Village of Middleville
Barry County, Michigan

FINANCIAL STATEMENTS

Year ended December 31, 2023

CONTENTS

SiegfriedCrandall PC
Certified Public Accountants & Advisors

246 E. Kilgore Road
Portage, MI 49002-5599
www.siegfriedcrandall.com

Telephone 269-381-4970
800-876-0979
Fax 269-349-1344

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

April 24, 2024

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, 2023. 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 $24,857,309 at December 31, 2023. The unrestricted portion of this amount, $4,881,563 (20 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 $1,266,794 (5 percent) as a result of this year's activities. The net position of the governmental activities increased by $1,146,442, and the net position of the business-type activities increased by $120,352.
- The General Fund's unassigned fund balance at the end of the fiscal year was $1,711,863, which represents 75 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 2023 and 2022 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 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 $24,857,309. Of this total, $18,805,052 represents the net investment in capital assets and $1,170,694 is restricted for various purposes. Consequently, unrestricted net position was $4,881,563, or 20 percent of the total.

Condensed financial information
Net position

	Governmental activities		*Business-type activities*		*Totals*	
	2023	*2022*	***2023***	*2022*	***2023***	*2022*
Current and other assets	**$ 4,472,746**	$ 4,089,861	**$ 4,009,506**	$ 5,808,413	**$ 8,482,252**	$ 9,898,274
Capital assets	**9,496,983**	9,083,653	**13,481,197**	12,942,915	**22,978,180**	22,026,568
Total assets	**13,969,729**	13,173,514	**17,490,703**	18,751,328	**31,460,432**	31,924,842
Deferred outflows of resources	**508,664**	216,012	**230,850**	97,287	**739,514**	313,299
Current and other liabilities	**1,785,913**	1,515,697	**1,079,798**	1,972,802	**2,865,711**	3,488,499
Long-term debt	**511,320**	623,996	**3,661,808**	3,917,416	**4,173,128**	4,541,412
Total liabilities	**2,297,233**	2,139,693	**4,741,606**	5,890,218	**7,038,839**	8,029,911
Deferred inflows of resources	**200,757**	415,872	**103,041**	201,843	**303,798**	617,715
Net position:						
Net investment in capital assets	**8,985,663**	8,459,657	**9,819,389**	9,025,499	**18,805,052**	17,485,156
Restricted	**630,375**	709,199	**540,319**	540,319	**1,170,694**	1,249,518
Unrestricted	**2,364,365**	1,665,105	**2,517,198**	3,190,736	**4,881,563**	4,855,841
Total net position	**$ 11,980,403**	$ 10,833,961	**$ 12,876,906**	$ 12,756,554	**$ 24,857,309**	$ 23,590,515

Changes in net position

The Village's total revenues were $5,076,271 in the current year compared to $5,136,112 in the prior year. Approximately 31 percent of the Village's revenues come from property taxes while charges for services represent 20 percent of the total. Capital grants and contributions accounted for about 14 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 $3,809,477 compared to $3,112,744 in the prior year. Approximately 37 percent of the Village's costs relate to the provision of utility services. Governmental public works expenses represent 18 percent of all costs, while general government expenses accounted for 27 percent of the total costs in the current year.

Condensed financial information
Changes in net position

	Governmental activities		*Business-type activities*		*Totals*	
	2023	*2022*	***2023***	*2022*	***2023***	*2022*
Program revenues:						
Charges for services	**$ 61,066**	$ 107,031	**$ 978,071**	$ 1,059,065	**$ 1,039,137**	$ 1,166,096
Grants and contributions:						
Operating	**595,032**	554,211	**-**	-	**595,032**	554,211
Capital	**129,533**	106,719	**568,273**	1,350,624	**697,806**	1,457,343
General revenues:						
Property taxes	**1,582,901**	1,423,937	**-**	-	**1,582,901**	1,423,937
State shared revenue	**489,710**	498,740	**-**	-	**489,710**	498,740
Unrestricted state grants	**392,697**	26,160	**-**	-	**392,697**	26,160
Interest and insurance proceeds	**248,271**	2,891	**30,717**	6,734	**278,988**	9,625
Total revenues	**3,499,210**	2,719,689	**1,577,061**	2,416,423	**5,076,271**	5,136,112
Expenses:						
General government	**1,012,367**	470,688	**-**	-	**1,012,367**	470,688
Public safety	**359,799**	336,494	**-**	-	**359,799**	336,494
Public works	**678,912**	774,937	**-**	-	**678,912**	774,937
Community and economic development	**123,009**	116,159	**-**	-	**123,009**	116,159
Recreation and culture	**200,970**	172,079	**-**	-	**200,970**	172,079
Interest	**20,551**	25,545	**-**	-	**20,551**	25,545
Sewer	**-**	-	**860,496**	763,718	**860,496**	763,718
Water	**-**	-	**553,373**	453,124	**553,373**	453,124
Total expenses	**2,395,608**	1,895,902	**1,413,869**	1,216,842	**3,809,477**	3,112,744
Excess before transfers	**1,103,602**	823,787	**163,192**	1,199,581	**1,266,794**	2,023,368
Transfers	**42,840**	42,840	**(42,840)**	(42,840)	**-**	-
Changes in net position	**$ 1,146,442**	$ 866,627	**$ 120,352**	$ 1,156,741	**$ 1,266,794**	$ 2,023,368
Net position, end of year	**$ 11,980,403**	$ 10,833,961	**$ 12,876,906**	$ 12,756,554	**$ 24,857,309**	$ 23,590,515

Governmental activities

Governmental revenues exceeded expenses during each of the past two years, causing the Village's net position to increase by $1,146,442 in the current year and $866,627 in the prior year. While expenses increased by $499,706, revenues increased by $779,521, causing the larger increase in net position in the current year.

Revenues increased because the Village received an additional $366,537 in unrestricted state grants, for personal property and marijuana taxes. Interest income and insurance proceeds were also $245,380 higher in the current year, and property taxes continued to increase, bringing in an additional $158,964, due to continued growth in taxable values. Expenses increased due to higher personnel costs, including an additional contribution to the pension plan, in the amount of $250,000.

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 $2,395,608. After subtracting the direct charges to those who directly benefited from the programs ($61,066), operating grants and contributions ($595,032), and capital grants and contributions ($129,533), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was $1,609,977.

	Total cost of services	*Net cost of services*
General government	$ 1,012,367	$ 828,032
Public safety	359,799	352,429
Public works	678,912	89,242
Community and economic development	123,009	123,009
Other	221,521	217,265
Totals	$ 2,395,608	$ 1,609,977

Business-type activities

Business-type activities increased the Village's net position by $120,352 in the current year compared to an increase of $1,156,741 in the prior year. The increase in net position in the prior year was primarily due to substantial capital contributions.

The increase in net position was lower in the current year, as revenues declined by $839,362, and expenses increased by $197,027. The reduction in revenues was primarily due to a substantial capital contribution, in the amount of $731,109, related to sewer system improvements in the prior year. Expenses rose by 16 percent in the current year due to continued increases in operating costs.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental funds
As of December 31, 2023, the Village's governmental funds reported total fund balances of $3,745,567, which represents an increase of $352,583 compared to last year's total.

The General Fund experienced an increase in fund balance of $350,721, as revenues of $2,373,914, transfers from other funds of $59,440, and insurance proceeds of $188,397 were more than sufficient to cover expenditures of $2,271,030 in the current year. The General Fund has a fund balance of $1,820,674 at the end of the year; however, portions of the fund balance are nonspendable and restricted, totaling $33,509 and $75,302, respectively. Unassigned fund balance amounts to $1,711,863 at year end, which represents 75 percent of current year expenditures.

The Major Street Fund, a special revenue fund, experienced an increase in fund balance of $90,686. The increase in fund balance occurred because current year resources of $656,460, which included property taxes ($241,816) and state grants ($400,453), exceeded expenditures of $315,774 and a transfer to the Local Street Fund of $250,000. Fund balance amounts to $1,369,820 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 a decrease in fund balance of $88,824. The decrease in fund balance occurred because expenditures of $504,057 exceeded revenues of $165,233, and a $250,000 transfer from the Major Street Fund. Fund balance amounts to $555,073 at the end of the year which is restricted by enabling legislation for local street maintenance and improvements.

