

Village of Middleville
Barry County, Michigan

FINANCIAL STATEMENTS

Year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Village Council
Village of Middleville, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Middleville, Michigan (the Village), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2022, 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. 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, 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's ability to continue as a going concern for 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 generally accepted auditing standards 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village'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 Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension schedules, and OPEB schedules, as listed in the contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining internal service fund financial statements, combining component units' fund financial statements, individual component units' budgetary comparison schedules, and the schedules of debt retirement and annual interest requirements are presented for 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Siegfried Crandall P.C.

June 1, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Village of Middleville's (the Village) financial performance provides a narrative overview of the Village's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- Net position is the amount by which the Village's assets exceeded its liabilities. Net position totaled \$23,590,515 at December 31, 2022. The unrestricted portion of this amount, \$4,855,841 (21 percent), is available to be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$2,023,368 (9 percent) as a result of this year's activities. The net position of the governmental activities increased by \$866,627, and the net position of the business-type activities increased by \$1,156,741.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$1,386,186, which represents 89 percent of the actual total General Fund expenditures for the current fiscal year.
- The Village's operating millage is 12.3878 mills. The Village has allocated 10.5 mills to the General Fund and 1.8878 mills to the Major Street Fund, which will provide additional funding for major street infrastructure needs.
- The Village's multi-year utility rate increase policy for commodity charges keeps the utility fund revenues steady and avoids large increases all at once. The continued policy of new development paying for public water and sewer improvements allows the remaining resources to be used for repair and replacement of existing off-site infrastructure that serves these new developments.

Overview of the financial statements

The Village's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents additional information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how government services, like general government and community and economic development, were financed in the short-term, as well as what remains for future spending.
 - Proprietary funds statements offer short-term and long-term financial information about the activities the government operates like a business, such as the sewer and water systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2022 and 2021 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how it has changed. Net position (the difference between the Village's assets and deferred outflows of resources, and liabilities and deferred inflows of resources) is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Village, you need to consider additional nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's capital assets.

The government-wide financial statements are divided into three categories:

- *Governmental activities* - Most of the Village's basic services are included here, such as general government and police protection. Property taxes and state shared revenue finance most of these activities.
- *Business-type activities* - The Village charges fees to customers to help it cover the costs of certain services it provides. The Village's sewer and water systems are reported here.
- *Component units* - The Village includes two other entities in its report - the Local Development Finance Authority and the Downtown Development Authority. Although legally separate, these "component units" are important because the Village is financially accountable for them.

Fund financial statements

The fund financial statements provide more detailed information about the Village's most significant funds - not the Village as a whole. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The Village Council establishes other funds to control and manage money for particular purposes (like street maintenance) to show that it is properly using certain revenues (like motor fuel taxes collected for the street funds).

The Village has two types of funds:

- *Governmental funds*. Most of the Village's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.

The General Fund is the primary and most diverse governmental fund. The General Fund accounts for general administration, accounting, planning and zoning, parks and recreation, sidewalks, and other general government activities. Law enforcement is also accounted for in this fund.

The Major (6.4 miles) and Local (12.09 miles) Street funds account for improvements to, and preservation of, the 18.49 miles of streets in the Village.

- *Proprietary funds.* Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information. In fact, the Village's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

The Sewer Fund records revenues from charges to the sewer customers and receipts in the form of connection fees made by developers that pay for the maintenance of the sewer system and wastewater treatment plant.

The Water Fund records revenues from charges to the water customers and receipts from developers in the form of connection fees to pay for the maintenance of the water system, wells, a tower, and two booster stations.

The Village uses internal service funds (the other type of proprietary fund) to report activities that provide services for the Village's other programs and activities. The Village's internal service funds include the Motor Vehicle Equipment Fund and the OPEB Fund. The Motor Vehicle Equipment Fund rents a fleet of equipment to the other funds, at rates established by the State, and the OPEB Fund is being used to fund the costs of the Village's other post-employment benefits.

Component units

The Local Development Finance Authority and the Downtown Development Authority, although legally separate, are included in the Village's financial report because the Village is financially accountable for them.

The Local Development Finance Authority (LDFA) was created by the Village to capture property taxes from certain taxing units from a specific district within the Village to finance public improvements to that district. This entity has completed most of its plan by renovating the streets that serve its district.

The Downtown Development Authority (DDA) was also created by the Village to capture property taxes from certain taxing units from a specific district within the Village to finance public improvements to that district.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net position

Total net position at the end of the year was \$23,590,515. Of this total, \$17,485,156 represents the net investment in capital assets and \$1,249,518 is restricted for various purposes. Consequently, unrestricted net position was \$4,855,841, or 21 percent of the total.

Condensed financial information
Net position

	Governmental activities		Business-type activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 4,089,861	\$ 3,112,401	\$ 5,808,413	\$ 7,547,734	\$ 9,898,274	\$ 10,660,135
Capital assets	9,083,653	9,273,031	12,942,915	9,550,790	22,026,568	18,823,821
Total assets	<u>13,173,514</u>	<u>12,385,432</u>	<u>18,751,328</u>	<u>17,098,524</u>	<u>31,924,842</u>	<u>29,483,956</u>
Deferred outflows of resources	216,012	306,369	97,287	121,556	313,299	427,925
Current and other liabilities	1,515,697	1,816,464	1,972,802	1,391,609	3,488,499	3,208,073
Long-term debt	623,996	744,866	3,917,416	4,163,932	4,541,412	4,908,798
Total liabilities	<u>2,139,693</u>	<u>2,561,330</u>	<u>5,890,218</u>	<u>5,555,541</u>	<u>8,029,911</u>	<u>8,116,871</u>
Deferred inflows of resources	415,872	163,137	201,843	64,726	617,715	227,863
Net position:						
Net investment in capital assets	8,459,657	8,528,165	9,025,499	5,386,858	17,485,156	13,915,023
Restricted	709,199	546,902	540,319	2,413,821	1,249,518	2,960,723
Unrestricted	1,665,105	892,267	3,190,736	3,799,134	4,855,841	4,691,401
Total net position	<u>\$ 10,833,961</u>	<u>\$ 9,967,334</u>	<u>\$ 12,756,554</u>	<u>\$ 11,599,813</u>	<u>\$ 23,590,515</u>	<u>\$ 21,567,147</u>

Changes in net position

The Village's total revenues were \$5,136,112 in the current year compared to \$6,002,877 in the prior year. Approximately 28 percent of the Village's revenues come from property taxes while charges for services represent 23 percent of the total. Capital grants and contributions accounted for about 28 percent of the total revenues in the current year.

The total cost of the Village's programs for the current year, covering a wide range of services, totaled \$3,112,744 compared to \$3,196,820 in the prior year. Approximately 40 percent of the Village's costs relate to the provision of utility services. Governmental public works expenses represent 25 percent of all costs, while general government expenses accounted for 15 percent of the total costs in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Condensed financial information
Changes in net position

	<i>Governmental activities</i>		<i>Business-type activities</i>		<i>Totals</i>	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 107,031	\$ 86,181	\$ 1,059,065	\$ 1,057,211	\$ 1,166,096	\$ 1,143,392
Grants and contributions:						
Operating	554,211	489,451	-	-	554,211	489,451
Capital	106,719	392,716	1,350,624	2,161,947	1,457,343	2,554,663
General revenues:						
Property taxes	1,423,937	1,301,692	-	-	1,423,937	1,301,692
State shared revenue	498,740	500,212	-	-	498,740	500,212
Local stabilization grant	26,160	6,261	-	-	26,160	6,261
Interest	2,891	7,206	6,734	-	9,625	7,206
Total revenues	2,719,689	2,783,719	2,416,423	3,219,158	5,136,112	6,002,877
Expenses:						
General government	470,688	667,421	-	-	470,688	667,421
Public safety	336,494	288,763	-	-	336,494	288,763
Public works	774,937	737,032	-	-	774,937	737,032
Community and economic development	116,159	131,621	-	-	116,159	131,621
Recreation and culture	172,079	199,478	-	-	172,079	199,478
Interest	25,545	29,529	-	-	25,545	29,529
Sewer	-	-	763,718	695,112	763,718	695,112
Water	-	-	453,124	447,864	453,124	447,864
Total expenses	1,895,902	2,053,844	1,216,842	1,142,976	3,112,744	3,196,820
Excess before transfers	823,787	729,875	1,199,581	2,076,182	2,023,368	2,806,057
Transfers	42,840	82,840	(42,840)	(82,840)	-	-
Changes in net position	\$ 866,627	\$ 812,715	\$ 1,156,741	\$ 1,993,342	\$ 2,023,368	\$ 2,806,057
Net position, end of year	\$ 10,833,961	\$ 9,967,334	\$ 12,756,554	\$ 11,599,813	\$ 23,590,515	\$ 21,567,147

Governmental activities

Governmental revenues exceeded expenses during each of the past two years, causing the Village's net position to increase by \$866,627 in the current year and \$812,715 in the prior year. While revenues declined by \$64,030, and transfers from the business-type activities were \$40,000 lower, expenses were reduced by \$157,942, causing the larger increase in net position in the current year.

Revenues declined because capital grant revenues were \$285,997 lower, related to contributions from the Downtown Development Authority in the prior year, in the amount of \$382,716. The reduction in capital grants was offset by a \$122,245 increase in property tax revenues, which were higher due to continued growth in taxable values. Expenses were reduced primarily due to a \$196,733 reduction in general government expenses, primarily related to an additional contribution to the pension plan in the prior year, in the amount of \$75,000.

The following schedule shows the costs of the Village's four largest programs, as well as the net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the burden that was placed on the Village's taxpayers by each of these functions. The total cost of all governmental activities was \$1,895,902. After subtracting the direct charges to those who directly benefited from the programs (\$107,031), operating grants and contributions (\$554,211), and capital grants and contributions (\$106,719), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was \$1,127,941.

	<i>Total cost of services</i>	<i>Net cost of services</i>
	<u> </u>	<u> </u>
General government	\$ 470,688	\$ 372,437
Public safety	336,494	327,428
Public works	774,937	117,585
Community and economic development	116,159	116,159
Other	<u>197,624</u>	<u>194,332</u>
 Totals	 <u>\$ 1,895,902</u>	 <u>\$ 1,127,941</u>

Business-type activities

Business-type activities increased the Village's net position by \$1,156,741 in the current year compared to an increase of \$1,993,342 in the prior year. The increases in net position in each of the past two years are primarily due to substantial capital contributions over the past two years.

The increase in net position was lower in the current year, as revenues declined by \$802,735, and expenses increased by \$73,866. The reduction in revenues was primarily due to a substantial capital contribution from the Local Development Finance Authority in the prior year, in the amount of \$1,514,938, related to sewer system improvements. Expenses rose in the current year, primarily due to an increase in depreciation expense related to recent system improvements.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental funds

As of December 31, 2022, the Village's governmental funds reported total fund balances of \$3,392,984, which represents an increase of \$868,759 compared to last year's total.

The General Fund experienced an increase in fund balance of \$525,703, as revenues of \$2,027,104, and transfers from other funds of \$59,440, were more than sufficient to cover expenditures of \$1,560,841 in the current year. The General Fund has a fund balance of \$1,469,953 at the end of the year; however, portions of the fund balance are nonspendable and restricted, totaling \$18,465 and \$65,302, respectively. Unassigned fund balance amounts to \$1,386,186 at year end, which represents 89 percent of current year expenditures.

The Major Street Fund, a special revenue fund, experienced an increase in fund balance of \$185,809. The increase in fund balance occurred because current year resources of \$603,935, which included property taxes (\$215,905) and state grants (\$386,147), exceeded expenditures of \$268,126 and a transfer to the Local Street Fund of \$150,000. Fund balance amounts to \$1,279,134 at the end of the year that is assigned for major street maintenance and improvements, as it consists of an allocation of unrestricted property taxes.

The Local Street Fund, a special revenue fund, experienced an increase in fund balance of \$157,247. The increase in fund balance occurred because revenues of \$150,293, and a \$150,000 transfer from the Major Street Fund, exceeded expenditures of \$143,046. Fund balance amounts to \$643,897 at the end of the year which is restricted by enabling legislation for local street maintenance and improvements.

The ARPA Fund, a special revenue fund, has a fund balance of \$-0- at year end. The fund received a federal grant, in the amount of \$365,183, but has not yet incurred any expenditures; therefore, no revenue was recognized during the year.

Enterprise funds

The Sewer Fund experienced an operating loss of \$108,713 and nonoperating expenses of \$83,663 in the current year. Transfers to other funds, in the amount of \$42,840, also reduced the fund's equity. However, capital contributions of \$1,168,447, generated an increase in net position of \$938,602. The capital contributions, and debt issued through the County, funded capital asset acquisitions in the amount of \$3,689,274 in the current year. The fund's net position is \$9,376,382 at year end, of which \$2,266,737 is unrestricted.

