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Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds (LTGO)
Tax-Exempt Series A | Taxable Series B
Post-Pricing: 6/15/2023

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SOURCES AND USES OF FUNDS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds (LTGO)
Tax-Exempt Series A | Taxable Series B
Post-Pricing: 6/15/2023

Dated Date	06/29/2023
Delivery Date	06/29/2023

Sources:	2023 Tax-Exempt Series A	2023 Taxable Series B	Total
Bond Proceeds:			
Par Amount	3,500,000.00	1,500,000.00	5,000,000.00
Original Issue Discount	(17,183.60)	-	(17,183.60)
Premium	94,288.05	826.80	95,114.85
	3,577,104.45	**1,500,826.80**	**5,077,931.25**

Uses:	2023 Tax-Exempt Series A	2023 Taxable Series B	Total
Project Fund Deposits:			
Project Fund	3,473,327.41	1,455,656.88	4,928,984.29
Delivery Date Expenses:			
Cost of Issuance	60,055.00	25,995.00	86,050.00
Underwriter's Discount:			
Underwriter's Discount	35,000.00	15,000.00	50,000.00
Other Delivery Date Expenses:			
Bond Insurance (18 bps)	8,722.04	4,174.92	12,896.96
	3,577,104.45	**1,500,826.80**	**5,077,931.25**

BOND SUMMARY STATISTICS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds (LTGO)
Tax-Exempt Series A | Taxable Series B
Post-Pricing: 6/15/2023

	2023 Tax-Exempt Series A	2023 Taxable Series B	Aggregate
Dated Date	06/29/2023	06/29/2023	06/29/2023
Delivery Date	06/29/2023	06/29/2023	06/29/2023
First Coupon	10/01/2023	10/01/2023	10/01/2023
Last Maturity	04/01/2040	04/01/2040	04/01/2040
Arbitrage Yield	3.742420%	5.538692%	-
True Interest Cost (TIC)	3.875755%	5.679531%	4.421216%
Net Interest Cost (NIC)	3.874836%	5.625292%	4.410124%
All-In TIC	4.101692%	5.928742%	4.653901%
Average Coupon	4.000000%	5.529646%	4.467764%
Average Life (years)	9.611	9.879	9.692
Weighted Average Maturity (years)	9.539	9.877	-
Duration of Issue (years)	7.765	7.337	7.634
Par Amount	3,500,000.00	1,500,000.00	5,000,000.00
Bond Proceeds	3,577,104.45	1,500,826.80	5,077,931.25
Total Interest	1,345,577.78	819,401.33	2,164,979.11
Net Interest	1,303,473.33	833,574.53	2,137,047.86
Bond Years from Dated Date	33,639,444.44	14,818,333.33	48,457,777.78
Bond Years from Delivery Date	33,639,444.44	14,818,333.33	48,457,777.78
Total Debt Service	4,845,577.78	2,319,401.33	7,164,979.11
Maximum Annual Debt Service	288,600.00	138,760.00	423,675.00
Average Annual Debt Service	289,192.31	138,425.81	427,618.12
Underwriter's Fees (per $1000)			
Average Takedown	-	-	-
Other Fee	10.000000	10.000000	10.000000
Total Underwriter's Discount	10.000000	10.000000	10.000000
Bid Price	101.202984	99.055120	100.558625

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Term Bond 2028	330,000.00	100.076	5.0000000%	2.740	03/25/2026	2.547	138.60
Bond Component	2,460,000.00	103.833	4.0000000%	7.205	09/11/2030	6.199	1,461.00
Term Bond 2033	400,000.00	100.144	5.1000000%	7.881	05/16/2031	6.552	304.00
Term Bond 2038	500,000.00	98.895	4.0000000%	14.266	10/03/2037	10.980	545.00
Term Bond 2040	1,310,000.00	99.110	4.9360568%	14.920	05/30/2038	12.052	1,453.40
	5,000,000.00			**9.692**			**3,902.00**

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,000,000.00	5,000,000.00	-
+ Accrued Interest	-	-	-
+ Premium (Discount)	77,931.25	77,931.25	-
- Underwriter's Discount	(50,000.00)	(50,000.00)	
- Cost of Issuance Expense		(86,050.00)	
- Other Amounts	(12,896.96)	(12,896.96)	-
Target Value	5,015,034.29	4,928,984.29	-
Target Date	06/29/2023	06/29/2023	06/29/2023
Yield	4.421216%	4.653901%	-

BOND DEBT SERVICE BREAKDOWN

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds (LTGO)
Tax-Exempt Series A | Taxable Series B
Post-Pricing: 6/15/2023

Period Ending	2023 Tax-Exempt Series A	2023 Taxable Series B	Total
06/30/2024	285,777.78	136,041.33	421,819.11
06/30/2025	282,800.00	137,040.00	419,840.00
06/30/2026	286,800.00	134,040.00	420,840.00
06/30/2027	285,400.00	136,040.00	421,440.00
06/30/2028	283,800.00	137,790.00	421,590.00
06/30/2029	287,000.00	134,290.00	421,290.00
06/30/2030	284,800.00	135,720.00	420,520.00
06/30/2031	282,400.00	136,895.00	419,295.00
06/30/2032	284,800.00	137,815.00	422,615.00
06/30/2033	281,800.00	138,480.00	420,280.00
06/30/2034	288,600.00	133,890.00	422,490.00
06/30/2035	284,800.00	138,760.00	423,560.00
06/30/2036	280,800.00	138,060.00	418,860.00
06/30/2037	286,600.00	137,075.00	423,675.00
06/30/2038	286,800.00	135,805.00	422,605.00
06/30/2039	286,600.00	134,250.00	420,850.00
06/30/2040	286,000.00	137,410.00	423,410.00
	4,845,577.78	**2,319,401.33**	**7,164,979.11**

COST OF ISSUANCE

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds (LTGO)
Tax-Exempt Series A | Taxable Series B
Post-Pricing: 6/15/2023

	2023 Tax-Exempt Series A	2023 Taxable Series B	Total
MAC Fee	450.00	450.00	900.00
Treasury Filing Fee	700.00	300.00	1,000.00
Bond Consel Fee	25,200.00	10,800.00	36,000.00
Registered Municipal Advisor	20,580.00	8,820.00	29,400.00
Ratings Fee	12,600.00	5,400.00	18,000.00
Official Statement	525.00	225.00	750.00
	60,055.00	**25,995.00**	**86,050.00**

SOURCES AND USES OF FUNDS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Dated Date	06/29/2023
Delivery Date	06/29/2023

Sources:

Bond Proceeds:	
Par Amount	3,500,000.00
Original Issue Discount	(17,183.60)
Premium	94,288.05
	3,577,104.45

Uses:

Project Fund Deposits:	
Project Fund	3,473,327.41
Delivery Date Expenses:	
Cost of Issuance	60,055.00
Underwriter's Discount:	
Underwriter's Discount	35,000.00
Other Delivery Date Expenses:	
Bond Insurance (18 bps)	8,722.04
	3,577,104.45

BOND PRICING

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	04/01/2024	180,000	4.000%	3.390%	100.447	-	-	-	804.60
	04/01/2025	150,000	4.000%	3.330%	101.129	-	-	-	1,693.50
	04/01/2026	160,000	4.000%	3.210%	102.063	-	-	-	3,300.80
	04/01/2027	165,000	4.000%	3.110%	103.127	-	-	-	5,159.55
	04/01/2028	170,000	4.000%	3.120%	103.857	-	-	-	6,556.90
	04/01/2029	180,000	4.000%	3.140%	104.492	-	-	-	8,085.60
	04/01/2030	185,000	4.000%	3.120%	105.319	-	-	-	9,840.15
	04/01/2031	190,000	4.000%	3.150%	105.804	-	-	-	11,027.60
	04/01/2032	200,000	4.000%	3.170%	106.298	-	-	-	12,596.00
	04/01/2033	205,000	4.000%	3.240%	106.309	-	-	-	12,933.45
	04/01/2034	220,000	4.000%	3.380%	105.111 C	3.427%	04/01/2033	100.000	11,244.20
	04/01/2035	225,000	4.000%	3.580%	103.428 C	3.639%	04/01/2033	100.000	7,713.00
	04/01/2036	230,000	4.000%	3.820%	101.449 C	3.855%	04/01/2033	100.000	3,332.70
		2,460,000							**94,288.05**
Term Bond 2038:									
	04/01/2037	245,000	4.000%	4.100%	98.895	-	-	-	(2,707.25)
	04/01/2038	255,000	4.000%	4.100%	98.895	-	-	-	(2,817.75)
		500,000							**(5,525.00)**
Term Bond 2040:									
	04/01/2039	265,000	4.000%	4.180%	97.841	-	-	-	(5,721.35)
	04/01/2040	275,000	4.000%	4.180%	97.841	-	-	-	(5,937.25)
		540,000							**(11,658.60)**
		3,500,000							**77,104.45**

Dated Date	06/29/2023	
Delivery Date	06/29/2023	
First Coupon	10/01/2023	
Par Amount	3,500,000.00	
Premium	77,104.45	
Production	3,577,104.45	102.202984%
Underwriter's Discount	(35,000.00)	(1.000000%)
Purchase Price	3,542,104.45	101.202984%
Accrued Interest	-	
Net Proceeds	3,542,104.45	

BOND SUMMARY STATISTICS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Dated Date	06/29/2023
Delivery Date	06/29/2023
First Coupon	10/01/2023
Last Maturity	04/01/2040
Arbitrage Yield	3.742420%
True Interest Cost (TIC)	3.875755%
Net Interest Cost (NIC)	3.874836%
All-In TIC	4.101692%
Average Coupon	4.000000%
Average Life (years)	9.611
Weighted Average Maturity (years)	9.539
Duration of Issue (years)	7.765
Par Amount	3,500,000.00
Bond Proceeds	3,577,104.45
Total Interest	1,345,577.78
Net Interest	1,303,473.33
Bond Years from Dated Date	33,639,444.44
Bond Years from Delivery Date	33,639,444.44
Total Debt Service	4,845,577.78
Maximum Annual Debt Service	288,600.00
Average Annual Debt Service	289,192.31
Underwriter's Fees (per $1000)	
Average Takedown	-
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	101.202984

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Bond Component	2,460,000.00	103.833	4.000%	7.205	09/11/2030	6.199	1,461.00
Term Bond 2038	500,000.00	98.895	4.000%	14.266	10/03/2037	10.980	545.00
Term Bond 2040	540,000.00	97.841	4.000%	16.265	10/03/2039	12.052	637.20
	3,500,000.00			**9.611**			**2,643.20**

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,500,000.00	3,500,000.00	3,500,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	77,104.45	77,104.45	77,104.45
- Underwriter's Discount	(35,000.00)	(35,000.00)	
- Cost of Issuance Expense		(60,055.00)	
- Other Amounts	(8,722.04)	(8,722.04)	(8,722.04)
Target Value	3,533,382.41	3,473,327.41	3,568,382.41
Target Date	06/29/2023	06/29/2023	06/29/2023
Yield	3.875755%	4.101692%	3.742420%

BOND DEBT SERVICE

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2024	180,000	4.000%	105,777.78	285,777.78
06/30/2025	150,000	4.000%	132,800.00	282,800.00
06/30/2026	160,000	4.000%	126,800.00	286,800.00
06/30/2027	165,000	4.000%	120,400.00	285,400.00
06/30/2028	170,000	4.000%	113,800.00	283,800.00
06/30/2029	180,000	4.000%	107,000.00	287,000.00
06/30/2030	185,000	4.000%	99,800.00	284,800.00
06/30/2031	190,000	4.000%	92,400.00	282,400.00
06/30/2032	200,000	4.000%	84,800.00	284,800.00
06/30/2033	205,000	4.000%	76,800.00	281,800.00
06/30/2034	220,000	4.000%	68,600.00	288,600.00
06/30/2035	225,000	4.000%	59,800.00	284,800.00
06/30/2036	230,000	4.000%	50,800.00	280,800.00
06/30/2037	245,000	4.000%	41,600.00	286,600.00
06/30/2038	255,000	4.000%	31,800.00	286,800.00
06/30/2039	265,000	4.000%	21,600.00	286,600.00
06/30/2040	275,000	4.000%	11,000.00	286,000.00
	3,500,000		**1,345,577.78**	**4,845,577.78**

FORM 8038 STATISTICS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Dated Date	06/29/2023
Delivery Date	06/29/2023

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	04/01/2024	180,000.00	4.000%	100.447	180,804.60	180,000.00
	04/01/2025	150,000.00	4.000%	101.129	151,693.50	150,000.00
	04/01/2026	160,000.00	4.000%	102.063	163,300.80	160,000.00
	04/01/2027	165,000.00	4.000%	103.127	170,159.55	165,000.00
	04/01/2028	170,000.00	4.000%	103.857	176,556.90	170,000.00
	04/01/2029	180,000.00	4.000%	104.492	188,085.60	180,000.00
	04/01/2030	185,000.00	4.000%	105.319	194,840.15	185,000.00
	04/01/2031	190,000.00	4.000%	105.804	201,027.60	190,000.00
	04/01/2032	200,000.00	4.000%	106.298	212,596.00	200,000.00
	04/01/2033	205,000.00	4.000%	106.309	217,933.45	205,000.00
	04/01/2034	220,000.00	4.000%	105.111	231,244.20	220,000.00
	04/01/2035	225,000.00	4.000%	103.428	232,713.00	225,000.00
	04/01/2036	230,000.00	4.000%	101.449	233,332.70	230,000.00
Term Bond 2038:						
	04/01/2037	245,000.00	4.000%	98.895	242,292.75	245,000.00
	04/01/2038	255,000.00	4.000%	98.895	252,182.25	255,000.00
Term Bond 2040:						
	04/01/2039	265,000.00	4.000%	97.841	259,278.65	265,000.00
	04/01/2040	275,000.00	4.000%	97.841	269,062.75	275,000.00
		3,500,000.00			**3,577,104.45**	**3,500,000.00**

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2040	4.000%	269,062.75	275,000.00	-	-
Entire Issue	-	-	3,577,104.45	3,500,000.00	9.5394	3.7424%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	95,055.00
Proceeds used for credit enhancement	8,722.04
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Date	Debt Service	PV Factor	Present Value to 06/29/2023 @ 3.7424196353%
10/01/2023	35,777.78	0.990569171	35,440.37
04/01/2024	250,000.00	0.972374013	243,093.50
10/01/2024	66,400.00	0.954513070	63,379.67
04/01/2025	216,400.00	0.936980205	202,762.52
10/01/2025	63,400.00	0.919769390	58,313.38
04/01/2026	223,400.00	0.902874709	201,702.21
10/01/2026	60,200.00	0.886290357	53,354.68
04/01/2027	225,200.00	0.870010633	195,926.39
10/01/2027	56,900.00	0.854029941	48,594.30
04/01/2028	226,900.00	0.838342788	190,219.98
10/01/2028	53,500.00	0.822943783	44,027.49
04/01/2029	233,500.00	0.807827633	188,627.75
10/01/2029	49,900.00	0.792989143	39,570.16
04/01/2030	234,900.00	0.778423211	182,851.61
10/01/2030	46,200.00	0.764124832	35,302.57
04/01/2031	236,200.00	0.750089092	177,171.04
10/01/2031	42,400.00	0.736311165	31,219.59
04/01/2032	242,400.00	0.722786316	175,203.40
10/01/2032	38,400.00	0.709509897	27,245.18
04/01/2033	688,400.00	0.696477345	479,455.00
10/01/2033	25,400.00	0.683684179	17,365.58
04/01/2034	25,400.00	0.671126004	17,046.60
10/01/2034	25,400.00	0.658798502	16,733.48
04/01/2035	25,400.00	0.646697436	16,426.11
10/01/2035	25,400.00	0.634818647	16,124.39
04/01/2036	255,400.00	0.623158052	159,154.57
10/01/2036	20,800.00	0.611711644	12,723.60
04/01/2037	265,800.00	0.600475488	159,606.38
10/01/2037	15,900.00	0.589445721	9,372.19
04/01/2038	270,900.00	0.578618554	156,747.77
10/01/2038	10,800.00	0.567990265	6,134.29
04/01/2039	275,800.00	0.557557199	153,774.28
10/01/2039	5,500.00	0.547315773	3,010.24
04/01/2040	280,500.00	0.537262465	150,702.12
	4,818,777.78		**3,568,382.41**

Proceeds Summary

Delivery date	06/29/2023
Par Value	3,500,000.00
Premium (Discount)	77,104.45
Arbitrage expenses	(8,722.04)
Target for yield calculation	3,568,382.41

PROOF OF ARBITRAGE YIELD

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Tax-Exempt Series A
(Limited Tax General Obligation)
Post-Pricing 06.15.2023

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity
BOND	04/01/2034	4.000%	3.380%	04/01/2033	100.000	3.4114271%
BOND	04/01/2035	4.000%	3.580%	04/01/2033	100.000	3.6128962%

