>	<u>\$ 2,889,296</u>	<u>\$ 8,761,470</u>	<u>\$ 350,661</u>

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, 2023

	Enterprise Funds		Total	Internal
	Sewer	Water	Enterprise	Service
	Fund	Fund	Funds	Fund
				Equipment
<u>Cash Flows From Operating Activities</u>				
Receipts From Customers	\$ 956,571	\$ 825,305	\$ 1,781,876	\$ 182,865
Payments For Operation, Maintenance & Water	(538,632)	(691,903)	(1,230,534)	(241,029)
Payments For General & Administration	(15,145)	(11,276)	(26,421)	(1,130)
<u>Net Cash Provided by Operating Activities</u>	<u>402,794</u>	<u>122,126</u>	<u>524,920</u>	<u>(59,295)</u>
<u>Cash Flows From Noncapital Financing Activities</u>				
Operating Transfers In (Out)	232,864	178,920	411,784	-
Received (Paid) "Due To / From Other Funds"	-	-	-	2,949
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>232,864</u>	<u>178,920</u>	<u>411,784</u>	<u>2,949</u>
<u>Cash Flows From Capital & Related Financing Activities</u>				
Interest Expense	(16,973)	(23,992)	(40,965)	(8,570)
Net Proceeds From Issuance (Payments) of Long-Term Debt	(235,000)	(160,000)	(395,000)	126,961
Sale (Purchase) of Capital Assets	(237,309)	-	(237,309)	(110,484)
<u>Net Cash Provided by Capital & Related Financing Activities</u>	<u>(489,282)</u>	<u>(183,992)</u>	<u>(673,274)</u>	<u>7,907</u>
<u>Cash Flows From Investing Activities</u>				
Increase in Customer Deposits	-	-	-	-
Interest Received on Investments	7,906	844	8,750	361
Net Increase (Decrease) in Cash & Cash Equivalents	154,282	117,899	272,180	(48,079)
<u>Cash & Cash Equivalents - Beginning of Year</u>	<u>1,354,801</u>	<u>66,473</u>	<u>1,421,274</u>	<u>127,150</u>
<u>Cash & Cash Equivalents - End of Year</u>	<u>\$ 1,509,083</u>	<u>\$ 184,371</u>	<u>\$ 1,693,454</u>	<u>\$ 79,072</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>From Operating Activities</u>				
Operating Income (Loss)	20,037	39,754	59,790	(52,834)
Adjustments to Reconcile Operating Income (Loss) From Operating Activities:				
Depreciation	252,735	118,211	370,946	90,782
Changes in Assets & Liabilities:				
Prepaid Expenses	7,413	1,922	9,335	1,364
Accounts Receivable	(9,031)	(21,716)	(30,747)	(163)
Accounts Payable	131,640	(16,044)	115,596	(98,445)
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 402,794</u>	<u>\$ 122,126</u>	<u>\$ 524,920</u>	<u>\$ (59,295)</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, 2023

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.

Downtown Development Authority - The Downtown Development Authority (DDA) of the Village is governed by a separate board appointed by 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.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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 activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

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

The Village's 2022 tax is levied and collectible on July 1, 2022, and is recognized as revenue in the fiscal year ended June 30, 2023, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the Village totaled about \$89 million (a portion of which is captured by the DDA), on which taxes levied consisted of 13.5349 mills for operating purposes and 1.3430 mills for water tower debt service. This resulted in approximately \$1,031,000 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.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies - Continued

Receivables and Payables – All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of the interfund loans) or “advances to/from other funds” (i.e. the non-current portion of the interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

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, 2023, the accumulated value of compensated absences was \$168,748.

Deferred Outflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then. The Village reports deferred outflows of resources related to its defined benefit pension plan for contributions to the plan subsequent to the valuation date through the Village's fiscal year-end, differences between expected and actual experience, differences between expected and actual investment returns and changes in assumptions.

Deferred Inflows of Resources – In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports deferred inflows of resources related to its pension plan for differences between expected and actual experience.

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

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

1. Summary of Significant Accounting Policies - Continued

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.

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, 2023

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, 2023, 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>
General Fund			
General Administration	\$ 166,920	\$ 167,839	\$ 919
Planning & Zoning	6,690	9,162	2,472

Village of Almont

Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	\$ 2,952,386	\$ 1,693,454	\$ 4,645,841

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 4,645,841

The bank balance of the primary government's deposits is \$4,645,841 of which \$4,020,190 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 \$625,651 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, 2023