The Water Fund generated an operating loss of \$16,949 and nonoperating expenses of \$12,922 in the current year. Capital contributions, in the amount of \$182,177, provided an increase in net position of \$153,669. The fund's net position is \$3,088,662 at year end, of which \$632,489 is unrestricted.

Internal service funds

The Motor Vehicle Equipment Fund (MVEF) pays for its annual operational expenses by charging other funds for the use of its assets. The Village has compiled a Capital Improvement Plan (CIP) so that major purchases can be scheduled over time.

The OPEB Fund, which receives contributions from the Village's other funds, accounts for the funding of other post-employment benefit costs.

General Fund budgetary highlights

The Village did not amend budgeted revenues during the current year. Total actual revenues were \$414,361 more than budgeted, as state grants were \$332,661 more than anticipated.

The Village amended its expenditure budget during the current year to increase total expenditures by \$229,522, primarily due to a \$220,714 increase in general government expenditures related to buildings and grounds costs. Total expenditures were \$311,434 less than the amounts appropriated, as general government expenditures were \$219,482 less than appropriated.

These variances resulted in a \$725,795 positive budget variance, as the fund balance increased by \$525,703 compared to a budgeted decrease of \$200,092.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Village's investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$22,026,568 (net of accumulated depreciation). This investment includes a broad range of assets, including land, equipment, buildings, and sewer and water facilities. The net increase in the Village's net investment in capital assets for the current fiscal year was \$3,202,747, comprised of \$4,020,247 in acquisitions offset by \$817,500 in provisions for depreciation.

	<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>
Infrastructure	\$ 5,408,467	\$ 12,465,008	\$ 17,873,475
Land improvements	485,863	-	485,863
Buildings	1,953,892	-	1,953,892
Equipment	463,268	334,758	798,026
Land	<u>772,163</u>	<u>143,149</u>	<u>915,312</u>
 Totals	 <u>\$ 9,083,653</u>	 <u>\$ 12,942,915</u>	 <u>\$ 22,026,568</u>

Major capital asset events during the current fiscal year included the following:

- Sewer system improvements amounted to \$3,689,274
- Water system improvements amounted to \$86,540
- Street improvements were made at a cost of \$179,741
- DPW building improvements were made at a cost of \$45,065

More detailed information about the Village's capital assets is presented in Note 5 of the notes to the basic financial statements.

Debt

At the end of the year, the Village had total long-term debt outstanding in the amount of \$4,541,412, which represents a decrease of \$367,386, as debt was reduced due to timely principal payments of \$351,691 and amortization of a bond premium, in the amount of \$15,695. No new debt was issued during the year. All debt is backed by the full faith and credit of the Village.

Other noncurrent obligations include a net pension liability of \$426,976, and a net OPEB liability of \$896,593.

More detailed information about the Village's long-term liabilities is presented in Note 8 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village Council has set fiscal accountability and financial stability as its number one priority. The Council continues their practice of tight fiscal controls, which includes continually monitoring sources and uses of funds, asset management, energy use, and water and sewer rates, to be sure spending is in line with fiscal policies and financial stewardship.

The Village projects a slight increase in property tax revenue, anticipates increases in benefits and wages to employees, and will implement capital projects as funds allow.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Village of Middleville
Craig Stolsonburg, Village Manager
100 East Main Street
Middleville, MI 49333-0069

Phone: (269) 795-3385

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

December 31, 2022

	Primary government			Component units	
	Governmental activities	Business-type activities	Totals	Local Development Finance Authority	Downtown Development Authority
ASSETS					
Current assets:					
Cash	\$ 4,137,193	\$ 4,547,648	\$ 8,684,841	\$ 1,932,711	\$ 229,310
Receivables	225,713	964,633	1,190,346	50,293	37,244
Prepaid expenses	18,465	4,622	23,087	-	-
Internal balances	(291,510)	291,510	-	-	-
Total current assets	<u>4,089,861</u>	<u>5,808,413</u>	<u>9,898,274</u>	<u>1,983,004</u>	<u>266,554</u>
Noncurrent assets:					
Capital assets not being depreciated	772,163	5,181,714	5,953,877	45,165	-
Capital assets, net of depreciation	<u>8,311,490</u>	<u>7,761,201</u>	<u>16,072,691</u>	<u>1,568,534</u>	<u>-</u>
Total noncurrent assets	<u>9,083,653</u>	<u>12,942,915</u>	<u>22,026,568</u>	<u>1,613,699</u>	<u>-</u>
Total assets	<u>13,173,514</u>	<u>18,751,328</u>	<u>31,924,842</u>	<u>3,596,703</u>	<u>266,554</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	109,201	49,182	158,383	-	-
OPEB related	<u>106,811</u>	<u>48,105</u>	<u>154,916</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>216,012</u>	<u>97,287</u>	<u>313,299</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Payables	180,391	1,561,801	1,742,192	3,714	3,385
Escrows	57,555	-	57,555	-	-
Unearned revenue	365,183	-	365,183	-	-
Bonds, contracts, and notes payable - current portion	<u>112,681</u>	<u>240,821</u>	<u>353,502</u>	<u>59,715</u>	<u>-</u>
Total current liabilities	<u>715,810</u>	<u>1,802,622</u>	<u>2,518,432</u>	<u>63,429</u>	<u>3,385</u>
Noncurrent liabilities:					
Net pension liability	294,389	132,587	426,976	-	-
Net OPEB liability	618,179	278,414	896,593	-	-
Bonds, contracts, and notes payable	<u>511,315</u>	<u>3,676,595</u>	<u>4,187,910</u>	<u>209,298</u>	<u>-</u>
Total noncurrent liabilities	<u>1,423,883</u>	<u>4,087,596</u>	<u>5,511,479</u>	<u>209,298</u>	<u>-</u>
Total liabilities	<u>2,139,693</u>	<u>5,890,218</u>	<u>8,029,911</u>	<u>272,727</u>	<u>3,385</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related	124,033	55,862	179,895	-	-
Leases	-	14,542	14,542	-	-
OPEB related	<u>291,839</u>	<u>131,439</u>	<u>423,278</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>415,872</u>	<u>201,843</u>	<u>617,715</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	8,459,657	9,025,499	17,485,156	1,344,686	-
Restricted:					
General government	40,000	-	40,000	-	-
Public safety	25,302	-	25,302	-	-
Public works	643,897	-	643,897	-	-
Debt service	-	540,319	540,319	-	-
Unrestricted	<u>1,665,105</u>	<u>3,190,736</u>	<u>4,855,841</u>	<u>1,979,290</u>	<u>263,169</u>
Total net position	<u>\$ 10,833,961</u>	<u>\$ 12,756,554</u>	<u>\$ 23,590,515</u>	<u>\$ 3,323,976</u>	<u>\$ 263,169</u>

See notes to financial statements

STATEMENT OF ACTIVITIES

Year ended December 31, 2022

Functions/Programs	Program revenues				Net (expenses) revenues and changes in net position				
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government			Component units	
					Governmental activities	Business-type activities	Totals	Local Development Finance Authority	Downtown Development Authority
Governmental activities:									
General government	\$ 470,688	\$ 98,251	\$ -	\$ -	\$ (372,437)		\$ (372,437)		
Public safety	336,494	5,978	3,088	-	(327,428)		(327,428)		
Public works	774,937	2,802	547,831	106,719	(117,585)		(117,585)		
Community and economic development	116,159	-	-	-	(116,159)		(116,159)		
Recreation and culture	172,079	-	3,292	-	(168,787)		(168,787)		
Interest on long-term debt	25,545	-	-	-	(25,545)		(25,545)		
Total governmental activities	<u>1,895,902</u>	<u>107,031</u>	<u>554,211</u>	<u>106,719</u>	<u>(1,127,941)</u>		<u>(1,127,941)</u>		
Business-type activities:									
Sewer	763,718	596,982	-	1,168,447		\$ 1,001,711	1,001,711		
Water	453,124	462,083	-	182,177		191,136	191,136		
Total business-type activities	<u>1,216,842</u>	<u>1,059,065</u>	<u>-</u>	<u>1,350,624</u>		<u>1,192,847</u>	<u>1,192,847</u>		
Total primary government	<u>\$ 3,112,744</u>	<u>\$ 1,166,096</u>	<u>\$ 554,211</u>	<u>\$ 1,457,343</u>	<u>(1,127,941)</u>	<u>1,192,847</u>	<u>64,906</u>		
Component units:									
Local Development Finance Authority	\$ 197,387	\$ -	\$ -	\$ -			\$ (197,387)	\$ -	
Downtown Development Authority	189,250	23,082	29,914	-			-	(136,254)	
Total component units	<u>\$ 386,637</u>	<u>\$ 23,082</u>	<u>\$ 29,914</u>	<u>\$ -</u>			<u>(197,387)</u>	<u>(136,254)</u>	
General revenues:									
Property taxes					1,423,937	-	1,423,937	397,794	172,339
State shared revenue					498,740	-	498,740	-	-
Local community stabilization revenue					26,160	-	26,160	386,281	-
Unrestricted interest earnings					2,891	6,734	9,625	2,821	-
Transfers					42,840	(42,840)	-	-	-
Total general revenues and transfers					<u>1,994,568</u>	<u>(36,106)</u>	<u>1,958,462</u>	<u>786,896</u>	<u>172,339</u>
Changes in net position					866,627	1,156,741	2,023,368	589,509	36,085
Net position - beginning					<u>9,967,334</u>	<u>11,599,813</u>	<u>21,567,147</u>	<u>2,734,467</u>	<u>227,084</u>
Net position - ending					<u>\$ 10,833,961</u>	<u>\$ 12,756,554</u>	<u>\$ 23,590,515</u>	<u>\$ 3,323,976</u>	<u>\$ 263,169</u>

See notes to financial statements

BALANCE SHEET - governmental funds

December 31, 2022

	<u>General</u>	<u>Major Street</u>	<u>Local Street</u>	<u>ARPA</u>	<u>Total governmental funds</u>
ASSETS					
Cash	\$ 1,523,126	\$ 1,221,506	\$ 622,928	\$ 365,183	\$ 3,732,743
Receivables	123,760	75,902	26,051	-	225,713
Prepaid expenditures	18,465	-	-	-	18,465
Total assets	<u>\$ 1,665,351</u>	<u>\$ 1,297,408</u>	<u>\$ 648,979</u>	<u>\$ 365,183</u>	<u>\$ 3,976,921</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ 137,843	\$ 18,274	\$ 5,082	\$ -	\$ 161,199
Escrow deposits	57,555	-	-	-	57,555
Unearned revenue - federal grant	-	-	-	365,183	365,183
Total liabilities	<u>195,398</u>	<u>18,274</u>	<u>5,082</u>	<u>365,183</u>	<u>583,937</u>
Fund balances:					
Nonspendable - prepaids	18,465	-	-	-	18,465
Restricted for:					
General government	40,000	-	-	-	40,000
Public safety	25,302	-	-	-	25,302
Public works	-	-	643,897	-	643,897
Assigned for public works	-	1,279,134	-	-	1,279,134
Unassigned	1,386,186	-	-	-	1,386,186
Total fund balances	<u>1,469,953</u>	<u>1,279,134</u>	<u>643,897</u>	<u>-</u>	<u>3,392,984</u>
Total liabilities and fund balances	<u>\$ 1,665,351</u>	<u>\$ 1,297,408</u>	<u>\$ 648,979</u>	<u>\$ 365,183</u>	<u>\$ 3,976,921</u>

Reconciliation of the balance sheet to the statement of net position:

Total fund balance - total governmental funds \$ 3,392,984

Amounts reported for *governmental activities* in the statement of net position (page 15) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds. 8,523,561

Deferred outflows of resources, related to the pension and OPEB plans, relate to future years and, therefore, are not reported in the funds.

 Deferred outflows of resources - OPEB related 103,761
 Deferred outflows of resources - pension related 106,083

Interest payable is not due and payable in the current period and, therefore, is not reported in the funds. (9,420)

Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

 Bonds and notes payable (592,169)
 Net OPEB liability (600,527)
 Net pension liability (285,982)

Deferred inflows of resources, related to the pension and OPEB plans, relate to future years and, therefore, are not reported in the funds.