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity	Increase to Yield
BOND	04/01/2034	4.000%	3.380%	-	-	3.4563093%	0.0448822%
BOND	04/01/2035	4.000%	3.580%	-	-	3.6668067%	0.0539105%

SOURCES AND USES OF FUNDS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Taxable Series B
(Limited Tax General Obligation)

Dated Date	06/29/2023
Delivery Date	06/29/2023

Sources:	
Bond Proceeds:	
Par Amount	1,500,000.00
Premium	826.80
	1,500,826.80

Uses:	
Project Fund Deposits:	
Project Fund	1,455,656.88
Delivery Date Expenses:	
Cost of Issuance	25,995.00
Underwriter's Discount:	
Underwriter's Discount	15,000.00
Other Delivery Date Expenses:	
Bond Insurance (18 bps)	4,174.92
	1,500,826.80

BOND PRICING

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Taxable Series B
(Limited Tax General Obligation)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Term Bond 2028:						
	04/01/2024	75,000	5.000%	4.980%	100.076	57.00
	04/01/2025	60,000	5.000%	4.980%	100.076	45.60
	04/01/2026	60,000	5.000%	4.980%	100.076	45.60
	04/01/2027	65,000	5.000%	4.980%	100.076	49.40
	04/01/2028	70,000	5.000%	4.980%	100.076	53.20
		330,000				**250.80**
Term Bond 2033:						
	04/01/2029	70,000	5.100%	5.080%	100.144	100.80
	04/01/2030	75,000	5.100%	5.080%	100.144	108.00
	04/01/2031	80,000	5.100%	5.080%	100.144	115.20
	04/01/2032	85,000	5.100%	5.080%	100.144	122.40
	04/01/2033	90,000	5.100%	5.080%	100.144	129.60
		400,000				**576.00**
Term Bond 2040:						
	04/01/2034	90,000	5.700%	5.700%	100.000	-
	04/01/2035	100,000	5.700%	5.700%	100.000	-
	04/01/2036	105,000	5.700%	5.700%	100.000	-
	04/01/2037	110,000	5.700%	5.700%	100.000	-
	04/01/2038	115,000	5.700%	5.700%	100.000	-
	04/01/2039	120,000	5.700%	5.700%	100.000	-
	04/01/2040	130,000	5.700%	5.700%	100.000	-
		770,000				**-**
		1,500,000				**826.80**

Dated Date	06/29/2023	
Delivery Date	06/29/2023	
First Coupon	10/01/2023	
Par Amount	1,500,000.00	
Premium	826.80	
Production	1,500,826.80	100.055120%
Underwriter's Discount	(15,000.00)	(1.000000%)
Purchase Price	1,485,826.80	99.055120%
Accrued Interest	-	
Net Proceeds	1,485,826.80	

BOND SUMMARY STATISTICS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Taxable Series B
(Limited Tax General Obligation)

Dated Date	06/29/2023
Delivery Date	06/29/2023
First Coupon	10/01/2023
Last Maturity	04/01/2040
Arbitrage Yield	5.538692%
True Interest Cost (TIC)	5.679531%
Net Interest Cost (NIC)	5.625292%
All-In TIC	5.928742%
Average Coupon	5.529646%
Average Life (years)	9.879
Weighted Average Maturity (years)	9.877
Duration of Issue (years)	7.337
Par Amount	1,500,000.00
Bond Proceeds	1,500,826.80
Total Interest	819,401.33
Net Interest	833,574.53
Bond Years from Dated Date	14,818,333.33
Bond Years from Delivery Date	14,818,333.33
Total Debt Service	2,319,401.33
Maximum Annual Debt Service	138,760.00
Average Annual Debt Service	138,425.81
Underwriter's Fees (per $1000)	
Average Takedown	-
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	99.055120

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Term Bond 2028	330,000.00	100.076	5.000%	2.740	03/25/2026	2.547	138.60
Term Bond 2033	400,000.00	100.144	5.100%	7.881	05/16/2031	6.552	304.00
Term Bond 2040	770,000.00	100.000	5.700%	13.976	06/19/2037	9.763	816.20
	1,500,000.00			**9.879**			**1,258.80**

	TIC	All-In TIC	Arbitrage Yield
Par Value	1,500,000.00	1,500,000.00	1,500,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	826.80	826.80	826.80
- Underwriter's Discount	(15,000.00)	(15,000.00)	
- Cost of Issuance Expense		(25,995.00)	
- Other Amounts	(4,174.92)	(4,174.92)	(4,174.92)
Target Value	1,481,651.88	1,455,656.88	1,496,651.88
Target Date	06/29/2023	06/29/2023	06/29/2023
Yield	5.679531%	5.928742%	5.538692%

BOND DEBT SERVICE

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Taxable Series B
(Limited Tax General Obligation)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2024	75,000	5.000%	61,041.33	136,041.33
06/30/2025	60,000	5.000%	77,040.00	137,040.00
06/30/2026	60,000	5.000%	74,040.00	134,040.00
06/30/2027	65,000	5.000%	71,040.00	136,040.00
06/30/2028	70,000	5.000%	67,790.00	137,790.00
06/30/2029	70,000	5.100%	64,290.00	134,290.00
06/30/2030	75,000	5.100%	60,720.00	135,720.00
06/30/2031	80,000	5.100%	56,895.00	136,895.00
06/30/2032	85,000	5.100%	52,815.00	137,815.00
06/30/2033	90,000	5.100%	48,480.00	138,480.00
06/30/2034	90,000	5.700%	43,890.00	133,890.00
06/30/2035	100,000	5.700%	38,760.00	138,760.00
06/30/2036	105,000	5.700%	33,060.00	138,060.00
06/30/2037	110,000	5.700%	27,075.00	137,075.00
06/30/2038	115,000	5.700%	20,805.00	135,805.00
06/30/2039	120,000	5.700%	14,250.00	134,250.00
06/30/2040	130,000	5.700%	7,410.00	137,410.00
	1,500,000		**819,401.33**	**2,319,401.33**

FORM 8038 STATISTICS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Taxable Series B
(Limited Tax General Obligation)

Dated Date	06/29/2023
Delivery Date	06/29/2023

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Term Bond 2028:						
	04/01/2024	75,000.00	5.000%	100.076	75,057.00	75,000.00
	04/01/2025	60,000.00	5.000%	100.076	60,045.60	60,000.00
	04/01/2026	60,000.00	5.000%	100.076	60,045.60	60,000.00
	04/01/2027	65,000.00	5.000%	100.076	65,049.40	65,000.00
	04/01/2028	70,000.00	5.000%	100.076	70,053.20	70,000.00
Term Bond 2033:						
	04/01/2029	70,000.00	5.100%	100.144	70,100.80	70,000.00
	04/01/2030	75,000.00	5.100%	100.144	75,108.00	75,000.00
	04/01/2031	80,000.00	5.100%	100.144	80,115.20	80,000.00
	04/01/2032	85,000.00	5.100%	100.144	85,122.40	85,000.00
	04/01/2033	90,000.00	5.100%	100.144	90,129.60	90,000.00
Term Bond 2040:						
	04/01/2034	90,000.00	5.700%	100.000	90,000.00	90,000.00
	04/01/2035	100,000.00	5.700%	100.000	100,000.00	100,000.00
	04/01/2036	105,000.00	5.700%	100.000	105,000.00	105,000.00
	04/01/2037	110,000.00	5.700%	100.000	110,000.00	110,000.00
	04/01/2038	115,000.00	5.700%	100.000	115,000.00	115,000.00
	04/01/2039	120,000.00	5.700%	100.000	120,000.00	120,000.00
	04/01/2040	130,000.00	5.700%	100.000	130,000.00	130,000.00
		1,500,000.00			**1,500,826.80**	**1,500,000.00**

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2040	5.700%	130,000.00	130,000.00	-	-
Entire Issue	-	-	1,500,826.80	1,500,000.00	9.8769	5.5387%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	40,995.00
Proceeds used for credit enhancement	4,174.92
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds
Taxable Series B
(Limited Tax General Obligation)

Date	Debt Service	PV Factor	Present Value to 06/29/2023 @ 5.5386922341%
10/01/2023	20,646.33	0.986135029	20,360.07
04/01/2024	115,395.00	0.959561451	110,728.59
10/01/2024	38,520.00	0.933703956	35,966.28
04/01/2025	98,520.00	0.908543249	89,509.68
10/01/2025	37,020.00	0.884060553	32,727.92
04/01/2026	97,020.00	0.860237596	83,460.25
10/01/2026	35,520.00	0.837056602	29,732.25
04/01/2027	100,520.00	0.814500270	81,873.57
10/01/2027	33,895.00	0.792551768	26,863.54
04/01/2028	103,895.00	0.771194718	80,123.28
10/01/2028	32,145.00	0.750413179	24,122.03
04/01/2029	102,145.00	0.730191645	74,585.43
10/01/2029	30,360.00	0.710515025	21,571.24
04/01/2030	105,360.00	0.691368635	72,842.60
10/01/2030	28,447.50	0.672738186	19,137.72
04/01/2031	108,447.50	0.654609775	70,990.79
10/01/2031	26,407.50	0.636969875	16,820.78
04/01/2032	111,407.50	0.619805320	69,050.96
10/01/2032	24,240.00	0.603103302	14,619.22
04/01/2033	114,240.00	0.586851357	67,041.90
10/01/2033	21,945.00	0.571037356	12,531.41
04/01/2034	111,945.00	0.555649498	62,202.18
10/01/2034	19,380.00	0.540676300	10,478.31
04/01/2035	119,380.00	0.526106588	62,806.60
10/01/2035	16,530.00	0.511929489	8,462.19
04/01/2036	121,530.00	0.498134422	60,538.28
10/01/2036	13,537.50	0.484711094	6,561.78
04/01/2037	123,537.50	0.471649488	58,266.40
10/01/2037	10,402.50	0.458939855	4,774.12
04/01/2038	125,402.50	0.446572711	56,001.33
10/01/2038	7,125.00	0.434538826	3,096.09
04/01/2039	127,125.00	0.422829222	53,752.16
10/01/2039	3,705.00	0.411435158	1,524.37
04/01/2040	133,705.00	0.400348133	53,528.55
	2,319,401.33		**1,496,651.88**

Proceeds Summary

Delivery date	06/29/2023
Par Value	1,500,000.00
Premium (Discount)	826.80
Arbitrage expenses	(4,174.92)
Target for yield calculation	1,496,651.88

NEW ISSUE
BOOK-ENTRY-ONLY

RATING †: S&P Global Ratings Services: "AA" (Insured)/"AA-" (Underlying)
(See "RATING INFORMATION" herein)

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Village, (i) the interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes, and (ii) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The Village has designated the Tax-Exempt Bonds as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" and "APPENDIX E - FORMS OF APPROVING OPINION" herein for a description of certain provisions of the Code, which may affect the tax treatment of interest on the Bonds for certain Bondholders.

VILLAGE OF LAKE ORION
COUNTY OF OAKLAND, STATE OF MICHIGAN
2023 DOWNTOWN DEVELOPMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

$3,500,000
TAX-EXEMPT SERIES A

$1,500,000
FEDERALLY TAXABLE SERIES B

OFFICIAL STATEMENT

Dated: Date of Delivery

Principal Due: April 1, of each year as shown below

The 2023 Downtown Development Bonds (Limited Tax General Obligation), Tax-Exempt Series A (the "Tax-Exempt Bonds") and the 2023 Downtown Development Bonds (Limited Tax General Obligation), Federally Taxable Series B (the "Taxable Bonds," and together with the Tax-Exempt Bonds, the "Bonds") are being issued pursuant to the provisions of Act 57, Public Acts of Michigan, 2018, as amended (the "Act"), and resolutions adopted by the Board of Directors of the Lake Orion Downtown Development Authority (the "DDA") on October 11, 2022 and by the Village Council of the Village of Lake Orion, County of Oakland, State of Michigan (the "Village") on April 24, 2023 (together, the "Resolution") for the purpose of paying all or part of the costs to make certain improvements in the Downtown Development Area of the DDA").

The Bonds are payable in the first instance from certain tax increment revenues ("Tax Increment Revenues") to be collected by the DDA and remitted to the Village. See "EXPLANATION OF TAX INCREMENT REVENUES" herein. In addition, the Bonds will be a limited tax general obligation of the Village. The full faith and credit of the Village has been pledged for the prompt payment of principal and interest on the Bonds as the same shall become due. Each year the Village shall be obligated, as a first budget obligation, to advance moneys from its general funds for payment thereof and if necessary to levy ad valorem property taxes on all taxable property within its corporate boundaries. The ability of the Village to levy taxes to raise funds to pay such amounts shall be subject to applicable constitutional, statutory and charter tax limitations. The rights or remedies of Bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, as described herein.

Interest on the Bonds will be payable semi-annually on the first day of April and October of each year, commencing October 1, 2023. Principal and interest will be paid by the Village to The Huntington National Bank, Grand Rapids, Michigan, the paying agent for the Bonds, or its successor, which will in turn remit such principal and interest to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described in the Bonds and as referenced in certain proceedings of the Village referred to therein.

The record date of the Bonds will be the fifteenth day of the month preceding each interest payment date.

Certain of the Bonds are subject to redemption prior to maturity. See "REDEMPTION PROVISIONS" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **Build America Mutual Assurance Company**.

BAM
BUILD AMERICA MUTUAL

The Bonds will be offered when, as and if issued by the Village and accepted by the Underwriter subject to the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Dickinson Wright PLLC, Troy, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about June 29, 2023.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Huntington | CAPITAL MARKETS

The Date of this Official Statement is June 16, 2023.

†As of Date of Delivery.

MATURITY SCHEDULE
(Base CUSIP§: 510318)

VILLAGE OF LAKE ORION
COUNTY OF OAKLAND, STATE OF MICHIGAN
2023 DOWNTOWN DEVELOPMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

$3,500,000
TAX-EXEMPT SERIES A

Maturity (April 1)	Amount	Interest Rate	Price	CUSIP§	Maturity (April 1)	Amount	Interest Rate	Price	CUSIP§
2024	$180,000	4.00%	100.447	DP0	2031	$190,000	4.00%	105.804	DW5
2025	150,000	4.00	101.129	DQ8	2032	200,000	4.00	106.298	DX3
2026	160,000	4.00	102.063	DR6	2033	205,000	4.00	106.309	DY1
2027	165,000	4.00	103.127	DS4	2034	220,000	4.00	105.111*	DZ8
2028	170,000	4.00	103.857	DT2	2035	225,000	4.00	103.428*	EA2
2029	180,000	4.00	104.492	DU9	2036	230,000	4.00	101.449*	EB0
2030	185,000	4.00	105.319	DV7					

Amount	Interest Rate	Maturity	Price	CUSIP§
$500,000	4.00%	Term Bond Due April 1, 2038	98.895	ED6
$540,000	4.00%	Term Bond Due April 1, 2040	97.841	EF1

$1,500,000
FEDERALLY TAXABLE SERIES B

$330,000 4.98% Term Bonds Due April 1, 2028 – Price 100% CUSIP§ EG9
$400,000 5.08% Term Bonds Due April 1, 2033 – Price 100% CUSIP§ EH7
$770,000 5.70% Term Bonds Due April 1, 2040 – Price 100% CUSIP§ EJ3

* Priced to first optional call date, April 1, 2033.

§ CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Capital IQ. The CUSIP numbers are provided for convenience and reference only. Neither the Village nor the Underwriter are responsible for the selection or use of CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as set forth in this Official Statement.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the Village or the Underwriter. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Information herein has been obtained from the Village, The Depository Trust Company, and other sources believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING" which was obtained from the Underwriter).

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Official Statement, or, except for the Village, approved the Bonds for sale.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Exhibit G - Specimen Municipal Bond Insurance Policy".

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE VILLAGE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains forward-looking statements, which can be identified by the use of the future tense or other forward-looking terms such as "may," "intend," "will," "expect," "anticipate," "plan," "management believes," "estimate," "continue," "should," "strategy," or "position" or the negatives of those terms or other variations on them or by comparable terminology. In particular, any statements, express or implied, concerning future operating results or the ability to generate tax revenue or cash flow to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the Village's management believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially from any results indicated or suggested by those assumptions. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Official Statement should not be regarded as a representation by the Village that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statements contained in this paragraph. The Village undertakes no duty to update any forward-looking statements.

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VILLAGE OF LAKE ORION
COUNTY OF OAKLAND, STATE OF MICHIGAN
2023 DOWNTOWN DEVELOPMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

$3,500,000	**$1,500,000**
TAX-EXEMPT SERIES A	**FEDERALLY TAXABLE SERIES B**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by the Village of Lake Orion, County of Oakland, State of Michigan (the "Village") of its 3,500,000 aggregate principal amount of bonds designated 2023 Downtown Development Bonds (Limited Tax General Obligation), Tax-Exempt Series A (the "Tax-Exempt Bonds") and its $1,500,000 aggregate principal amount of bonds designated 2023 Downtown Development Bonds (Limited Tax General Obligation), Federally Taxable Series B (the "Taxable Bonds," and together with the Tax-Exempt Bonds, the "Bonds").