The ARPA Fund, a capital project fund, has a fund balance of $-0- at year end. The fund recognized revenue of $144,449 related to expenditures incurred during the year. The fund has $220,735, associated with a federal ARPA grant, that must be obligated in the subsequent year.

Enterprise funds
The Sewer Fund experienced an operating loss of $228,520 and had net nonoperating expenses of $54,788 in the current year. Transfers to other funds, in the amount of $93,917, also reduced the fund's equity. However, capital contributions of $434,878, generated an increase in net position of $57,653. The fund's net position is $9,434,035 at year end, of which $1,846,232 is unrestricted.

The Water Fund generated an operating loss of $102,749 and net nonoperating expenses of $4,335 in the current year. Capital contributions and transfers from other funds, in the amounts of $133,395 and $51,077, respectively, provided an increase in net position of $77,388. The fund's net position is $3,166,050 at year end, of which $394,145 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 amended the General Fund budget during the year to account for previously unanticipated revenues and expenditures and to reallocate appropriations among activities.

The Village amended its revenue budget to increase total revenues by $553,881, primarily to increase property taxes by $527,696. Total actual revenues were $40,571 more than budgeted. State grants were $304,174 more than anticipated, as the Village received unrestricted grants for personal property and marijuana taxes that were not included in the budget. The additional state grant revenues were offset by a negative variance related to property taxes in the amount of $305,262.

The Village amended its expenditure budget during the current year to increase total expenditures by $753,774, primarily due to a $614,324 increase in general government expenditures related various improvements and contracted service costs. Total expenditures were $200,371 less than the amounts appropriated, primarily because police protection costs were under budget by $104,317.

These variances, along with a $1,603 negative variance associated with insurance proceeds, resulted in a $239,339 positive budget variance, due to a $350,721 increase in fund balance compared to a budgeted increase of $111,382.

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, 2023, amounts to $22,978,180 (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 $951,612, comprised of $1,852,349 in acquisitions offset by $900,737 in provisions for depreciation.

	Governmental activities	*Business-type activities*	*Totals*
Infrastructure	$ 5,522,428	$ 12,827,395	$ 18,349,823
Land improvements	394,202	-	394,202
Buildings	2,128,207	-	2,128,207
Equipment	679,983	510,653	1,190,636
Land	772,163	143,149	915,312
Totals	$ 9,496,983	$ 13,481,197	$ 22,978,180

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

- Sewer system improvements amounted to $619,330
- Water system improvements amounted to $335,294
- Street improvements were made at a cost of $406,446
- DPW building improvements were completed at a cost of $217,210
- Technology upgrades were made at a cost of $168,394
- A police vehicle was purchased at a cost of $61,334

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 $4,173,128, which represents a decrease of $368,284, as debt was reduced due to timely principal payments of $353,500 and amortization of a bond premium, in the amount of $14,784. 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 $760,664, and a net OPEB liability of $944,489.

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

Village of Middleville

STATEMENT OF NET POSITION

December 31, 2023

	Primary government			Component units	
	Governmental activities	*Business-type activities*	*Totals*	*Local Development Finance Authority*	*Downtown Development Authority*
ASSETS					
Current assets:					
Cash	$ 4,302,519	$ 3,372,776	$ 7,675,295	$ 2,153,802	$ 231,220
Receivables	413,539	354,993	768,532	50,965	43,999
Prepaid expenses	33,509	4,916	38,425	-	-
Internal balances	(276,821)	276,821	-	-	-
Total current assets	4,472,746	4,009,506	8,482,252	2,204,767	275,219
Noncurrent assets:					
Capital assets not being depreciated	772,163	583,175	1,355,338	401,703	-
Capital assets, net of depreciation	8,724,820	12,898,022	21,622,842	1,497,908	-
Total noncurrent assets	9,496,983	13,481,197	22,978,180	1,899,611	-
Total assets	13,969,729	17,490,703	31,460,432	4,104,378	275,219
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	407,116	184,764	591,880	-	-
OPEB related	101,548	46,086	147,634	-	-
Total deferred outflows of resources	508,664	230,850	739,514	-	-
LIABILITIES					
Current liabilities:					
Payables	345,861	547,510	893,371	2,831	1,650
Escrows	46,452	-	46,452	-	-
Unearned revenue - federal ARPA grant	220,735	-	220,735	-	-
Bonds, contracts, and notes payable - current portion	69,480	251,645	321,125	59,298	-
Total current liabilities	682,528	799,155	1,481,683	62,129	1,650
Noncurrent liabilities:					
Net pension liability	523,212	237,452	760,664	-	-
Net OPEB liability	649,653	294,836	944,489	-	-
Bonds, contracts, and notes payable	441,840	3,410,163	3,852,003	150,000	-
Total noncurrent liabilities	1,614,705	3,942,451	5,557,156	150,000	-
Total liabilities	2,297,233	4,741,606	7,038,839	212,129	1,650
DEFERRED INFLOWS OF RESOURCES					
Leases	-	11,930	11,930	-	-
Pension related	17,690	8,029	25,719	-	-
OPEB related	183,067	83,082	266,149	-	-
Total deferred inflows of resources	200,757	103,041	303,798	-	-
NET POSITION					
Net investment in capital assets	8,985,663	9,819,389	18,805,052	1,690,313	-
Restricted:					
General government	50,000	-	50,000	-	-
Public safety	25,302	-	25,302	-	-
Public works	555,073	-	555,073	-	-
Debt service	-	540,319	540,319	-	-
Unrestricted	2,364,365	2,517,198	4,881,563	2,201,936	273,569
Total net position	$ 11,980,403	$ 12,876,906	$ 24,857,309	$ 3,892,249	$ 273,569

See notes to financial statements

STATEMENT OF ACTIVITIES

Year ended December 31, 2023

					Net (expenses) revenues and changes in net position				
		Program revenues			*Primary government*			*Component units*	
	Expenses	*Charges for services*	*Operating grants and contributions*	*Capital grants and contributions*	*Governmental activities*	*Business-type activities*	*Totals*	*Local Development Finance Authority*	*Downtown Development Authority*
Functions/Programs									
Governmental activities:									
General government	$ 1,012,367	$ 56,808	$ -	$ 127,527	$ (828,032)		$ (828,032)		
Public safety	359,799	4,258	3,112	-	(352,429)		(352,429)		
Public works	678,912	-	587,664	2,006	(89,242)		(89,242)		
Community and economic development	123,009	-	-	-	(123,009)		(123,009)		
Recreation and culture	200,970	-	4,256	-	(196,714)		(196,714)		
Interest on long-term debt	20,551	-	-	-	(20,551)		(20,551)		
Total governmental activities	2,395,608	61,066	595,032	129,533	(1,609,977)		(1,609,977)		
Business-type activities:									
Sewer	860,496	545,908	-	434,878		$ 120,290	120,290		
Water	553,373	432,163	-	133,395		12,185	12,185		
Total business-type activities	1,413,869	978,071	-	568,273		132,475	132,475		
Total primary government	$ 3,809,477	$ 1,039,137	$ 595,032	$ 697,806	(1,609,977)	132,475	(1,477,502)		
Component units:									
Local Development Finance Authority	$ 154,538	$ -	$ -	$ 303,459				$ 148,921	$ -
Downtown Development Authority	208,458	25,185	-	-				-	(183,273)
Total component units	$ 362,996	$ 25,185	$ -	$ 303,459				148,921	(183,273)
General revenues:									
Property taxes					1,582,901	-	1,582,901	398,741	193,566
State shared revenue					489,710	-	489,710	-	-
Local community stabilization revenue					274,524	-	274,524	-	-
Marijuana tax					118,173	-	118,173	-	-
Unrestricted interest earnings					59,874	30,717	90,591	20,611	107
Insurance proceeds					188,397	-	188,397	-	-
Transfers					42,840	(42,840)	-	-	-
Total general revenues and transfers					2,756,419	(12,123)	2,744,296	419,352	193,673
Changes in net position					1,146,442	120,352	1,266,794	568,273	10,400
Net position - beginning					10,833,961	12,756,554	23,590,515	3,323,976	263,169
Net position - ending					$ 11,980,403	$ 12,876,906	$ 24,857,309	$ 3,892,249	$ 273,569