 Deferred inflows of resources - OPEB related (283,505)
 Deferred inflows of resources - pension (120,491)

Internal service funds are used by management to charge costs to individual funds. The assets and liabilities of the internal service funds are included in *governmental activities* in the statement of net position. 599,666

Net position of *governmental activities* \$ 10,833,961

See notes to financial statements

Village of Middleville

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds

Year ended December 31, 2022

	<i>General</i>	<i>Major Street</i>	<i>Local Street</i>	<i>ARPA</i>	<i>Total governmental funds</i>
REVENUES					
Property taxes	\$ 1,225,258	\$ 215,905	\$ -	\$ -	\$ 1,441,163
Licenses and permits	20,460	-	-	-	20,460
State grants	675,660	386,147	149,374	-	1,211,181
Intergovernmental	34,792	-	-	-	34,792
Interest and rentals	17,451	1,883	919	-	20,253
Other	53,483	-	-	-	53,483
	<u>2,027,104</u>	<u>603,935</u>	<u>150,293</u>	<u>-</u>	<u>2,781,332</u>
Total revenues					
EXPENDITURES					
Current:					
General government	537,048	-	-	-	537,048
Public safety	338,647	-	-	-	338,647
Public works	347,347	242,186	135,497	-	725,030
Community and economic development	121,047	-	-	-	121,047
Recreation and culture	117,450	-	-	-	117,450
Debt service:					
Principal	82,908	16,563	6,110	-	105,581
Interest	16,394	9,377	1,439	-	27,210
	<u>1,560,841</u>	<u>268,126</u>	<u>143,046</u>	<u>-</u>	<u>1,972,013</u>
Total expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>466,263</u>	<u>335,809</u>	<u>7,247</u>	<u>-</u>	<u>809,319</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	59,440	-	150,000	-	209,440
Transfers out	-	(150,000)	-	-	(150,000)
	<u>59,440</u>	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>	<u>59,440</u>
Net other financing sources (uses)					
NET CHANGES IN FUND BALANCES	525,703	185,809	157,247	-	868,759
FUND BALANCES - BEGINNING	<u>944,250</u>	<u>1,093,325</u>	<u>486,650</u>	<u>-</u>	<u>2,524,225</u>
FUND BALANCES - ENDING	<u>\$ 1,469,953</u>	<u>\$ 1,279,134</u>	<u>\$ 643,897</u>	<u>\$ -</u>	<u>\$ 3,392,984</u>

See notes to financial statements

Village of Middleville

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental funds (Continued)**

Year ended December 31, 2022

Reconciliation of the statement of revenues, expenditures, and changes
in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 18) \$ 868,759

Amounts reported for *governmental activities* in the statement of
activities (page 16) are different because:

Capital assets:

Add - asset acquisitions 244,433
Deduct - provision for depreciation (381,557)

Long-term debt:

Add - principal payments 105,581

Changes in other assets/liabilities:

Net decrease in accrued interest expense 2,730
Net decrease in net OPEB liability 299,313
Net decrease in net pension liability 187,211

Changes in deferred outflows and deferred inflows of resources:

Net decrease in deferred outflows of resources - OPEB related (27,265)
Net increase in deferred inflows of resources - OPEB related (176,103)
Net decrease in deferred outflows of resources - pension related (63,064)
Net increase in deferred inflows of resources - pension related (68,055)
Decrease in deferred inflows of resources - unavailable state grant (135,362)
Decrease in deferred inflows of resources - unavailable advance (33,000)

A portion of the net revenue of the internal service funds is reported
with *governmental activities*.

43,006

Change in net position of *governmental activities*

\$ 866,627

STATEMENT OF NET POSITION - *proprietary funds*

December 31, 2022

	<i>Business-type activities</i>			<i>Governmental activities</i>
	<i>Enterprise funds</i>			<i>Internal service</i>
	<i>Sewer</i>	<i>Water</i>	<i>Totals</i>	
ASSETS				
Current assets:				
Cash	\$ 3,689,010	\$ 858,638	\$ 4,547,648	\$ 404,450
Receivables	838,476	126,157	964,633	-
Prepaid expenses	-	4,622	4,622	-
Total current assets	<u>4,527,486</u>	<u>989,417</u>	<u>5,516,903</u>	<u>404,450</u>
Noncurrent assets:				
Capital assets not being depreciated	4,985,804	195,910	5,181,714	-
Capital assets, net of depreciation	<u>5,015,559</u>	<u>2,745,642</u>	<u>7,761,201</u>	<u>560,092</u>
Total noncurrent assets	<u>10,001,363</u>	<u>2,941,552</u>	<u>12,942,915</u>	<u>560,092</u>
Total assets	<u>14,528,849</u>	<u>3,930,969</u>	<u>18,459,818</u>	<u>964,542</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	26,821	22,361	49,182	3,118
OPEB related	<u>26,233</u>	<u>21,872</u>	<u>48,105</u>	<u>3,050</u>
Total deferred outflows of resources	<u>53,054</u>	<u>44,233</u>	<u>97,287</u>	<u>6,168</u>
LIABILITIES				
Current liabilities:				
Payables	1,447,211	114,590	1,561,801	9,772
Bonds, contracts, and notes payable - current portion	<u>162,250</u>	<u>78,571</u>	<u>240,821</u>	<u>15,702</u>
Total current liabilities	<u>1,609,461</u>	<u>193,161</u>	<u>1,802,622</u>	<u>25,474</u>
Noncurrent liabilities:				
Net pension liability	72,304	60,283	132,587	8,407
Net OPEB liability	151,828	126,586	278,414	17,652
Bonds, contracts, and notes payable	<u>3,269,787</u>	<u>406,808</u>	<u>3,676,595</u>	<u>16,125</u>
Total noncurrent liabilities	<u>3,493,919</u>	<u>593,677</u>	<u>4,087,596</u>	<u>42,184</u>
Total liabilities	<u>5,103,380</u>	<u>786,838</u>	<u>5,890,218</u>	<u>67,658</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	-	14,542	14,542	-
Pension related	30,463	25,399	55,862	3,542
OPEB related	<u>71,678</u>	<u>59,761</u>	<u>131,439</u>	<u>8,334</u>
Total deferred inflows of resources	<u>102,141</u>	<u>99,702</u>	<u>201,843</u>	<u>11,876</u>
NET POSITION				
Net investment in capital assets	6,569,326	2,456,173	9,025,499	528,265
Restricted for debt service	540,319	-	540,319	-
Unrestricted	<u>2,266,737</u>	<u>632,489</u>	<u>2,899,226</u>	<u>362,911</u>
Total net position	<u>\$ 9,376,382</u>	<u>\$ 3,088,662</u>	12,465,044	<u>\$ 891,176</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			291,510	
Net position of <i>business-type activities</i> (page 14)			<u>\$ 12,756,554</u>	

See notes to financial statements

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - proprietary funds

Year ended December 31, 2022

	<i>Business-type activities</i>			<i>Governmental activities</i>
	<i>Enterprise funds</i>			<i>Internal service</i>
	<i>Sewer</i>	<i>Water</i>	<i>Totals</i>	
OPERATING REVENUES				
Charges for services:				
Utility charges	\$ 590,627	\$ 455,889	\$ 1,046,516	\$ -
Equipment rental	-	-	-	233,295
OPEB contributions	-	-	-	68,445
Other	6,355	6,194	12,549	4,800
Total operating revenues	596,982	462,083	1,059,065	306,540
OPERATING EXPENSES				
Personnel costs	206,283	128,899	335,182	22,479
Contracted services	26,563	120,862	147,425	-
Equipment and supplies	40,268	28,109	68,377	56,346
Utilities	102,788	57,592	160,380	30,813
Interfund charges (equipment rentals)	37,751	44,367	82,118	-
OPEB costs	-	-	-	19,507
Miscellaneous	3,683	3,873	7,556	-
Depreciation	288,359	95,330	383,689	52,254
Total operating expenses	705,695	479,032	1,184,727	181,399
OPERATING INCOME (LOSS)	(108,713)	(16,949)	(125,662)	125,141
NONOPERATING REVENUES (EXPENSES)				
Interest income	5,371	1,363	6,734	-
Interest expense and fees	(83,663)	(12,922)	(96,585)	(1,065)
Net nonoperating revenues (expenses)	(78,292)	(11,559)	(89,851)	(1,065)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(187,005)	(28,508)	(215,513)	124,076
CAPITAL CONTRIBUTIONS				
Federal grant	731,109	-	731,109	-
Debt retirement charges	301,543	106,723	408,266	-
Intergovernmental contribution	75,000	-	75,000	-
Connection fees	60,795	75,454	136,249	-
Total capital contributions	1,168,447	182,177	1,350,624	-
TRANSFERS				
Transfers out	(42,840)	-	(42,840)	(16,600)
CHANGES IN NET POSITION	938,602	153,669	1,092,271	107,476
NET POSITION - BEGINNING	8,437,780	2,934,993	11,372,773	783,700
NET POSITION - ENDING	\$ 9,376,382	\$ 3,088,662	\$ 12,465,044	\$ 891,176
Reconciliation of the fund basis changes in net position to the statement of activities:				
Changes in net position			\$ 1,092,271	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			64,470	
Change in net position of <i>business-type activities</i> (page 15)			\$ 1,156,741	

STATEMENT OF CASH FLOWS - proprietary funds

Year ended December 31, 2022

	<i>Business-type activities</i>			<i>Governmental activities</i>
	<i>Enterprise funds</i>			<i>Internal services</i>
	<i>Sewer</i>	<i>Water</i>	<i>Totals</i>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 619,659	\$ 479,848	\$ 1,099,507	\$ -
Receipts from interfund services provided	-	-	-	306,540
Payments to vendors and suppliers	(174,303)	(301,470)	(475,773)	(101,270)
Payments to employees	(113,560)	(92,050)	(205,610)	(13,042)
Payments for interfund services used	(37,751)	(44,367)	(82,118)	-
Net cash provided by (used in) operating activities	<u>294,045</u>	<u>41,961</u>	<u>336,006</u>	<u>192,228</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(42,840)	-	(42,840)	(16,600)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retirement charges	301,543	106,723	408,266	-
Connection fees	60,795	75,454	136,249	-
Contributions from other government (LDFA)	75,000	-	75,000	-
Federal grant	88,676	-	88,676	-
Acquisition of capital assets	(603,136)	(36,448)	(639,584)	-
Principal payments on capital debt	(172,945)	(73,571)	(246,516)	(15,289)
Interest payments on capital debt	(85,491)	(13,367)	(98,858)	(1,272)
Net cash provided by (used in) capital and related financing activities	<u>(335,558)</u>	<u>58,791</u>	<u>(276,767)</u>	<u>(16,561)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest revenue received	<u>5,371</u>	<u>1,363</u>	<u>6,734</u>	<u>-</u>
NET CHANGE IN CASH	<u>(78,982)</u>	<u>102,115</u>	<u>23,133</u>	<u>159,067</u>
CASH - BEGINNING	<u>3,767,992</u>	<u>756,523</u>	<u>4,524,515</u>	<u>245,383</u>
CASH - ENDING	<u>\$ 3,689,010</u>	<u>\$ 858,638</u>	<u>\$ 4,547,648</u>	<u>\$ 404,450</u>

Village of Middleville

STATEMENT OF CASH FLOWS - proprietary funds (Continued)

Year ended December 31, 2022

	<i>Business-type activities</i>			<i>Governmental activities</i>
	<i>Enterprise funds</i>			<i>Internal services</i>
	<i>Sewer</i>	<i>Water</i>	<i>Totals</i>	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (108,713)	\$ (16,949)	\$ (125,662)	\$ 125,141
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	288,359	95,330	383,689	52,254
(Increase) decrease in receivables	22,677	17,765	40,442	-
(Increase) decrease in deferred outflows	8,226	16,043	24,269	28
Increase (decrease) in payables	70,154	(48,990)	21,164	8,510
Increase (decrease) in net OPEB liability	(31,872)	(54,107)	(85,979)	(922)
Increase (decrease) in net pension liability	(24,297)	(34,737)	(59,034)	(1,360)
Increase in deferred inflows	69,511	67,606	137,117	8,577
Net cash provided by (used in) operating activities	<u>\$ 294,045</u>	<u>\$ 41,961</u>	<u>\$ 336,006</u>	<u>\$ 192,228</u>
Noncash capital and related financing activities				
Acquisition of capital assets	\$ 3,689,274	\$ 86,540	\$ 3,775,814	\$ -
Less cost paid by other governmental unit	(2,428,915)	-	(2,428,915)	-
Less increase in payables	<u>(657,223)</u>	<u>(50,092)</u>	<u>(707,315)</u>	<u>-</u>
Net cash used	<u>\$ 603,136</u>	<u>\$ 36,448</u>	<u>\$ 639,584</u>	<u>\$ -</u>
Federal grant revenue	\$ 731,109	\$ -	\$ 731,109	\$ -
Less grant receivable	<u>(642,433)</u>	<u>-</u>	<u>(642,433)</u>	<u>-</u>
Net cash received	<u>\$ 88,676</u>	<u>\$ -</u>	<u>\$ 88,676</u>	<u>\$ -</u>

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Middleville, Michigan (the Village), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

As required by generally accepted accounting principles, these financial statements present the Village (the primary government), located in Barry County, and its component units described below, for which the Village is financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government. The authorities are fiscally dependent on the Village because the Village Council appoints their governing bodies, approves their budgets, and their debt remains the responsibility of the Village. The Village is also obligated to provide some of its tax revenues to the authorities, through tax increment financing, which represents a financial responsibility of the Village. Fiscal dependence and the financial responsibility relationship make the Village financially accountable for the authorities and require the Village to report the authorities in the Village's financial statements. Separate financial statements for the component units have not been issued, as management believes that these financial statements, including disclosures, contain complete information to constitute a fair presentation of the component units.