4. Capital Assets

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

	Balance July 1, 2022	Additions	Disposals & Adjustments	Balance June 30, 2023
Governmental Activities:				
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	89,950	-	1,362,032
Infrastructure - DDA	1,613,678	126,956	-	1,740,634
Buildings & Building Improvements	879,235	56,103	-	935,338
Machinery & Equipment	239,280	14,925	-	254,205
Office Equipment	94,664	-	-	94,664
Equipment - Internal Service Fund	1,531,595	118,098	43,332	1,606,361
Total Capital Assets Being Depreciated	<u>5,630,534</u>	<u>406,032</u>	<u>43,332</u>	<u>5,993,234</u>
Accumulated Depreciation:				
Infrastructure	734,579	44,195	-	778,774
Infrastructure - DDA	619,547	55,218	-	674,765
Buildings & Building Improvements	358,482	23,818	-	382,300
Machinery & Equipment	165,137	10,042	-	175,179
Office Equipment	62,898	4,506	-	67,404
Equipment - Internal Service Fund	963,734	90,782	43,332	1,011,184
Total Accumulated Depreciation	<u>2,904,376</u>	<u>228,561</u>	<u>43,332</u>	<u>3,089,605</u>
Governmental Activities Capital Assets - Net	<u>\$ 3,083,158</u>	<u>\$ 177,471</u>	<u>\$ -</u>	<u>\$ 3,260,629</u>
Business-type Activities:				
Capital Assets Not Being Depreciated - Land	\$ 37,849	\$ -	\$ -	\$ 37,849
Capital Assets Being Depreciated:				
Sewage Treatment Plant	9,650,886	237,309	-	9,888,195
Water Distribution System	5,847,649	-	-	5,847,649
Total Capital Assets Being Depreciated	<u>15,498,535</u>	<u>237,309</u>	<u>-</u>	<u>15,735,844</u>
Accumulated Depreciation:				
Sewage Treatment Plant	4,961,965	252,735	-	5,214,700
Water Distribution System	2,167,496	118,211	-	2,285,706
Total Accumulated Depreciation	<u>7,129,460</u>	<u>370,946</u>	<u>-</u>	<u>7,500,406</u>
Business-type Activities Capital Assets - Net	<u>\$ 8,406,924</u>	<u>\$ (133,637)</u>	<u>\$ -</u>	<u>\$ 8,273,287</u>

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

Governmental Activities:	
General Government	\$ 17,180
Public Safety	42,910
Public Works	61,456
Recreation & Culture	107,016
Total Governmental Activities	<u><u>\$ 228,561</u></u>
Business-type Activities:	
Sewer Fund	\$ 252,735
Water Fund	118,211
Total Business-type Activities	<u><u>\$ 370,946</u></u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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:

	Due From Other Funds		Due To Other Funds	
General Fund	\$ 5,269	Downtown Development Authority	\$ 5,269	(1)
Total	<u>\$ 5,269</u>		<u>\$ 5,269</u>	

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

Interfund transfers reported in the Fund Statements are as follows:

	Transferred From		Transferred To	
General Fund	\$ 100,589	Sewer Fund	\$ 100,589	(2)
General Fund	52,500	Water Fund	52,500	(2)
Major Streets Fund	99,300	Local Streets Fund	99,300	(3)
General Fund	15,000	Park & Recreation Fund	15,000	(4)
W.W.T.P. Improvement Debt Service	132,275	Sewer Fund	132,275	(5)
Water Tower Debt Service Fund	<u>126,420</u>	Water Fund	<u>126,420</u>	(5)
Total	<u>\$ 526,084</u>		<u>\$ 526,084</u>	

(2) To transfer ARPA Grant Monies to the Water and Sewer Funds to cover expenditures for which the ARPA grant money is to be used for