See notes to financial statements

BALANCE SHEET - *governmental funds*

December 31, 2023

	General	Major Street	Local Street	ARPA	Total governmental funds
ASSETS					
Cash	$ 1,690,906	$ 1,334,793	$ 633,790	$ 237,657	$ 3,897,146
Receivables	295,496	87,220	30,823	-	413,539
Prepaid expenditures	33,509	-	-	-	33,509
Total assets	$ 2,019,911	$ 1,422,013	$ 664,613	$ 237,657	$ 4,344,194
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	$ 152,785	$ 52,193	$ 109,540	$ 16,922	$ 331,440
Escrow deposits	46,452	-	-	-	46,452
Unearned revenue - federal grant	-	-	-	220,735	220,735
Total liabilities	199,237	52,193	109,540	237,657	598,627
Fund balances:					
Nonspendable - prepaids	33,509	-	-	-	33,509
Restricted for:					
General government	50,000	-	-	-	50,000
Public safety	25,302	-	-	-	25,302
Public works	-	-	555,073	-	555,073
Assigned for public works	-	1,369,820	-	-	1,369,820
Unassigned	1,711,863	-	-	-	1,711,863
Total fund balances	1,820,674	1,369,820	555,073	-	3,745,567
Total liabilities and fund balances	$ 2,019,911	$ 1,422,013	$ 664,613	$ 237,657	$ 4,344,194

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

Total fund balance - total governmental funds	$ 3,745,567
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.	8,954,004
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	99,213
Deferred outflows of resources - pension related	397,754
Interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(6,700)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(495,195)
Net OPEB liability	(634,715)
Net pension liability	(511,181)
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	(178,857)
Deferred inflows of resources - pension	(17,283)
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.	627,796
Net position of *governmental activities*	$ 11,980,403

See notes to financial statements

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

Year ended December 31, 2023

	General	*Major Street*	*Local Street*	*ARPA*	*Total governmental funds*
REVENUES					
Property taxes	$ 1,480,698	$ 241,816	$ -	$ -	$ 1,722,514
Licenses and permits	13,817	-	-	-	13,817
Federal grants	-	-	2,006	144,449	146,455
State grants	785,372	400,453	152,263	-	1,338,088
Intergovernmental	34,256	-	-	-	34,256
Interest and rentals	52,611	14,191	6,915	-	73,717
Other	7,160	-	4,049	-	11,209
Total revenues	2,373,914	656,460	165,233	144,449	3,340,056
EXPENDITURES					
Current:					
General government	1,169,785	-	-	-	1,169,785
Public safety	420,111	-	-	-	420,111
Public works	332,780	290,362	500,238	16,922	1,140,302
Community and economic development	123,009	-	-	-	123,009
Recreation and culture	134,331	-	-	-	134,331
Capital outlay	-	-	-	127,527	127,527
Debt service:					
Principal	81,509	13,035	2,430	-	96,974
Interest	9,505	12,377	1,389	-	23,271
Total expenditures	2,271,030	315,774	504,057	144,449	3,235,310
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	102,884	340,686	(338,824)	-	104,746
OTHER FINANCING SOURCES (USES)					
Insurance proceeds	188,397	-	-	-	188,397
Transfers in	59,440	-	250,000	-	309,440
Transfers out	-	(250,000)	-	-	(250,000)
Net other financing sources (uses)	247,837	(250,000)	250,000	-	247,837
NET CHANGES IN FUND BALANCES	350,721	90,686	(88,824)	-	352,583
FUND BALANCES - BEGINNING	1,469,953	1,279,134	643,897	-	3,392,984
FUND BALANCES - ENDING	$ 1,820,674	$ 1,369,820	$ 555,073	$ -	$ 3,745,567

See notes to financial statements

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

Year ended December 31, 2023

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)	$ 352,583
Amounts reported for *governmental activities* in the statement of activities (page 16) are different because:	
Capital assets:	
Add - asset acquisitions	860,410
Deduct - provision for depreciation	(429,967)
Long-term debt:	
Add - principal payments	96,974
Changes in other assets/liabilities:	
Decrease in accrued interest expense	2,720
Increase in net OPEB liability	(34,188)
Increase in net pension liability	(225,199)
Changes in deferred outflows and deferred inflows of resources:	
Net decrease in deferred outflows of resources - OPEB related	(4,548)
Net decrease in deferred inflows of resources - OPEB related	104,648
Net increase in deferred outflows of resources - pension related	291,671
Net decrease in deferred inflows of resources - pension related	103,208
A portion of the net revenue of the internal service funds is reported with *governmental activities.*	28,130
Change in net position of *governmental activities*	$ 1,146,442

See notes to financial statements

STATEMENT OF NET POSITION - *proprietary funds*

December 31, 2023

	Business-type activities			Governmental activities
	Enterprise funds			Internal
	Sewer	Water	Totals	service
ASSETS				
Current assets:				
Cash	$ 2,821,798	$ 550,978	$ 3,372,776	$ 405,373
Receivables	222,864	132,129	354,993	-
Prepaid expenses	-	4,916	4,916	-
Total current assets	3,044,662	688,023	3,732,685	405,373
Noncurrent assets:				
Capital assets not being depreciated	276,295	306,880	583,175	-
Capital assets, net of depreciation	10,026,192	2,871,830	12,898,022	542,979
Total noncurrent assets	10,302,487	3,178,710	13,481,197	542,979
Total assets	13,347,149	3,866,733	17,213,882	948,352
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	105,283	79,481	184,764	9,362
OPEB related	26,261	19,825	46,086	2,335
Total deferred outflows of resources	131,544	99,306	230,850	11,697
LIABILITIES				
Current liabilities:				
Payables	434,427	113,083	547,510	7,721
Bonds, contracts, and notes payable - current portion	167,000	84,645	251,645	16,125
Total current liabilities	601,427	197,728	799,155	23,846
Noncurrent liabilities:				
Net pension liability	135,306	102,146	237,452	12,031
Net OPEB liability	168,005	126,831	294,836	14,938
Bonds, contracts, and notes payable	3,088,003	322,160	3,410,163	-
Total noncurrent liabilities	3,391,314	551,137	3,942,451	26,969
Total liabilities	3,992,741	748,865	4,741,606	50,815
DEFERRED INFLOWS OF RESOURCES				
Leases	-	11,930	11,930	-
Pension related	4,575	3,454	8,029	407
OPEB related	47,342	35,740	83,082	4,210
Total deferred inflows of resources	51,917	51,124	103,041	4,617
NET POSITION				
Net investment in capital assets	7,047,484	2,771,905	9,819,389	526,854
Restricted for debt service	540,319	-	540,319	-
Unrestricted	1,846,232	394,145	2,240,377	377,763
Total net position	$ 9,434,035	$ 3,166,050	12,600,085	$ 904,617
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			276,821	
Net position of *business-type activities* (page 14)			$ 12,876,906	