DESCRIPTION AND FORM OF THE BONDS

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated the Date of Delivery and will bear interest from that date. Interest on the Bonds shall be payable on October 1, 2023, and semiannually each April 1 and October 1 thereafter prior to maturity or earlier redemption. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

The Huntington National Bank, Grand Rapids, Michigan, or its successor will serve as paying agent (the "Transfer Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds which are held in the book-entry-only system, see "Book-Entry-Only System" below. In the event the Bonds cease to be held in the book-entry-only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. See "Transfer Outside Book-Entry-Only System" herein.

REDEMPTION PROVISIONS

OPTIONAL REDEMPTION

Bonds maturing in the years 2024 to 2033, inclusive, shall not be subject to optional redemption prior to maturity. Bonds or portions thereof in multiples of $5,000, maturing in the years 2034 through final maturity, inclusive, shall be subject to redemption prior to maturity, at the option of the Village, in any order of maturity and within any maturity by lot, on any date on or after April 1, 2033, at par and accrued interest to the date fixed for redemption.

MANDATORY REDEMPTION OF TAX-EXEMPT SERIES A TERM BONDS

The Tax-Exempt Bonds maturing on April 1, 2038 and April 1, 2040 are Term Bonds subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at

a redemption price equal to the principal amount thereof, without premium, together with accrued interest to the date fixed for redemption. When Term Bonds are purchased by the Issuer and delivered to the Transfer Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bonds affected shall be reduced by the principal amount of the Tax-Exempt Bonds so redeemed or purchased in the order determined by the Issuer.

Term Bonds Maturing on April 1, 2038

Redemption Dates (April 1)	Principal Amounts
2037	$245,000
2038 (maturity)	255,000

Term Bonds Maturing on April 1, 2040

Redemption Dates (April 1)	Principal Amounts
2039	$265,000
2040 (maturity)	275,000

MANDATORY REDEMPTION OF FEDERALLY TAXABLE SERIES B TERM BONDS

The Taxable Bonds maturing on April 1, 2028, April 1, 2033 and April 1, 2040 are Term Bonds subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at a redemption price equal to the principal amount thereof, without premium, together with accrued interest to the date fixed for redemption. When Term Bonds are purchased by the Issuer and delivered to the Transfer Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bonds affected shall be reduced by the principal amount of the Taxable Bonds so redeemed or purchased in the order determined by the Issuer.

Term Bonds Maturing on April 1, 2028

Redemption Dates (April 1)	Principal Amounts
2024	$75,000
2025	60,000
2026	60,000
2027	65,000
2028 (maturity)	70,000

Term Bonds Maturing on April 1, 2033

Redemption Dates (April 1)	Principal Amounts
2029	$70,000
2030	75,000
2031	80,000
2032	85,000
2033 (maturity)	90,000

Term Bonds Maturing on April 1, 2040

Redemption Dates (April 1)	Principal Amounts
2034	$90,000
2035	100,000
2036	105,000
2037	110,000
2038	115,000
2039	120,000
2040 (maturity)	130,000

NOTICE AND EFFECT OF REDEMPTION

If any Bonds are called for redemption, the Transfer Agent, on behalf of the Village, shall give notice of such redemption at least 30 days prior to the date fixed for redemption. As described herein under "Book-Entry-Only System", as long as the Bonds are registered in the name of DTC or its nominee, redemption notices will be given to DTC only. Conveyance of notices by DTC to DTC Participants and Indirect Participants and, in turn, by the DTC Participants and Indirect Participants to Beneficial Owners (as defined in "Book-Entry-Only System") will be governed by arrangements among them. No further interest on Bonds called for redemption shall accrue after the date fixed for redemption, whether the Bonds are presented for redemption or not, provided the Village has money available for such redemption.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the Village or the Transfer Agent as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the Village or the Transfer Agent to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Village nor the Transfer Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities

Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond of ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds of either issue are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or Transfer Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Transfer Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an

authorized representative of DTC) are the responsibility of the Village or the Transfer Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Village or the Transfer Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM

In the event the Book-Entry-Only System is discontinued, the Transfer Agent shall keep the registration books for the Bonds (the "Bond Register") at its designated corporate trust office. Subject to the further conditions contained in the Resolution (hereinafter defined), the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the principal corporate trust office of the Transfer Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Transfer Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations, the Transfer Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the Village and the Transfer Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution. No transfer or exchange made other than as described above and in the Resolution shall be valid or effective for any purposes under the Resolution.

LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY

ESTABLISHMENT AND HISTORY

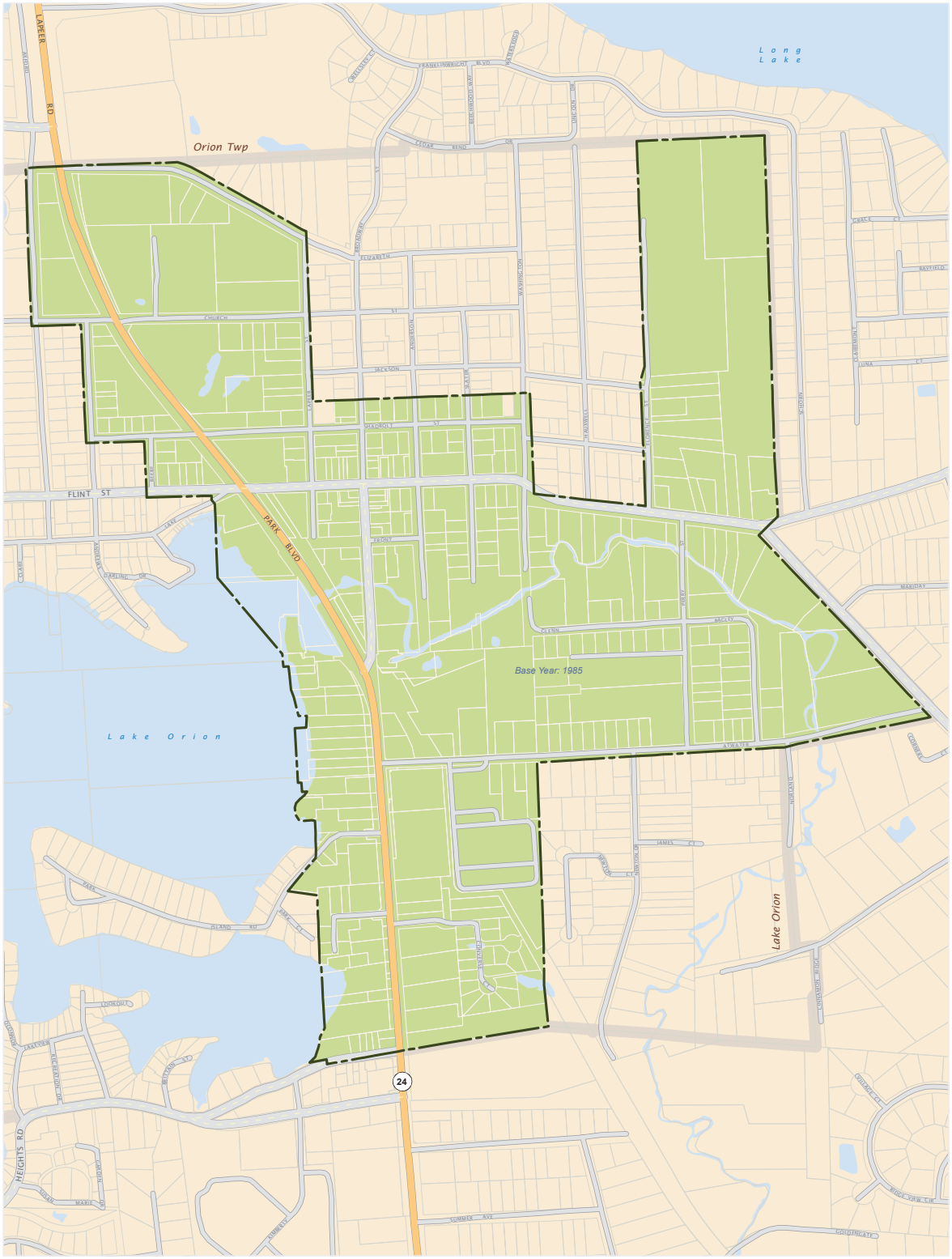
The Village Council created the DDA by Ordinance adopted on August 12, 1985, which designated the boundaries of the downtown development district within which the DDA has established its Development Area and carries out its Development Plan. The Village Council approved the appointment of Village President and eight (8) members appointed by the Village Council President subject to the approval of the Village Council. The DDA operates under the Act and the Lake Orion Charter and is governed by the adopted DDA By-Laws. In addition, the DDA administration consists of a full-time Executive Director, and additional support positions, as needed. The DDA adopted the original Tax Increment Financing and Development Plan (the "Plan") on December 12, 1985; that Plan was subsequently approved by the Village Council on December 16, 1985. The Plan has been amended four times as follows:

Plan Amendment	Adopted by DDA	Approved By Village Council
#1	August 27, 1987	August 31, 1987
#2	May 22, 1995	September 25, 1995
#3	February 13, 2001	April 23, 2001
#4	October 20, 2019	January 13, 2020

THE DEVELOPMENT AREA

The Development Area is contained within the corporate limits of the Village and is within the district under the jurisdiction of the Lake Orion Downtown Development Authority. The Development Area is generally east of Lake Orion and contains M-24, Atwater Street, Flint Street and Broadway as major roads and covers a land area of approximately 225 acres.

LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY MAP



Community Overview

Downtown Development Authority
Village of Lake Orion

Contact
Lois Golden
22 W. Flint Street
Lake Orion, MI 48362
248-693-9742

Statistics
Authority: 231 acres
Dev. Area: 231 acres
Millage: No

Main Street
Oakland County

Legend
- Authority Boundary
- Development/Capture Area — *Area defined in the development plan where TIF capture can occur.*

OAKLAND COUNTY MICHIGAN
L. Brooks Patterson, County Executive

0 300 600 Feet

Map date: February 26, 2008
Created by: Oakland County Planning and Economic Development Services

The information provided herewith has been compiled from recorded deeds, plats, tax maps, surveys and other public records. It is not a legally recorded map or survey and is not intended to be used as one. Users should consult the information sources mentioned above when questions arise.

HISTORICAL INFORMATION ON THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE VILLAGE OF LAKE ORION

HISTORY OF CAPTURED MILLAGES RATES OF THE TAXING JURISDICTIONS

Years	Village	Charter Township of Orion		Oakland County		Oakland County Parks		HCMA		Oakland Community College		Total Mills
2023	12.6756	5.2255	*	3.9686	*	0.3431	*	0.2070	*	1.4891	*	23.9089
2022	12.6756	5.2255		3.9686		0.3431		0.2070		1.4891		23.9089
2021	12.6756	5.2792		4.0132		0.3470		0.2089		1.5057		24.0296
2020	12.8533	5.3230		4.0200		0.3500		0.2104		1.5184		24.2751
2019	13.1021	4.2719		4.0400		0.2329		0.2117		1.5303		23.3889

* Estimate based on 2022 tax rates. Actual 2023 tax rates may vary.

HISTORICAL TAXABLE VALUATIONS

Year	Taxable Value	Caputured Value
2023	$ 49,279,170	$ 39,048,470
2022	46,490,130	36,259,430
2021	43,675,140	33,444,440
2020	41,703,990	31,473,290
2019	38,651,160	28,420,460
2018	37,355,340	27,124,640
2017	35,975,010	25,744,310
2016	34,743,880	24,513,180
2015	33,234,460	23,003,730
2014	32,551,970	22,321,270

ANALYSIS OF TAXABLE VALUE WITHIN THE DEVELOPMENT AREA

	BY CLASS		
	2023	2022	2021
Real Property	$ 47,720,210	$ 44,668,730	$ 41,798,250
Personal Property	1,558,960	1,821,400	1,876,890
TOTAL	$ 49,279,170	$ 46,490,130	$ 43,675,140

	BY USE		
	2023	2022	2021
Residential	$ 24,014,480	$ 22,289,850	$ 20,574,650
Commercial	23,705,730	22,378,880	21,223,600
Personal Property	1,821,400	1,821,400	1,876,890
TOTAL	$ 49,541,610	$ 46,490,130	$ 43,675,140

MAJOR TAXPAYERS LOCATED WITHIN THE DEVELOPMENT AREA

Taxpayer	2023 Taxable Value
BZ Lake Orion, LLC	$ 1,808,620
Connell & Sinagoga, Inc.	1,757,350
Aspen Group/Atwater SPE, LLC	975,580
BOH-Lake Orion, LLC - Walgreen	911,360
Lakes Community Credit Union	886,710
Reighard, Robert	788,520
Nyman, George	727,640
SBS MI 2021, LLC	693,220
Linwood Orion, LLC	691,450
Lapeer Road RR, LLC	689,340

EXPLANATION OF TAX INCREMENT FINANCING

Tax increment financing permits the DDA to capture tax revenues attributable to increases in the value of real and personal property in a development area within the Development District and to use the revenues to pay the costs of improvements which bring about that development.

At the time the Plan for the Development Area was approved by the Village Council and the Board of Directors of the DDA, the value of the property to which the Plan pertained (the "Initial Assessed Value") was established. The Initial Assessed Value was the final State Equalized Value of the property in the Development Area on tax date, December 31, 1984, as finally equalized on the fourth Monday in May 1985.

In each subsequent year, for the duration of the Plan, the "Current Assessed Value" of the property in the Development Area will be determined. The Current Assessed Value for each year is the State Equalized Value of the property for that year.

The amount by which the Current Assessed Value exceeds the Initial Assessed Value in any one year is the "Captured Assessed Value." Subject to certain limitations described below, for the duration of the Plan, the DDA receives that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the property included in the Development Area (subject to the provisions of agreements for the sharing of Captured Assessed Value).

The Michigan legislature has limited the ability of the DDA to receive as Tax Increment Revenues a share of the education property taxes of the State, local school districts and intermediate school districts. Specifically, the DDA may not capture as Tax Increment Revenues, property tax levies of the State, the Lake Orion Community Schools, the Oakland Intermediate School District or any other school district property tax levies, to pay principal of and interest on the Bonds. The DDA may, however, capture as Tax Increment Revenues, a share of the property tax levies of the Village, the Charter Township of Orion, County of Oakland, Oakland County Parks, Huron Clinton Metro Authority ("HCMA") and Oakland Community College for payment of debt service on the Bonds.

The Municipal Advisor (as hereafter defined) has sized the Bonds and structured the semi-annual payments on the Bonds based upon tax rates currently levied by the Village, the Charter Township of Orion, County of Oakland, Oakland County Parks, HCMA and Oakland Community College so that sufficient Tax Increment Revenues are expected to be available to pay the principal of and interest on the Bonds as they become due.

THERE IS NO ASSURANCE THAT GROWTH WILL OCCUR AS SHOWN OR THAT THE PROJECTIONS OR THE TAX RATES WILL REMAIN IN EFFECT FOR THE DURATION OF THE PLAN. THERE IS NO ASSURANCE THAT FEDERAL AND/OR STATE LEGISLATION WILL NOT BE ADOPTED THAT WILL HAVE AN IMPACT ON THE ABILITY TO CAPTURE SUFFICIENT TAX INCREMENT REVENUES PURSUANT TO THE PLAN TO MEET THE DEBT SERVICE OBLIGATIONS ON THE BONDS.

PROJECTED TAX INCREMENT REVENUES

The Bonds and the interest thereon are payable in the first instance from Tax Increment Revenues to be received by the DDA pursuant to the Plan. The Tax Increment Revenues have been pledged to the payment of the Bonds in the Resolution. "Tax Increment Revenues" are defined in the Resolution as being tax increment revenues, as defined under the Act and as including any revenues received by the DDA in substitution for ad valorem property taxes which would otherwise be a part of tax increment revenues under the Act, including state paid reimbursements for property tax exemptions and taxes levied in lieu of property taxes.

A summary of the projected amount of the Captured Taxable Value of the Development Area and the estimated Tax Increment Revenues to be received by the DDA during the term of the Bonds may be found in the Schedule of Estimated DDA Tax Increment Revenues, Expenditures, Debt Service and Debt Service Coverage (the "Schedule") on page 9, below.