Discretely presented component units:

Local Development Finance Authority (LDFA) - The Authority was established pursuant to Public Act 281 of 1986, as amended, to encourage local development and promote economic growth within the Authority's boundary.

Downtown Development Authority (DDA) - The Authority was established pursuant to Public Act 197 of 1975, as amended, to correct and prevent deterioration and promote economic growth within the downtown district.

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 of the nonfiduciary activities of the Village. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Village generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the Village, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Major Street Fund, a special revenue fund, accounts for allocated state gas and weight tax revenues that are restricted for expenditures related to maintaining and improving the Village's major streets.

The Local Street Fund, a special revenue fund, accounts for allocated state gas and weight tax revenues that are restricted for expenditures related to maintaining and improving the Village's local streets.

The ARPA Fund, a special revenue fund, is used to account for the restricted resources provided by the American Rescue Plan Act. Revenues are derived from a federal grant.

The Village reports the following major proprietary funds:

The Sewer Fund accounts for activities of the Village's sewage collection systems and treatment plant.

The Water Fund accounts for activities of the Village's water distribution and treatment system.

Additionally, the Village reports the following funds:

The Motor Vehicle Equipment Fund, an internal service fund, accounts for vehicle and equipment management services provided to other departments of the Village on a cost-reimbursement basis.

The OPEB Fund, an internal service fund, accounts for the funding of other postemployment benefits.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity:

Cash - Cash consists of cash on hand, demand deposits, and time deposits.

Receivables - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded, as the Village considers all receivables to be fully collectible.

Prepays - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaids in the fund financial statements and the government-wide financial statements.

Capital assets - Capital assets, which include land, equipment, and infrastructure assets (e.g., sewer and water systems and streets), are reported in the applicable governmental or business-type activities 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 (\$10,000 for infrastructure assets) 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 acquisition value as of the date received. Governments can elect to account for infrastructure assets of governmental activities either retroactively to June 15, 1980, or prospectively. The Village has elected to account for its infrastructure assets prospectively, beginning January 1, 2004.

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

Infrastructure	20 - 40 years
Buildings and improvements	20 - 40 years
Equipment	3 - 20 years
Sewage disposal system	40 - 70 years
Water system	40 - 50 years

Deferred outflows of resources - The statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element reflects a decrease in net position that applies to a future period. The related expenses will not be recognized until a future event occurs. The Village's deferred outflows of resources relate to the defined benefit pension and OPEB plans, which are discussed in Note 9 and Note 10. No deferred outflows of resources affect the governmental funds financial statements.

Pension - For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The Village and its defined benefit pension plan share the same year-end date. Accordingly, the Village has elected to measure its net pension liability as of the prior December 31.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):

Other postemployment benefits (OPEB) obligations - For purposes of measuring the OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the employer's fiduciary net position have been determined on the same basis as they are reported by the employer. For this purpose, benefits payments are recognized when due and payable in accordance with the benefit terms. The Plan has no investments.

Unearned revenue - Unearned revenue represents resources related to a federal grant which have not yet been earned.

Deferred inflows of resources - The statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenues will not be recognized until a future event occurs. The Village's deferred inflows of resources, reported in the government-wide statement of net position, relate to the defined benefit pension and OPEB plans, which are discussed in Note 9 and Note 10. No deferred inflows of resources affect the governmental funds financial statements.

Net position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The Village reports three categories of net position, as follows: (1) *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets; (2) *Restricted net position* is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Village's debt. Restricted net position is reduced by liabilities related to the restricted assets; (3) *Unrestricted net position* consists of all other net position that does not meet the definition of the above components and is available for general use by the Village.

Net position flow assumption - Sometimes, the Village will 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 funds 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 equity - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are not in spendable form. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Village has delegated the authority to assign fund balance to the Village Manager. Unassigned fund balance is the residual classification for amounts in the General Fund. When the Village incurs an expenditure for purposes for which various fund balance classifications can be used, it is the policy of the Village to use the restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

Property tax revenue recognition - Property taxes are levied each July 1 on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on September 14 of the following year, at which time interest and penalties are assessed. The Village's 2022 ad valorem tax was levied and collectible on July 1, 2022. It is the Village's policy to recognize revenue from that tax levy in the current year, when the proceeds are budgeted and made available for the financing of operations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and equity (continued):

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. The budget document presents information by fund, function, activity, and line-item. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth the reportable budget variances:

<u>Entity</u>	<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance</u>
Primary government:						
General	General government	Manager		\$ 143,718	\$ 145,021	\$ 1,303
			Professional fees	41,704	47,485	5,781
Public works	Public works	Public Works Department		218,138	237,753	19,615
			Environmental control	62,084	63,396	1,312
			Debt service	Principal	25,107	82,908
Major Street	Public works	Public works	Interest	11,734	16,394	4,660
			Winter maintenance	67,014	77,346	10,332
Local Street	Public works	Public works	Traffic services	22,191	23,653	1,462
			Winter maintenance	36,765	39,629	2,864

NOTE 3 - CASH

At December 31, 2022, cash is classified in the accompanying financial statements as follows:

Statement of net position:	
Primary government - cash	\$ 8,684,841
Component units:	
LDFA - cash	1,932,711
DDA - cash	<u>229,310</u>
Total	<u>\$ 10,846,862</u>

At December 31, 2022, cash consists of the following:

Cash on hand	\$ 550
Deposits with financial institutions	<u>10,846,312</u>
Total	<u>\$ 10,846,862</u>

NOTE 3 - CASH (Continued)

Deposits - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Village’s investment policy authorize the Village to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Village’s deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Village will not be able to recover its deposits. The Village’s investment policy does not specifically address custodial credit risk for deposits. At December 31, 2022, \$10,152,373 of the Village’s bank balances of \$10,859,611 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Village maintains a pooled cash account for all of its funds and its component units. As such, it is not practicable to allocate the balance exposed to custodial credit risk between the primary government and the component units.

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2022, for the Village’s funds, and its component units, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Leases</u>	<u>Inter-govern-mental</u>	<u>Totals</u>
Primary government:					
Governmental:					
General	\$ -	\$ 40,802	\$ -	\$ 82,958	\$ 123,760
Major Street	-	7,336	-	68,566	75,902
Local Street	-	-	-	26,051	26,051
Total governmental	<u>\$ -</u>	<u>\$ 48,138</u>	<u>\$ -</u>	<u>\$ 177,575</u>	<u>\$ 225,713</u>
Proprietary:					
Sewer	\$ 196,043	\$ -	\$ -	\$ 642,433	\$ 838,476
Water	<u>111,615</u>	<u>-</u>	<u>14,542</u>	<u>-</u>	<u>126,157</u>
Total proprietary	<u>\$ 307,658</u>	<u>\$ -</u>	<u>\$ 14,542</u>	<u>\$ 642,433</u>	<u>\$ 964,633</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component units:					
LDFA	<u>\$ -</u>	<u>\$ 50,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,293</u>
DDA	<u>\$ -</u>	<u>\$ 37,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,244</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 772,163	\$ -	\$ -	\$ 772,163
Capital assets being depreciated:				
Land improvements	795,077	12,600	-	807,677
Buildings	2,724,500	45,065	-	2,769,565
Equipment	489,351	7,027	-	496,378
Infrastructure	7,757,667	179,741	-	7,937,408
Vehicles	<u>857,209</u>	<u>-</u>	<u>-</u>	<u>857,209</u>
Subtotal	<u>12,623,804</u>	<u>244,433</u>	<u>-</u>	<u>12,868,237</u>
Less accumulated depreciation for:				
Land improvements	(283,875)	(37,939)	-	(321,814)
Buildings	(779,329)	(36,344)	-	(815,673)
Equipment	(369,266)	(18,533)	-	(387,799)
Infrastructure	(2,219,117)	(309,824)	-	(2,528,941)
Vehicles	<u>(471,349)</u>	<u>(31,171)</u>	<u>-</u>	<u>(502,520)</u>
Subtotal	<u>(4,122,936)</u>	<u>(433,811)</u>	<u>-</u>	<u>(4,556,747)</u>
Total capital assets being depreciated, net	<u>8,500,868</u>	<u>(189,378)</u>	<u>-</u>	<u>8,311,490</u>
Governmental activities capital assets, net	<u>\$ 9,273,031</u>	<u>\$ (189,378)</u>	<u>\$ -</u>	<u>\$ 9,083,653</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 24,725
Public safety	1,161
Public works	264,183
Recreation and culture	91,488
Depreciation on capital assets held by internal service fund	<u>52,254</u>
Total governmental activities	<u>\$ 433,811</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Business-type activities:				
Capital assets not being depreciated - land				
Land	\$ 143,149	\$ -	\$ -	\$ 143,149
Construction in progress	<u>1,274,751</u>	<u>3,763,814</u>	<u>-</u>	<u>5,038,565</u>
Subtotal	<u>1,417,900</u>	<u>3,763,814</u>	<u>-</u>	<u>5,181,714</u>
Capital assets being depreciated:				
Sewer system	8,538,352	-	-	8,538,352
Water system	4,100,164	-	-	4,100,164
Equipment	<u>748,799</u>	<u>12,000</u>	<u>-</u>	<u>760,799</u>
Subtotal	<u>13,387,315</u>	<u>12,000</u>	<u>-</u>	<u>13,399,315</u>
Less accumulated depreciation for:				
Sewer system	(3,259,348)	(284,215)	-	(3,543,563)
Water system	(1,585,666)	(82,844)	-	(1,668,510)
Equipment	<u>(409,411)</u>	<u>(16,630)</u>	<u>-</u>	<u>(426,041)</u>
Subtotal	<u>(5,254,425)</u>	<u>(383,689)</u>	<u>-</u>	<u>(5,638,114)</u>
Total capital assets being depreciated, net	<u>8,132,890</u>	<u>(371,689)</u>	<u>-</u>	<u>7,761,201</u>
Business-type activities capital assets, net	<u>\$ 9,550,790</u>	<u>\$ 3,392,125</u>	<u>\$ -</u>	<u>\$ 12,942,915</u>

NOTE 5 - CAPITAL ASSETS (Continued)

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Component units:				
LDFA:				
Capital assets not being depreciated - construction in progress	\$ -	\$ 45,165	\$ -	\$ 45,165
Capital assets being depreciated - infrastructure	<u>2,191,065</u>	<u>-</u>	<u>-</u>	<u>2,191,065</u>
Less accumulated depreciation for - infrastructure	<u>(551,905)</u>	<u>(70,626)</u>	<u>-</u>	<u>(622,531)</u>
Total capital assets being depreciated, net	<u>1,639,160</u>	<u>(70,626)</u>	<u>-</u>	<u>1,568,534</u>
LDFA capital assets, net	<u>\$ 1,639,160</u>	<u>\$ (25,461)</u>	<u>\$ -</u>	<u>\$ 1,613,699</u>

NOTE 6 - PAYABLES

Payables as of December 31, 2022, for the Village’s funds, and its component units, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Interest</u>	<u>Totals</u>
Primary government:				
Governmental:				
General	\$ 123,048	\$ 14,795	\$ -	\$ 137,843
Major Street	14,463	3,811	-	18,274
Local Street	<u>3,470</u>	<u>1,612</u>	-	<u>5,082</u>
Total governmental	<u>\$ 140,981</u>	<u>\$ 20,218</u>	<u>\$ -</u>	<u>\$ 161,199</u>
Proprietary:				
Enterprise:				
Sewer	\$ 1,409,669	\$ 4,830	\$ 32,712	\$ 1,447,211
Water	<u>108,744</u>	<u>2,135</u>	<u>3,711</u>	<u>114,590</u>
	1,518,413	6,965	36,423	1,561,801
Motor Vehicle Equipment	<u>9,025</u>	<u>318</u>	<u>429</u>	<u>9,772</u>
Total proprietary	<u>\$ 1,527,438</u>	<u>\$ 7,283</u>	<u>\$ 36,852</u>	<u>\$ 1,571,573</u>
Component units:				
LDFA	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296</u>
DDA	<u>\$ 2,246</u>	<u>\$ 1,139</u>	<u>\$ -</u>	<u>\$ 3,385</u>

NOTE 7 - INTERFUND TRANSFERS

The interfund transfers for the year ended December 31, 2022, were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Fund</u>	<u>Transfers out</u>
General	\$ <u>59,440</u>	Sewer	\$ 42,840
		Internal service	<u>16,600</u>
			<u>59,440</u>
Local street	<u>150,000</u>	Major street	<u>150,000</u>
	<u>\$ 209,440</u>		<u>\$ 209,440</u>

The transfers out of the Sewer and Internal Service funds relate to the Village’s payment in lieu of taxes program. The payment is classified as a transfer because the transaction does not involve an exchange for services provided. The transfer to the Local Street Fund represents support for future construction projects.