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

Year ended December 31, 2023

	Business-type activities			Governmental activities
	Enterprise funds			Internal
	Sewer	Water	Totals	service
OPERATING REVENUES				
Charges for services:				
Utility charges	$ 545,883	$ 428,088	$ 973,971	$ -
Equipment rental	-	-	-	202,518
Other	25	4,075	4,100	-
Total operating revenues	545,908	432,163	978,071	202,518
OPERATING EXPENSES				
Personnel costs	167,452	111,748	279,200	7,542
Contracted services	42,976	172,727	215,703	-
Equipment and supplies	61,443	64,288	125,731	51,960
Utilities	148,565	52,936	201,501	19,028
Interfund charges (equipment rentals)	35,010	35,077	70,087	-
OPEB costs	-	-	-	38,762
Miscellaneous	776	-	776	-
Depreciation	318,206	98,136	416,342	54,428
Total operating expenses	774,428	534,912	1,309,340	171,720
OPERATING INCOME (LOSS)	(228,520)	(102,749)	(331,269)	30,798
NONOPERATING REVENUES (EXPENSES)				
Interest income	23,943	6,774	30,717	-
Interest expense and fees	(78,731)	(11,109)	(89,840)	(757)
Net nonoperating revenues (expenses)	(54,788)	(4,335)	(59,123)	(757)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(283,308)	(107,084)	(390,392)	30,041
CAPITAL CONTRIBUTIONS				
Federal grant	22,266	806	23,072	-
Debt retirement charges	320,242	111,298	431,540	-
Intergovernmental contribution	75,000	-	75,000	-
Connection fees	17,370	21,291	38,661	-
Total capital contributions	434,878	133,395	568,273	-
TRANSFERS				
Transfers in	-	51,077	51,077	-
Transfers out	(93,917)	-	(93,917)	(16,600)
Total transfers in (out)	(93,917)	51,077	(42,840)	(16,600)
CHANGES IN NET POSITION	57,653	77,388	135,041	13,441
NET POSITION - BEGINNING	9,376,382	3,088,662	12,465,044	891,176
NET POSITION - ENDING	$ 9,434,035	$ 3,166,050	$ 12,600,085	$ 904,617

Reconciliation of the fund basis changes in net position to the statement of activities:

Changes in net position	$ 135,041
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(14,689)
Change in net position of *business-type activities* (page 15)	$ 120,352

See notes to financial statements

	Business-type activities			*Governmental activities*
	Enterprise funds			*Internal*
	Sewer	*Water*	*Totals*	*services*
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 537,010	$ 426,191	$ 963,201	$ -
Receipts from interfund services provided	-	-	-	202,518
Payments to vendors and suppliers	(472,143)	(399,070)	(871,213)	(118,077)
Payments to employees	(143,628)	(109,057)	(252,685)	(13,042)
Payments for interfund services used	(35,010)	(35,077)	(70,087)	-
Net cash provided by (used in) operating activities	(113,771)	(117,013)	(230,784)	71,399
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	(93,917)	51,077	(42,840)	(16,600)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retirement charges	320,242	111,298	431,540	-
Connection fees	17,370	21,291	38,661	-
Contributions from other government (LDFA)	75,000	-	75,000	-
Federal grant	646,776	806	647,582	-
Acquisition of capital assets	(242,103)	(241,642)	(483,745)	(37,315)
Decrease in payables	(1,243,063)	(50,092)	(1,293,155)	-
Principal payments on capital debt	(162,250)	(78,574)	(240,824)	(15,702)
Interest payments on capital debt	(95,439)	(11,585)	(107,024)	(859)
Net cash provided by (used in) capital and related financing activities	(683,467)	(248,498)	(931,965)	(53,876)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest revenue received	23,943	6,774	30,717	-
NET CHANGE IN CASH	(867,212)	(307,660)	(1,174,872)	923
CASH - BEGINNING	3,689,010	858,638	4,547,648	404,450
CASH - ENDING	$ 2,821,798	$ 550,978	$ 3,372,776	$ 405,373

See notes to financial statements

	Business-type activities			Governmental activities
	Enterprise funds			Internal
	Sewer	Water	Totals	services
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (228,520)	$ (102,749)	$ (331,269)	$ 30,798
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	318,206	98,136	416,342	54,428
(Increase) decrease in prepaid expenses	-	(294)	(294)	-
(Increase) decrease in receivables	(8,898)	(5,972)	(14,870)	-
(Increase) decrease in deferred outflows	(78,490)	(55,073)	(133,563)	(5,529)
Increase (decrease) in payables	(145,024)	(44,591)	(189,615)	(1,949)
Increase (decrease) in net OPEB liability	16,177	245	16,422	(2,714)
Increase (decrease) in net pension liability	63,002	41,863	104,865	3,624
Increase (decrease) in deferred inflows	(50,224)	(48,578)	(98,802)	(7,259)
Net cash provided by (used in) operating activities	$ (113,771)	$ (117,013)	$ (230,784)	$ 71,399
Noncash capital and related financing activities				
Acquisition of capital assets	$ (619,330)	$ (335,294)	$ (954,624)	$ (37,315)
Less increase in payables	377,227	93,652	470,879	-
Net cash used	$ (242,103)	$ (241,642)	$ (483,745)	$ (37,315)

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.

Prepaids - 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 2023 ad valorem tax was levied and collectible on July 1, 2023. 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:

Entity	*Fund*	*Function*	*Activity*	*Final budget*	*Actual*	*Variance*
Primary government:						
	General	General government	Nondepartmental	$ 294,375	$ 481,467	$ 187,092
	Major Street	Public works	Routine maintenance	126,149	200,005	73,856

NOTE 3 - CASH

At December 31, 2023, cash is classified in the accompanying financial statements as follows:

Statement of net position:	
Primary government - cash	$ 7,675,295
Component units:	
LDFA - cash	2,153,802
DDA - cash	231,220
Total	$ 10,060,317

At December 31, 2023, cash consists of the following:

Cash on hand	$ 550
Deposits with financial institutions	10,059,767
Total	$ 10,060,317

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, 2023, $9,287,579 of the Village's bank balances of $10,045,618 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Village maintains a pooled cash account for all 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, 2023, for the Village's funds and its component units, were as follows:

Fund	*Accounts*	*Property taxes*	*Leases*	*Interest*	*Inter-govern-mental*	*Totals*
Primary government:						
Governmental:						
General	$ 500	$ 82,324	$ -	$ 4,166	$ 208,506	$ 295,496
Major Street	-	14,134	-	-	73,086	87,220
Local Street	2,063	-	-	-	28,760	30,823
Total governmental	$ 2,563	$ 96,458	$ -	$ 4,166	$ 310,352	$ 413,539
Proprietary:						
Sewer	$ 204,941	$ -	$ -	$ -	$ 17,923	$ 222,864
Water	120,199	-	11,930	-	-	132,129
Total proprietary	$ 325,140	$ -	$ 11,930	$ -	$ 17,923	$ 354,993
Noncurrent portion	$ -	$ -	$ 9,149	$ -	$ -	$ 9,149
Component units:						
LDFA	$ -	$ 50,965	$ -	$ -	$ -	$ 50,965
DDA	$ -	$ 43,999	$ -	$ -	$ -	$ 43,999

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning balance	*Increases*	*Decreases*	*Ending balance*
Governmental activities:				
Capital assets not being depreciated - land	$ 772,163	$ -	$ -	$ 772,163
Capital assets being depreciated:				
Land improvements	807,677	-	-	807,677
Buildings	2,769,565	217,210	-	2,986,775
Equipment	496,378	212,735	-	709,113
Infrastructure	7,937,408	406,446	-	8,343,854
Vehicles	857,209	61,334	-	918,543
Subtotal	12,868,237	897,725	-	13,765,962
Less accumulated depreciation for:				
Land improvements	(321,814)	(91,661)	-	(413,475)
Buildings	(815,673)	(42,895)	-	(858,568)
Equipment	(387,799)	(25,161)	-	(412,960)
Infrastructure	(2,528,941)	(292,485)	-	(2,821,426)
Vehicles	(502,520)	(32,193)	-	(534,713)
Subtotal	(4,556,747)	(484,395)	-	(5,041,142)
Total capital assets being depreciated, net	8,311,490	413,330	-	8,724,820
Governmental activities capital assets, net	$ 9,083,653	$ 413,330	$ -	$ 9,496,983

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	$ 28,458
Public safety	1,022
Public works	308,999
Recreation and culture	91,488
Depreciation on capital assets held by internal service fund	54,428
Total governmental activities	$ 484,395

NOTE 5 - CAPITAL ASSETS (Continued)