Tax Increment Revenues have been estimated by the DDA based upon the assumptions detailed herein. The assumptions are based upon factors beyond the control of the DDA and there is, therefore, no assurance that these projections will be achieved. Many factors may prevent the projections from being achieved. These include yearly changes in the tax rates of the various taxing entities, the rate of property value inflation, the construction plans of private individuals and companies, and unpredictable legislative changes affecting assessment ratios, personal property multipliers, assessed valuation exemptions, and tax rates. Certain Village, Charter Township of Orion, Oakland Community College, and Oakland County tax rates are subject to periodic renewal by the electors and may not be renewed. Legislative changes exempting particular types of property from taxation may cause a drop in revenues. Changes in business operations may cause equipment to become obsolete and lose value to a greater extent than that projected. Limitations imposed by the State Constitution on the annual increase in valuation of each parcel of property may reduce assessment growth and Captured Taxable Values below assumed rates and levels. Challenges to property valuations by individual taxpayers may result in a reduction in those taxes due to a reduction in valuations through the appeal process.

The application of the existing tax rates against the above valuation results in Tax Increment Revenues. The tax rates (per $1,000 of Taxable Value) used to determine the projected Tax Increment Revenues for each taxing jurisdiction are as follows (debt millage is not captured by DDA):

CAPTURED MILLAGES (MINUS DEBT MILLAGES)

	2023		2022		2021	
Village of Lake Orion	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence
- Operating	9.7844	9.7844	9.7844	9.7844	9.7844	9.7844
- Police	2.6899	2.6899	2.6899	2.6899	2.6899	2.6899
- Headlee Override	0.2013	0.2013	0.2013	0.2013	0.2013	0.2013
Charter Townshp of Orion **	5.2255	5.2255	5.2255	5.2255	5.2792	5.2792
County of Oakland **	3.9686	3.9686	3.9686	3.9686	4.0132	4.0132
Oakland County Parks **	0.3431	0.3431	0.3431	0.3431	0.3470	0.3470
HCMA **	0.2070	0.2070	0.2070	0.2070	0.2089	0.2089
Oakland County Community College **	1.4891	1.4891	1.4891	1.4891	1.5057	1.5057
Total All Jurisdictions	23.9089	23.9089	23.9089	23.9089	24.0296	24.0296

** Esitmate, based on 2022 tax rates. Actual 2023 tax rates may vary.

Source: Oakland County Equalization Department.

The Schedule displays the basis for calculating the estimates of Tax Increment Revenues of the DDA during the term of the Bonds and demonstrates that, based upon those estimates and the assumptions discussed below, sufficient revenues are expected to be available for payment of principal and interest on the Bonds when due.

The Taxable Valuations and Tax Increment Revenues expressed in the Schedule have been estimated by the DDA based upon the assumptions described in the footnotes of the Schedule, as well as the assumption that (1) the same millage rates will continue to be levied by the taxing jurisdictions within the Development Area and those levies will be made at the same time as at present, (2) existing delinquency rates and delinquency payment mechanisms will continue for the term of the Bonds, (3) the Taxable Value of real and personal property in the Development Area increases in accordance with the footnote on the Schedule, (4) no growth is assumed for the personal property in the Development Area, and (5) no new legislative or regulatory conditions or restrictions are placed on the capture or collection of Tax Increment Revenues by the DDA. The assumptions are based upon factors beyond the DDA's or the Village's control and there is, therefore, no assurance that these projections will be achieved.

The Schedule sets forth the estimated debt service requirements on the Bonds.

The Schedule also sets forth a schedule of payment dates for the Bonds that have been structured so that, based upon tax rates currently levied and the current time schedule of the levies, Tax Increment Revenues should be available to the Village to pay the principal of and interest on the Bonds as they become due.

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SCHEDULE OF ESTIMATED DDA TAX INCREMENT REVENUES, EXPENDITURES, DEBT SERVICE AND DEBT SERVICE COVERAGE FOR THE BONDS

Village of Lake Orion
County of Oakland, State of Michigan
2023 Downtown Development Bonds, Series A & B
(Limited Tax General Obligation)
Schedule of Estimated DDA Tax Increment Revenues, Expenditures, Debt Service and Debt Service Coverage

Fiscal Year Ending	Taxable Value (1)	Base Year Taxable Value (2)	Captured Taxable Value	Captured Millage Levy	Captured Revenue (3)	Net Revenues Available For Debt Service (4)	Series 2023 A Debt Service (5)	Series 2023 B Debt Service (6)	Excess Captured Revenues	Cummulative Excess Captured Revenues	Debt Service Coverage
2024	$49,771,962	$10,230,700	$39,541,262	23.9089	$945,388	$945,388	$285,778	$135,931	$523,679	$523,679	2.24
2025	50,269,681	10,230,700	40,038,981	23.9089	957,288	957,288	282,800	136,909	537,579	1,061,258	2.28
2026	50,772,378	10,230,700	40,541,678	23.9089	969,307	969,307	286,800	133,921	548,586	1,609,844	2.30
2027	51,280,102	10,230,700	41,049,402	23.9089	981,446	981,446	285,400	135,933	560,113	2,169,957	2.33
2028	51,792,903	10,230,700	41,562,203	23.9089	993,707	993,707	283,800	137,696	572,211	2,742,168	2.36
2029	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	287,000	134,210	584,880	3,327,047	2.39
2030	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	284,800	135,654	585,636	3,912,683	2.39
2031	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	282,400	136,844	586,846	4,499,529	2.40
2032	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	284,800	137,780	583,510	5,083,038	2.38
2033	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	281,800	138,462	585,828	5,668,866	2.39
2034	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	288,600	133,890	583,600	6,252,466	2.38
2035	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	284,800	138,760	582,530	6,834,995	2.38
2036	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	280,800	138,060	587,230	7,422,225	2.40
2037	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	286,600	137,075	582,415	8,004,640	2.37
2038	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	286,800	135,805	583,485	8,588,124	2.38
2039	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	286,600	134,250	585,240	9,173,364	2.39
2040	52,310,832	10,230,700	42,080,132	23.9089	1,006,090	1,006,090	286,000	137,410	582,680	9,756,044	2.38

***** Source - Village of Lake Orion and Village of Lake Orion Downtown Development Authority***

(1) Assumes 2023 DDA Taxable Value and forecasted growth for the years 2024-2029 of 1.0% and 0.00% growth thereafter.
(2) Base Line Taxable Value as set when the Downtown Development Authority ("DDA") was established and value equalized in December 12, 1985.
(3) Gross DDA Revenues are based on the Captured Taxable Value and a tax rate of 23.9089 which reflects the eligible captured millage for 2022. Future tax rates may vary.
(4) Net DDA revenues available for debt service.
(5) Debt service on Series 2023A Bonds at a true interest cost of 3.88%.
(6) Debt service on Series 2023B Bonds at a true interest cost of 5.68%.

THE PROJECT

DESCRIPTION

The Bonds are issued for the purpose of paying all or part of the costs of acquiring, constructing, furnishing and equipping a gateway into the downtown area of the Village, including enhanced park space along the Paint Creek Trail, additional public parking, and mixed-use buildings, together with all related site improvements and appurtenances (together the "Projects"), and the costs incidental to the issuance, sale and delivery of the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES	2023 Tax-Exempt Series A	2023 Taxable Series B	Total
Par Amount of Bonds	3,500,000.00	1,500,000.00	5,000,000.00
Net Original Issue Premium	77,104.45	-	77,104.45
Total Sources	**3,577,104.45**	**1,500,000.00**	**5,077,104.45**
USES			
Deposit to Construction Fund	3,473,327.41	1,454,831.54	4,928,158.95
Underwriter's Discount	35,000.00	15,000.00	50,000.00
Estimated Costs of Issuance*	68,777.04	30,168.46	98,945.50
Total Uses	**3,577,104.45**	**1,500,000.00**	**5,077,104.45**

*Includes, but is not limited to, financial, legal, bond insurance and rating fees.

AUTHORITY

The Bonds are being issued pursuant to the provisions of Act 57, Public Acts of Michigan, 2018, as amended, Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") and resolutions duly adopted by the Board of Directors of the DDA on October 11, 2022 and by the Village Council of the Village on April 24, 2023 (the "Bond Resolution").

MUNICIPAL FINANCE QUALIFYING STATEMENT

The Village has filed a Qualifying Statement for the fiscal year ended June 30, 2022. The Michigan Department of Treasury has determined that the Village is in material compliance with the criteria identified in Section 303(3) of Act 34.

SECURITY

The Bonds are payable in the first instance from certain tax increment revenues ("Tax Increment Revenues") to be collected by the DDA and remitted to the Village. See "EXPLANATION OF TAX INCREMENT REVENUES" herein. In addition, the Bonds will be a limited tax general obligation of the Village. The full faith and credit of the Village has been pledged for the prompt payment of principal and interest on the Bonds as the same shall become due. Each year the Village shall be obligated, as a first budget obligation, to advance moneys from its general funds for payment thereof and if necessary to levy ad valorem property taxes on all taxable property within its corporate boundaries. The ability of the Village to levy taxes to raise funds to pay such amounts shall be subject to applicable constitutional, statutory and charter tax limitations.

The rights and remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Tax-Exempt Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions as defined in the Code.

TAX MATTERS FOR TAX-EXEMPT BONDS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes. Bond Counsel is also of the opinion that, under existing law, the Tax-Exempt Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Tax-Exempt Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Village contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Tax-Exempt Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State of Michigan income tax purposes. The Village has covenanted to take the actions required of it for the interest on the Tax-Exempt Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinions assume the accuracy of the Village's certifications and representations and the continuing compliance with the Village's covenants. Noncompliance with these covenants by the Village may cause the interest on the Tax-Exempt Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds. After the date of issuance of the Tax-Exempt Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal and State of Michigan income tax purposes of interest on the Tax-Exempt Bonds or the market prices of the Tax-Exempt Bonds.

The opinions of Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent Bond Counsel's legal judgment as to the excludability of interest on the Tax-Exempt Bonds from gross income for federal and State of Michigan income tax purposes but are not a guarantee of that conclusion. The federal income tax opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Code, the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Tax-Exempt Bonds. Bond Counsel will express no opinion regarding any such consequences.

TAX TREATMENT OF ACCRUALS ON ORIGINAL ISSUE DISCOUNT BONDS

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Tax-Exempt Bond is less than the stated redemption price of such Tax-Exempt Bonds at maturity, then such

Tax-Exempt Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Tax-Exempt Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

AMORTIZABLE BOND PREMIUM

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Tax-Exempt Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Tax-Exempt Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Tax-Exempt Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

MARKET DISCOUNT

The "market discount rules" of the Code apply to the Tax-Exempt Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Tax-Exempt Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Tax-Exempt Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the

interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Tax-Exempt Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

FUTURE DEVELOPMENTS

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds and, unless separately engaged, bond counsel is not obligated to defend the Village in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Tax-Exempt Bonds, under current IRS procedures, the IRS will treat the Village as the taxpayer and the beneficial owners of the Tax-Exempt Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE TAX-EXEMPT BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE TAX-EXEMPT BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE TAX-EXEMPT BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE TAX-EXEMPT BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE TAX-EXEMPT BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE TAX-EXEMPT BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

TAX MATTERS FOR TAXABLE BONDS

In the opinion of the Bond Counsel, interest on the Taxable Bonds is not excludable from gross income for federal income tax purposes under the Code. The Taxable Bonds and interest thereon and income from the Taxable Bonds are exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan. We express no opinion regarding any other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Taxable Bonds.

The following is a summary of certain of the United States federal income tax consequences of the ownership of the Taxable Bonds as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as the Treasury Regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect,

that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Taxable Bonds generally and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, it generally is addressed only to original purchasers of the Taxable Bonds that are "U.S. holders" (as defined below), deals only with those Taxable Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, FASITs, S corporations, persons that hold the Taxable Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of the Taxable Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of a Taxable Bond. A "non U.S. holder" is a holder (or beneficial owner) of a Taxable Bond that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in the Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

The Taxable Bonds will be treated, for federal income tax purposes as a debt instrument. Accordingly, interest will be included in the income of a holder as it is paid (or, if the holder is an accrual method taxpayer. as it is accrued) as interest.

Bondholders that have a basis in the Taxable Bonds that is greater than the principal amount of the Taxable Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

If a Bondholder purchases the Taxable Bonds for an amount that is less than the adjusted issue price of the Taxable Bonds, and such difference is not considered to be de minimis, then such discount will represent market discount. Absent an election to accrue market discount currently, upon a sale or exchange of a Taxable Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount bond that does not exceed the accrued market discount for any taxable year, will be deferred.

Although the Taxable Bonds are expected to trade "flat," that is, without a specific allocation to accrued interest, for federal income tax purposes, a portion of the amount realized on sale attributed to the Taxable Bonds will be treated as accrued interest and thus will be taxed as ordinary income to the seller (and will not be subject to tax in the hands of the buyer).

The Taxable Bonds may be issued with original issue discount ("OID"). Accordingly, Bondholders will be required to include OID in gross income as it accrues under a constant yield method, based on the original yield to maturity of the Taxable Bond. Thus, Bondholders will be required to include OID in income as it accrues, prior to the receipt of cash attributable to such income. U.S. holders, however, would be entitled to claim a loss upon maturity or other disposition of such notes with respect to interest amounts accrued and included in gross income for which cash is not received. Such a loss generally would be a capital loss. Bondholders that purchase a Taxable Bond for less than its adjusted issue price (generally its accreted value) will have purchased such Taxable Bond with market discount unless such difference is considered to be de minimis. Absent an election to accrue market discount currently, upon sale or exchange of a Taxable Bond, a portion of any gain will be ordinary income to the extent it represents the amount of any such market discount that was accrued through the date of

sale. In addition, absent an election to accrue market discount currently, the portion of any interest expense incurred or continued to carry a market discount bond that does not exceed the accrued market discount for any taxable year will be deferred. A Bondholder that has a basis in the Taxable Bond that is greater that its adjusted issue price (generally its accreted value), but that is less than or equal to its principal amount, will be considered to have purchased the Taxable Bond with "acquisition premium." The amount of OID that such Bondholder must include in gross income with respect to such Taxable Bonds will be reduced in proportion that such excess bears to the OID remaining to be accrued as of the acquisition of the Taxable Bond. A Bondholder may have a basis in its pro rata share of the Taxable Bonds that is greater that the principal amount of such Taxable Bonds. Bondholders should consult their own tax advisors with respect to whether or not they should elect to amortize such premium, if any, with respect to such Taxable Bonds under Section 171 of the Code.

Upon a sale, exchange or retirement of a Taxable Bond, a holder generally will recognize taxable gain or loss on such Taxable Bond equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the Bondholder's adjusted tax basis in such Taxable Bond. Defeasance of the Taxable Bonds may result in a reissuance thereof, in which event an owner will also recognize taxable gain or loss as described in the preceding sentence. Such gain or loss generally will be capital gain (although any gain attributable to accrued market discount of the Taxable Bond not yet taken into income will be ordinary). The adjusted basis of the holder in a Taxable Bond will (in general) equal its original purchase price and decreased by any principal payments received on the Taxable Bond. In general, if the Taxable Bond is held for longer than one year, any gain or loss would be long term capital gain or loss, and capital losses are subject to certain limitations.

In additional to regular income tax, certain non-corporate U.S. holders will owe a 3.8 percent tax on the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" of the Bondholder over $200,000 for unmarried individuals ($250,000 for married couples filing jointly and a surviving spouse). Bondholders should consult with their own tax advisors regarding the application of such net investment income tax.

In general, information reporting requirements will apply to non-corporate holders of the Taxable Bonds with respect to payments of principal, payments of interest, and the accrual of original issue discount on a Taxable Bond and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding may apply to holders of Taxable Bonds under Section 3406 of the Code. Any amounts withheld under backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the requested information is furnished to the Internal Revenue Service.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. The opinion of Bond Counsel will be substantially in the form as set forth in Appendix E.

Certain legal matters will be passed upon for the Underwriter by its counsel, Dickinson Wright PLLC, Troy, Michigan.

BOND COUNSEL'S RESPONSIBILITY

The fees of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel") for services rendered in connection with its approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds and the exemption of the Bonds and the interest thereon from taxation, as applicable, and as hereafter stated, Bond Counsel has not been retained to examine or review, and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and

accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has not been retained to review this Official Statement for accuracy or completeness, and has not made inquiry of any official or employee of the Village or any other person regarding, and has made no independent verification of, such other portions hereof, and further has not expressed and will not express an opinion as to any portions hereof.

REGISTERED MUNICIPAL ADVISOR TO THE VILLAGE

Bendzinski & Co. Municipal Finance Advisors, Grosse Pointe, Michigan, (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the Village to provide certain financial advisory services relating to the planning, structuring and issuance of the Bonds, including preparation of certain parts of the deemed "final" Preliminary Official Statement and the final Official Statement ('the "Official Statements"). The information contained in the Official Statements was prepared in form by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan, in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in part of the Official Statements, which it assisted in preparing, while it may be summarized is (i) complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material fact, or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor is not engaged in the business of underwriting, trading, marketing or the distribution of securities or any other negotiable instruments. The Municipal Advisor's duties, responsibilities and fees arise solely as Registered Municipal Advisor to the Village, and it has not secondary obligation or other responsibility. The Municipal Advisor's fees are expected to be paid from Bond proceeds.