(3) To assist with operations and street projects

(4) Annual contribution for park projects and operating expenditures

(5) 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, 2023

6. Long-Term Debt

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
Governmental Activities:							
Direct Borrowings & Direct Placements of Debt							
2018 Ford F-750 Dump Truck Amount of Issue - \$124,693 Maturing Through June 2023	2.45%	\$9,819 - \$25,814	\$ 15,242	\$ -	\$ (15,242)	\$ -	\$ -
2019 GMC 2500 Truck - Equipment Fund Amount of Issue - \$30,251 Maturing Through January 2024	3.00%	\$7,229 - \$7,902	\$ 15,574	\$ -	\$ (7,674)	\$ 7,900	\$ 7,900
2019 John Deere Back Hoe - Equipment Fund Amount of Issue - \$88,282 Maturing Through October 2029	4.00%	\$7,345 - \$10,467	\$ 73,338	\$ -	\$ (7,954)	\$ 65,384	\$ 8,273
2020 Dodge Durango Police Vehicle Amount of Issue - \$42,500 Maturing Through March 2023	2.88%	\$14,028 - \$14,438	\$ 14,499	\$ -	\$ (14,499)	\$ -	\$ -
2022 GMC 2500 Truck - Equipment Fund Amount of Issue - \$33,856 Maturing Through March 2026	2.00%	\$8,214 - \$8,717	\$ 33,856	\$ -	\$ (8,214)	\$ 25,642	\$ 8,379
2021 Dodge Charger Police Vehicle Amount of Issue - \$38,764 Maturing Through November 2024	2.00%	\$12,667 - \$13,178	\$ 38,764	\$ -	\$ (12,734)	\$ 26,030	\$ 12,920
2023 Dodge Charger Police Vehicle Amount of Issue - \$35,592 Maturing Through March 2026	4.00%	\$11,339 - \$12,394	\$ -	\$ 35,592	\$ -	\$ 35,592	\$ 11,339
Downtown Street Lamps Amount of Issue - \$126,956 Maturing Through July 2032	3.00%	\$11,076 - \$14,450	\$ -	\$ 126,956	\$ -	\$ 126,956	\$ 11,076
2022 Bonnell Leaf Machine Amount of Issue - \$93,849 Maturing Through July 2032	3.00%	\$8,188 - \$10,682	\$ -	\$ 93,849	\$ -	\$ 93,849	\$ 8,188
2022 Ford F-350 Amount of Issue - \$63,787 Maturing Through February 2033	4.00%	\$5,314 - \$7,562	\$ -	\$ 63,787	\$ -	\$ 63,787	\$ 5,314
Other							
Lapeer County Drain Commission Maturing Through 2035	1.66% - 2.30%	\$500 - \$21,100	296,900	-	(21,600)	275,300	21,600
Total Governmental Activities			\$ 488,173	\$ 320,184	\$ (87,917)	\$ 720,440	\$ 94,989
Business-type Activities:							
General Obligation Bonds							
2018 WWTP Improvement Bonds Amount of Issue - \$530,000 Maturing through April 2028	2.65% - 3.50%	\$50,000 - \$65,000	\$ 370,000	\$ -	\$ (60,000)	\$ 310,000	\$ 60,000
2007 Revolving Drinking Water Bonds Amount of Issue - \$2,090,000 Maturing through October 2028	2.13%	\$85,000 - \$115,000	\$ 827,694	\$ -	\$ (110,000)	\$ 717,694	\$ 115,000
2011 Lapeer Co. Refunding Bonds Amount of Issue - \$1,180,000 Maturing through December 2022	2.00% 3.50%	\$90,000 - \$130,000	\$ 130,000	\$ -	\$ (130,000)	\$ -	\$ -
2014 Lapeer Co. General Obligation Bond Amount of Issue - \$650,000 Maturing through November 2026	2.61%	\$25,000 - \$75,000	\$ 350,000	\$ -	\$ (50,000)	\$ 300,000	\$ 75,000
Lapeer Co. Lift Station Bonds Amount of Issue - \$465,000 Maturing through October 2024	3.50% 4.00%	\$25,000 - \$50,000	\$ 145,000	\$ -	\$ (45,000)	\$ 100,000	\$ 50,000
Total Business-type Activities			\$ 1,822,694	\$ -	\$ (395,000)	\$ 1,427,694	\$ 300,000
Total			\$ 2,310,867	\$ 320,184	\$ (482,917)	\$ 2,148,134	\$ 394,989

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

6. Long-Term Debt - Continued

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	\$ 274,300
Belle River Drain	(4 Year Assessment through 2024)	2.31% Interest	1,000
			<u>\$ 275,300</u>

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
2024	\$ 94,989	\$ 19,063	\$ 114,052	\$ 300,000	\$ 33,165	\$ 333,165
2025	89,057	16,488	105,545	300,000	25,884	325,884
2026	77,342	14,026	91,368	255,000	18,479	273,479
2027	57,433	11,808	69,241	260,000	11,877	271,877
2028	58,675	10,215	68,890	190,000	5,074	195,074
2029-2033	279,644	26,956		122,694	1,304	
2034-2036	63,300	2,101	65,401	-	-	-
Total	<u>\$ 720,440</u>	<u>\$ 100,658</u>	<u>\$ 514,498</u>	<u>\$ 1,427,694</u>	<u>\$ 95,783</u>	<u>\$ 1,399,479</u>

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

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	9
Inactive Employees Entitled to, but Not	
Yet Receiving Benefits	6
Active Employees	15
	<u>30</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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%.

Net Pension Liability - The employer's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
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%
	<u>100.0%</u>	

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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:

Total Pension Liability

Service Cost	\$ 53,609
Interest on the Total Pension Liability	250,467
Differences Between Expected and Actual Experience of the Total Net Pension Liability	39,039
Other Adjustments	(8,449)
Benefit Payments and Refunds	<u>(192,681)</u>
Net Change in Total Pension Liability	141,985
Total Pension Liability - Beginning	<u>3,407,721</u>
Total Pension Liability - Ending (a)	<u><u>\$ 3,549,706</u></u>

Plan Fiduciary Net Position

Employer Contributions	121,927
Employee Contributions	7,929
Pension Plan Net Investment Income	(292,598)
Administrative Expenses	(5,188)
Benefit Payments and Refunds	<u>(192,681)</u>
Net Change in Plan Fiduciary Net Position	(360,611)
Plan Fiduciary Net Position - Beginning	<u>2,825,586</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>2,464,975</u></u>
Net Pension Liability (a-b)	<u><u>\$ 1,084,731</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	69.44%
Covered Employee Payroll	\$ 923,136
Net Pension Liability as a Percentage of Covered Employee Payroll	117.51%

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 4,020,112	\$ 3,549,706	\$ 3,161,189

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the fiscal year ended June 30, 2023, the employer recognized pension expense of \$154,672. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 490,389
Net Difference Between Expected & Actual Experience Changes in Assumptions	39,039
Contributions Subsequent to the Measurement Date*	-
	<u>67,541</u>
Total	<u>\$ 596,969</u>

*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 2023.