	Beginning balance	*Increases*	*Decreases*	*Ending balance*
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 143,149	$ -	$ -	$ 143,149
Construction in progress	5,038,565	440,026	(5,038,565)	440,026
Subtotal	5,181,714	440,026	(5,038,565)	583,175
Capital assets being depreciated:				
Sewer system	8,538,352	5,159,810	-	13,698,162
Water system	4,100,164	197,511	-	4,297,675
Equipment	760,799	195,842	-	956,641
Subtotal	13,399,315	5,553,163	-	18,952,478
Less accumulated depreciation for:				
Sewer system	(3,543,563)	(311,794)	-	(3,855,357)
Water system	(1,668,510)	(84,601)	-	(1,753,111)
Equipment	(426,041)	(19,947)	-	(445,988)
Subtotal	(5,638,114)	(416,342)	-	(6,054,456)
Total capital assets being depreciated, net	7,761,201	5,136,821	-	12,898,022
Business-type activities capital assets, net	$ 12,942,915	$ 5,576,847	$ (5,038,565)	$ 13,481,197

NOTE 5 - CAPITAL ASSETS (Continued)

	Beginning balance	*Increases*	*Decreases*	*Ending balance*
Component units:				
LDFA:				
Capital assets not being depreciated - construction in progress	$ 45,165	$ 356,538	$ -	$ 401,703
Capital assets being depreciated - infrastructure	2,191,065	-	-	2,191,065
Less accumulated depreciation for - infrastructure	(622,531)	(70,626)	-	(693,157)
Total capital assets being depreciated, net	1,568,534	(70,626)	-	1,497,908
LDFA capital assets, net	$ 1,613,699	$ 285,912	$ -	$ 1,899,611

NOTE 6 - PAYABLES

Payables as of December 31, 2023, for the Village's funds, and its component units, were as follows:

Fund	*Accounts*	*Payroll*	*Interest*	*Totals*
Primary government:				
Governmental:				
General	$ 139,212	$ 13,573	$ -	$ 152,785
Major Street	51,825	368	-	52,193
Local Street	109,357	183	-	109,540
ARPA	16,922	-	-	16,922
Total governmental	$ 317,316	$ 14,124	$ -	$ 331,440
Proprietary:				
Enterprise:				
Sewer	$ 400,787	$ 2,852	$ 30,788	$ 434,427
Water	108,578	1,270	3,235	113,083
	509,365	4,122	34,023	547,510
Motor Vehicle Equipment	6,642	752	327	7,721
Total proprietary	$ 516,007	$ 4,874	$ 34,350	$ 555,231
Component units:				
LDFA	$ -	$ -	$ 2,831	$ 2,831
DDA	$ 353	$ 1,297	$ -	$ 1,650

NOTE 7 - INTERFUND TRANSFERS

The interfund transfers for the year ended December 31, 2023, were as follows:

Fund	*Transfers in*	*Fund*	*Transfers out*
General	$ 59,440	Sewer	$ 42,840
		Internal service	16,600
			59,440
Water	51,077	Sewer	51,077
Local street	250,000	Major street	250,000
	$ 360,517		$ 360,517

The transfers out of the Sewer and Internal Service funds relate to the Village's payment in lieu of tax 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 current construction projects.

NOTE 8 - LONG-TERM LIABILITIES

At December 31, 2023, 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	$ 255,195
$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	240,000
Total bonds payable	495,195
Note payable:	
$145,000 2014 Installment purchase agreement - payable in annual installments of $16,561, including interest at 2.70%; final payment due April 2024	16,125
Total governmental activities	$ 511,320

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	$ 35,000
$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	245,000
$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	175,000
$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	194,805
$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	765,000
$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	2,130,000
Total business-type activities	$ 3,544,805
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	$ 209,298

All 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, 2023, was as follows:

	Beginning balance	*Additions*	*Reductions*	*Ending balance*	*Amounts due within one year*
Governmental activities:					
2012 Bonds payable	$ 269,369	$ -	$ (14,174)	$ 255,195	$ 28,355
2014 Bonds payable	265,000	-	(25,000)	240,000	25,000
2014 Note payable	31,827	-	(15,702)	16,125	16,125
2018 Note payable	57,800	-	(57,800)	-	-
Total governmental activities	$ 623,996	$ -	$ (112,676)	$ 511,320	$ 69,480
Business-type activities:					
2010 Bonds payable	$ 200,000	$ -	$ (25,000)	$ 175,000	$ 25,000
2012 Bonds payable	205,629	-	(10,824)	194,805	21,645
2017 Bonds payable	805,000	-	(40,000)	765,000	40,000
2006 Contract payable	45,000	-	(10,000)	35,000	10,000
2006 Contract payable	305,000	-	(60,000)	245,000	60,000
2021 Contract payable	2,225,000	-	(95,000)	2,130,000	95,000
Subtotal	3,785,629	-	(240,824)	3,544,805	251,645
Premium on bonds	131,787	-	(14,784)	117,003	-
Total business-type activities	$ 3,917,416	$ -	$ (255,608)	$ 3,661,808	$ 251,645
Component unit - LDFA:					
2013 Contract payable	$ 269,013	$ -	$ (59,715)	$ 209,298	$ 59,298

At December 31, 2023, debt service requirements were as follows:

	Primary government					
Year ended	*Governmental activities*		*Business-type activities*		*Component unit - LDFA*	
December 31:	*Principal*	*Interest*	*Principal*	*Interest*	*Principal*	*Interest*
2024	$ 69,480	$ 19,574	$ 251,645	$ 99,023	$ 59,298	$ 6,022
2025	53,355	17,253	261,645	90,717	75,000	3,974
2026	53,355	15,272	266,645	82,108	75,000	1,349
2027	53,355	13,202	256,645	73,536	-	-
2028	53,355	11,061	201,645	65,785		
2029 - 2033	228,420	20,568	976,580	221,606	-	-
2034 - 2038	-	-	900,000	95,359	-	-
2039 - 2041	-	-	430,000	13,445	-	-
Totals	$ 511,320	$ 96,930	$ 3,544,805	$ 741,579	$ 209,298	$ 11,345

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, 2022, 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	9
Active employees	12
Total	33

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, 2023, Village contributions ranged from 2.15% to 7.50% of monthly covered payroll. Covered employees made contributions ranging from 4.44% to 5.00% to the plan. For the fiscal year ended December 31, 2023, the Village contributed $357,992 to the plan, which includes an additional contribution of $250,000, while employees contributed $41,190.

Net pension liability:
The Village's net pension liability reported at December 31, 2023, was determined using a measurement of the total pension liability and the pension net position as of December 31, 2022. 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, 2022, 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, 2022, 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.

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:

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

Discount rate:
The discount rate used to measure the total pension liability is 7.25% for 2023. 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:

	Increase (decrease)		
	Total pension liability (a)	*Plan fiduciary net position (b)*	*Net pension liability (a) - (b)*
Balances at December 31, 2022	$ 2,571,289	$ 2,144,313	$ 426,976
Changes for the year:			
Service cost	58,658	-	58,658
Interest	182,207	-	182,207
Difference between expected and actual experience	(1,165)	-	(1,165)
Changes in assumptions	-	-	-
Employer contributions	-	105,380	(105,380)
Employee contributions	-	27,813	(27,813)
Net investment loss	-	(223,238)	223,238
Benefit payments, including refunds	(174,825)	(174,825)	-
Administrative expenses	-	(3,944)	3,944
Other	(1)	-	(1)
Net changes	64,874	(268,814)	333,688
Balances at December 31, 2023	$ 2,636,163	$ 1,875,499	$ 760,664

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.

	1% Decrease (6.25%)	*Current rate (7.25%)*	*1% Increase (8.25%)*
Village's net pension liability	$ 1,060,169	$ 760,664	$ 510,882

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, 2023, the Village recognized pension expense of $184,662. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources, related to the pension plan, from the following sources:

Source	*Deferred outflows of resources*	*Deferred inflows of resources*
Differences between projected and actual investment earnings	$ 188,846	$ -
Differences between expected and actual economic experience	19,013	25,719
Changes in actuarial assumptions	50,756	-
Totals	$ 258,615	$ 25,719
Contributions made subsequent to the measurement date	333,265	-
Totals	$ 591,880	$ 25,719

The amount reported as deferred outflows of resources resulting from contributions made subsequent to the measurement date, in the amount of $333,265, will be recognized as a reduction in the net pension liability in 2024.