UNDERWRITING

Huntington Securities, Inc., d/b/a Huntington Capital Markets (the "Underwriter"), has agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the Village. The Bond Purchase Agreement provides, in part, that the Underwriter, subject to certain conditions, will purchase from the Village the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering prices as set forth on the cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover hereto. The offering prices may be changed from time to time by the Underwriter. The aggregate underwriting fee equals 1 percent of the aggregate principal amount of the Bonds.

The Bond Purchase Agreement provides that the obligations of the Underwriter are subject to certain conditions, including, among other things, that (i) no event has occurred which impairs or threatens to impair the status of the Bonds or interest thereon as exempt from taxation in the State (except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof) and the interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes and (ii) proceedings relating to the Bonds are not pending or threatened by the Securities and Exchange Commission.. The Bond Purchase Agreement further provides that the Village will provide to the Underwriter within seven (7) business days of the date of the Bond Purchase Agreement sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $476.6million, $196.7 million and $279.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and

may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RATING INFORMATION

S&P Global Ratings ("S&P") has assigned its municipal bond rating of "AA" to the Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy will be issued by BAM. In addition, S&P has assigned its underlying rating of "AA-" to the Bonds. No application has been made to any other ratings service for a rating on the Bonds. The Village furnished to S&P certain materials and information in addition to that provided here. Generally, the rating agency bases its rating on such information and materials, and on investigations, studies and assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Any rating assigned represent only the view of S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, NY 10014, (212) 438-1000.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the Village will execute a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners (as defined in the Undertaking) of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") electronically through the MSRB's Electronic Municipal Market Access System ("EMMA"), pursuant to the requirements of section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, are set forth in Appendix F - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to this Official Statement.

A failure by the Village to comply with the Undertaking will not constitute an event of default under the Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking.

A failure by the Village to comply with the Undertaking must be reported by the Village in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Village has not previously undertaken any continuing disclosure obligations pursuant to the Rule. The Village has been made aware of its obligations pursuant to the Rule and the Undertaking and has taken steps intended to ensure that it will meet its obligations in a timely manner, including hiring a third-party consultant to assist with preparation and filing of the required information pursuant to the Rule and the Undertaking.

ABSENCE OF CERTAIN LITIGATION

According to Village Attorney, Ms. Mary M. Kucharek, Beier Howlett, PC, there is no litigation to her knowledge, pending or threatened, in any court (either state or federal) which seeks to restrain or enjoin the issuance or delivery of the Bonds, which questions (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the legal existence of the Village and the DDA or the title to the office of the present officials of the Village and the DDA, or (iv) the ability of the Village and the DDA to operate or any other matter which may materially affect the financial condition of the Village and the DDA.

OTHER MATTERS

The Village certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the Village and its economic and financial condition, is true and correct as of its date, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading. All information contained in this Official Statement, other than that provided by the Village, is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of such information. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The information contained herein is subject to revision, amendment and completion. As of its date, the Preliminary Official Statement was deemed "final" by the Village for purposes of paragraph (b)(1) of the Rule.

Section 20. **Michigan Law.** This Agreement shall be governed by the laws of the State of Michigan.

Section 21. **Electronic Mail/Facsimile Signatures**. The parties agree that the execution and transmittal of this Agreement by facsimile transmission or e-mail shall be of the same binding effect as a handwritten execution original copy of the Agreement.

Section 22. **CUSTOMER NOTICE REQUIRED BY THE USA PATRIOT ACT.** To help the US government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (whether an individual or organization) for which a relationship is established. We ask that you be prepared to provide certain information (legal name, physical address, tax identification or other government approved registration number, Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization, etc.) that will help us to identify you/your organization.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers as of the date first above written.

Village of Lake Orion

By _____
Name: DARWIN D.P. McCLARY
Title: VILLAGE MANAGER

The Huntington National Bank,
Agent

By _____

Name:	Patrick O'Donnell
Title:	Vice President

APPENDIX A

VILLAGE OF LAKE ORION
GENERAL DESCRIPTION AND
STATISTICAL INFORMATION

VILLAGE OF LAKE ORION

LOCATION AND DESCRIPTION

The Village of Lake Orion (the "Village") is located in the Charter Township of Orion in the northern portion of the County of Oakland. The Village encompasses approximately 1.3 square miles.

FORM OF GOVERNMENT

The Village operates under the Council - Manager form of government. The Village Council (the "Council") consists of seven members. Of the four At-Large-Councilmen, the three receiving the highest number of votes will hold office for four years and the one who receives the fourth highest number of votes will hold office for two years. The President and President Pro-Tem positions are elected by the Council. The Village Clerk, Attorney and Manager are appointed by the Council and serve at its pleasure.

POPULATION

2020 U.S. Census	2,876
2010 U.S. Census	2,973
2000 U.S. Census	2,715

FISCAL YEAR

July 1 to June 30

PROPERTY VALUATIONS

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, the Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the lesser of 1.05% or the inflation rate, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under the Michigan Plant Rehabilitation and Industrial Development District Act, Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") are recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

APPEAL OF PROPERTY ASSESSMENTS

Property taxpayers may appeal their assessments to the local Board of Review and then to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. The Village has several tax appeals pending before the Tax Tribunal (including personal property appeals); none of the tax appeals pending are expected to have a significant impact on the Village's State Equalized Valuation, Taxable Value or the resulting taxes.

INDUSTRIAL FACILITIES TAX

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198") provides significant property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198.

The Village does not have any IFT exemption certificates currently outstanding.

HISTORY OF PROPERTY VALUATIONS

Year	State Equalized Valuation	Taxable Value
2023	$251,506,030	$175,919,710
2022	217,737,590	162,490,360
2021	209,601,680	152,495,600
2020	198,319,930	145,831,500
2019	181,547,760	136,985,420
2018	168,516,410	130,529,990
2017	166,466,500	124,396,990
2016	150,828,140	119,173,190
2015	139,512,330	114,342,030
2014	126,023,500	109,724,880

An analysis of **State Equalized Valuation** is as follows:

	BY CLASS		
	2023	2022	2021
Real Property	$ 246,429,730	$ 213,031,400	$ 204,803,770
Personal Property	5,076,300	4,706,190	4,797,910
TOTAL	$ 251,506,030	$ 217,737,590	$ 209,601,680

	BY USE		
	2023	2022	2021
Residential	$212,251,430	$181,836,580	$175,060,770
Commercial	34,128,810	31,147,380	29,697,650
Industrial	49,490	47,440	45,350
Personal Property	5,076,300	4,706,190	4,797,910
TOTAL	$251,506,030	$217,737,590	$209,601,680

An analysis of **Taxable Value** is as follows:

	BY CLASS		
	2023	2022	2021
Real Property	$ 170,830,720	$ 157,766,260	$ 147,679,160
Personal Property	5,088,990	4,724,100	4,816,440
TOTAL	$ 175,919,710	$ 162,490,360	$ 152,495,600

	BY USE		
	2023	2022	2021
Residential	$ 144,983,900	$ 133,420,960	$ 124,363,540
Commercial	25,802,670	24,303,240	23,274,890
Industrial	44,150	42,060	40,730
Personal Property	5,088,990	4,724,100	4,816,440
TOTAL	$ 175,919,710	$ 162,490,360	$ 152,495,600

Source: Oakland County Equalization Department

MICHIGAN PROPERTY TAX REFORM

The enactment of Michigan Public Acts 153 and 154 of 2013, together with subsequent enactment of Michigan Public Acts 80 and 86 through 93 of 2014, significantly reformed personal property tax in Michigan. The voters of the State approved a referendum on August 4, 2014, to which all of these acts were tied, and therefore these acts will continue in effect.

Under these acts, owners of industrial and commercial personal property with a total true cash value of $180,000 or less may annually file an affidavit claiming a personal property tax exemption. To be eligible for the exemption, all of the commercial or industrial personal property within a city or township that is owned by, leased to, or controlled by the claimant has to have accumulated true cash value of $180,000 or less. Beginning in 2016, owners of certain eligible manufacturing personal property that was either purchased after December 31, 2012, or that is a least 10 years old have been able to claim an exemption from personal property tax by filing an affidavit claiming the exemption. By 2022, all eligible manufacturing personal property was at least 10 years old or purchased after December 31, 2012, so that it could be exempted from personal property tax.

To replace revenues lost by local governments, due to these exemptions, a portion of the current State use tax is set aside as a "local community stabilization share" that will not be subject to the annual appropriations process and is automatically provided to a "local community stabilization authority" for distribution pursuant to a statutory formula anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The Village received $4,891.72 from the Local Community Stabilization Authority to replace personal property tax revenues during the fiscal year ended June 30, 2022.

MAJOR TAXPAYERS

According to Village officials, the 2023 State Equalized Valuation and the 2023 Taxable Value of each of the Village's major taxpayers is as follows:

Taxpayer	2023 State Equalized Valuation	2023 Taxable Value
DTE Energy	$ 2,556,720	$ 2,551,800
BZ Lake Orion, LLC	2,534,010	2,083,990
Connell & Sinagoga, Inc.	2,489,230	1,757,350
Heritage Place Dept. of Treasury	1,431,140	1,015,210
Aldridge, Keith Albert	1,359,680	1,214,220
Aspen Group/Atwater SPE, LLC	1,329,670	975,580
Lakes Community Credit Union	1,227,620	886,710
BOH-Lake Orion, LLC - Walgreen	1,218,910	911,360
Reighard, George	1,090,890	788,520
Ricky Alan Frazier Rev Living Trust	963,520	772,010
Mlynarek, Kevin R.	878,590	878,590

Source: Oakland County Equalization Department

TAX RATES *

(Per $1,000 of Taxable Value)

	2023		2022		2021	
Village of Lake Orion	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence
- Operating	9.7844	9.7844	9.7844	9.7844	9.7844	9.7844
- Police	2.6899	2.6899	2.6899	2.6899	2.6899	2.6899
- Headlee Override	0.2013	0.2013	0.2013	0.2013	0.2013	0.2013
Charter Townshp of Orion **	6.5421	6.5421	6.5421	6.5421	6.6085	6.6085
County of Oakland **	4.3117	4.3117	4.3117	4.3117	4.3602	4.3602
Lake Orion Community Schools **						
-Operating	0.0000	18.0000	0.0000	18.0000	0.0000	18.0000
-Sinking Fund	1.8862	1.8862	1.8862	1.8862	1.9078	1.9078
-Debt	7.4910	7.4910	7.4910	7.4910	7.4910	7.4910
State Education Tax (SET) **	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Oakland County Intermediate School District **	3.1658	3.1658	3.1658	3.1658	3.2012	3.2012
Oakland County Community College **	1.4891	1.4891	1.4891	1.4891	1.5057	1.5057
Huron-Clinton Metro Authority **	0.2070	0.2070	0.2070	0.2070	0.2089	0.2089
Art Institute Authority **	0.1945	0.1945	0.1945	0.1945	0.1897	0.1897
Zoo Authority **	0.0945	0.0945	0.0945	0.0945	0.0956	0.0956
Total All Jurisdictions	44.0575	62.0575	44.0575	62.0575	44.2442	62.2442

* Principal residence includes qualified agricultural property, qualified forest property and industrial personal property, which is excluded from taxes levied for school operating purposes. Moreover, commercial personal property is exempt from a portion of taxes levied for school operating purposes. Non-Principal Residence is property not included in the above definition.

** Estimate based on 2022 tax rates. Actual 2023 tax rates may vary.

TAX RATE LIMITATIONS

The Village is authorized pursuant to the Village Charter to levy the following tax rates:

Purpose	Maximum Millage Authorized	Maximum Millage to be Levied [1]	Expiration Date of Millage
General Operating	$20.0000	$10.4916	In perpetuity
Police	2.9885	2.6899	In perpetuity
Headlee Override	1.4467	1.3018	In perpetuity

[1] See "**CONSTITUTIONAL MILLAGE ROLLBACK**" herein.

In addition, Article IX, Section 6, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978 or tax supported issues which have been approved by the voters for which the issuer has pledged its full faith and credit.
2. Operating purposes for a specified period of time provided that said increase is approved by a majority of the qualified electors of the local unit.
3. Payment of valid judgments levied in accordance with State law.

CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31 of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Fraction unless reversed by a vote of the electorate of the local taxing unit.

TAX LEVIES AND COLLECTIONS

Fiscal Year Ended June 30	Tax Levy	Collections to March 1 of Following Year	
2022	$1,229,275	$1,205,304	98.05%
2021	1,156,501	1,129,261	97.64%
2020	1,126,735	1,097,099	97.37%
2019	1,088,820	1,066,915	97.99%
2018	1,035,742	1,010,118	97.53%
2017	990,531	963,634	97.28%

Source: Village of Lake Orion

The Village's taxes are due and payable and a lien created upon the assessed property on July 1, each year. Taxes remaining unpaid on the following March 1st are turned over to the County Treasurer for collection.

Oakland County (the "County") is responsible for the collection of all delinquent real property taxes levied by local units within the County. The County has established a Delinquent Tax Revolving Fund (the "DTRF") which purchases 100% of the real property taxes returned delinquent to the County Treasurer by taxing units within the County as of March 1st of each year. The County's purchase of all delinquent real property taxes in any year may be dependent on the continuation of the DTRF. There can be no assurance that the County will continue the DTRF, and therefore no assurance that the County will continue to purchase 100% of taxing units' delinquent real property taxes as of March 1st each year.

REVENUES FROM THE STATE OF MICHIGAN

The Village receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the Village can vary depending on the population of the Village and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature's appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On July 1, 2022, Governor Whitmer signed into law the budget for fiscal year 2023. The budget includes a constitutional revenue sharing distribution to cities, villages, and townships of approximately $1.036 billion. The budget continues the incentive-based revenue sharing program known as City, Village, and Township Revenue Sharing (or "CVTRS") program begun in fiscal year 2015 that distributes revenue sharing to cities, villages and townships that meet requirements for accountability and transparency, including making a citizen's guide to its finances, a performance dashboard, a debt service report, and a two-year budget projection available for public viewing. The CVTRS program is funded at $279.5 million for fiscal year 2023, and each city, village and township that received a CVTRS distribution in fiscal year 2022 is eligible to receive a payment equal to 106.0% of its 2022 distribution. Each city, village or township that is determined to have a retirement pension benefit system in underfunded status under section 5 of Act 202, Public Act of Michigan, 2017, must allocate the excess of the amount it receives in 2023 CVTRS payments over the amount it received in CVTRS payments in fiscal year 2020 to its unfunded pension liability. The fiscal year 2023 budget continues funding for the revenue sharing grant program for financially distressed communities at the 2022 level of $2.5 million.

Any portion of the CVTRS payment that the Village would be eligible to receive would be subject to certain benchmarks that the Village would need to meet, and there can be no assurance what amount, if any, the Village would receive under the CVTRS program. The Village received CVTRS payments of $19,030 in fiscal year 2022 and anticipates meeting the requirements to receive $20,172 in CVTRS payments for fiscal year 2023.

Purchasers of the Bonds should be alerted to further modifications to revenue sharing payments to Michigan local governmental units, to potential consequent impact on the Village's general fund condition, and to the potential impact upon the market price or marketability of the Bonds resulting from changes in revenues received by the Village from the State.

The following table sets forth the annual revenue sharing payments and other moneys received by the Village during the State of Michigan's fiscal years ended September 30, 2019 through September 30, 2022, and the currently anticipated revenue sharing payments the Village expects to receive based on the State of Michigan's fiscal year ending September 30, 2023.

State of Michigan Fiscal Year Ended September 30	Constitutional Payments	CVTRS Payments	CVTRS Supplemental Payments	Total
2023 (1)	$ 296,678	$ 20,172	$ -	$ 316,850
2022	313,025	19,030	-	332,055
2021	290,982	18,657	-	309,639
2020	256,623	12,436	-	269,059
2019	256,873	15,571	2,402	274,846

(1) Estimate, as of May 20, 2022

Source: State of Michigan Treasury - Web site City, Village, and Township Revenue Sharing (CVTRS) County Incentive Program (CIP) (michigan.gov)

AMERICAN RESCUE PLAN ACT OF 2021

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 ("ARPA"), which provides a total of $350 billion in assistance to states, counties, municipalities, territories, and tribal governments to cover expenses, make up for lost revenue and ease the overall economic impact from the COVID-19 pandemic.

ARPA funds may be used to address the economic effects of COVID-19, including through aid to households, small businesses, nonprofits, and impacted industries such as tourism and hospitality. State and local governments may also use ARPA funds to provide premium pay (up to $13 per hour or $25,000 per worker) to essential employees or make grants to the employers of essential employees. State and local governments may also use ARPA funds to make investments in water, sewer and broadband infrastructure, and to provide government services to the extent of any revenue reduction resulting from COVID-19. They may not use ARPA funds to make pension payments or to offset revenue losses resulting from any tax cut, tax delay or tax rebate enacted after March 3, 2021.

