

**Clinton Township
Lenawee County, Michigan
Financial Statements
(with required supplementary and
additional supplementary information)**

Year Ended March 31, 2025

**Clinton Township
Lenawee County, Michigan**

Independent Auditor's Report

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517.945.3312

249 Beechmont Dr
Brooklyn, MI 49230

Independent Auditor's Report

To the Board of Trustees
Clinton Township
Lenawee County, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Clinton Township (Township), Lenawee County, Michigan, as of and for the year ended March 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Clinton Township, Lenawee County, Michigan, as of March 31, 2025, 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 Clinton Township, Lenawee County, Michigan, 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 Clinton Township, Lenawee County, Michigan'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.

Your partner in financial statement auditing and all things accounting.

Phone: 517.945.3312 - Meredith@MeredithFrancis.com

To the Board of Trustees
Clinton Township
Lenawee County, Michigan

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 Clinton Township, Lenawee County, Michigan'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 Clinton Township, Lenawee County, Michigan'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 and budgetary comparison information on pages 4-8 and 22 be presented to supplement the basic financial statements. Such information, 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 me with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
Clinton Township
Lenawee County, Michigan

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clinton Township's basic financial statements. The combining schedule of fiduciary funds and schedule of changes in assets and liabilities - tax collection fund, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining schedule of fiduciary funds and schedule of changes in assets and liabilities - tax collection fund is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of fiduciary funds and schedule of changes in assets and liabilities - tax collection fund, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Meredith Francis, CPA, P.C.

Brooklyn, Michigan
July 21, 2025

**Clinton Township
Lenawee County, Michigan**

Management's Discussion and Analysis

March 31, 2025

As management of Clinton Township, Lenawee County, Michigan, we offer readers of Clinton Township, Lenawee County, Michigan's financial statements this narrative overview and analysis of the financial activities of Clinton Township, Lenawee County, Michigan for the fiscal year ended March 31, 2025. We encourage readers to consider the information presented here.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Clinton Township, Lenawee County, Michigan's basic financial statements. Clinton Township, Lenawee County, Michigan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Clinton Township, Lenawee County, Michigan's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Clinton Township, Lenawee County, Michigan's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Clinton Township, Lenawee County, Michigan is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Clinton Township, Lenawee County, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Clinton Township, Lenawee County, Michigan include general government, public safety, roads and bridges, and cemetery operations. There are no business-type activities of Clinton Township, Lenawee County, Michigan.

The government-wide financial statements can be found on pages 9 – 10 of this report.

**Clinton Township
Lenawee County, Michigan**

Management's Discussion and Analysis

March 31, 2025

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Clinton Township, Lenawee County, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Clinton Township, Lenawee County, Michigan can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Clinton Township, Lenawee County, Michigan maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund which is considered to be a major fund.

Clinton Township, Lenawee County, Michigan adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 11 – 12 of this report.

**Clinton Township
Lenawee County, Michigan**

Management’s Discussion and Analysis

March 31, 2025

Fiduciary Fund. The Fiduciary Fund is used to account for resources held under tax collection activity, trailer tax and performance bond activity. The Fiduciary fund is *not* reflected in the government-wide financial statement. The accounting used for the Fiduciary Fund is much like that used for Proprietary Funds.

The basic fiduciary fund financial statement can be found on page 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 – 20 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Clinton Township, Lenawee County, Michigan, assets exceeded liabilities by \$1,506,202 at the close of the most recent fiscal year.

Clinton Township, Lenawee County, Michigan’s investment in capital assets (8.66 percent) reflects its assets (e.g., land, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. Clinton Township, Lenawee County, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Clinton Township does not have debt related to capital assets.