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:

Year ended December 31:	*Deferred outflows of resources*	*Deferred inflows of resources*
2024	$ 89,062	$ 25,135
2025	36,458	292
2026	57,686	292
2027	75,409	-
	$ 258,615	$ 25,719

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, 2023, Plan membership consisted of the following:

Active members	2
Inactive members	2
Retirees and beneficiaries	5
Total	9

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, 2023, the Village contributed $31,468 to the Plan.

Net OPEB liability:
The total OPEB liability was determined by a valuation as of December 31, 2023 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	4.00%
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 4.00%. 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, 2022, OPEB liability was 4.31%.

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

Changes in the Net OPEB liability:

	Increase (decrease)		
	Total OPEB liability (a)	*Plan fiduciary net position (b)*	*Net OPEB liability (asset) (a) - (b)*
Balances at December 31, 2022	$ 896,593	$ -	$ 896,593
Changes for the year:			
Service cost	8,604	-	8,604
Interest	38,336	-	38,336
Differences between expected and actual experience	(4,405)	-	(4,405)
Change in assumptions	36,829	-	36,829
Contributions - employer	-	31,468	(31,468)
Benefit payments	(31,468)	(31,468)	-
Net changes	47,896	-	47,896
Balances at December 31, 2023	$ 944,489	$ -	$ 944,489
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 4.00%:

	1% decrease	*Current rate*	*1% increase*
Net OPEB liability	$ 1,063,262	$ 944,489	$ 845,517

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:

	1% decrease	*Current rate*	*1% increase*
Net OPEB liability	$ 806,562	$ 944,489	$ 1,027,305

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, 2023, the Village recognized OPEB expense of a negative $70,483. At December 31, 2023, the Village reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

Source	*Deferred outflows of resources*	*Deferred inflows of resources*
Changes in assumptions	$ 147,634	$ -
Difference between expected and actual experience	-	266,149
Total	$ 147,634	$ 266,149

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

Year ended December 31,	*Deferred outflows of resources*	*Deferred inflows of resources*
2024	$ 44,111	$ 161,534
2025	44,111	52,287
2026	31,996	25,216
2027	27,416	22,743
2028	-	4,369
	$ 147,634	$ 266,149

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 $555,073 which is restricted by enabling legislation for public works expenditures.

NOTE 13 - PROPERTY TAXES

The 2023 taxable valuation of the Village approximated $162,654,000, 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 $1,585,000 for operating purposes and $285,000 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, 2023, the Village abated property taxes totaling $72,983 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.

REQUIRED SUPPLEMENTARY INFORMATION

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
Property taxes	$ 1,258,264	$ 1,785,960	$ 1,480,698	$ (305,262)
Licenses and permits	15,000	15,000	13,817	(1,183)
State grants	481,198	481,198	785,372	304,174
Intergovernmental	-	4,256	34,256	30,000
Interest and rentals	12,000	41,490	52,611	11,121
Other	13,000	5,439	7,160	1,721
Total revenues	1,779,462	2,333,343	2,373,914	40,571
EXPENDITURES				
General government:				
Legislative	28,922	43,764	38,205	5,559
Manager	144,804	164,610	147,602	17,008
Finance director	17,544	27,457	28,975	(1,518)
Professional fees	40,250	54,476	47,076	7,400
Clerk	106,920	134,425	101,431	32,994
Building and grounds	93,000	433,000	325,029	107,971
Nondepartmental	106,343	294,375	481,467	(187,092)
Total general government	537,783	1,152,107	1,169,785	(17,678)
Public safety:				
Police protection	451,000	509,550	405,233	104,317
Crossing guards	16,820	16,820	14,878	1,942
Total public safety	467,820	526,370	420,111	106,259
Public works:				
Public works department	195,612	213,708	194,582	19,126
Environmental control	76,109	76,109	66,712	9,397
Street lighting	33,000	45,000	45,721	(721)
Sidewalks	33,987	33,987	25,765	8,222
Total public works	338,708	368,804	332,780	36,024

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
EXPENDITURES (Continued)				
Community and economic development-				
Planning and zoning	$ 124,984	$ 153,238	$ 123,009	$ 30,229
Recreation and culture	148,008	170,558	134,331	36,227
Debt service:				
Principal	89,257	89,257	81,509	7,748
Interest	11,067	11,067	9,505	1,562
Total expenditures	1,717,627	2,471,401	2,271,030	200,371
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	61,835	(138,058)	102,884	240,942
OTHER FINANCING SOURCES				
Insurance proceeds	-	190,000	188,397	(1,603)
Transfers in	59,440	59,440	59,440	-
Total other financing sources	59,440	249,440	247,837	(1,603)
NET CHANGES IN FUND BALANCES	121,275	111,382	350,721	239,339
FUND BALANCES - BEGINNING	1,469,953	1,469,953	1,469,953	-
FUND BALANCES - ENDING	$ 1,591,228	$ 1,581,335	$ 1,820,674	$ 239,339

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - *Major Street Fund*

Year ended December 31, 2023

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
Property taxes	$ 212,566	$ 227,667	$ 241,816	$ 14,149
State grants	390,223	390,223	400,453	10,230
Interest	-	11,907	14,191	2,284
Total revenues	602,789	629,797	656,460	26,663
EXPENDITURES				
Public works:				
Preservation	125,000	125,000	27,273	97,727
Routine maintenance	89,489	126,149	200,005	(73,856)
Winter maintenance	74,865	76,919	42,857	34,062
Traffic services	15,921	22,200	20,227	1,973
Total public works	305,275	350,268	290,362	59,906
Debt service:				
Principal	17,065	17,065	13,035	4,030
Interest	9,126	13,000	12,377	623
Total expenditures	331,466	380,333	315,774	64,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	271,323	249,464	340,686	91,222
OTHER FINANCING USES				
Transfers out	(250,000)	(250,000)	(250,000)	-
NET CHANGES IN FUND BALANCES	21,323	(536)	90,686	91,222
FUND BALANCES - BEGINNING	1,279,134	1,279,134	1,279,134	-
FUND BALANCES - ENDING	$ 1,300,457	$ 1,278,598	$ 1,369,820	$ 91,222

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
State grants	$ 148,263	$ 148,263	$ 152,263	$ 4,000
Federal grant	-	638	2,006	1,368
Interest	-	5,812	6,915	1,103
Other	-	4,049	4,049	-
Total revenues	148,263	158,762	165,233	6,471
EXPENDITURES				
Public works:				
Preservation	640,000	640,000	339,059	300,941
Routine maintenance	64,800	140,108	127,180	12,928
Winter maintenance	44,281	45,502	25,597	19,905
Traffic services	7,807	9,198	8,402	796
Total public works	756,888	834,808	500,238	334,570
Debt service:				
Principal	6,458	6,458	2,430	4,028
Interest	1,522	1,522	1,389	133
Total expenditures	764,868	842,788	504,057	338,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(616,605)	(694,525)	(338,824)	345,202
OTHER FINANCING SOURCES				
Transfers in	250,000	250,000	250,000	-
NET CHANGES IN FUND BALANCES	(366,605)	(444,525)	(88,824)	345,202
FUND BALANCES - BEGINNING	643,897	643,897	643,897	-
FUND BALANCES - ENDING	$ 277,292	$ 199,372	$ 555,073	$ 345,202