Michigan received a total allocation of $10.6 billion in state and local relief under ARPA, of which the Village received $335,128. All ARPA funds must be obligated and spent on costs incurred on or before December 31, 2024, and must be expended on or before December 31, 2026.

LABOR AGREEMENTS

The Village has two (2) employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the Village. The duration of these agreements are as follows:

Employee Group	Number of Employeees	Expiration Date of Contract
American Federation of State, County and Municipal Employees (AFSME)	5	June 30, 2023
Police Officers Association of Michigan (POAM)	16	June 30, 2023

RETIREMENT PLAN *

General Plan Information

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 is a not-for-profit organization that was granted independence from the State of Michigan pursuant to Public Act 220 of 1996, effective August 15, 1996. 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 http://www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The Village's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established, and amends the benefit provisions of the participants in MERS. The Plan covers all full-time employees at the Village including union and non-union employees. As of July 1, 2012, the Village closed all defined benefit groups to new members. Benefits are calculated as 2.25% of the employee's three-year final average compensation multiplied by the employee's years of service with a maximum of 80% of final average compensation. Normal retirement age is 60. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred if the member had remained an employee.

Benefit terms, within the guidelines established by MERS are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Police employees' benefit terms may be subject to binding arbitration in certain circumstances.

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

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	3
Total employees covered by MERS	26

* For further information see Note 6 in the Village's Audited Financial Statements, fiscal year ended June 30, 2022

Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2022, the average active employee contribution rate was 5.00% of gross wages for police union employees and 5.00% of gross wages for public works employees. The Village's contribution rate was a monthly flat rate of $20,198.

Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal Year Ended June 30	2022	2021	2020	2019	2018
Total pension liability					
Service cost	$ 22,795	$ 21,712	$ 18,056	$ 24,122	$ 28,897
Interest	306,483	304,357	288,677	299,399	300,398
Other changes	14,796	-	15,194		-
Difference between expected and actual experience	24,535	81,869	100,782	36,345	(45,443)
Changes in assumptions	126,086	178,827	116,591		-
Benefit payments including employee refunds	(363,200)	(366,092)	(303,553)	(298,323)	(289,575)
Net change in total pension liability	131,495	220,673	235,747	61,543	(5,723)
Total pension liability, beginning of year	4,397,555	4,176,882	3,941,135	3,879,592	3,885,315
Total pension liability, ending of year	$ 4,529,050	$ 4,397,555	$ 4,176,882	$ 3,941,135	$ 3,879,592
Plan Fiduciary Net Position					
Contributions Employer	$ 208,920	$ 158,088	$ 133,392	$ 187,278	$ 181,860
Contributions Member	9,642	9,392	12,552	13,571	14,011
Net Investment income (loss)	404,929	333,267	348,189	(108,893)	336,390
Benefit payments including employee refunds	(363,200)	(366,092)	(303,553)	(298,323)	(289,575)
Administrative & Other	(4,643)	(5,474)	(5,995)	(5,458)	(5,331)
Net change in plan fiduciary net position	255,648	129,181	184,585	(211,825)	237,355
Plan fiduciary net position, beginning of year	2,927,692	2,798,511	2,613,926	2,825,751	2,588,396
Plan fiduciary net position, ending of year	$ 3,183,340	$ 2,927,692	$ 2,798,511	$ 2,613,926	$ 2,825,751
Village's Net Pension Liability - Ending	$ 1,345,710	$ 1,469,863	$ 1,378,371	$ 1,327,209	$ 1,053,841
Plan fiduciary net position as a percentage of the total pension liability	70.3%	66.6%	67.0%	66.3%	72.8%
Covered employee payroll	$ 192,851	$ 187,983	$ 182,199	$ 244,394	$ 280,322
Employer's net pension liability as a percentage of covered employee payroll	697.8%	781.9%	756.5%	543.1%	375.9%

Schedule of Pension Contributions

Fiscal Year Ended June 30,	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 180,996	$ 181,596	$ 174,528	$ 175,560	$ 175,164
Contributions in relation to the actuarily determined contribution	180,996	158,088	133,392	187,278	181,860
Contribution Deficiency	$ -	$ 23,508	$ 41,136	$ (11,718)	$ (6,696)
Covered Employee Payroll	$ 192,851	$ 187,983	$ 182,199	$ 244,394	$ 280,322
Contributions as a % of Covered Employee Payroll	93.9%	96.6%	95.8%	71.8%	62.5%

OTHER POST EMPLOYMENT BENEFITS *

Plan Administration

The Village administers a single employer, defined benefit post-employment health insurance plan (OPEB plan). The OPEB plan does not include pension benefits described above. Management of the plan is vested with the elected Village Council. The OPEB plan is reported as Trust Fund in the Village's financial statements. The OPEB plan does not issue a publicly available financial report.

* For further information see Note 7 in the Village's audited Financial Statements, fiscal year ended June 30, 2022.

As of June 30, 2022, the OPEB plan membership data is as follows:

Inactive plan members receiving benefits	10
Inactive plan members	1
Active plan members	3
Total participants	14

Benefits Provided

The OPEB plan provides medical insurance for eligible retirees and their dependents through the Village's group health insurance plan, which covers both active and retired members. Benefit provisions are established and amended by the union contracts throughout negotiations between the Village and the respective unions or as established by the Village for non-union employees. The OPEB plan provides the following benefits based on employee group retirement.

AFSCME Union – The Village pays 75% of premium for the retiree and spouse for their lifetimes provided the participant was hired prior to July 1, 2007 and obtained 30 years of service.

POAM Union – The Village pays 75% of premium for the retiree and spouse for their lifetimes provided the participant was hired prior to July 1, 2007 and obtained 25 years of service.

Non-Union – The Village pays 75% (100% for certain retirees with grandfathered benefits) of premium for the retiree and spouse for their lifetimes provided the participant was hired prior to July 1, 2007and obtained 25 years of service.

Contributions

The OPEB plan was established and is being funded under the authority of the Village. Pursuant to the OPEB plan's funding policy the Village contributed up to $10,000 to the OPEB trust fund in 2022 and will contribute discretionary amounts if able in subsequent years. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, the plan may be financed on a "pay-as-you-go" basis). There are no long-term contracts for contributions to the plan. The OPEB plan has no legally required reserves. For the year ended June 30, 2022, the Village contributed $73,639 for insurance premiums and $10,000 to the Retiree Healthcare Trust Fund, while OPEB plan participants contributed $12,955 for insurance premiums during the year ended June 30, 2022.

Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ended June 30	**2022**	**2021**	**2020**	**2019**
Total OPEB liability				
Service cost	$ 15,152	$ 15,453	$ 13,960	$ 27,523
Interest	86,069	88,773	136,147	120,056
Difference between expected and actual experience	(389,595)	1,670	(492,465)	833
Changes in assumptions	(167,297)	(90,146)	489,911	(307,414)
Benefit payments including employee refunds	(73,639)	(78,550)	(79,196)	(87,636)
Net change in total pension liability	(529,310)	(62,800)	68,357	(246,638)
Total OPEB liability, beginning of year	1,951,457	2,014,257	1,945,900	2,192,538
Total OPEB liability, ending of year	$ 1,422,147	$ 1,951,457	$ 2,014,257	$ 1,945,900
Plan Fiduciary Net Position				
Contributions to OPEB Trust	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Contributions/benefit payments made from general operating funds	73,639	78,550	79,196	87,636
Net Investment income (loss)	(25,765)	41,387	962	5,726
Benefit payments including employee refunds	(73,639)	(78,550)	(79,196)	(87,636)
Administrative & Other	(969)	(895)	(694)	(606)
Net change in plan fiduciary net position	(16,734)	50,492	10,268	15,120
Plan fiduciary net position, beginning of year	197,640	147,148	136,880	121,760
Plan fiduciary net position, ending of year	$ 180,906	$ 197,640	$ 147,148	$ 136,880
Village's Net OPEB Liability - Ending	$ 1,241,241	$ 1,753,817	$ 1,867,109	$ 1,809,020
Plan fiduciary net position as a percentage of the total OPEB liability	12.7%	10.1%	7.3%	7.0%
Covered employee payroll	Not Available	Not Available	Not Available	Not Available
Employer's net OPEB liability as a percentage of covered employee payroll	Not Available	Not Available	Not Available	Not Available

Schedule of OPEB Contributions

Fiscal Year Ended June 30,	2022	2021	2020	2019
Service Cost	$ 15,152	$ 15,453	$ 13,960	$ 27,523
Interest Cost	13,365	12,755	19,545	16,284
Amortization of unfunded liability	284,501	270,543	261,710	261,707
Actuarially determined employer contributions	$ 313,018	$ 298,751	$ 295,215	$ 305,514
Contributions in relation to the actuarially determined contribution	83,639	88,550	89,196	97,636
Contribution deficiency (excess)	$ 229,379	$ 210,201	$ 206,019	$ 207,878
Covered Payroll	$ 194,150	$ 187,983	$ 178,243	Not Available
Contributions as a percentage of covered employee payroll	161.2%	158.9%	165.6%	Not Available

Source: Financial Statements of the Village of Lake Orion for the fiscal year ended June 30, 2022.

GENERAL FUND-FUND BALANCE

The Village's General Fund fund balance for the last five years has been as follows:

Fiscal Year Ending June 30	Fund Balance
2022	$ 791,075
2021	777,844
2020	722,281
2019	622,971
2018	479,777

Source: Village of Lake Orion Audited Financial Statements

DEBT STATEMENT

(As of June 29, 2023, including Bonds described herein)

DIRECT DEBT:

Revenue	6/15/2016	SRF Series 2018		$ 5,005,000
Authority	6/29/2023	2023 DDA Bonds, Series A (Tax Exempt)	$ 3,500,000	
		2023 DDA Bonds, Series B (Taxable)	1,500,000	5,000,000
Share of County Issued Bonds				
	02/01/2010	Drain,SRF #5368-01, LT	$ 79,444	
	01/01/2012	Drain DEQ #5368-02	126,463	
	06/25/2013	Drain, SRF Series 2013A	292,495	
	10/01/2014	Drain, Searies A 2014	43,960	
	04/09/2015	Drain SRF #2001-01	93,366	
	06/23/2017	Drain Clinton River Resource Recovery #5642-01	190,310	
	12/19/2019	Drain, Series 2019	11,737	
	12/19/2019	Drain, Refunds 5/1/10	20,729	
	09/03/2020	Drain, Series 2020A	242,361	1,100,865
TOTAL DIRECT DEBT				11,105,865
Less: Revenue Bonds				5,005,000
NET DIRECT DEBT				$ 6,100,865

OVERLAPPING DEBT:		**Total Debt**	**Overlapping Debt Portion**
7.18%	Orion Township	$ 16,605,078	$ 1,192,245
6.42%	Lake Orion School District	143,769,863	9,230,025
0.22%	Oakland County	290,857,707	639,887
0.22%	Oakland Intermediate School District	39,675,000	87,285
0.22%	Oakland Community College	-	-
TOTAL OVERLAPPING DEBT			$ 11,149,442
NET DIRECT AND OVERLAPPING DEBT			$ 17,250,307

Source: Municipal Advisory Council of Michigan

DEBT RATIOS:

Per Capita 2023 State Equalized Valuation	$ 87,449.94
Per Capita 2023 True Cash Value	$ 174,899.88
Per Capita Net Direct Debt	$ 2,121.30
Per Capita Combined Net Direct and Overlapping Debt	$ 5,998.02
Percent of Net Direct Debt of 2023 State Equalized Valuation	2.43%
Percent of Net Direct and Overlapping Debt of 2023 State Equalized Valuation	6.86%
Percent of Net Direct Debt of 2023 True Cash Value	1.21%
Percent of Net Direct and Overlapping Debt of 2023 True Cash Value	3.43%

Source: Municipal Advisory Council of Michigan

SCHEDULE OF BOND MATURITIES

(As of June 29, 2023, including Bonds described herein)

Year	Revenue Bonds	DDA Bonds	Share of County Issued Bonds
2023	$ -	$ -	$ 55,144
2024	270,000	255,000	74,424
2025	275,000	210,000	76,798
2026	280,000	220,000	77,761
2027	285,000	230,000	79,943
2028	290,000	240,000	82,127
2029	295,000	250,000	84,433
2030	305,000	260,000	87,016
2031	310,000	270,000	86,031
2032	315,000	285,000	77,219
2033	320,000	295,000	79,322
2034	325,000	310,000	67,938
2035	335,000	325,000	37,359
2036	340,000	335,000	38,270
2037	345,000	355,000	30,625
2038	355,000	370,000	31,302
2039	360,000	385,000	17,411
2040	-	405,000	17,742
	$ 5,005,000	$ 5,000,000	$ 1,100,865

DEBT HISTORY: There is no record of default.

FUTURE BONDING: The Village does not anticipate issuing any additional bonds within the next six months.

STATEMENT OF LEGAL DEBT MARGIN

(As of June 29, 2023, including Bonds described herein)

2023 State Equalized Valuation		$ 251,506,030
Plus		
2023 Taxable Value Equivalentof Act 198 Exemptions	$ -	
2022 State Revenue Sharing	26,196,393	
2022 Personal Property Tax Reimbursement	385,938	26,582,331
Total Valuation		$ 278,088,361
Debt Limit (10% of State Equalized Valuation) (1)		$ 27,808,836
Amount of Outstanding Debt (Debt Statement)	$ 11,105,865	
Less: (2)(d) Revenue Bonds	5,005,000	6,100,865
LEGAL DEBT MARGIN		$ 21,707,971

(1) Act 278, Public Acts of Michigan, 1909, as amended ("Act 278"), provides that the net indebtedness of the Village shall not exceed 10% of all assessed real and personal property in the Village.

(2) Bonds which are not included in the computation of legal debt margin according to Act 278 are:

(a) Special Assessment Bonds;

(b) Michigan Transportation Fund Bonds and Notes;

(c) Revenue Bonds;

(d) Bonds issued, or contract or assessment obligations incurred, to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction;

(e) Bonds issued, or contract or assessment obligations incurred for water supply, sewerage, drainage or refuse disposal projects necessary to protect the public health by abating pollution; and.

(f) Bonds issued, or contract or assessment obligations incurred, for the construction, improvement or replacement of a combined sewer overflow abatement facility.

MAJOR EMPLOYERS

According to the Southeastern Michigan Council of Governments (SEMCOG) major employers located within the Village are as follows:

Name of Employer	Product/Service	Approximate Number of Employees
Lake Orion Nursing Center	Assisted living facility	160
Lake Orion Village	Municipality	70
McDonald's	Limited service restaurants	55
Walgreens	Pharmacies & retailer	50
Blanche Sims Elementary School	Education	50
Lockhart's BBQ	Full service restaurant	45
Sagebrush Cantina	Full service restaurant	40
Idealtraits	Software publisher	37
CJ's Lakeside Grill	Full service restaurant	35
Leo's Coney Island	Full service restaurant	30

INDUSTRIAL CHARACTERISTICS

In addition to the above major employers, according to the 2023 Michigan Manufacturers Directory, employers in the Charter Township of Orion (which the Village is located within) include the following:

Name of Employer	Product/Service	Approximate Number of Employees
General Motors, Orion Assembly	Automotive assembly	1,460
Kay Automotive Graphics	Automotive decals	250
US Farathane	Plastic injection molding	250
Ascent Aerospace	Aircraft/automotive tooling	240
Complete Companies	Fluid process & air filtration systems	200
American Battery Solutions (HQ)	Lithium-ion batteries & battery systems	200
Leoni Engineering Products & Services, Inc.	Standard & custom robotic dresspacks	120
Gedia Automotive Group	Automotive Stampings	95
Sodecia North America	Welded automotive components	32
Advanced Defense Vehicle System Corp.	Military defense vehicles	30
Lymtal International, Inc.	Sealants & coatings	20
Environmental Wood Solutions	Wood chips, mulches, top soli & wood recycling	20

In addition, the Village has:

Number of Employers	Number of Employees
15	1 - 15

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LABOR CHARACTERISTICS

The U.S. Census 2021 American Community Survey – Five Year Estimates lists the labor force characteristics for the Village, for employed persons 16 years and over, as follows:

By Occupation	Number of Employees
Management, business, science, and arts occupations	675
Service occupations	294
Sales and office occupations	295
Natural resources, construction, and maintenance occupations	58
Production, transportation, and material moving occupations	240
Total	1,562

By Industry	
Agriculture, forestry, fishing and hunting and mining	0
Construction	23
Manufacturing	397
Wholesale trade	83
Retail trade	170
Transportation and warehousing, and utilities	0
Information	36
Finance, insurance, real estate, and rental and leasing	150
Professional, scientific, and management, and administrative and waste management services	154
Educational, health care and social services	298
Arts, entertainment, recreation, accomodation and food services	83
Other services (except professional administration)	116
Public administration	52
Total	1,562

UNEMPLOYMENT DATA [1]

According to the Michigan Department of Labor and Economic Growth, Employment Security Agency, Office of Labor Market Information, the unemployment statistics for the County of Oakland and the State of Michigan during the last three calendar years and the most recent for 2023, are as follows:

County of Oakland	2023	2022	2021	2020
January	3.4%	3.9%	5.6% *	3.2%
February	2.9%	3.8%	5.4% *	2.9%
March	2.2%	3.5%	5.4% *	3.9%
April	1.6%	3.1%	4.7% *	19.1% *
May		3.7%	4.8% *	19.6% *
June		3.5%	5.5% *	14.9% *
July		2.5%	5.3% *	12.3% *
August		2.6%	5.0% *	9.1% *
September		2.5%	4.3% *	7.9% *
October		2.5%	3.7%	6.2% *
November		2.3%	3.2%	5.7% *
December		2.5%	3.2%	6.2% *
Annual Average		3.0%	4.7%	9.1%

State of Michigan	2023	2022	2021	2020
January	4.8%	5.1%	7.1% *	4.3%
February	4.6%	5.3%	6.8% *	3.8%
March	4.1%	4.5%	6.6% *	4.9%
April	2.9%	4.2%	6.2% *	22.8% *
May		4.6%	6.3% *	19.7% *
June		4.8%	6.8% *	14.7% *
July		4.3%	6.8% *	12.7% *
August		4.0%	6.1% *	9.5% *
September		3.7%	5.2% *	8.3% *
October		3.7%	4.5%	6.5% *
November		3.5%	4.0%	6.2% *
December		3.8%	4.2%	7.1% *
Annual Average		4.3%	5.9%	10.0%

[1] The Michigan Department of Technology, Management & Budget – Michigan Bureau of Labor Market Information & Strategic Initiative does not collect for municipalities with a population of under 27,000 persons.