NOTE 8 - LONG-TERM LIABILITIES

At December 31, 2022, long-term liabilities are comprised of the following individual issues:

Primary government:

Governmental activities:

Bonds payable:

\$700,000 2012 Capital Improvement bonds payable - payable in annual installments ranging from \$25,000 to \$50,000, plus interest ranging between 1.20% and 4.40%; final payment due March 2032	\$ 269,369
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\$410,000 2014 Capital Improvement bonds payable - payable in annual installments ranging from \$15,000 to \$30,000, plus interest ranging between 1.00% and 4.60%; final payment due March 2032	<u>265,000</u>
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Total bonds payable	<u>534,369</u>
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Notes payable:

\$145,000 2014 Installment purchase agreement - payable in annual installments of \$16,561, including interest at 2.70%; final payment due April 2024	31,827
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\$385,000 2018 Installment purchase agreement - payable in annual installments of \$57,800; final payment due January 2023	<u>57,800</u>
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Total notes payable	<u>89,627</u>
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Total governmental activities	<u><u>\$ 623,996</u></u>
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NOTE 8 - LONG-TERM LIABILITIES (Continued)

Business-type activities:

Contracts and bonds payable:

\$205,000 2006 Barry County Water contract payable - payable in annual installments ranging from \$10,000 to \$15,000, plus interest at 2.125%; final payment due April 2026	\$ 45,000
\$1,040,000 2006 Barry County Water contract payable - payable in annual installments ranging from \$40,000 to \$65,000, plus interest at 2.125%; final payment due April 2027	305,000
\$425,000 2010 Capital Improvement bonds payable - payable in annual installments ranging from \$10,000 to \$25,000, plus interest ranging between 1.95% and 5.20%; final payment due March 2030	200,000
\$700,000 2012 Capital Improvement bonds payable - payable in annual installments ranging from \$25,000 to \$50,000, plus interest ranging between 1.20% and 4.40%; final payment due March 2032	205,629
\$995,000 2017 Capital Improvement bonds payable - payable in annual installments ranging from \$35,000 to \$70,000, plus interest ranging between 1.00% and 3.55%; final payment due March 2037	805,000
\$2,315,000 2021 Barry County Sewer contract payable - payable in annual installments ranging from \$90,000 to \$145,000, plus interest ranging between 2.125% and 4.000%; final payment due March 2041	<u>2,225,000</u>
Total business-type activities	<u>\$ 3,785,629</u>

Component unit - LDFA:

Contract payable - \$745,509 2013 Barry County contract payable - payable in annual installments ranging from \$47,000 to \$75,000, plus interest at 0.80% to 3.60%; final payment due February 2026	<u>\$ 269,013</u>
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All of the business-type activities debt issues are secured by specific revenue streams. All other debt is secured by the full faith and credit of the Village. All outstanding debt of the Village is direct borrowing or direct placement debt.

NOTE 8 - LONG-TERM LIABILITIES (Continued)

Long-term liability activity for the year ended December 31, 2022, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Governmental activities:					
2012 Bonds payable	\$ 283,550	\$ -	\$ (14,181)	\$ 269,369	\$ 14,179
2014 Bonds payable	285,000	-	(20,000)	265,000	25,000
2013 Drain assessment	13,600	-	(13,600)	-	-
2014 Note payable	47,116	-	(15,289)	31,827	15,702
2018 Note payable	<u>115,600</u>	<u>-</u>	<u>(57,800)</u>	<u>57,800</u>	<u>57,800</u>
Total governmental activities	<u>\$ 744,866</u>	<u>\$ -</u>	<u>\$ (120,870)</u>	<u>\$ 623,996</u>	<u>\$ 112,681</u>
Business-type activities:					
2010 Bonds payable	\$ 225,000	\$ -	\$ (25,000)	\$ 200,000	\$ 25,000
2012 Bonds payable	216,450	-	(10,821)	205,629	10,821
2017 Bonds payable	845,000	-	(40,000)	805,000	40,000
2006 Contract payable	55,000	-	(10,000)	45,000	10,000
2006 Contract payable	360,000	-	(55,000)	305,000	60,000
2021 Contract payable	<u>2,315,000</u>	<u>-</u>	<u>(90,000)</u>	<u>2,225,000</u>	<u>95,000</u>
Subtotal	4,016,450	-	(230,821)	3,785,629	240,821
Premium on bonds	<u>147,482</u>	<u>-</u>	<u>(15,695)</u>	<u>131,787</u>	<u>-</u>
Total business-type activities	<u>\$ 4,163,932</u>	<u>\$ -</u>	<u>\$ (246,516)</u>	<u>\$ 3,917,416</u>	<u>\$ 240,821</u>
Component unit - LDFA:					
2013 Contract payable	<u>\$ 329,135</u>	<u>\$ -</u>	<u>\$ (60,122)</u>	<u>\$ 269,013</u>	<u>\$ 59,715</u>

At December 31, 2022, debt service requirements were as follows:

<u>Year ended December 31:</u>	<u>Primary government</u>				<u>Component unit - LDFA</u>	
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Principal</u>	<u>Interest</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2023	\$ 112,681	\$ 23,851	\$ 240,821	\$ 106,842	\$ 59,715	\$ 7,927
2024	69,482	19,574	251,643	99,023	59,298	6,022
2025	53,357	17,253	261,643	90,717	75,000	3,974
2026	53,357	15,272	266,643	82,108	75,000	1,349
2027	53,357	13,202	256,643	73,536	-	-
2028 - 2032	281,762	31,630	998,236	254,622	-	-
2033 - 2037	-	-	945,000	117,995	-	-
2038 - 2041	<u>-</u>	<u>-</u>	<u>565,000</u>	<u>23,577</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 623,996</u>	<u>\$ 120,782</u>	<u>\$ 3,785,629</u>	<u>\$ 848,420</u>	<u>\$ 269,013</u>	<u>\$ 19,272</u>

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan description:

The Village participates in the Municipal Employees’ Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member retirement board. MERS issues a publicly-available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits provided:

The Village’s defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries and covers the Village’s full-time employees. Retirement benefits for eligible employees are calculated as 2.25% of the employee’s five-year final average compensation, times the employee’s years of service, with a maximum of 80% of final average compensation. Normal retirement age is 60, with early retirement at a reduced benefit at age 50, with 25 years of service, or age 55 with 15 years of service. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred had the member remained an employee. Covered employees are required to contribute a percentage of their compensation to the plan, depending on the employee’s classification within the plan. An employee who leaves service may withdraw their contributions, plus any accumulated interest. Benefit terms, within the parameters of MERS, are established and amended by the authority of the Village Council.

Employees covered by benefit terms:

At the December 31, 2021, measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	12
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<u>9</u>
 Total	 <u><u>29</u></u>

Contributions:

The Village is required to contribute amounts at least equal to an 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. For the fiscal year ended December 31, 2022, Village contributions ranged from 2.15% to 10.90% of monthly covered payroll. Covered employees made contributions ranging from 4.44% to 8.60% to the plan. For the fiscal year ended December 31, 2022, the Village contributed \$112,097 to the plan, while employees contributed \$39,059.

Net pension liability:

The Village’s net pension liability reported at December 31, 2022, was determined using a measurement of the total pension liability and the pension net position as of December 31, 2021. The total pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	
Salary increases	3.00%	in the long term
Investment rate of return	7.00%	net of investment expense, including inflation

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions (continued):

Mortality rates were based on a 50 percent male, 50 percent female blend of the Pub-2010 fully generational MP-2019 scale.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the actuarial experience studies from 2014 to 2018, and dated 2020, which is the most recent actuarial experience study.

Assumption changes:

The assumed investment rate of return decreased from 7.35% to 7.00%.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following schedule:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Expected money-weighted rate of return</u>
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	<u>20.00%</u>	7.00%	<u>1.40%</u>
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses			<u>0.25%</u>
Investment rate of return			<u>7.25%</u>

Discount rate:

The discount rate used to measure the total pension liability is 7.25% for 2022. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Changes in net pension liability:

	<i>Increase (decrease)</i>		
	<i>Total pension liability</i>	<i>Plan fiduciary net position</i>	<i>Net pension liability</i>
	<i>(a)</i>	<i>(b)</i>	<i>(a) - (b)</i>
Balances at December 31, 2021	\$ 2,503,631	\$ 1,829,050	\$ 674,581
Changes for the year:			
Service cost	38,711	-	38,711
Interest	185,241	-	185,241
Difference between expected and actual experience	(74,530)	-	(74,530)
Changes in assumptions	89,437	-	89,437
Employer contributions	-	237,289	(237,289)
Employee contributions	-	21,244	(21,244)
Net investment income	-	230,832	(230,832)
Benefit payments, including refunds	(171,202)	(171,202)	-
Administrative expenses	-	(2,900)	2,900
Other	<u>1</u>	<u>-</u>	<u>1</u>
Net changes	<u>67,658</u>	<u>315,263</u>	<u>(247,605)</u>
Balances at December 31, 2022	<u>\$ 2,571,289</u>	<u>\$ 2,144,313</u>	<u>\$ 426,976</u>

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Village, calculated using the discount rate of 7.25%, as well as what the Village's net pension liability would be using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	<i>1% Decrease (6.25%)</i>	<i>Current rate (7.25%)</i>	<i>1% Increase (8.25%)</i>
Village's net pension liability	<u>\$ 715,981</u>	<u>\$ 426,976</u>	<u>\$ 185,863</u>

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report, which can be found at www.mersofmich.com. The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due. Benefit payments are recognized as expenses when due and payable in accordance with benefit terms.

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension expense and deferred outflows of resources related to pensions:

For the fiscal year ended December 31, 2022, the Village recognized pension expense of \$94,010. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources, related to the pension plan, from the following sources:

<u>Source</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between projected and actual investment earnings	\$ -	\$ 130,208
Differences between expected and actual economic experience	38,558	49,687
Changes in actuarial assumptions	<u>119,825</u>	<u>-</u>
Totals	<u>\$ 158,383</u>	<u>\$ 179,895</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources, related to the pension plan, will be recognized in pension expense as follows:

<u>Year ended December 31:</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
2023	\$ 88,616	\$ 42,258
2024	69,767	80,961
2025	-	38,952
2026	<u>-</u>	<u>17,724</u>
	<u>\$ 158,383</u>	<u>\$ 179,895</u>

NOTE 10 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

Plan description:

The Village of Middleville Retiree Healthcare Plan (the Plan) is a single-employer, defined benefit, healthcare plan administered by the Village, which provides healthcare benefits to eligible employees upon retirement. Eligible recipients include exempt employees hired before June 1, 2014 and employees with union affiliation hired before January 1, 2015. The Plan was established by the Village and can be amended at its discretion. The Plan does not issue a separate stand-alone financial statement, is not advance funded, and is not administered through a trust agreement.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (Continued)

Benefits provided:

Exempt employees:

Hired before June 1, 2014:

Quarterly stipend for medical insurance from the date of retirement until death (currently \$828 for single, \$1,346 for self and spouse). The stipend is adjusted annually by the Consumer Price Index. The post retirement benefit transfers to the spouse upon retiree death.

Union employees:

Hired before January 1, 2015:

The retirees will receive 50% of medical insurance premiums from the first day following the retirees 65th birthday until death. The post retirement benefit transfers to the spouse upon retiree death.

Employees covered by benefit terms:

As of December 31, 2022, Plan membership consisted of the following:

Active members	2
Inactive members	2
Retirees and beneficiaries	<u>5</u>
 Total	 <u><u>9</u></u>

Contributions:

The Village of Middleville Retiree Healthcare Plan was established and is being funded under the authority of the Village and under agreements with the unions representing employees. The Plan's funding policy is that the employer will fund the plan on a pay-as-you-go basis, that is, benefit payments will be made from general operating funds. There are no long-term contracts for contributions to the plan. The Plan has no legally required reserves. For the year ended December 31, 2022, the Village contributed \$19,507 to the Plan.