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

<u>Year Ended,</u>	
2024	\$ 88,238
2025	88,238
2026	88,238
2027	88,238
2028	88,238
2029	88,238
	<u>\$ 529,428</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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, 2023 were \$20,821.

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, 2023, were \$20,071.

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	5
Inactive Employees Entitled To, But Not	
Yet Receiving Benefits	0
Active Employees	13
	<u>18</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

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, 2023. 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, 2023, 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, 2023, was 30 years.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

11. Other Post-Employment Benefits - Continued

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

Total OPEB Liability	
Service Cost	\$ 49,844
Interest on the Total OPEB Liability	34,110
Differences Between Expected and Actual Experience of the Total OPEB Liability	(94,918)
Benefit Payments and Refunds	(43,129)
Other Adjustments	-
Net Change in Total OPEB Liability	(54,093)
Total OPEB Liability - Beginning	963,549
Total OPEB Liability - Ending (a)	\$ 909,456
Plan Fiduciary Net Position	
Employer Contributions	43,129
Employee Contributions	-
OPEB Plan Net Investment Income Net of Fees	-
Benefit Payments and Refunds	(43,129)
Net Change in Plan Fiduciary Net Position	-
Plan Fiduciary Net Position - Beginning	-
Plan Fiduciary Net Position - Ending (b)	-
Net OPEB Liability (a-b)	\$ 909,456
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%
Covered Employee Payroll	\$ 241,909
Net OPEB Liability as a Percentage of Covered Employee Payroll	375.95%

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>
Net OPEB Liability	\$ 949,807	\$ 909,456	\$ 850,269

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.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2023

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 802,476	\$ 909,456	\$ 1,038,216

11. Other Post-Employment Benefits - *Continued*

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the employer recognized OPEB expense of (\$10,964). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

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

12. Subsequent Events

As of August 30, 2023, 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, 2023, the Village abated property tax revenues totaling \$647 under this program.

Required Supplemental Information

Village of Almont

Required Supplemental Information

Budgetary Comparison Schedule

General Fund

For The Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Taxes				
Current Property Tax	\$ 998,040	\$ 1,049,487	\$ 1,100,907	\$ 51,420
State-Shared Revenues	324,120	362,620	362,621	1
Licenses, Permits & Fees				
Tax Fees, Penalties & Interest	11,150	12,470	12,463	(7)
Liquor Licenses	3,040	3,540	3,538	(2)
Zoning Permits & Site Plan Review	1,180	1,180	1,135	(45)
Police Fines & District Court Fees	6,280	6,915	3,855	(3,060)
Franchise Fees	45,600	45,600	37,368	(8,232)
Total Licenses, Permits & Fees	67,250	69,705	58,359	(11,346)
Charges for Services				
Trash Collection	167,500	170,900	170,873	(27)
Police Contract	417,970	417,970	408,732	(9,238)
Total Charges for Services	585,470	588,870	579,605	(9,265)
Miscellaneous Revenues				
Refunds & Reimbursements	47,440	47,440	33,348	(14,092)
Miscellaneous	8,160	8,160	3,391	(4,769)
Donations/Homecoming	370	600	580	(20)
Cellular Land Lease	23,700	28,430	28,426	(4)
Total Miscellaneous Revenues	79,670	84,630	65,745	(18,885)
Interest Earnings	6,990	20,450	19,644	(806)
<u>Total Revenues</u>	\$ 2,061,540	\$ 2,175,762	\$ 2,186,881	\$ 11,119

Village of Almont
Required Supplemental Information
Budgetary Comparison Schedule
General Fund - *Continued*
For The Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Expenditures</u>				
General Government				
Legislative	\$ 6,370	\$ 13,890	\$ 13,487	\$ 403
Executive	164,560	171,635	167,270	4,365
General Administration	158,020	166,920	167,839	(919)
Central Municipal Activities	57,120	79,555	73,098	6,457
Total General Government	386,070	432,000	421,694	10,307
Public Safety				
Police Department	1,013,350	1,027,030	956,281	70,749
Planning & Zoning	7,120	6,690	9,162	(2,472)
Total Public Safety	1,020,470	1,033,720	965,444	68,276
Public Works				
Department of Public Works	233,360	193,980	158,278	35,702
Street Lighting	46,850	56,730	53,443	3,287
Sanitation	167,500	167,500	162,332	5,168
Total Public Works	447,710	418,210	374,052	44,158
Capital Outlay	80,000	80,000	71,028	8,972
Debt Service-Principal	-	21,600	21,600	-
Debt Service-Interest	-	4,940	4,937	3
<u>Total Expenditures</u>	1,934,250	1,990,470	1,858,754	131,716
Excess of Revenues Over (Under) Expenditure	127,290	185,292	328,127	142,835
<u>Other Financing Sources (Uses)</u>				
Grant Revenues	151,270	7,000	160,089	153,089
Loan Proceeds	-	-	-	-
Transfers In (Out)	(217,630)	(200,130)	(168,089)	32,041
Excess of Revenues & Other Sources Over (Under)				
Expenditures & Other Uses	60,930	(7,838)	320,127	327,965
<u>Fund Balance - Beginning of Year</u>	1,291,966	1,292,183	1,289,620	(2,563)
<u>Fund Balance - End of Year</u>	\$ 1,352,896	\$ 1,284,345	\$ 1,609,746	\$ 325,401