* Increase is due to the pandemic following the outbreak of COVID 19.

RESIDENTIAL CHARACTERISTICS

There are 1,404 housing units located within the Village according to the US Census 2021 American Community Survey Five Year Estimates 75.2% are owner-occupied. A breakdown of the dwelling units according to the US Census 2021 American Community Survey Five Year Estimates is as follows:

Single Family	77.2%
Multi Family	22.8%

According to the U.S. Census 2021 American Community Survey Five Year Estimates, the median value of an owner-occupied residence in the Village is $281,500.

INCOME CHARACTERISTICS

There were 1,218 households in the Village according to the U.S. Census 2021 American Community Survey Five Year Estimate, which had a median household income of $90,750. A breakdown of the income for the Village's households is as follows:

Income of Household	Number of Households
Less than $10,000	41
$10,000 to $14,999	71
$15,000 to $24,999	76
$25,000 to $34,999	122
$35,000 to $49,999	94
$50,000 to $74,999	124
$75,000 to $99,999	124
$100,000 to $149,999	283
$150,000 or more	283

The per capita income for the Village according to the U.S. Census 2021 American Community Survey was $50,576.

AGE STATISTICS

Age groups for the Village's residents, according to the U.S. Census, are as follows:

	2000 US Census Percentage	2010 ACS * Percentage	2020 ACS * Percentage
Under 5 Years	5.5%	5.7%	9.2%
5 to 19 Years	17.3%	15.5%	12.0%
20 to 24 Years	6.2%	6.8%	2.9%
25 to 44 Years	33.6%	31.8%	31.8%
45 to 64 Years	22.8%	26.0%	28.0%
Over 65 Years	14.6%	14.2%	16.1%

* Source: US Census American Community Survey – Five Year Estimates

EDUCATIONAL CHARACTERISTICS

The primary and secondary educational needs of the residents of the Village are adequately handled by the Lake Orion public school district which serves the Village. Higher educational opportunities are available at the following institutions, which are located within driving distance of the Village's residents:

Baker College of Auburn Hills	Baker College of Flint	Lawrence Technological University
Macomb Community College	Oakland Community College	Oakland University
St. Clair Community College		Walsh College

According to the U.S. Census 2021 American Community Survey Five Year Estimates, the educational characteristics for the Village's over 25 years of age population are as follows:

Years of School Completed	Persons 25 and Over
Less than 9th grade	21
9th to 12th grade no diploma	106
High School graduate	398
Some college, no degree	563
Associate degree	153
Bachelor's degree	602
Graduate or professional degree	328

UTILITIES

The Village purchases water and sewage treatment from the Great Lakes Water Authority. Electric Service is provided by DTE Energy, and Consumers Energy provides natural gas service.

TRANSPORTATION

The Village is easily accessible via I-75 and Lapeer Road (M-24). Commercial air service is available at Oakland County International Airport, Detroit Wayne County Metropolitan Airport, and Bishop International Airport.

BANKING

The banking needs of the Village's residents can be adequately served by the following:

Bank of America	Citizens Bank	Comerica Bank
Huntington Bank	PNC Bank	Oxford Bank

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APPENDIX B

VILLAGE OF LAKE ORION
GENERAL FUND BUDGET SUMMARY
FOR FISCAL YEAR ENDING JUNE 30, 2023

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ORIGINAL BUDGET	2021-22 AMENDED BUDGET	2021-22 PROJECTED ACTIVITY	2022-23 DEPT. REQUESTED BUDGET
Fund: 101 GENERAL FUND						
Dept 000 - REVENUE						
101-000-402-000	Property Tax - Current Real	1,094,508	1,122,000	1,122,000	1,122,000	1,214,000
101-000-405-000	Property Tax - Personal	28,254	30,000	30,000	30,000	30,000
101-000-406-000	In Lieu of Taxes	29,697	38,000	38,000	38,000	38,000
101-000-441-000	Local Community Stabilization Sha	4,502	681	681	1,346	1,000
101-000-445-000	Penalties & Interest on Taxes	4,049	3,000	3,000	5,000	5,000
101-000-460-000	Dog License Revenue	144	200	200	200	200
101-000-528-100	Federal Grants Other - State CRLG	14,739				
101-000-528-200	Federal Grants Other - County CAR	14,085				
101-000-547-000	State Grant - Other				672	672
101-000-567-000	STATE GRANTS- MRE REVENUE				10,000	57,000
101-000-574-000	State Shared Revenue	309,639	286,736	286,736	308,723	297,000
101-000-576-000	METRO (Act 48) Revenue	10,408	10,000	10,000	10,000	10,000
101-000-607-000	Planning & Zoning Fees	32,480	25,000	25,000	50,000	50,000
101-000-640-000	Garbage Collection Fees	192,521	195,000	195,000	200,000	210,000
101-000-653-000	Park Fees	7,518	4,000	4,000	8,000	8,000
101-000-655-000	Boat Dock Pass Fees	4,375	3,500	3,500	7,500	15,000
101-000-664-000	Interest Earnings	3,544	4,182	4,182	3,000	4,000
101-000-671-999	Appropriation from Fund Balanc			120,000		
101-000-675-000	Donations	760				
101-000-676-248	Reimbursment - Admin Fee - DDA	66,738		68,000	68,000	70,000
101-000-676-592	Reimbursment -Admin Fee - W&S	110,000		113,300	113,300	116,700
101-000-679-000	Reimbursements-Worker's Comp	4,950				
101-000-682-000	Reimbursement-CDBG		9,964	9,964	9,964	9,964
101-000-683-000	Reimbursements-Other	43,334	4,000	4,000	4,000	4,000
101-000-683-248	Reimbursement- DDA			78,210	78,210	
101-000-689-000	Reimburse Insurance Dividends	4,605	5,000	5,000	4,367	5,000
101-000-694-000	Miscellaneous	1,299	2,500	2,500	8,500	2,500
101-000-699-248	Interfund Transfer In - DDA	29,000	97,000	29,000	29,000	
101-000-699-592	Transfers Water Sewer		113,300			
NET OF REVENUES/APPROPRIATIONS - 000 - REVENUE		2,011,149	1,954,063	2,152,273	2,109,782	2,148,036
Dept 101 - VILLAGE COUNCIL						
101-101-701-000	Wages - Council	2,470	2,620	2,420	2,420	2,620
101-101-715-000	Social Security	139	201	201	201	201
101-101-956-000	Dues & Miscellaneous		100	480	500	500
101-101-957-000	Education & Training	390	500	320	500	500
NET OF REVENUES/APPROPRIATIONS - 101 - VILLAGE COU		(2,999)	(3,421)	(3,421)	(3,621)	(3,821)
Dept 171 - VILLAGE MANAGER						
101-171-701-000	Wages	73,969	75,314	74,000	75,314	79,800
101-171-701-019	COVID 19 PAYROLL	500				
101-171-715-000	Social Security	5,287	5,762	5,762	5,762	6,105
101-171-716-000	Health Insurance- Medical	16,426	18,243	19,557	17,019	18,960
101-171-717-000	Life & Disability Insurance	702	766	766	697	766
101-171-718-000	Dental Insurance	886	992	992	937	1,031
101-171-719-000	Pension	5,203	6,025	6,025	7,155	7,581
101-171-721-000	Vision Care	182	199	199	181	199
101-171-956-000	Dues & Miscellaneous	25	500	500	500	500
101-171-957-000	Education & Training	300	500	500	500	500
NET OF REVENUES/APPROPRIATIONS - 171 - VILLAGE MAN		(103,480)	(108,301)	(108,301)	(108,065)	(115,442)
Dept 215 - VILLAGE CLERK						
101-215-701-000	Wages	59,631	60,844	60,844	60,844	62,852
101-215-701-019	COVID 19 PAYROLL	500				
101-215-715-000	Social Security	4,663	4,655	4,655	4,655	4,808

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ORIGINAL BUDGET	2021-22 AMENDED BUDGET	2021-22 PROJECTED ACTIVITY	2022-23 DEPT. REQUESTED BUDGET
Fund: 101 GENERAL FUND						
Dept 215 - VILLAGE CLERK						
101-215-716-000	Health Insurance- Medical	10,275	11,117	11,117	10,196	11,215
101-215-717-000	Life & Disability Insurance	830	906	906	655	721
101-215-718-000	Dental Insurance	464	518	518	490	539
101-215-719-000	Pension	3,871	4,868	4,868	5,780	5,971
101-215-721-000	Vision Care	108	118	118	107	118
101-215-801-000	Contractual Services	4,941	25,000	25,000	25,000	25,000
101-215-900-000	Printing and Publication	5,109	5,000	5,000	5,000	5,000
101-215-956-000	Dues & Miscellaneous	185	500	500	500	500
101-215-957-000	Education & Training		539	539	500	600
101-215-960-000	Mileage		200	200	200	200
NET OF REVENUES/APPROPRIATIONS - 215 - VILLAGE CLEF		(90,577)	(114,265)	(114,265)	(113,927)	(117,524)
Dept 228 - Information Technology						
101-228-801-000	Contractual Services	21,912	25,000	25,000	27,000	30,000
101-228-931-000	Repair & Maintenance-Equipment		2,000	2,000	2,000	2,000
NET OF REVENUES/APPROPRIATIONS - 228 - Information		(21,912)	(27,000)	(27,000)	(29,000)	(32,000)
Dept 253 - TREASURER						
101-253-701-000	Wages - Treasurer	13,652	50,843	53,827	51,882	53,528
101-253-701-019	COVID 19 PAYROLL	2,304		500		
101-253-702-000	Wages Part Time	38,699	46,360	43,860	43,860	54,091
101-253-702-001	Overtime Wages	122				
101-253-715-000	Social Security	4,076	7,436	7,436	7,436	8,234
101-253-716-000	Health Insurance- Medical		6,000	6,000	6,000	6,000
101-253-717-000	Life & Disability Insurance	370	1,122	1,622	1,622	1,700
101-253-718-000	Dental Insurance	31	518	518	518	539
101-253-719-000	Pension		3,984	3,000	3,000	5,085
101-253-721-000	Vision Care	7	118	118	118	118
101-253-801-000	Contractual Services	8,310	8,500	8,000	8,400	8,500
101-253-956-000	Dues & Miscellaneous		150	150	150	150
101-253-957-000	Education & Training	100	1,050	1,050	1,050	1,050
101-253-960-000	Mileage	18	350	350	350	350
NET OF REVENUES/APPROPRIATIONS - 253 - TREASURER		(67,689)	(126,431)	(126,431)	(124,386)	(139,345)
Dept 255 - COMMUNITY DEVELOPMENT						
101-255-882-000	Women's Survival		2,964	2,944	2,944	2,799
101-255-930-000	NSP - Repair and Maintenance	20,000				
101-255-975-001	Sidewalks	149				
101-255-975-002	Street Trees	20		20	20	20
NET OF REVENUES/APPROPRIATIONS - 255 - COMMUNITY DE		(20,169)	(2,964)	(2,964)	(2,964)	(2,819)
Dept 260 - GENERAL ACTIVITIES						
101-260-701-000	Wages	54,990	75,653	45,653	45,653	45,277
101-260-701-019	COVID 19 PAYROLL	3,116	3,000			
101-260-702-000	Wages Part Time	3,717		27,000	27,000	17,227
101-260-715-000	Social Security	4,730	6,017	5,400	5,400	4,782
101-260-716-000	Health Insurance- Medical	3,238	6,000	9,000	9,000	9,069
101-260-716-001	Health Insurance-Retirees	11,732	13,700	12,700	12,700	13,500
101-260-716-002	Retiree Health 115 Trust	10,000	10,000	10,000	10,000	10,000
101-260-717-000	Life & Disability Insurance	182	792	1,992	733	806
101-260-718-000	Dental Insurance	369	652	752	541	627
101-260-719-000	Pension	54,110	73,732	70,332	70,332	85,625
101-260-721-000	Vision Care	67	118	218	218	118
101-260-722-000	Worker's Comp. Insurance	2,008	2,200	3,400	1,687	2,000
101-260-727-000	Office Supplies	7,059	6,000	11,000	15,000	16,000

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ORIGINAL BUDGET	2021-22 AMENDED BUDGET	2021-22 PROJECTED ACTIVITY	2022-23 DEPT. REQUESTED BUDGET
Fund: 101 GENERAL FUND						
Dept 260 - GENERAL ACTIVITIES						
101-260-727-019	OFFICE SUPPLIES-COVID	840		550	200	200
101-260-728-000	Cleaning Supplies	654	1,350	300	250	300
101-260-729-000	Postage	3,016	4,000	4,000	4,000	5,000
101-260-730-000	Copier Lease	6,995	6,000	7,500	7,500	8,000
101-260-823-000	Website/Software	1,947	5,000	7,000	7,000	7,500
101-260-830-000	Solid Waste Collection	188,273	195,000	200,000	200,000	210,000
101-260-851-000	Telephone	5,013	5,100	8,100	8,100	9,000
101-260-920-000	Utilities	32,397	30,348	27,348	28,000	30,000
101-260-921-000	Municipal Street Lighting	35,828	33,000	33,500	38,000	41,000
101-260-930-000	Repair and Maintenance	16,546	18,000	13,000	12,000	20,000
101-260-931-000	Repair & Maintenance-Equipment	1,903	5,000	2,500	1,500	2,500
101-260-956-000	Dues & Miscellaneous	6,025	6,700	8,617	6,000	6,500
101-260-961-000	Tax Tribunal Refunds	113	1,000			
101-260-977-000	Capital Outlay		3,000	1,500	1,000	3,500
NET OF REVENUES/APPROPRIATIONS - 260 - GENERAL ACTI		(454,868)	(511,362)	(511,362)	(511,814)	(548,531)
Dept 721 - PLANNING AND ZONING						
101-721-702-000	Wages Part Time	750	500	1,000	750	42,000
101-721-715-000	Social Security	27	38	38	58	4,569
101-721-716-000	Health Insurance- Medical					6,000
101-721-717-000	Life & Disability Insurance					250
101-721-718-000	Dental Insurance					550
101-721-719-000	Pension					3,990
101-721-726-000	Supplies					1,300
101-721-801-000	Contractual Services	3,226	3,000	19,000	20,000	2,500
101-721-829-000	Planner Services	39,368	30,000	23,000	35,000	45,000
101-721-840-000	Planner - Retainer	10,600	16,000	14,500	16,000	16,000
101-721-956-000	Dues & Miscellaneous		75	75	100	100
101-721-957-000	Education & Training				1,500	1,500
NET OF REVENUES/APPROPRIATIONS - 721 - PLANNING ANI		(53,971)	(49,613)	(57,613)	(73,408)	(123,759)
Dept 751 - PARKS AND RECREATION						
101-751-702-001	Overtime Wages			200	200	200
101-751-708-000	Wages - Lifeguards	10,543	18,000	16,800	16,500	18,000
101-751-715-000	Social Security	807	1,377	1,377	1,300	1,400
101-751-726-000	Supplies	3,916	4,000	10,101	3,000	2,500
101-751-801-000	Contractual Services	20,535	20,000	17,000	13,000	5,000
101-751-829-000	Planner Services		5,000	4,000	4,000	
101-751-920-000	Utilities	1,084	2,500	2,500	1,000	2,000
101-751-931-000	Repair/Maint - Equipment	6,876	5,000	5,000	5,000	1,000
101-751-932-000	Repair/Maint - Grounds	5,949	5,000	13,000	5,000	3,000
101-751-977-000	Capital Outlay	14,889	32,891	122,000	128,101	5,000
NET OF REVENUES/APPROPRIATIONS - 751 - PARKS AND RE		(64,599)	(93,768)	(191,978)	(177,101)	(38,100)
Dept 851 - INSURANCE AND BONDS						
101-851-911-000	Insurance Coverage	65,439	68,000	68,000	68,000	74,000
NET OF REVENUES/APPROPRIATIONS - 851 - INSURANCE AI		(65,439)	(68,000)	(68,000)	(68,000)	(74,000)
Dept 880 - CONTRACT SERV - LEAGAL/ACCTING/ENGINEER						
101-880-801-000	Contractual Services	32	500	500	500	500
101-880-805-000	Audit Fees	4,179	5,000	4,500	3,546	4,500
101-880-806-000	Engineering		1,500	8,000	10,000	15,000
101-880-811-000	Legal Services - Other	40,114	31,000	36,000	50,000	40,000
101-880-812-000	Legal Services - Labor		1,000			
101-880-814-000	OPEB Valuation	3,600	1,938	1,938	1,300	4,000