Net OPEB liability:

The total OPEB liability was determined by a valuation as of December 31, 2022 using the following actuarial assumptions:

Inflation	N/A (plan is not pre-funded)
Salary increases	3.00%
Investment rate of return	N/A (plan is not pre-funded)
20-year Aa Municipal bond rate	4.31%
Mortality	Public General 2010 Employee and Healthy Retiree, Headcount weighted, MP-2021

Discount rate:

The discount rate used to measure the total OPEB liability was 4.31%. Because the plan does not have a dedicated OPEB trust, there are not assets projected to be sufficient to make projected future benefit payments of current plan members, therefore, benefit payments are discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. This discount rate is used to determine the total OPEB liability. The discount rate used for the December 31, 2021 OPEB liability was 2.25%.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (Continued)

Changes in the Net OPEB liability:

	<i>Increase (decrease)</i>		
	<i>Total OPEB liability (a)</i>	<i>Plan fiduciary net position (b)</i>	<i>Net OPEB liability (asset) (a) - (b)</i>
Balances at December 31, 2021	\$ 1,282,807	\$ -	\$ 1,282,807
Changes for the year:			
Service cost	34,119	-	34,119
Interest	29,411	-	29,411
Differences between expected and actual experience	(157,189)	-	(157,189)
Change in assumptions	(273,048)	-	(273,048)
Contributions - employer	-	19,507	(19,507)
Benefit payments	(19,507)	(19,507)	-
Net changes	(386,214)	-	(386,214)
Balances at December 31, 2022	\$ 896,593	\$ -	\$ 896,593
Plan fiduciary net position as a percentage of total OPEB liability			0.0%

Sensitivity of the net OPEB liability to changes in the discount rate:

The following schedule presents the net OPEB liability of the Village, calculated using the discount rates 1% higher and lower than the current rate of 4.31%:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
Net OPEB liability	\$ 1,010,996	\$ 896,593	\$ 801,420

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate:

The following schedule presents the net OPEB liability of the Village, calculated using healthcare cost trend rates 1% higher and lower than the current rate:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
Net OPEB liability	\$ 798,240	\$ 896,593	\$ 1,013,798

NOTE 10 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (Continued)

OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB Plan:

For the year ended December 31, 2022, the Village recognized OPEB expense of a negative \$64,665. At December 31, 2022, the Village reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

<u>Source</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in assumptions	\$ 154,916	\$ 195,456
Difference between expected and actual experience	-	227,822
Total	<u>\$ 154,916</u>	<u>\$ 423,278</u>

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

<u>Year ended December 31,</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
2023	\$ 31,875	\$ 160,071
2024	31,875	160,071
2025	31,875	50,824
2026	31,875	25,200
2027	27,416	22,743
Thereafter	-	4,369
	<u>\$ 154,916</u>	<u>\$ 423,278</u>

NOTE 11 - DEFERRED COMPENSATION PLAN

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The assets of the plans were held in trust (custodial account or annuity contract), as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof, for 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 No. 32, plan balances and activities are not reflected in the Village’s financial statements.

NOTE 12 - RESTRICTED NET POSITION

In the government-wide statement of net position, the governmental activities report restricted net position, in the amount of \$643,897, which is restricted by enabling legislation for public works expenditures.

NOTE 13 - PROPERTY TAXES

The 2022 taxable valuation of the Village approximated \$147,131,000, on which ad valorem taxes levied consisted of 10.5 mills for operating purposes and 1.8878 mills for major street preservation and improvements, raising approximately \$1,442,000 for operating purposes and \$259,000 for major street preservation and improvements. These amounts are recognized in the respective fund financial statements as property tax revenue, though they are reduced by tax captures by the Village’s component units.

NOTE 14 - TAX ABATEMENTS

The Village enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within the Village. Each agreement was negotiated under a state law, which allows local units to abate property taxes for a variety of economic development purposes. Abatements may be granted to local businesses located within the Village or promising to relocate within the Village. Depending on the statute referenced for a particular abatement, the Village may grant abatements of up to 50% of annual property taxes through a direct reduction of the entity's property tax bill or not tax the entity on improvements to a property for a period of time, not to exceed twelve years. Depending on the terms of the agreement and state law, abated taxes may be subject to recapture upon default of the entity. The Village has not made any commitments as part of the agreements other than to reduce taxes. The Village is not subject to any tax abatement agreements entered into by other governmental entities.

For the year ended December 31, 2022, the Village abated property taxes totaling \$61,349 under the Industrial Facilities Exemption, which is authorized by Public Act 198 of 1974.

NOTE 15 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village has joined together with other local governmental units in the State to form the Michigan Municipal League Insurance Pool (MML), a public entity risk pool currently operating as a common risk management and insurance program for local governmental units within the State. The Village pays an annual premium to MML for all of its insurance coverages. MML is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$2,000,000 for each insured event.

NOTE 16 - CONSTRUCTION COMMITMENTS

At December 31, 2022, the Village had the following contractual construction commitments:

	<i>Project authorization</i>	<i>Expended through December 31, 2022</i>	<i>Committed</i>
Wastewater treatment plant expansion	\$ 3,834,066	\$ 3,796,767	\$ 37,299
Greenwood sanitary sewer improvement	830,706	809,782	20,924
DPW building addition	<u>244,475</u>	<u>34,858</u>	<u>209,617</u>
Total	<u>\$ 4,909,247</u>	<u>\$ 4,641,407</u>	<u>\$ 267,840</u>

The wastewater treatment plant expansion project is being funded through the issuance of bonds, through Barry County, and a capital contribution from another local unit. The sewer system improvement is being funded primarily through a \$750,000 federal grant. The DPW building addition is being funded by available resources of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended December 31, 2022

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 1,174,744	\$ 1,174,744	\$ 1,225,258	\$ 50,514
Licenses and permits	35,000	35,000	20,460	(14,540)
State grants	342,999	342,999	675,660	332,661
Intergovernmental	-	-	34,792	34,792
Interest and rentals	20,000	20,000	17,451	(2,549)
Other	40,000	40,000	53,483	13,483
Total revenues	<u>1,612,743</u>	<u>1,612,743</u>	<u>2,027,104</u>	<u>414,361</u>
EXPENDITURES				
General government:				
Legislative	27,272	27,272	26,315	957
Manager	120,802	143,718	145,021	(1,303)
Finance director	36,446	20,545	19,237	1,308
Professional fees	39,500	41,704	47,485	(5,781)
Clerk	80,846	117,053	107,585	9,468
Building and grounds	125,500	317,367	101,289	216,078
Nondepartmental	105,450	88,871	90,116	(1,245)
Total general government	<u>535,816</u>	<u>756,530</u>	<u>537,048</u>	<u>219,482</u>
Public safety:				
Police protection	367,500	351,000	328,163	22,837
Crossing guards	9,393	9,393	10,484	(1,091)
Total public safety	<u>376,893</u>	<u>360,393</u>	<u>338,647</u>	<u>21,746</u>
Public works:				
Public works department	212,931	218,138	237,753	(19,615)
Environmental control	52,584	62,084	63,396	(1,312)
Street lighting	31,000	41,000	41,358	(358)
Sidewalks	63,810	40,894	4,840	36,054
Total public works	<u>360,325</u>	<u>362,116</u>	<u>347,347</u>	<u>14,769</u>

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended December 31, 2022

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<i>Variance with final budget positive (negative)</i>
EXPENDITURES (Continued)				
Community and economic development-				
Planning and zoning	\$ 151,495	\$ 151,495	\$ 121,047	\$ 30,448
Recreation and culture	181,383	204,900	117,450	87,450
Debt service:				
Principal	25,107	25,107	82,908	(57,801)
Interest	11,734	11,734	16,394	(4,660)
Total expenditures	<u>1,642,753</u>	<u>1,872,275</u>	<u>1,560,841</u>	<u>311,434</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,010)	(259,532)	466,263	725,795
OTHER FINANCING SOURCES				
Transfers in	59,440	59,440	59,440	-
NET CHANGES IN FUND BALANCES	29,430	(200,092)	525,703	725,795
FUND BALANCES - BEGINNING	944,250	944,250	944,250	-
FUND BALANCES - ENDING	<u>\$ 973,680</u>	<u>\$ 744,158</u>	<u>\$ 1,469,953</u>	<u>\$ 725,795</u>

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - Major Street Fund

Year ended December 31, 2022

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 198,002	\$ 198,002	\$ 215,905	\$ 17,903
State grants	383,822	383,822	386,147	2,325
Interest	-	-	1,883	1,883
Total revenues	<u>581,824</u>	<u>581,824</u>	<u>603,935</u>	<u>22,111</u>
EXPENDITURES				
Public works:				
Preservation	125,000	106,500	68,297	38,203
Routine maintenance	67,716	88,016	72,890	15,126
Winter maintenance	64,614	67,014	77,346	(10,332)
Traffic services	15,791	22,191	23,653	(1,462)
Total public works	<u>273,121</u>	<u>283,721</u>	<u>242,186</u>	<u>41,535</u>
Debt service:				
Principal	16,565	16,565	16,563	2
Interest	9,532	9,532	9,377	155
Total expenditures	<u>299,218</u>	<u>309,818</u>	<u>268,126</u>	<u>41,692</u>
EXCESS OF REVENUES OVER EXPENDITURES	282,606	272,006	335,809	63,803
OTHER FINANCING USES				
Transfers out	(150,000)	(150,000)	(150,000)	-
NET CHANGES IN FUND BALANCES	132,606	122,006	185,809	63,803
FUND BALANCES - BEGINNING	<u>1,093,325</u>	<u>1,093,325</u>	<u>1,093,325</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,225,931</u>	<u>\$ 1,215,331</u>	<u>\$ 1,279,134</u>	<u>\$ 63,803</u>

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - Local Street Fund

Year ended December 31, 2022

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
State grants	\$ 139,485	\$ 139,485	\$ 149,374	\$ 9,889
Interest	-	-	919	919
Total revenues	<u>139,485</u>	<u>139,485</u>	<u>150,293</u>	<u>10,808</u>
EXPENDITURES				
Public works:				
Preservation	55,000	50,500	44,876	5,624
Routine maintenance	36,446	51,546	46,512	5,034
Winter maintenance	36,765	36,765	39,629	(2,864)
Traffic services	<u>8,641</u>	<u>8,641</u>	<u>4,480</u>	<u>4,161</u>
Total public works	<u>136,852</u>	<u>147,452</u>	<u>135,497</u>	<u>11,955</u>
Debt service:				
Principal	<u>6,108</u>	<u>6,108</u>	<u>6,110</u>	<u>(2)</u>
Interest	<u>1,592</u>	<u>1,592</u>	<u>1,439</u>	<u>153</u>
Total expenditures	<u>144,552</u>	<u>155,152</u>	<u>143,046</u>	<u>12,106</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,067)	(15,667)	7,247	22,914
OTHER FINANCING SOURCES				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	-
NET CHANGES IN FUND BALANCES	144,933	134,333	157,247	22,914
FUND BALANCES - BEGINNING	<u>486,650</u>	<u>486,650</u>	<u>486,650</u>	-
FUND BALANCES - ENDING	<u>\$ 631,583</u>	<u>\$ 620,983</u>	<u>\$ 643,897</u>	<u>\$ 22,914</u>