Village of Almont

Required Supplemental Information
 Budgetary Comparison Schedule
 Downtown Development Authority Fund
 For The Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Property Taxes	\$ 107,427	\$ 111,567	\$ 111,567	\$ (0)
Intergovernmental Revenues	67,897	81,555	81,555	0
Interest Earnings	382	1,700	1,661	(39)
Other Revenue	22,319	37,705	53,719	16,014
<u>Total Revenues</u>	198,025	232,527	248,502	15,975
<u>Expenditures</u>				
Public Works	196,500	172,600	158,505	14,095
Recreation & Culture	-	24,700	24,504	196
Capital Outlay	-	184,000	126,956	57,044
<u>Total Expenditures</u>	196,500	381,300	309,965	71,335
Excess of Revenues Over (Under) Expenditures	1,525	(148,773)	(61,463)	87,310
<u>Other Financing Sources (Uses)</u>				
Loan Proceeds	-	126,956	126,956	(0)
Transfers In (Out)	-	-	-	-
Net Change in Fund Balance	1,525	(21,817)	65,493	87,310
<u>Fund Balance - Beginning of Year</u>	298,504	248,319	234,025	(14,294)
<u>Fund Balance - End of Year</u>	\$ 300,030	\$ 226,502	\$ 299,518	\$ 73,016

Village of Almont
Required Supplemental Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
For The Fiscal Year Ended June 30, 2023

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%
12/31/2022	\$ 138,960	\$ 129,855	\$ (9,105)	\$ 923,136	14.07%

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	7.00%
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, 2023

Total Pension Liability	2023	2022	2021	2020	2019	2018	2017
Service Cost	\$ 53,609	\$ 50,163	\$ 54,116	\$ 48,913	\$ 50,331	\$ 50,570	\$ 48,713
Interest on the Total Pension Liability	250,467	234,509	221,025	201,410	227,214	215,274	215,656
Difference Between Expended & Actual							
Experience of the Total Net Pension Liability	39,039	(53,061)	(19,700)	28,102	(287,934)	25,450	(111,105)
Changes in Assumptions & Other Adjustments	(8,450)	145,204	75,195	128,067	-	-	-
Benefit Payments and Refunds	(192,681)	(159,687)	(147,185)	(139,616)	(128,739)	(155,072)	(162,907)
Net Change in Total Pension Liability	141,984	217,128	183,451	266,876	(139,128)	136,222	(9,643)
Total Pension Liability - Beginning	3,407,722	3,190,594	3,007,143	2,740,267	2,879,395	2,743,173	2,752,816
Total Pension Liability - Ending (a)	<u>\$ 3,549,706</u>	<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>
Plan Fiduciary Net Position							
Employer Contributions	\$ 122,185	\$ 100,090	\$ 95,928	\$ 98,666	\$ 91,362	\$ 90,833	\$ 80,204
Employee Contributions	7,670	10,031	13,355	13,705	13,669	14,625	16,184
Pension Plan Net Investment Income	(292,598)	354,775	291,825	121,763	80,324	124,905	103,568
Other Adjustments	(5,187)	(4,070)	(4,584)	-	-	-	-
Benefit Payments and Refunds	(192,681)	(159,687)	(147,185)	(139,616)	(128,739)	(155,072)	(162,907)
Net Change in Plan Fiduciary Net Position	(360,611)	301,139	249,339	94,518	56,616	75,291	37,049
Plan Fiduciary Net Position - Beginning	2,825,586	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>2,464,975</u>	<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>\$ 1,084,731</u>	<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 % of Total Pension Liability	69.44%	82.92%	79.12%	76.65%	80.67%	74.81%	75.78%
Covered Employee Payroll	\$ 923,136	\$ 891,432	\$ 903,290	\$ 756,956	\$ 759,554	\$ 754,809	\$ 726,286
Net Pension Liability as a % of Covered Employee Payroll	117.51%	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, 2023

Fiscal Year Ending	Annual Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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%
6/30/2023	\$ 43,129	\$ 43,129	\$ -	\$ 241,909	17.83%

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, 2023
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	3.25%
Medical care cost trend rate	5.5% year 1 graded to 4.5% 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, 2023