Clinton Township, Lenawee County, Michigan’s Net Position

	Governmental Activities
Current assets	\$ 1,413,140
Capital assets	<u>130,420</u>
Total assets	<u><u>\$ 1,543,560</u></u>
Total liabilities	<u>\$ 37,358</u>
Net position:	
Invested in capital assets, net of related debt	130,420
Restricted	325,143
Unrestricted	<u>1,050,639</u>
Total net position	<u><u>\$ 1,506,202</u></u>

The balance of *unrestricted net position* (\$1,506,202) may be used to meet the government’s ongoing obligations to citizens and creditors.

**Clinton Township
Lenawee County, Michigan**

Management's Discussion and Analysis

March 31, 2025

Clinton Township, Lenawee County, Michigan's Change in Net Position

	Governmental Activities
Program revenues:	
Charges for services	\$ 45,387
Total program revenues	73,965
General revenues:	
Property taxes	317,652
Franchise taxes	-
Intergovernmental - State	150,351
Unrestricted investment earnings	10,795
Other	3,779
Total general revenues	482,577
Total revenues	\$ 556,542
Expenses:	
General government	\$ 202,154
Public safety	53,190
Public works	1,013
Community and economic development	202,392
Sewer	-
Total expenses	459,749
Change in net position	96,793
Beginning net position	1,409,409
Ending net position	\$ 1,506,202

At the end of the current fiscal year, Clinton Township, Lenawee County, Michigan is able to report positive balances in all both categories of net position, for the government as a whole, as well as for its separate governmental activities.

Financial Analysis of the Government's Funds

As noted earlier, Clinton Township, Lenawee County, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Clinton Township, Lenawee County, Michigan's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Clinton Township, Lenawee County, Michigan's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

**Clinton Township
Lenawee County, Michigan**

Management’s Discussion and Analysis

March 31, 2025

The General Fund is the only governmental fund for Clinton Township, Lenawee County, Michigan. As of the end of the current fiscal year, Clinton Township, Lenawee County, Michigan’s governmental funds reported combined ending fund balance of \$1,394,188, an increase of \$122,204 in comparison with the prior year. A key factor in this increase was increased state shared revenues and decreased road expenditures.

General Fund Budgetary Highlights

State shared revenues were higher than budgeted. Expenditures were lower than anticipated, particularly road expenditures due to the timing of road projects. The Budgetary Comparison Schedule is on page 22.

Capital Asset and Debt Administration

Capital assets. Clinton Township, Lenawee County, Michigan’s investment in capital assets for its governmental activities as of March 31, 2025, amounts to \$130,420 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and office equipment.

Clinton Township, Lenawee County, Michigan’s Capital Assets

	<u>Governmental Activities</u>
Land	\$ 56,160
Buildings and improvements	37,884
Machinery and equipment	198,588
Office equipment and computers	61,453
Accumulated depreciation	<u>(223,665)</u>
Total	<u><u>\$ 130,420</u></u>

Additional information on Clinton Township’s capital assets can be found in Note 5 on page 20.

The Township does not have any debt.

Economic Factors and Next Year’s Budgets and Rates

Clinton Township does not anticipate significant changes in the next fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Clinton Township, Lenawee County, Michigan’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Clinton Township, 172 W. Michigan Ave, Clinton, MI 49236.

**Clinton Township
Lenawee County, Michigan**

Statement of Net Position

March 31, 2025

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 1,360,427
Taxes receivable	7,025
Accounts receivable	1,816
Due from other governmental units	43,872
Capital assets:	
Land	56,160
Buildings	37,884
Machinery and equipment	198,588
Office equipment and computers	61,453
Less: accumulated depreciation	<u>(223,665)</u>
Total assets	<u><u>1,543,560</u></u>
Liabilities:	
Accounts payable	18,952
Due to other entities	<u>18,406</u>
Total liabilities	<u>37,358</u>
Net Position:	
Invested in capital assets, net of related debt	130,420
Restricted for:	
Perpetual care	208,823
Cemetery	116,320
Unrestricted	<u>1,050,639</u>
Total net position	<u><u>\$ 1,506,202</u></u>

The notes to the financial statements are an integral part of this statement.