Village of Middleville

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

Year ended December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:								
Service cost	$ 58,658	$ 38,711	$ 39,045	$ 40,497	$ 34,768	$ 38,574	$ 40,702	$ 32,669
Interest	182,207	185,241	169,828	168,360	156,605	150,272	143,405	130,827
Changes in benefits	-	-	-	-	-	-	-	(2,694)
Difference between expected and actual experience	(1,165)	(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	(174,825)	(171,202)	(160,234)	(146,669)	(127,588)	(91,432)	(89,537)	(87,644)
Other	(1)	1	(2)	(1)	-	-	-	-
Net change in total pension liability	64,874	67,658	208,466	137,583	153,605	99,146	87,847	203,739
Total pension liability, beginning of year	2,571,289	2,503,631	2,295,165	2,157,582	2,003,977	1,904,831	1,816,984	1,613,245
Total pension liability, end of year	$ 2,636,163	$ 2,571,289	$ 2,503,631	$ 2,295,165	$ 2,157,582	$ 2,003,977	$ 1,904,831	$ 1,816,984
Plan fiduciary net position:								
Contributions - employer	$ 105,380	$ 237,289	$ 73,910	$ 61,798	$ 58,125	$ 52,965	$ 246,876	$ 56,267
Contributions - employee	27,813	21,244	21,915	18,677	16,550	18,698	17,729	12,162
Net investment income (loss)	(223,238)	230,832	230,234	205,497	(63,713)	196,009	143,577	(17,960)
Benefit payments, including refunds	(174,825)	(171,202)	(160,234)	(146,669)	(127,588)	(91,432)	(89,537)	(87,640)
Administrative expenses	(3,944)	(2,900)	(3,324)	(3,536)	(3,193)	(3,102)	(2,829)	(2,641)
Net change in plan fiduciary net position	(268,814)	315,263	162,501	135,767	(119,819)	173,138	315,816	(39,812)
Plan fiduciary net position, beginning of year	2,144,313	1,829,050	1,666,549	1,530,782	1,650,601	1,477,463	1,161,647	1,201,459
Plan fiduciary net position, end of year	$ 1,875,499	$ 2,144,313	$ 1,829,050	$ 1,666,549	$ 1,530,782	$ 1,650,601	$ 1,477,463	$ 1,161,647
Village's net pension liability, end of year	$ 760,664	$ 426,976	$ 674,581	$ 628,616	$ 626,800	$ 353,376	$ 427,368	$ 655,337
Plan fiduciary net position as a percent of total pension liability	71.15%	83.39%	73.06%	72.61%	70.95%	82.37%	77.56%	63.93%
Covered payroll	$ 730,221	$ 474,249	$ 511,718	$ 460,072	$ 385,026	$ 378,506	$ 398,578	$ 398,578
Village's net pension liability as a percentage of covered payroll	104.17%	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions	$ 83,308	$ 77,808	$ 73,910	$ 61,798	$ 58,125	$ 61,261	$ 55,650	$ 49,224	$ 56,268	$ 44,268
Contributions in relation to the actuarially determined contributions	333,308	77,808	148,910	61,798	58,125	61,261	55,650	249,224	56,268	44,268
Contribution excess/(deficiency)	$ 250,000	$ -	$ 75,000	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ -
Covered payroll	$ 730,221	$ 474,249	$ 511,718	$ 460,072	$ 385,026	$ 378,506	$ 398,578	$ 346,677	$ 282,404	$ 355,407
Contributions as a percentage of covered payroll	45.64%	16.41%	29.10%	13.43%	15.10%	16.18%	13.96%	71.89%	19.92%	12.46%

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	16 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

Village of Middleville

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

Year ended December 31, 2023

	2023	2022	2021	2020	2019
Total OPEB liability:					
Service cost	$ 8,604	$ 34,119	$ 36,494	$ 75,435	$ 75,435
Interest	38,336	29,411	25,560	34,763	30,947
Difference between expected and actual experience	(4,405)	(157,189)	(3,105)	(137,887)	-
Changes in assumptions	36,829	(273,048)	(54,863)	250,541	-
Benefit payments, including refunds	(31,468)	(19,507)	(18,402)	(18,137)	(15,607)
Net change in total OPEB liability	47,896	(386,214)	(14,316)	204,715	90,775
Total OPEB liability, beginning of year	896,593	1,282,807	1,297,123	1,092,408	1,001,633
Total OPEB liability, end of year	$ 944,489	$ 896,593	$ 1,282,807	$ 1,297,123	$ 1,092,408
Plan fiduciary net position:					
Plan fiduciary net position, beginning of year	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position, end of year	$ -	$ -	$ -	$ -	$ -
Village's net OPEB liability, end of year	$ 944,489	$ 896,593	$ 1,282,807	$ 1,297,123	$ 1,092,408
Plan fiduciary net position as a percent of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 32,868	$ 121,717	$ 194,284	$ 259,535	$ 281,703
Village's net OPEB liability as a percentage of covered employee payroll	2873.58%	736.62%	660.27%	499.79%	387.79%

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

SCHEDULE OF VILLAGE OPEB CONTRIBUTIONS

Year ended December 31, 2023

	2023	2022	2021	2020	2019
Actuarially determined contributions	$ 95,601	$ 112,209	$ 110,118	$ 144,132	$ 111,667
Contributions in relation to the actuarially determined contributions	31,468	19,507	18,402	18,137	15,607
Contribution excess/(deficiency)	$ (64,133)	$ (92,702)	$ (91,716)	$ (125,995)	$ (96,060)
Covered employee payroll	$ 32,868	$ 121,717	$ 194,284	$ 259,535	$ 281,703
Actuarially determined contributions as a percentage of covered employee payroll	290.86%	56.68%	55.53%	39.64%	34.23%
Contributions as a percentage of covered employee payroll	95.74%	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	4.00%
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

Village of Middleville

COMBINING STATEMENT OF NET POSITION - *internal service funds*

December 31, 2023

	Equipment	*OPEB*	*Totals*
ASSETS			
Current assets:			
Cash	$ 186,159	$ 219,214	$ 405,373
Noncurrent assets:			
Capital assets, net of depreciation	542,979	-	542,979
Total assets	729,138	219,214	948,352
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	9,362	-	9,362
OPEB related	2,335	-	2,335
Total deferred outflows of resources	11,697	-	11,697
LIABILITIES			
Current liabilities:			
Payables	7,721	-	7,721
Note payable - current portion	16,125	-	16,125
Total current liabilities	23,846	-	23,846
Noncurrent liabilities:			
Net pension liability	12,031	-	12,031
Net OPEB liability	14,938	-	14,938
Total noncurrent liabilities	26,969	-	26,969
Total liabilities	50,815	-	50,815
DEFERRED INFLOWS OF RESOURCES			
Pension related	407	-	407
OPEB related	4,210	-	4,210
Total deferred inflows of resources	4,617	-	4,617
NET POSITION			
Net investment in capital assets	526,854	-	526,854
Unrestricted	158,549	219,214	377,763
Total net position	$ 685,403	$ 219,214	$ 904,617

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, 2023

	Equipment	OPEB	Totals
OPERATING REVENUES			
Charges for services:			
Equipment rental	$ 202,518	$ -	$ 202,518
OPERATING EXPENSES			
Personnel costs	7,542	-	7,542
Equipment and supplies	51,960	-	51,960
Gas and oil	19,028	-	19,028
OPEB payments	-	38,762	38,762
Depreciation	54,428	-	54,428
Total operating expenses	132,958	38,762	171,720
OPERATING INCOME (LOSS)	69,560	(38,762)	30,798
NONOPERATING INCOME (EXPENSE)			
Interest expense	(757)	-	(757)
INCOME (LOSS) BEFORE TRANSFERS	68,803	(38,762)	30,041
TRANSFERS			
Transfers out	(16,600)	-	(16,600)
CHANGES IN NET POSITION	52,203	(38,762)	13,441
NET POSITION - BEGINNING	633,200	257,976	891,176
NET POSITION - ENDING	$ 685,403	$ 219,214	$ 904,617

See notes to financial statements

Village of Middleville

COMBINING STATEMENT OF CASH FLOWS - *internal service funds*

Year ended December 31, 2023

	Equipment	OPEB	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 202,518	$ -	$ 202,518
Payments to vendors and suppliers	(79,315)	(38,762)	(118,077)
Payments to employees	(13,042)	-	(13,042)
Net cash provided by (used in) operating activities	110,161	(38,762)	71,399
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(16,600)	-	(16,600)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(37,315)	-	(37,315)
Principal payments on capital debt	(15,702)	-	(15,702)
Interest payments on capital debt	(859)	-	(859)
Net cash used in capital and related financing activities	(53,876)	-	(53,876)
NET CHANGE IN CASH	39,685	(38,762)	923
CASH - BEGINNING	146,474	257,976	404,450
CASH - ENDING	$ 186,159	$ 219,214	$ 405,373