SCHEDULE OF CHANGES IN THE VILLAGE'S NET PENSION LIABILITY AND RELATED RATIOS

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:								
Service cost	\$ 38,711	\$ 39,045	\$ 40,497	\$ 34,768	\$ 38,574	\$ 40,702	\$ 32,669	\$ 30,840
Interest	185,241	169,828	168,360	156,605	150,272	143,405	130,827	125,042
Changes in benefits	-	-	-	-	-	-	(2,694)	-
Difference between expected and actual experience	(74,530)	76,051	2,138	89,820	1,732	(6,723)	33,494	-
Changes in assumptions	89,437	83,778	73,258	-	-	-	97,087	-
Benefit payments, including refunds	(171,202)	(160,234)	(146,669)	(127,588)	(91,432)	(89,537)	(87,644)	(85,745)
Other	<u>1</u>	<u>(2)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total pension liability	67,658	208,466	137,583	153,605	99,146	87,847	203,739	70,137
Total pension liability, beginning of year	<u>2,503,631</u>	<u>2,295,165</u>	<u>2,157,582</u>	<u>2,003,977</u>	<u>1,904,831</u>	<u>1,816,984</u>	<u>1,613,245</u>	<u>1,543,108</u>
Total pension liability, end of year	<u>\$ 2,571,289</u>	<u>\$ 2,503,631</u>	<u>\$ 2,295,165</u>	<u>\$ 2,157,582</u>	<u>\$ 2,003,977</u>	<u>\$ 1,904,831</u>	<u>\$ 1,816,984</u>	<u>\$ 1,613,245</u>
Plan fiduciary net position:								
Contributions - employer	\$ 237,289	\$ 73,910	\$ 61,798	\$ 58,125	\$ 52,965	\$ 246,876	\$ 56,267	\$ 44,269
Contributions - employee	21,244	21,915	18,677	16,550	18,698	17,729	12,162	10,789
Net investment income (loss)	230,832	230,234	205,497	(63,713)	196,009	143,577	(17,960)	73,272
Benefit payments, including refunds	(171,202)	(160,234)	(146,669)	(127,588)	(91,432)	(89,537)	(87,640)	(85,745)
Administrative expenses	(2,900)	(3,324)	(3,536)	(3,193)	(3,102)	(2,829)	(2,641)	(2,689)
Net change in plan fiduciary net position	315,263	162,501	135,767	(119,819)	173,138	315,816	(39,812)	39,896
Plan fiduciary net position, beginning of year	<u>1,829,050</u>	<u>1,666,549</u>	<u>1,530,782</u>	<u>1,650,601</u>	<u>1,477,463</u>	<u>1,161,647</u>	<u>1,201,459</u>	<u>1,161,563</u>
Plan fiduciary net position, end of year	<u>\$ 2,144,313</u>	<u>\$ 1,829,050</u>	<u>\$ 1,666,549</u>	<u>\$ 1,530,782</u>	<u>\$ 1,650,601</u>	<u>\$ 1,477,463</u>	<u>\$ 1,161,647</u>	<u>\$ 1,201,459</u>
Village's net pension liability, end of year	<u>\$ 426,976</u>	<u>\$ 674,581</u>	<u>\$ 628,616</u>	<u>\$ 626,800</u>	<u>\$ 353,376</u>	<u>\$ 427,368</u>	<u>\$ 655,337</u>	<u>\$ 411,786</u>
Plan fiduciary net position as a percent of total pension liability	83.39%	73.06%	72.61%	70.95%	82.37%	77.56%	63.93%	74.47%
Covered payroll	\$ 474,249	\$ 511,718	\$ 460,072	\$ 385,026	\$ 378,506	\$ 398,578	\$ 398,578	\$ 346,677
Village's net pension liability as a percentage of covered payroll	90.03%	131.83%	136.63%	162.79%	93.36%	107.22%	164.42%	118.78%

Note: This schedule is being built prospectively after the implementation of GASB 68 in 2015.

Ultimately, ten years of data will be presented.

Village of Middleville

SCHEDULE OF VILLAGE PENSION CONTRIBUTIONS

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 77,808	\$ 73,910	\$ 61,798	\$ 58,125	\$ 61,261	\$ 55,650	\$ 49,224	\$ 56,268	\$ 44,268	\$ 48,364
Contributions in relation to the actuarially determined contributions	<u>77,808</u>	<u>148,910</u>	<u>61,798</u>	<u>58,125</u>	<u>61,261</u>	<u>55,650</u>	<u>249,224</u>	<u>56,268</u>	<u>44,268</u>	<u>48,364</u>
Contribution excess/(deficiency)	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 474,249	\$ 511,718	\$ 460,072	\$ 385,026	\$ 378,506	\$ 398,578	\$ 346,677	\$ 282,404	\$ 355,407	\$ 341,308
Contributions as a percentage of covered payroll	16.41%	29.10%	13.43%	15.10%	16.18%	13.96%	71.89%	19.92%	12.46%	14.17%

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which is 24 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal cost
Amortization method	Level percentage of payroll, open
Remaining amortization period	17 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%, net of investment and administrative expenses, including inflation
Retirement age	Normal retirement age is 60 years
Mortality	50% Male/50% Female blend of the Pub-2010 fully generational mortality table with scale MP-2019

SCHEDULE OF CHANGES IN THE VILLAGE'S NET OPEB LIABILITY AND RELATED RATIOS

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 34,119	\$ 36,494	\$ 75,435	\$ 75,435	\$ 75,435
Interest	29,411	25,560	34,763	30,947	20,437
Difference between expected and actual experience	(157,189)	(3,105)	(137,887)	-	-
Changes in assumptions	(273,048)	(54,863)	250,541	-	262,022
Benefit payments, including refunds	<u>(19,507)</u>	<u>(18,402)</u>	<u>(18,137)</u>	<u>(15,607)</u>	<u>(7,975)</u>
Net change in total OPEB liability	(386,214)	(14,316)	204,715	90,775	349,919
Total OPEB liability, beginning of year	<u>1,282,807</u>	<u>1,297,123</u>	<u>1,092,408</u>	<u>1,001,633</u>	<u>651,714</u>
Total OPEB liability, end of year	<u>\$ 896,593</u>	<u>\$ 1,282,807</u>	<u>\$ 1,297,123</u>	<u>\$ 1,092,408</u>	<u>\$ 1,001,633</u>
Plan fiduciary net position:					
Plan fiduciary net position, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's net OPEB liability, end of year	<u>\$ 896,593</u>	<u>\$ 1,282,807</u>	<u>\$ 1,297,123</u>	<u>\$ 1,092,408</u>	<u>\$ 1,001,633</u>
Plan fiduciary net position as a percent of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 121,717	\$ 194,284	\$ 259,535	\$ 281,703	\$ 313,941
Village's net OPEB liability as a percentage of covered employee payroll	736.62%	660.27%	499.79%	387.79%	319.05%

Note: This schedule is being built prospectively after the implementation of GASB 75 in 2018. Ultimately, ten years of data will be presented.

Village of Middleville

SCHEDULE OF VILLAGE OPEB CONTRIBUTIONS

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 112,209	\$ 110,118	\$ 144,132	\$ 111,667	\$ 107,464
Contributions in relation to the actuarially determined contributions	<u>19,507</u>	<u>18,402</u>	<u>18,137</u>	<u>15,607</u>	<u>7,975</u>
Contribution excess/(deficiency)	<u>\$ (92,702)</u>	<u>\$ (91,716)</u>	<u>\$ (125,995)</u>	<u>\$ (96,060)</u>	<u>\$ (99,489)</u>
Covered employee payroll	\$ 121,717	\$ 194,284	\$ 259,535	\$ 281,703	\$ 313,941
Actuarially determined contributions as a percentage of covered employee payroll	92.19%	56.68%	55.53%	39.64%	34.23%
Contributions as a percentage of covered employee payroll	16.03%	9.47%	6.99%	5.54%	2.54%

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contributions are calculated as of December 31 each year.

Methods and assumptions used to determine contribution rates:

Inflation Not applicable as plan is not prefunded

Salary increases 3.00%

Investment rate of return Not applicable as the plan is not prefunded

20-year Aa municipal bond rate 4.31%

Healthcare cost trend Initial rate of 5.5% decreasing .25% per year to a 4.5% long-term rate

Mortality Public General 2010 Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale; effectively no impact on mortality as benefits will continue to be paid until Medicare eligibility age

SUPPLEMENTARY INFORMATION

COMBINING STATEMENT OF NET POSITION - internal service funds

December 31, 2022

	<u>Equipment</u>	<u>OPEB</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash	\$ 146,474	\$ 257,976	\$ 404,450
Noncurrent assets:			
Capital assets, net of depreciation	560,092	-	560,092
Total assets	<u>706,566</u>	<u>257,976</u>	<u>964,542</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	3,118	-	3,118
OPEB related	<u>3,050</u>	<u>-</u>	<u>3,050</u>
Total deferred outflows of resources	<u>6,168</u>	<u>-</u>	<u>6,168</u>
LIABILITIES			
Current liabilities:			
Payables	9,772	-	9,772
Note payable - current portion	<u>15,702</u>	<u>-</u>	<u>15,702</u>
Total current liabilities	<u>25,474</u>	<u>-</u>	<u>25,474</u>
Noncurrent liabilities:			
Net pension liability	8,407	-	8,407
Net OPEB liability	17,652	-	17,652
Note payable	<u>16,125</u>	<u>-</u>	<u>16,125</u>
Total noncurrent liabilities	<u>42,184</u>	<u>-</u>	<u>42,184</u>
Total liabilities	<u>67,658</u>	<u>-</u>	<u>67,658</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	3,542	-	3,542
OPEB related	<u>8,334</u>	<u>-</u>	<u>8,334</u>
Total deferred inflows of resources	<u>11,876</u>	<u>-</u>	<u>11,876</u>
NET POSITION			
Net investment in capital assets	528,265	-	528,265
Unrestricted	<u>104,935</u>	<u>257,976</u>	<u>362,911</u>
Total net position	<u>\$ 633,200</u>	<u>\$ 257,976</u>	<u>\$ 891,176</u>

See notes to financial statements

Village of Middleville

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -

internal service funds

Year ended December 31, 2022

	<u><i>Equipment</i></u>	<u><i>OPEB</i></u>	<u><i>Totals</i></u>
OPERATING REVENUES			
Charges for services:			
Equipment rental	\$ 233,295	\$ -	\$ 233,295
OPEB contributions	-	68,445	68,445
Other	<u>4,800</u>	<u>-</u>	<u>4,800</u>
Total operating revenues	<u>238,095</u>	<u>68,445</u>	<u>306,540</u>
OPERATING EXPENSES			
Personnel costs	22,479	-	22,479
Equipment and supplies	56,346	-	56,346
Gas and oil	30,813	-	30,813
OPEB payments	-	19,507	19,507
Depreciation	<u>52,254</u>	<u>-</u>	<u>52,254</u>
Total operating expenses	<u>161,892</u>	<u>19,507</u>	<u>181,399</u>
OPERATING INCOME	76,203	48,938	125,141
NONOPERATING INCOME (EXPENSE)			
Interest expense	<u>(1,065)</u>	<u>-</u>	<u>(1,065)</u>
INCOME BEFORE TRANSFERS	75,138	48,938	124,076
TRANSFERS			
Transfers out	<u>(16,600)</u>	<u>-</u>	<u>(16,600)</u>
CHANGES IN NET POSITION	58,538	48,938	107,476
NET POSITION - BEGINNING	<u>574,662</u>	<u>209,038</u>	<u>783,700</u>
NET POSITION - ENDING	<u>\$ 633,200</u>	<u>\$ 257,976</u>	<u>\$ 891,176</u>

See notes to financial statements

Village of Middleville

COMBINING STATEMENT OF CASH FLOWS - internal service funds

Year ended December 31, 2022

	<u>Equipment</u>	<u>OPEB</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 238,095	\$ 68,445	\$ 306,540
Payments to vendors and suppliers	(81,763)	(19,507)	(101,270)
Payments to employees	(13,042)	-	(13,042)
Net cash provided by operating activities	<u>143,290</u>	<u>48,938</u>	<u>192,228</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer to other fund	<u>(16,600)</u>	<u>-</u>	<u>(16,600)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on capital debt	(15,289)	-	(15,289)
Interest payments on capital debt	<u>(1,272)</u>	<u>-</u>	<u>(1,272)</u>
Net cash used in capital and related financing activities	<u>(16,561)</u>	<u>-</u>	<u>(16,561)</u>
NET CHANGE IN CASH	110,129	48,938	159,067
CASH - BEGINNING	<u>36,345</u>	<u>209,038</u>	<u>245,383</u>
CASH - ENDING	<u>\$ 146,474</u>	<u>\$ 257,976</u>	<u>\$ 404,450</u>

See notes to financial statements

COMBINING STATEMENT OF CASH FLOWS - *internal service funds* (Continued)

Year ended December 31, 2022

	<u>Equipment</u>	<u>OPEB</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 76,203	\$ 48,938	\$ 125,141
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	52,254	-	52,254
Decrease in deferred outflows of resources	28	-	28
Decrease in payables	8,510	-	8,510
Decrease in other postemployment liability	(922)	-	(922)
Decrease in net pension liability	(1,360)	-	(1,360)
Increase in deferred inflows of resources	<u>8,577</u>	<u>-</u>	<u>8,577</u>
Net cash provided by operating activities	<u>\$ 143,290</u>	<u>\$ 48,938</u>	<u>\$ 192,228</u>