	2023	2022	2021	2020	2019
Total OPEB Liability					
Service Cost	\$ 49,844	\$ 86,314	\$ 77,474	\$ 69,326	\$ 17,542
Interest on the Total OPEB Liability	34,110	49,774	45,769	36,764	37,464
Differences between expected and actual experience	(94,918)	-	-	163,093	-
Changes in assumptions	-	-	-	-	-
Benefit payments and refunds	(43,129)	(19,948)	(16,448)	(29,034)	(39,569)
Other	-	-	-	28,338	-
Net Change in Total OPEB Liability	(54,093)	116,140	106,795	268,487	15,437
Total OPEB Liability - Beginning	963,549	1,327,312	1,220,517	952,030	936,593
Total OPEB Liability - Ending (a)	<u>\$ 909,456</u>	<u>\$ 1,443,452</u>	<u>\$ 1,327,312</u>	<u>\$ 1,220,517</u>	<u>\$ 952,030</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 43,129	\$ 19,948	\$ 16,448	\$ 29,034	\$ 39,569
Employee Contributions	-	-	-	-	-
OPEB Plan Net Investment Income	-	-	-	-	-
Benefit Payments and Refunds	(43,129)	(19,948)	(16,448)	(29,034)	(39,569)
OPEB Plan Administrative Expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Asset (a-b)	<u>\$ 909,456</u>	<u>\$ 1,443,452</u>	<u>\$ 1,327,312</u>	<u>\$ 1,220,517</u>	<u>\$ 952,030</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	<u>\$ 241,909</u>	<u>\$ 698,194</u>	<u>\$ 273,145</u>	<u>\$ 587,490</u>	<u>\$ 399,365</u>
Net Pension Liability as a Percentage of Covered Employee Payroll	375.95%	206.74%	485.94%	207.75%	238.39%
Investment Returns	0.00%	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, 2023

	Special Revenue Funds				Debt Service Funds		Total Nonmajor Governmental Funds
	Major Streets Fund	Local Streets Fund	Inspection Fund	Parks & Recreation Fund	Water Tower	W.W.T.P. Improvement Project	
<u>Assets</u>							
Cash & Cash Equivalents	\$ 447,119	\$ 189,459	\$ 5,962	\$ 58,238	\$ 104,923	\$ 9,540	\$ 815,241
Accounts Receivable	41,067	17,149	-	-	1,044	-	59,261
Prepaid Expenses	623	380	-	213	-	-	1,216
Due From Other Funds	-	-	-	-	-	-	-
<u>Total Assets & Deferred Outflows</u>	<u>\$ 488,809</u>	<u>\$ 206,988</u>	<u>\$ 5,962</u>	<u>\$ 58,451</u>	<u>\$ 105,967</u>	<u>\$ 9,540</u>	<u>\$ 875,718</u>
<u>Liabilities & Fund Balances</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 3,703	\$ 3,358	\$ -	\$ 982	\$ -	\$ 54	\$ 8,098
Due To Other Funds	-	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>3,703</u>	<u>3,358</u>	<u>-</u>	<u>982</u>	<u>-</u>	<u>54</u>	<u>8,098</u>
<u>Fund Balances</u>							
Nonspendable	623	380	-	213	-	-	1,216
Restricted For:							
Debt Service	-	-	-	-	105,967	9,486	115,453
Highways	484,483	203,250	-	-	-	-	687,732
Building Inspections	-	-	5,962	-	-	-	5,962
Public Works	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	57,256	-	-	57,256
<u>Total Liabilities & Fund Balances</u>	<u>\$ 488,809</u>	<u>\$ 206,988</u>	<u>\$ 5,962</u>	<u>\$ 58,451</u>	<u>\$ 105,967</u>	<u>\$ 9,540</u>	<u>\$ 875,718</u>

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, 2023

	Special Revenue Funds				Debt Service Funds		Total
	Major Streets Fund	Local Streets Fund	Inspection Fund	Park & Recreation Fund	Water Tower	W.W.T.P. Improvement Project	Nonmajor Governmental Funds
<u>Revenues</u>							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 130,389	\$ -	130,389
Intergovernmental Revenues	248,405	101,056	-	12,500	-	-	\$ 361,961
Licenses, Fees & Permits	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	5,179	5,179
Interest Earnings	2,414	782	32	204	830	161	4,423
Other Revenues	-	11,471	-	14,399	-	443	26,313
<u>Total Revenues</u>	<u>250,819</u>	<u>113,309</u>	<u>32</u>	<u>27,103</u>	<u>131,219</u>	<u>5,784</u>	<u>528,266</u>
<u>Expenditures</u>							
Public Safety	-	-	-	-	-	-	-
Public Works	113,856	121,983	-	-	-	-	235,839
Recreation & Culture	-	-	-	28,186	-	-	28,186
Capital Outlay	-	89,950	-	-	-	-	89,950
Debt Service - Principal	-	-	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-	-	-
<u>Total Expenditures</u>	<u>113,856</u>	<u>211,933</u>	<u>-</u>	<u>28,186</u>	<u>-</u>	<u>-</u>	<u>353,975</u>
Excess of Revenues Over (Under)							
Expenditures	136,963	(98,624)	32	(1,083)	131,219	5,784	174,291
<u>Other Financing Sources (Uses)</u>							
Grant Revenue	-	-	-	3,750	-	-	3,750
Loan Proceeds	-	-	-	-	-	-	-
Transfers In (Out)	(99,300)	99,300	-	15,000	(126,420)	(132,275)	(243,695)
Net Change in Fund Balances	37,663	676	32	17,667	4,800	(126,491)	(65,654)
<u>Fund Balances - Beginning of Year</u>	<u>447,443</u>	<u>202,954</u>	<u>5,930</u>	<u>39,803</u>	<u>101,167</u>	<u>135,977</u>	<u>933,274</u>
<u>Fund Balances - End of Year</u>	<u>\$ 485,106</u>	<u>\$ 203,630</u>	<u>\$ 5,962</u>	<u>\$ 57,469</u>	<u>\$ 105,967</u>	<u>\$ 9,486</u>	<u>\$ 867,620</u>