See notes to financial statements

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

Year ended December 31, 2023

	Equipment	OPEB	Totals
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	$ 69,560	$ (38,762)	$ 30,798
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	54,428	-	54,428
Increase in deferred outflows of resources	(5,529)	-	(5,529)
Decrease in payables	(1,949)	-	(1,949)
Decrease in other postemployment liability	(2,714)	-	(2,714)
Increase in net pension liability	3,624	-	3,624
Decrease in deferred inflows of resources	(7,259)	-	(7,259)
Net cash provided by (used in) operating activities	$ 110,161	$ (38,762)	$ 71,399

	Local Development Finance Authority	Downtown Development Authority
ASSETS		
Cash	$ 2,153,802	$ 231,220
Receivables	50,965	43,999
Total assets	$ 2,204,767	$ 275,219
LIABILITIES AND FUND BALANCES		
Liabilities - payables	$ -	$ 1,650
Fund balances - unassigned	2,204,767	273,569
Total liabilities and fund balances	$ 2,204,767	$ 275,219
Total fund balances	$ 2,204,767	$ 273,569
Amounts reported for the *component units* in the statement of net position (page 15) are different because:		
Capital assets used by the *component units* are not financial resources and, therefore, are not reported in the fund.	1,899,611	-
Long-term liabilities, consisting of a contract payable, are not due and payable in the current period and, therefore, are not reported in the fund.	(209,298)	-
Interest related to long-term debt is not due and payable in the current period and, therefore, is not reported in the fund.	(2,831)	-
Net position of the *component units*	$ 3,892,249	$ 273,569

Village of Middleville

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

Year ended December 31, 2023

	Local Development Finance Authority	Downtown Development Authority
REVENUES		
Property taxes	$ 398,741	$ 193,566
Charges for services	-	9,485
Interest	20,611	107
Other	-	15,700
Total revenues	419,352	218,858
EXPENDITURES		
Current - public works	129,651	208,458
Debt service:		
Principal	59,715	-
Interest	7,927	-
Total expenditures	197,293	208,458
NET CHANGES IN FUND BALANCES	222,059	10,400
FUND BALANCES - BEGINNING	1,982,708	263,169
FUND BALANCES - ENDING	$ 2,204,767	$ 273,569
Net changes in fund balances	$ 222,059	$ 10,400
Amounts reported for the *component units* in the statement of activities (page 16) are different because:		
Capital assets - deduct depreciation provision		
Assets acquired	356,538	-
Depreciation provision	(70,626)	-
Long term debt - add principal payments	59,715	-
Decrease in accrued interest expense	587	-
Change in net position of *component units*	$ 568,273	$ 10,400

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - *Local Development Finance Authority*

Year ended December 31, 2023

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
Property taxes	$ 259,832	$ 398,069	$ 398,741	$ 672
State grants	240,000	240,000	-	(240,000)
Interest	-	16,799	20,611	3,812
Total revenues	499,832	654,868	419,352	(235,516)
EXPENDITURES				
Current - public works	219,300	219,300	129,651	89,649
Debt service:				
Principal	134,715	134,715	59,715	75,000
Interest	7,928	7,928	7,927	1
Total expenditures	361,943	361,943	197,293	164,650
NET CHANGES IN FUND BALANCES	137,889	292,925	222,059	(70,866)
FUND BALANCES - BEGINNING	1,982,708	1,982,708	1,982,708	-
FUND BALANCES - ENDING	$ 2,120,597	$ 2,275,633	$ 2,204,767	$ (70,866)

Village of Middleville

BUDGETARY COMPARISON SCHEDULE - *Downtown Development Authority*

Year ended December 31, 2023

	Original budget	*Final budget*	*Actual*	*Variance with final budget positive (negative)*
REVENUES				
Property taxes	$ 191,691	$ 191,691	$ 193,566	$ 1,875
Charges for services	17,000	20,560	9,485	(11,075)
Interest	-	56	107	51
Other	30,000	44,200	15,700	(28,500)
Total revenues	238,691	256,507	218,858	(37,649)
EXPENDITURES				
Current - public works	237,328	274,989	208,458	66,531
NET CHANGES IN FUND BALANCES	1,363	(18,482)	10,400	28,882
FUND BALANCES - BEGINNING	263,169	263,169	263,169	-
FUND BALANCES - ENDING	$ 264,532	$ 244,687	$ 273,569	$ 28,882

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$205,000 2006 BARRY COUNTY WATER CONTRACT PAYABLE

December 31, 2023

Fiscal period	*Interest requirements April 1*	*Interest requirements October 1*	*Maturity date*	*Principal*	*Total requirements*
2024	$ 372	$ 372	4/1/24	$ 10,000	$ 10,744
2025	266	266	4/1/25	10,000	10,532
2026	159	159	4/1/26	15,000	15,318
	$ 797	$ 797		$ 35,000	$ 36,594

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$1,040,000 2006 BARRY COUNTY WATER CONTRACT PAYABLE

December 31, 2023

Fiscal	*Interest requirements*		*Maturity*		*Total*
period	*April 1*	*October 1*	*date*	*Principal*	*requirements*
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
	$ 5,374	$ 3,074		$ 245,000	$ 253,448

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$425,000 2010 CAPITAL IMPROVEMENT BONDS PAYABLE

December 31, 2023

Fiscal period	*Interest requirements* March 1	*Interest requirements* September 1	*Maturity date*	*Principal*	*Total requirements*
2024	$ 4,225	$ 3,644	3/1/24	$ 25,000	$ 32,869
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
	$ 17,094	$ 12,869		$ 175,000	$ 204,963

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$700,000 2012 CAPITAL IMPROVEMENT BONDS PAYABLE

December 31, 2023

Fiscal period	Interest requirements March 1	Interest requirements September 1	Maturity date	Principal	Total requirements
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	4,287	3/1/28	50,000	59,587
2029	4,287	3,250	3/1/29	50,000	57,537
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
	$ 46,887	$ 37,837		$ 450,000	$ 534,724

	Principal	Interest	Totals
Allocation by activity:			
Governmental activities	$ 255,195	$ 48,053	$ 303,248
Business-type activities	194,805	36,671	231,476
	$ 450,000	$ 84,724	$ 534,724

Village of Middleville

LOCAL DEVELOPMENT FINANCE AUTHORITY

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

$745,509 2013 BARRY COUNTY CONTRACT PAYABLE

December 31, 2023

Fiscal period	*Interest requirements February 1*	*Interest requirements August 1*	*Maturity date*	*Principal*	*Total requirements*
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
	$ 7,371	$ 3,974		$ 209,298	$ 220,643

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$410,000 2014 CAPITAL IMPROVEMENT BONDS PAYABLE

December 31, 2023

Fiscal period	*Interest requirements March 1*	*Interest requirements September 1*	*Maturity date*	*Principal*	*Total requirements*
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
	$ 26,667	$ 21,774		$ 240,000	$ 288,441

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$145,000 2014 INSTALLMENT PURCHASE AGREEMENT

December 31, 2023

Fiscal period	*Interest February 1*	*Maturity date*	*Principal*	*Total requirements*
2024	$ 436	4/01/24	$ 16,125	$ 16,561

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS
$995,000 2017 GENERAL OBLIGATION LIMITED TAX SERIES

December 31, 2023

Fiscal period	*Interest requirements March 1*	*Interest requirements September 1*	*Maturity date*	*Principal*	*Total requirements*
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
	$ 100,501	$ 88,931		$ 765,000	$ 865,501

Village of Middleville

SCHEDULE OF DEBT RETIREMENT AND ANNUAL INTEREST REQUIREMENTS

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

December 31, 2023

Fiscal period	Interest requirements March 1	Interest requirements September 1	Maturity date	Principal	Total requirements
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
	$ 252,281	$ 223,190		$ 2,130,000	$ 2,382,281