See notes to financial statements

BALANCE SHEET - component units

December 31, 2022

	<u>Local Development Finance Authority</u>	<u>Downtown Development Authority</u>
ASSETS		
Cash	\$ 1,932,711	\$ 229,310
Receivables	<u>50,293</u>	<u>37,244</u>
Total assets	<u>\$ 1,983,004</u>	<u>\$ 266,554</u>
LIABILITIES AND FUND BALANCES		
Liabilities - payables	\$ 296	\$ 3,385
Fund balances - unassigned	<u>1,982,708</u>	<u>263,169</u>
Total liabilities and fund balances	<u>\$ 1,983,004</u>	<u>\$ 266,554</u>
 Total fund balances	 \$ 1,982,708	 \$ 263,169
 Amounts reported for the <i>component units</i> in the statement of net position (page 15) are different because:		
Capital assets used by the <i>component units</i> are not financial resources and, therefore, are not reported in the funds.	1,613,699	-
Long-term liabilities, consisting of a contract payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(269,013)	-
Interest related to long-term liabilities is not due and payable in the current period and, therefore, is not reported in the funds.	<u>(3,418)</u>	<u>-</u>
Net position of the <i>component units</i>	<u>\$ 3,323,976</u>	<u>\$ 263,169</u>

Village of Middleville

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *component units*

Year ended December 31, 2022

	<i>Local Development Finance Authority</i>	<i>Downtown Development Authority</i>
REVENUES		
Property taxes	\$ 397,794	\$ 172,339
State grants	386,281	-
Charges for services	-	6,151
Interest and rentals	2,821	-
Other	-	46,845
	<hr/>	<hr/>
Total revenues	786,896	225,335
	<hr/>	<hr/>
EXPENDITURES		
Current - public works	162,764	189,250
Debt service:		
Principal	60,122	-
Interest	9,714	-
	<hr/>	<hr/>
Total expenditures	232,600	189,250
	<hr/>	<hr/>
NET CHANGES IN FUND BALANCES	554,296	36,085
FUND BALANCES - BEGINNING	<u>1,428,412</u>	<u>227,084</u>
FUND BALANCES - ENDING	<u><u>\$ 1,982,708</u></u>	<u><u>\$ 263,169</u></u>
Net changes in fund balances	\$ 554,296	\$ 36,085
Amounts reported for the <i>component units</i> in the statement of activities (page 16) are different because:		
Capital assets - deduct depreciation provision		
Assets acquired	45,165	-
Depreciation provision	(70,626)	-
Long term debt - add principal payments	60,122	-
Decrease in accrued interest expense	<hr/> 552	<hr/> -
Change in net position of <i>component units</i>	<u><u>\$ 589,509</u></u>	<u><u>\$ 36,085</u></u>

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - Local Development Finance Authority

Year ended December 31, 2022

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 254,737	\$ 254,737	\$ 397,794	\$ 143,057
State grants	239,871	239,871	386,281	146,410
Interest	-	-	2,821	2,821
Total revenues	<u>494,608</u>	<u>494,608</u>	<u>786,896</u>	<u>292,288</u>
EXPENDITURES				
Current - public works	254,800	254,800	162,764	92,036
Debt service:				
Principal	135,122	135,122	60,122	75,000
Interest	<u>9,714</u>	<u>9,714</u>	<u>9,714</u>	<u>-</u>
Total expenditures	<u>399,636</u>	<u>399,636</u>	<u>232,600</u>	<u>167,036</u>
NET CHANGES IN FUND BALANCES	94,972	94,972	554,296	459,324
FUND BALANCES - BEGINNING	<u>1,428,412</u>	<u>1,428,412</u>	<u>1,428,412</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,523,384</u>	<u>\$ 1,523,384</u>	<u>\$ 1,982,708</u>	<u>\$ 459,324</u>

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - Downtown Development Authority

Year ended December 31, 2022

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 197,737	\$ 197,737	\$ 172,339	\$ (25,398)
State grants	40,000	40,000	-	(40,000)
Charges for services	17,000	17,000	6,151	(10,849)
Other	-	-	46,845	46,845
	<u>254,737</u>	<u>254,737</u>	<u>225,335</u>	<u>(29,402)</u>
Total revenues				
EXPENDITURES				
Current - public works	<u>239,870</u>	<u>239,870</u>	<u>189,250</u>	<u>50,620</u>
NET CHANGES IN FUND BALANCES				
	14,867	14,867	36,085	21,218
FUND BALANCES - BEGINNING				
	<u>227,084</u>	<u>227,084</u>	<u>227,084</u>	<u>-</u>
FUND BALANCES - ENDING				
	<u>\$ 241,951</u>	<u>\$ 241,951</u>	<u>\$ 263,169</u>	<u>\$ 21,218</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$205,000 2006 BARRY COUNTY WATER CONTRACT PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>April 1</i>	<i>October 1</i>			
2023	\$ 478	\$ 478	4/1/23	\$ 10,000	\$ 10,956
2024	372	372	4/1/24	10,000	10,744
2025	266	266	4/1/25	10,000	10,532
2026	<u>159</u>	<u>159</u>	4/1/26	<u>15,000</u>	<u>15,318</u>
	<u>\$ 1,275</u>	<u>\$ 1,275</u>		<u>\$ 45,000</u>	<u>\$ 47,550</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$1,040,000 2006 BARRY COUNTY WATER CONTRACT PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>April 1</i>	<i>October 1</i>			
2023	\$ 2,937	\$ 2,300	4/1/23	\$ 60,000	\$ 65,237
2024	2,300	1,662	4/1/24	60,000	63,962
2025	1,662	1,025	4/1/25	60,000	62,687
2026	1,025	387	4/1/26	60,000	61,412
2027	387	-	4/1/27	65,000	65,387
	<u>\$ 8,311</u>	<u>\$ 5,374</u>		<u>\$ 305,000</u>	<u>\$ 318,685</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$425,000 2010 CAPITAL IMPROVEMENT BONDS PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>March 1</i>	<i>September 1</i>			
2023	\$ 4,788	\$ 4,225	3/1/23	\$ 25,000	\$ 34,013
2024	4,225	3,643	3/1/24	25,000	32,868
2025	3,644	3,044	3/1/25	25,000	31,688
2026	3,044	2,431	3/1/26	25,000	30,475
2027	2,431	1,806	3/1/27	25,000	29,237
2028	1,806	1,294	3/1/28	25,000	28,100
2029	1,294	650	3/1/29	25,000	26,944
2030	650	-	3/1/30	25,000	25,650
	<u>\$ 21,882</u>	<u>\$ 17,093</u>		<u>\$ 200,000</u>	<u>\$ 238,975</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$700,000 2012 CAPITAL IMPROVEMENT BONDS PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>March 1</i>	<i>September 1</i>			
2023	\$ 9,462	\$ 9,050	3/1/23	\$ 25,000	\$ 43,512
2024	9,050	8,175	3/1/24	50,000	67,225
2025	8,175	7,250	3/1/25	50,000	65,425
2026	7,250	6,287	3/1/26	50,000	63,537
2027	6,287	5,300	3/1/27	50,000	61,587
2028	5,300	4,288	3/1/28	50,000	59,588
2029	4,288	3,250	3/1/29	50,000	57,538
2030	3,250	2,188	3/1/30	50,000	55,438
2031	2,188	1,100	3/1/31	50,000	53,288
2032	1,100	-	3/1/32	50,000	51,100
	<u>\$ 56,350</u>	<u>\$ 46,888</u>		<u>\$ 475,000</u>	<u>\$ 578,238</u>

	<i>Principal</i>	<i>Interest</i>	<i>Totals</i>
Allocation by activity:			
Governmental activities	\$ 269,369	\$ 58,552	\$ 327,921
Business-type activities	<u>205,631</u>	<u>44,686</u>	<u>250,317</u>
	<u>\$ 475,000</u>	<u>\$ 103,238</u>	<u>\$ 578,238</u>

Village of Middleville

LOCAL DEVELOPMENT FINANCE AUTHORITY

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$745,509 2013 BARRY COUNTY CONTRACT PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>February 1</i>	<i>August 1</i>			
2023	\$ 4,102	\$ 3,825	2/1/23	\$ 59,715	\$ 67,642
2024	3,397	2,625	2/1/24	59,298	65,320
2025	2,625	1,349	2/1/25	75,000	78,974
2026	1,349	-	2/1/26	75,000	76,349
	<u>\$ 11,473</u>	<u>\$ 7,799</u>		<u>\$ 269,013</u>	<u>\$ 288,285</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$410,000 2014 CAPITAL IMPROVEMENT BONDS PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>March 1</i>	<i>September 1</i>			
2023	\$ 5,288	\$ 4,893	3/1/23	\$ 25,000	\$ 35,181
2024	4,893	4,476	3/1/24	25,000	34,369
2025	4,476	4,030	3/1/25	25,000	33,506
2026	4,030	3,564	3/1/26	25,000	32,594
2027	3,564	3,067	3/1/27	25,000	31,631
2028	3,067	2,558	3/1/28	25,000	30,625
2029	2,558	2,023	3/1/29	25,000	29,581
2030	2,023	1,366	3/1/30	30,000	33,389
2031	1,366	690	3/1/31	30,000	32,056
2032	690	-	3/1/32	30,000	30,690
	<u>\$ 31,955</u>	<u>\$ 26,667</u>		<u>\$ 265,000</u>	<u>\$ 323,622</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$145,000 2014 INSTALLMENT PURCHASE AGREEMENT

December 31, 2022

<u>Fiscal period</u>	<u>Interest February 1</u>	<u>Maturity date</u>	<u>Principal</u>	<u>Total requirements</u>
2023	\$ 859	4/01/23	\$ 15,702	\$ 16,561
2024	<u>436</u>	4/01/24	<u>16,125</u>	<u>16,561</u>
	<u>\$ 1,295</u>		<u>\$ 31,827</u>	<u>\$ 33,122</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$995,000 2017 GENERAL OBLIGATION LIMITED TAX SERIES

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>March 1</i>	<i>September 1</i>			
2023	\$ 11,970	\$ 11,570	3/1/23	\$ 40,000	\$ 51,970
2024	11,570	11,140	3/1/24	40,000	51,570
2025	11,140	10,611	3/1/25	45,000	56,140
2026	10,611	10,049	3/1/26	45,000	55,611
2027	10,049	9,464	3/1/27	45,000	55,049
2028	9,464	8,789	3/1/28	50,000	59,464
2029	8,789	8,076	3/1/29	50,000	58,789
2030	8,076	7,265	3/1/30	55,000	63,076
2031	7,265	6,426	3/1/31	55,000	62,265
2032	6,426	5,481	3/1/32	60,000	66,426
2033	5,481	4,506	3/1/33	60,000	65,481
2034	4,506	3,501	3/1/34	60,000	64,506
2035	3,501	2,380	3/1/35	65,000	68,501
2036	2,380	1,243	3/1/36	65,000	67,380
2037	1,243	-	3/1/37	70,000	71,243
	<u>\$ 112,471</u>	<u>\$ 100,501</u>		<u>\$ 805,000</u>	<u>\$ 917,471</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$385,000 2018 INSTALLMENT PURCHASE AGREEMENT

December 31, 2022

<i><u>Fiscal</u></i> <i><u>period</u></i>	<i><u>Interest</u></i> <i><u>February 1</u></i>	<i><u>Maturity</u></i> <i><u>date</u></i>	<i><u>Principal</u></i>	<i><u>Total</u></i> <i><u>requirements</u></i>
2023	<u>2,312</u>	02/01/23	<u>57,800</u>	<u>60,112</u>

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

\$2,315,000 2021 BARRY COUNTY SEWER CONTRACT PAYABLE

December 31, 2022

<i>Fiscal period</i>	<i>Interest requirements</i>		<i>Maturity date</i>	<i>Principal</i>	<i>Total requirements</i>
	<i>March 1</i>	<i>September 1</i>			
2023	\$ 30,991	\$ 29,091	3/1/23	\$ 95,000	\$ 125,991
2024	29,091	27,191	3/1/24	95,000	124,091
2025	27,191	25,191	3/1/25	100,000	127,191
2026	25,191	23,191	3/1/26	100,000	125,191
2027	23,191	21,191	3/1/27	100,000	123,191
2028	21,191	19,091	3/1/28	105,000	126,191
2029	19,091	16,991	3/1/29	105,000	124,091
2030	16,991	14,791	3/1/30	110,000	126,991
2031	14,791	13,141	3/1/31	110,000	124,791
2032	13,141	11,991	3/1/32	115,000	128,141
2033	11,991	10,791	3/1/33	120,000	131,991
2034	10,791	9,590	3/1/34	120,000	130,791
2035	9,590	8,340	3/1/35	125,000	134,590
2036	8,340	7,040	3/1/36	130,000	138,340
2037	7,040	5,740	3/1/37	130,000	137,040
2038	5,740	4,390	3/1/38	135,000	140,740
2039	4,390	2,990	3/1/39	140,000	144,390
2040	2,990	1,540	3/1/40	145,000	147,990
2041	1,540	-	3/1/41	145,000	146,540
	<u>\$ 283,272</u>	<u>\$ 252,281</u>		<u>\$ 2,225,000</u>	<u>\$ 2,508,272</u>