Village of Almont

Other Supplemental Information
Schedule of Indebtedness
June 30, 2023

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2023	2022	
2.13%	10/1/2022	\$ -	\$ 110,000	\$ -
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 Water Tower Project</u>		<u>\$ 717,694</u>	<u>\$ 827,694</u>	<u>\$ 46,483</u>

Lapeer County General Obligation Limited Tax Bond
Pump Station

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2023	2022	
2.61%	11/6/2022	\$ -	\$ 50,000	\$ -
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 Pump Station</u>		<u>\$ 300,000</u>	<u>\$ 350,000</u>	<u>\$ 18,597</u>

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

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2023	2022	
3.50%	12/1/2022	\$ -	\$ 130,000	\$ -
<u>Total Refunding Bonds</u>		<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ -</u>

Village of Almont
Other Supplemental Information
Schedule of Indebtedness - *Continued*
June 30, 2023

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>2023</u>	<u>2022</u>	
4.00%	10/1/2022	\$ -	\$ 45,000	\$ -
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>\$ 100,000</u>	<u>\$ 145,000</u>	<u>\$ 4,000</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>2023</u>	<u>2022</u>	
2.95%	4/1/2023	\$ -	\$ 60,000	\$ -
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>\$ 310,000</u>	<u>\$ 370,000</u>	<u>\$ 26,703</u>

<u>Total Business-type Activities Long-Term Debt</u>	<u>\$ 1,427,694</u>	<u>\$ 1,822,694</u>	<u>\$ 95,783</u>
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Governmental Activities General Obligation Bonds & Contracts

Tri-County Bank
2023 Dodge Charger

Dated: March 2023
Original Issue: \$35,592

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2023</u>	<u>2022</u>	
4.00%	3/22/2024	\$ 11,339	\$ -	\$ 1,428
4.00%	3/22/2025	11,859	-	968
4.00%	3/22/2026	12,394	-	493
<u>Total Dodge Charger</u>		<u>\$ 35,592</u>	<u>\$ -</u>	<u>\$ 2,889</u>

Village of Almont
Other Supplemental Information
Schedule of Indebtedness - *Continued*
June 30, 2023

Tri-County Bank
Downtown Street Lamps

Dated: July 2022
Original Issue: \$126,956

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2023</u>	<u>2022</u>	
3.00%	7/15/2023	\$ 11,076	\$ -	\$ 3,809
3.00%	7/15/2024	11,399	-	3,486
3.00%	7/15/2025	11,750	-	3,134
3.00%	7/15/2026	12,103	-	2,782
3.00%	7/15/2027	12,466	-	2,419
3.00%	7/15/2028	12,834	-	2,050
3.00%	7/15/2029	13,225	-	1,660
3.00%	7/15/2030	13,622	-	1,263
3.00%	7/15/2031	14,030	-	854
3.00%	7/15/2032	14,450	-	435
<u>Total Downtown Street Lamps</u>		<u>\$ 126,956</u>	<u>\$ -</u>	<u>\$ 21,892</u>

Tri-County Bank
2022 Bonnell Leaf Machine

Dated: July 2022
Original Issue: \$93,849

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2023</u>	<u>2022</u>	
3.00%	7/15/2023	\$ 8,188	\$ -	\$ 2,815
3.00%	7/15/2024	8,426	-	2,577
3.00%	7/15/2025	8,686	-	2,317
3.00%	7/15/2026	8,947	-	2,056
3.00%	7/15/2027	9,215	-	1,788
3.00%	7/15/2028	9,487	-	1,516
3.00%	7/15/2029	9,776	-	1,227
3.00%	7/15/2030	10,070	-	934
3.00%	7/15/2031	10,372	-	632
3.00%	7/15/2032	10,682	-	321
<u>Total Leaf Machine</u>		<u>\$ 93,849</u>	<u>\$ -</u>	<u>\$ 16,183</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>2023</u>	<u>2022</u>	
2.88%	3/9/2023	\$ -	\$ 14,449	\$ -
<u>Total Installment Purchase Contract</u>		<u>\$ -</u>	<u>\$ 14,449</u>	<u>\$ -</u>

Village of Almont
Other Supplemental Information
Schedule of Indebtedness - *Continued*
June 30, 2023