**Clinton Township
Lenawee County, Michigan**

Statement of Activities

For the Year Ended March 31, 2025

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities	
Primary government:				
Governmental activities:				
General government	\$ 202,154	\$ 23,539	\$ 28,578	\$ (150,037)
Public safety	53,190	21,848	-	(31,342)
Public works	202,392	-	-	(202,392)
Community and economic development	1,013	-	-	(1,013)
Other	1,000	-	-	(1,000)
Total governmental activities	459,749	45,387	28,578	(385,784)
Total primary government	459,749	45,387	28,578	(385,784)
General Revenues:				
Property taxes				317,652
Intergovernmental - state				150,351
Investment earnings				10,795
Other				3,779
			Total general revenues	482,577
Change in net position				96,793
Net position - beginning of year				1,409,409
Net position - end of year				\$ 1,506,202

The notes to the financial statements are an integral part of this statement.

**Clinton Township
Lenawee County, Michigan**

Balance Sheet

Governmental Funds

March 31, 2025

	General Fund
Assets:	
Cash and cash equivalents	\$ 1,360,427
Taxes receivable	7,025
Due from agency funds	1,816
Due from other governmental units	43,872
	Total assets
	1,413,140
Liabilities:	
Current liabilities:	
Accounts payable	18,952
Due to other governmental units	18,406
	Total liabilities
	37,358
Fund Balances:	
Restricted for:	
Cemetery perpetual care	208,823
Cemetery	116,320
Unassigned	1,050,639
	Total fund balances
	1,375,782
Total liabilities and fund balances	\$ 1,413,140
Total governmental fund balances	\$ 1,375,782
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	
The cost of the capital assets is:	354,085
The accumulated depreciation is:	(223,665)
Net differences	130,420
Total net position of governmental activities	\$ 1,506,202

The notes to the financial statements are an integral part of this statement.

**Clinton Township
Lenawee County, Michigan**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended March 31, 2025

	General Fund
Revenues:	
Property taxes	\$ 317,652
Licenses, permits and fees	45,387
Federal grants	28,578
State grants	150,351
Interest	10,795
Miscellaneous revenues	3,779
	Total revenues 556,542
Expenditures:	
Current:	
General government	195,149
Public safety	53,190
Public works	202,392
Community and economic development	1,013
Other	1,000
	Total expenditures 452,744
Change in fund balances	103,798
Fund balances - beginning of year	1,271,984
Fund balances - end of year	\$ 1,375,782
Change in fund balances - total governmental funds	\$ 103,798
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (Total capital outlay less total depreciation).	- 7,005
Change in net position in governmental activities	\$ 96,793

The notes to the financial statements are an integral part of this statement.

**Clinton Township
Lenawee County, Michigan**

Statement of Fiduciary Assets and Liabilities

Custodial Fund

March 31, 2025

	Custodial Funds
Assets:	
Cash and cash equivalents	\$ 1,816
	<u>1,816</u>
Total assets	<u><u>1,816</u></u>
Liabilities:	
Due to other funds	<u>1,816</u>
Total liabilities	<u><u>\$ 1,816</u></u>

The notes to the financial statements are an integral part of this statement.

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

Clinton Township (“Township”) is a noncharter township, governed by a Board of Trustees. The Township receives funding from local and state government sources and must comply with all of the requirements of these funding source entities. The Township is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Trustees are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the Township’s reporting entity does not contain any component units as defined in Governmental Accounting Standards Board Statements.

B. 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 non-fiduciary activities of the Township. The government-wide financial statements categorize primary activities as either governmental or business-type.

Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. All of the Township’s activities are classified as governmental activities. The effect of interfund activity has been removed from the government-wide statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. 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 a fiduciary fund, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund (General Fund) is reported in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Accrual Method

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Concluded)

Modified Accrual Method

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are 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 are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses 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 government.