Tri-County Bank
2022 Ford F-350

Dated: March 2023
Original Issue: \$63,787

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2023</u>	<u>2022</u>	
4.00%	2/15/2024	\$ 5,314	\$ -	\$ 2,551
4.00%	2/15/2025	5,520	-	2,345
4.00%	2/15/2026	5,747	-	2,118
4.00%	2/15/2027	5,977	-	1,888
4.00%	2/15/2028	6,216	-	1,649
4.00%	2/15/2029	6,461	-	1,404
4.00%	2/15/2030	6,724	-	1,142
4.00%	2/15/2031	6,992	-	873
4.00%	2/15/2032	7,272	-	593
4.00%	2/15/2033	7,562	-	303
<u>Total Ford F-350</u>		<u>\$ 63,787</u>	<u>\$ -</u>	<u>\$ 14,868</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>2023</u>	<u>2022</u>	
2.45%	6/30/2023	\$ -	\$ 15,242	\$ -
<u>Total Installment Purchase Contract</u>		<u>\$ -</u>	<u>\$ 15,242</u>	<u>\$ -</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>2023</u>	<u>2022</u>	
3.00%	1/1/2023	\$ -	\$ 7,674	\$ -
3.00%	1/1/2024	7,900	7,900	237
<u>Total Installment Purchase Contract</u>		<u>\$ 7,900</u>	<u>\$ 15,574</u>	<u>\$ 237</u>

Village of Almont
Other Supplemental Information
Schedule of Indebtedness - *Continued*
June 30, 2023

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>2023</u>	<u>2022</u>	
4.00%	10/1/2022	\$ -	\$ 7,954	\$ -
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	10,518	10,518	419
<u>Total Installment Purchase Contract</u>		<u>\$ 65,384</u>	<u>\$ 73,338</u>	<u>\$ 10,871</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>2023</u>	<u>2022</u>	
2.00%	11/1/2022	\$ -	\$ 12,734	\$ -
2.00%	11/1/2023	12,920	12,920	522
2.00%	11/1/2024	13,110	13,110	264
<u>Total Installment Purchase Contract</u>		<u>\$ 26,030</u>	<u>\$ 38,764</u>	<u>\$ 786</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>2023</u>	<u>2022</u>	
2.00%	3/1/2023	\$ -	\$ 8,214	\$ -
2.00%	3/1/2024	8,379	8,379	513
2.00%	3/1/2025	8,545	8,545	346
2.00%	3/1/2026	8,717	8,717	174
<u>Total Installment Purchase Contract</u>		<u>\$ 25,641</u>	<u>\$ 33,856</u>	<u>\$ 1,033</u>
<u>Total Gov. Activities Long-Term Debt</u>		<u>\$ 445,139</u>	<u>\$ 191,223</u>	<u>\$ 68,760</u>

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Fax 810-519-1332

August 30, 2023

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, and each major fund of the **Village of Almont** as of and for the year ended **June 30, 2023**, in accordance with U.S. generally accepted auditing standards, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Village of Almont's** internal control. Accordingly, we do not express an opinion of the effectiveness of the **Village of Almont'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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. 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 of a control 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 **Village of Almont's** financial statements will not be prevented or detected and corrected, on a timely basis. We consider the following deficiencies in the Township's internal control to be significant deficiencies:

Segregation of Duties - One of the strongest controls in an internal control system is known as "segregation of duties". This means there are different individuals performing different duties within a specific accounting function. Having multiple individuals performing duties in the same accounting function acts as a check and balance. As is common in many small organizations, there is often only a few people, sometimes only one person, performing the accounting and financial functions. It is also common to have these individuals concentrate their efforts in one area. For example, one person does the entire payroll, one person does all the disbursing, and one person does all the billing and receipting. While this is usually more efficient, it is a weakened internal control system. There are generally insufficient checks and balances in place.

This is the situation with the **Village of Almont**. Due to a limited staff size, the municipality has a lack of segregation of duties because various conflicting duties are performed by an insufficient number of individuals. We recommend the **Village of Almont** segregate duties whenever possible.

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Financial Reporting - Our professional standards now define an element of internal control as an organization's ability to prepare a complete set of financial statements with footnotes in accordance with U.S. generally accepted accounting principles. We are required to communicate to management if the municipality is unable to complete this task without assistance from its auditor. It is not uncommon that many small and medium size organizations cannot provide the resources to accomplish this task. This is the situation with the **Village of Almont**.

This communication is intended solely for the information and use of management, Council and others within the organization and is not intended to be and should not be, used by anyone other than these specified parties.

Sincerely,

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

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August 30, 2023

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, and each major fund of the **Village of Almont** for the year ended **June 30, 2023**. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated **September 3, 2019**. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. 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 year. We noted no transactions entered into by the **Village of Almont** during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

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.

Disagreements with Management

For purposes of this letter, a 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.

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated **August 30, 2023**.

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" on certain situations. If a consultation involves application of an accounting principle to the **Village of Almont's** financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our 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 **Village of Almont's** auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and major fund budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of Council and management of the **Village of Almont** and is not intended to be and should not be, used by anyone other than these specified parties.

Sincerely,

King & King CPAs LLC

KING & KING CPAs LLC
Imlay City, Michigan