The government reports the following major governmental fund:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Additionally, the government reports the following fiduciary fund type:

The *Tax Collection Fund* is used to account for assets held by the Township as an agent for other governments, and/or other funds. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

The Township first utilizes restricted resources when both restricted and unrestricted resources are available for use, then unrestricted resources as they are needed.

D. 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Accounting Policies

Cash and investments

Cash and equivalents include amounts in cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The Township's investment policy, in regards to authorized investments, is in accordance with Michigan Compiled Laws Section 129.91.

Receivables and payables

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

Property taxes receivable is shown net of an allowance for uncollectibles.

Property Taxes

The Township property tax is levied on each December 1 on the taxable value of property located in the Township as of the preceding December 31.

The Township's 2024 ad valorem tax was levied and collectible on December 1, 2024. It is the Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are made available for the financing of Township operations. Payment from the County Delinquent Tax Fund, which purchases the 2024 delinquent real property taxes, is recognized as revenue in the current fiscal year.

The Township's total taxable value was \$157,437,186 and it levied \$152,286 for general operations, \$73,218 for roads and bridges, and \$37,845 for cemetery.

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 1. Summary of Significant Accounting Policies (Concluded)

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Equipment and vehicles	10 – 30
Furnishings	10 – 30

Fund Equity

Fund balances on the Governmental Fund Balance Sheet are classified as either nonspendable, restricted, assigned or unassigned. The term nonspendable indicates that a portion of the fund balance that will either never convert to cash or not convert within the current period. Restricted fund balances are reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. The assigned fund balance represents the portion of fund balance that is constrained to specific purposes intended to be spent within the purpose of the fund. The unassigned fund balance represents the residual classification for the general fund.

When the Township incurs and expenditure for purposes which various fund balance classifications could be used, it is the Township's policy to use restricted fund balance first, followed by committed fund balance, assigned fund balance, and then unassigned fund balance.

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 2. Budgetary information

The accounting basis used by the Township for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Township follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Township have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted at the activity level.

As of the year ended March 31, 2025, the Township incurred three expenditures in the General Fund in excess of the amount appropriated, as follows:

General Fund	Appropriations	Actual	Budget Variance
Election	10,000	15,634	(5,634)
Fire	-	266,621	(266,621)
Building inspection	10,796	13,056	(2,260)

These additional expenditures were funded by greater than anticipated revenues in the General Fund.

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 3. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2025, \$867,381 of the Township's bank balance of \$1,367,381 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 867,381
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All deposits are with banks located in Michigan as required by statutes.

Note 4. Receivables

Receivables as of year end for the government's individual major fund, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund
Receivables:	
Taxes	\$ 7,025
Intergovernmental	43,872
Gross receivables	50,897
Less: allowance for uncollectible accounts	-
Net total receivables	\$ 50,897

**Clinton Township
Lenawee County, Michigan**

Notes to Financial Statements

March 31, 2025

Note 5. Capital Assets

Capital asset activity for the year ended March 31, 2025 was as follows:

	Beginning Balance	Acquisitions	Dispositions	Ending Balance
Governmental activities:				
Land	\$ 56,160	\$ -	\$ -	\$ 56,160
Total assets not being depreciated	56,160	-	-	56,160
Land improvements	37,884	-	-	37,884
Buildings and improvements	198,588	-	-	198,588
Office equipment	61,453	-	-	61,453
Depreciable capital assets	297,925	-	-	297,925
Less accumulated depreciation for:				
Land improvements	6,147	1,796	-	7,943
Buildings and improvements	151,992	3,962	-	155,954
Office equipment	58,521	1,247	-	59,768
Total accumulated depreciation	216,660	7,005	-	223,665
Net depreciable capital assets	81,265	(7,005)	-	74,260
Governmental activities net capital assets	<u>\$ 137,425</u>	<u>\$ (7,005)</u>	<u>\$ -</u>	<u>\$ 130,420</u>

Depreciation expense charged to functions was as follows:

Governmental activities:	
General government	<u>\$ 7,005</u>
Total depreciation expense-governmental activities	<u>\$ 7,005</u>

Note 6. Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township is a member of the Michigan Township Participating Plan ("Plan") to establish and administer a risk management program; to prevent or lessen the incidence and severity of casualty losses and to defend and protect against liability or loss. The Plan provides protection to the Township based on its selected risks, limits and deductibles. Any settled claims have not exceeded the limits of coverage in any of the past three years.

Note 7. Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including July 21, 2025, which is the date the financial statements were available to be issued.

Required Supplementary Information

**Clinton Township
Lenawee County, Michigan**

Budgetary Comparison Schedule

General Fund

For the Year Ended March 31, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes:				
Property taxes	\$ 293,215	\$ 329,246	\$ 317,652	\$ (11,594)
Licenses, permits and fees:				
Permits	9,900	9,900	21,848	11,948
Other fees	6,600	6,600	15,379	8,779
Cemetery fees	-	13,000	8,160	(4,840)
Intergovernmental revenues:				
Federal revenue	45,418	45,418	28,578	(16,840)
State revenue sharing	136,696	136,696	133,480	(3,216)
Other state grants	10,000	10,000	16,871	6,871
Interest	1,000	3,000	10,795	7,795
Miscellaneous	200	633	3,779	3,146
Total revenues	503,029	554,493	556,542	2,049
Expenditures:				
General Government:				
Township board	26,775	26,775	25,227	1,548
Supervisor	14,772	14,772	14,591	181
Clerk	40,443	40,443	36,740	3,703
Treasurer	44,499	44,499	43,090	1,409
Board of review	3,650	3,650	2,265	1,385
Tax and administration	6,200	17,290	3,910	13,380
Assessor	34,852	34,852	33,506	1,346
Township hall	51,100	65,327	10,454	54,873
Election	10,000	10,000	15,634	(5,634)
Other general government	68,138	22,720	9,732	12,988
Public Health and Safety:				
Fire	-	-	40,134	(40,134)
Building inspection	10,796	10,796	13,056	(2,260)
Public Works:				
Roads and bridges	163,354	163,354	148,835	14,519
Drain at large	3,750	3,750	817	2,933
Street lighting	250	250	360	(110)
Cemetery	20,300	181,478	52,380	129,098
Community and Economic Development:				
Zoning	650	650	165	485
Planning	2,500	2,500	848	1,652
Recreation	1,000	1,000	1,000	-
Total expenditures	503,029	644,106	452,744	218,508
Change in fund balance	-	(89,613)	103,798	220,557
Fund balance - beginning of year			1,271,984	
Fund balance - end of year			<u>\$ 1,375,782</u>	

Additional Supplemental Information

**Clinton Township
Lenawee County, Michigan**

Combining Schedule of Fiduciary Funds

Custodial Funds

March 31, 2025

	<u>Tax Collection Fund</u>	<u>Trust & Agency</u>	<u>Total</u>
Assets:			
Cash	\$ 212	\$ 1,604	\$ 1,816
Total assets	<u>212</u>	<u>1,604</u>	<u>1,816</u>
Liabilities:			
Due to other funds	212	1,604	1,816
Total liabilities	<u>\$ 212</u>	<u>\$ 1,604</u>	<u>\$ 1,816</u>

**Clinton Township
Lenawee County, Michigan**

Schedule of Changes in Assets and Liabilities

Tax Collection Fund

March 31, 2025

	Balance April 1, 2024	Additions	Deletions	Balance March 31, 2025
Assets:				
Cash	\$ 233	\$ 5,186,657	\$ 5,186,678	\$ 212
Total assets	<u>233</u>	<u>5,186,657</u>	<u>5,186,678</u>	<u>212</u>
Liabilities:				
Due to other funds	233	584,152	584,173	212
Due to other governmental units	-	4,602,505	4,602,505	-
Total liabilities	<u>\$ 233</u>	<u>\$ 5,186,657</u>	<u>\$ 5,186,678</u>	<u>\$ 212</u>