GL NUMBER	DESCRIPTION	2020-21 ACTIVITY	2021-22 ORIGINAL BUDGET	2021-22 AMENDED BUDGET	2021-22 PROJECTED ACTIVITY	2022-23 DEPT. REQUESTED BUDGET
Fund: 101 GENERAL FUND						
Dept 880 - CONTRACT SERV - LEAGAL/ACCTING/ENGINEER						
NET OF REVENUES/APPROPRIATIONS - 880 - CONTRACT SEF		(47,925)	(40,938)	(50,938)	(65,346)	(64,000)
Dept 964 - TRANSFERS OUT						
101-964-965-125	Transfers DPW	470,000	390,000	490,000	490,000	450,000
101-964-965-207	Transfers Police	390,000	355,000	355,000	300,000	431,000
101-964-965-401	Transfer to Capital Imp Fund	101,955	63,000	45,000		7,695
NET OF REVENUES/APPROPRIATIONS - 964 - TRANSFERS OU		(961,955)	(808,000)	(890,000)	(790,000)	(888,695)
ESTIMATED REVENUES - FUND 101		2,011,149	1,954,063	2,152,273	2,109,782	2,148,036
APPROPRIATIONS - FUND 101		1,955,583	1,954,063	2,152,273	2,067,632	2,148,036
NET OF REVENUES/APPROPRIATIONS - FUND 101		55,566			42,150	
	BEGINNING FUND BALANCE	722,281	777,844	777,844	777,844	819,994
	ENDING FUND BALANCE	777,847	777,844	777,844	819,994	819,994

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APPENDIX C

VILLAGE OF LAKE ORION
ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2022

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Audited Financial Statements
and Other Supplementary Information

Village of Lake Orion

Year Ended June 30, 2022
with Report of Independent Auditors

AHPA
CPAs & ADVISORS
ANDREWS HOOPER PAVLIK PLC

Village of Lake Orion

Audited Financial Statements
and Other Supplementary Information

Year Ended June 30, 2022

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Village of Lake Orion

Audited Financial Statements
and Other Supplementary Information

Year Ended June 30, 2022

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Report of Independent Auditors

To the Members of the Village Council
Village of Lake Orion, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Lake Orion, Michigan, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Lake Orion, 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 the Village of Lake Orion, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 of Lake Orion, 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 the Village of Lake Orion, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension and other post-employment benefit information, and the budgetary comparison information, as identified in the table of contents, 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 us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lake Orion, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements, component unit financial statements, and the schedules of indebtedness are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund and component unit financial statements are 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 and individual nonmajor fund and component unit financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedules of indebtedness have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Andrews Hooper Pavlik PLC

Bloomfield Hills, Michigan
November 17, 2022

Village of Lake Orion

Management's Discussion and Analysis

June 30, 2022

The following is a discussion and analysis of the Village of Lake Orion's (Village) financial activities for the year ended June 30, 2022. This analysis should be read in conjunction with the Report of Independent Auditors and with the Village's financial statements. All amounts, unless otherwise indicated, are presented in whole dollars.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by $9,874,471 (net position). Included in this amount is unrestricted net position of $937,800.

At the close of the most recent fiscal year, the Village's governmental funds reported combined ending fund balances of $2,246,612. Approximately 34% of this total amount, $772,735, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the general fund was $772,735, or 36% of total annual general fund expenditures including operating transfers.

The Village's total debt decreased by $304,986 during the current fiscal year due to annual debt service payments made.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

- **Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

  The statement of net position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Village 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village 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 the Village include general government, public works, police, streets, debt service, capital improvements, and cemetery. The business-type activity of the Village is the Water and Sewer Fund.

The government-wide financial statements include not only the Village itself (known as the primary government), but also a legally separate Downtown Development Authority (DDA) district for which the Village is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 11 of this report.

- **Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village 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 on 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 financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, the public works fund, and the police fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found beginning on page 13 of this report.

Proprietary Funds – The Village maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its Water and Sewer operation.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found beginning on page 17 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found beginning on page 20 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 beginning on page 22 of this report.

Government-wide Financial Analysis

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $9,874,471 at the close of the most recent fiscal year. Of the Village's net position, 76% reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Village of Lake Orion – Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets:						
Current and other assets	**$ 2,607,853**	$ 2,400,109	**$ 3,174,128**	$ 3,286,656	**$ 5,781,981**	$ 5,686,765
Capital assets, net	**3,234,222**	3,136,228	**10,144,494**	10,688,264	**13,378,716**	13,824,492
Total assets	**5,842,075**	5,536,337	**13,318,622**	13,974,920	**19,160,697**	19,511,257
Deferred outflows	**131,933**	87,732	**-**	-	**131,933**	87,732
Liabilities:						
Long-term liabilities outstanding	**2,656,000**	3,296,172	**5,530,130**	5,866,151	**8,186,130**	9,162,323
Other liabilities	**374,336**	306,340	**570,912**	1,121,858	**945,248**	1,428,198
Total liabilities	**3,030,336**	3,602,512	**6,101,042**	6,988,009	**9,131,378**	10,590,521
Deferred inflows of resources	**286,781**	217,441	**-**	-	**286,781**	217,441
Net position:						
Net investment in capital assets	**3,234,222**	3,136,228	**4,284,372**	4,495,894	**7,518,594**	7,632,122
Restricted	**1,418,077**	1,296,465	**-**	-	**1,418,077**	1,296,465
Unrestricted (deficit)	**(1,995,408)**	(2,628,577)	**2,933,208**	2,491,017	**937,800**	(137,560)
Total net position	**$ 2,656,891**	$ 1,804,116	**$ 7,217,580**	$ 6,986,911	**$ 9,874,471**	$ 8,791,027

Village of Lake Orion – Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program revenues:						
Charge for services	**$ 835,958**	$ 664,410	**$ 1,861,072**	$ 1,935,085	**$ 2,697,030**	$ 2,599,495
Operating grants and contributions	**332,248**	425,183	**-**	-	**332,248**	425,183
Capital grants and contributions	**-**	-	**346,904**	16,595	**346,904**	16,595
General revenues:						
Property taxes	**1,541,826**	1,502,123	**-**	-	**1,541,826**	1,502,123
State shared revenues	**342,497**	320,047	**-**	-	**342,497**	320,047
Unrestricted investment earnings	**9,133**	14,012	**20,531**	24,268	**29,664**	38,280
Transfers	**142,300**	139,000	**(113,300)**	(110,000)	**29,000**	29,000
Total revenues	**3,203,962**	3,064,777	**2,115,207**	1,865,948	**5,319,169**	4,930,723
Expenses:						
General government	**681,280**	776,642	**-**	-	**681,280**	776,642
Public safety	**598,401**	782,436	**-**	-	**598,401**	782,436
Public works	**936,759**	1,229,664	**-**	-	**936,759**	1,229,664
Community development	**60,298**	53,971	**-**	-	**60,298**	53,971
Recreation and culture	**74,449**	54,915	**-**	-	**74,449**	54,915
Water and sewer	**-**	-	**1,884,538**	1,879,730	**1,884,538**	1,879,730
Total expenses	**2,351,187**	2,897,628	**1,884,538**	1,879,730	**4,235,725**	4,777,358
Change in net position	**$ 852,775**	$ 167,147	**$ 230,669**	$ (13,782)	**$ 1,083,444**	$ 153,365

Governmental Activities. Governmental activities increased net position by $852,775 as compared to an increase of $167,147 in the prior year.

Business-type Activities. Business-type activities increased net position by $230,669, which reflects the activity in the Village's Water and Sewer Fund. In fiscal year 2021, the Water and Sewer Fund reflected a decrease in net position of $13,782.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Lake Orion uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of $2,246,612. Approximately 34% of this total amount, $772,735, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is nonspendable (prepaid expenditures) or restricted to indicate that it is not available for new spending because it has already been committed for police, streets, debt service, capital projects, or to generate income to pay for the perpetual care of the municipal cemetery.

Total governmental fund balances increased by $155,684 in 2022 as compared to an increase of $339,924 in the 2021 fiscal year.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the general fund was $772,735, while the total fund balance was $791,075. Unassigned fund balance represents 36% of total general fund expenditures including operating transfers, while the total fund balance represents 37% of that same amount. The fund balance of the Village's general fund increased $13,231 during the current fiscal year.

Proprietary Funds. The Village's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $2,933,208. The Water and Sewer Fund had operating income of $104,024 at year end, and a total net income of $230,669, as compared to operating income of $173,496 and total net loss of $13,782 in the prior fiscal year.

General Fund Budgetary Highlights

There was a $219,732 increase in budgeted revenues between the original budget and the final amended budget. Total expenditures were within the amount budgeted.

Capital Asset and Debt Administration

Capital Assets. The Village's investment in capital assets for its governmental and business-type activities is $13,378,716 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings, machinery and equipment, park facilities, roads, water and sewer lines, and bridges. The net change in the Village's investment in capital assets for the current fiscal year was a 3% increase for governmental activities, and a 5% decrease in business-type activities. Governmental capital asset additions include street and sidewalk improvements and vehicles. Business-type capital asset additions include water line construction.

Long-term Debt. At the end of the current fiscal year, the Village had total bond debt outstanding of $5,867,340 which is entirely business-type activities.

At the end of the current fiscal year, the Village's Component Unit (DDA) had an advance from the Water & Sewer Fund outstanding of $400,000 to assist the DDA in financing the streetscape project.

The Village of Lake Orion continues to maintain a stable rating of "AA-" from Standard and Poor's for bond debt.

Economic Factors and Future Budgets and Rates

For the 2022/2023 budget year, the Village expects to see changes in revenues and expenditures as a result of the COVID-19 pandemic. The Village anticipates a slight increase in property tax revenue and a decrease in state shared revenue received from the State of Michigan. The Village will also continue work on the water main project throughout the Village, which has been funded through a Drinking Water Revolving Fund loan.

The Village has made every effort to reduce expenses while maintaining services to its citizens. Each year it has been an increasing challenge and this upcoming year will bring new challenges with the ongoing COVID-19 pandemic. The Village's primary revenue stream, property taxes, is anticipated to remain stable or increase slightly, but other unexpected expenditures stemming from the pandemic could affect net position.

Requests for Information

This financial report is designed to provide a general overview of the Village of Lake Orion'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 21 E. Church Street, Lake Orion, Michigan 48362.

Village of Lake Orion

Statement of Net Position

June 30, 2022

	Primary Government			
	Governmental Activities	Business-type Activies	Total	Component Unit – DDA
Assets				
Current assets:				
Cash and investments	$ 2,267,500	$ 2,215,407	$ 4,482,907	$ 858,134
Receivables (net of allowance for uncollectibles)	198,333	547,827	746,160	-
Due from other governmental units	112,124	-	112,124	-
Prepaid expenditures	29,896	10,894	40,790	20,055
Total current assets	2,607,853	2,774,128	5,381,981	878,189
Advance to component unit	-	400,000	400,000	-
Capital assets – non-depreciating	498,484	5,435,368	5,933,852	393,274
Capital assets, net of accumulated depreciation	2,735,738	4,709,126	7,444,864	2,683,821
Net capital assets	3,234,222	10,144,494	13,378,716	3,077,095
Total assets	5,842,075	13,318,622	19,160,697	3,955,284
Deferred outflow of resources				
Deferred outflow related to pension	121,188	-	121,188	-
Deferred outflow related to OPEB	10,745	-	10,745	-
Total outflow of resources	131,933	-	131,933	-
Liabilities				
Current liabilities:				
Accounts payable	118,023	200,594	318,617	17,271
Accrued liabilities/interest	134,585	33,108	167,693	-
Current portion of compensated absences	121,728	500	122,228	-
Current portion of long-term debt	-	336,210	336,210	100,000
Total current liabilities	374,336	570,412	944,748	117,271
Noncurrent liabilities:				
Net other post employment benefits liability	1,241,241	-	1,241,241	-
Net pension liability	1,345,710	-	1,345,710	-
Compensated absences, net of current portion	69,049	6,718	75,767	-
Long-term debt, net of current portion	-	5,523,912	5,523,912	300,000
Total noncurrent liabilities	2,656,000	5,530,630	8,186,630	300,000
Total liabilities	3,030,336	6,101,042	9,131,378	417,271
Deferred inflow of resources				
Deferred inflow related to pension	85,333	-	85,333	-
Deferred inflow related to OPEB	92,815	-	92,815	-
Taxes levied for the following year	108,633	-	108,633	-
Total deferred inflow of resources	286,781	-	286,781	-
Net position				
Net investment in capital assets	3,234,222	4,284,372	7,518,594	2,677,095
Restricted for:				
Police	436,410	-	436,410	-
Streets	450,084	-	450,084	-
Capital projects	191,965	-	191,965	-
Perpetual care	339,618	-	339,618	-
Unrestricted	(1,995,408)	2,933,208	937,800	860,918
Total net position	$ 2,656,891	$ 7,217,580	$ 9,874,471	$ 3,538,013

See accompanying notes.

Village of Lake Orion

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit - DDA
Primary government								
Governmental activities:								
General government	$ 681,280	$ 175,839	$ -	$ -	$ (505,441)	$ -	$ (505,441)	$ -
Public safety	598,401	134,901	8,649	-	(454,851)	-	(454,851)	-
Public works	936,759	487,591	323,599	-	(125,569)	-	(125,569)	-
Community development	60,298	25,615	-	-	(34,683)	-	(34,683)	-
Recreation and culture	74,449	12,012	-	-	(62,437)	-	(62,437)	-
Total governmental activities	2,351,187	835,958	332,248	-	(1,182,981)	-	(1,182,981)	-
Business-type activities:								
Water and sewer	1,884,538	1,861,072	-	346,904	-	323,438	323,438	-
Total primary government	$ 4,235,725	$ 2,697,030	$ 332,248	$ 346,904	$ (1,182,981)	$ 323,438	$ (859,543)	$ -
Component unit:								
Downtown development authority	$ 811,346	$ 58,841	$ -	$ -	-	-	-	(752,505)
General revenues and transfers:								
Property taxes					1,541,826	-	1,541,826	740,526
Other taxes					-	-	-	8,015
Operating grants and contributions					-	-	-	87,764
State grants					-	-	-	3,688
State shared revenue					342,497	-	342,497	-
Unrestricted investment earnings					9,133	20,531	29,664	2,458
Transfers					142,300	(113,300)	29,000	(29,000)
Total general revenues and transfers					2,035,756	(92,769)	1,942,987	813,451
Change in net position					852,775	230,669	1,083,444	60,946
Net position at beginning of year					1,804,116	6,986,911	8,791,027	3,477,067
Net position at end of year					$ 2,656,891	$ 7,217,580	$ 9,874,471	$ 3,538,013

See accompanying notes.

Village of Lake Orion

Governmental Funds
Balance Sheet

June 30, 2022

	General Fund	Special Revenue: Public Works Fund	Special Revenue: Police Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 767,849	$ 170,020	$ 466,423	$ 863,208	$ 2,267,500
Receivables (net of allowance for uncollectibles)	89,700	-	108,633	-	198,333
Advance to other funds	-	-	-	122,182	122,182
Due from State	58,352	-	-	49,627	107,979
Due from County	-	-	4,145	-	4,145
Prepaid expenditures	18,340	5,387	4,194	1,975	29,896
Total assets	$ 934,241	$ 175,407	$ 583,395	$ 1,036,992	$ 2,730,035
Liabilities, deferred inflows of resources, and fund balance					
Liabilities:					
Accounts payable	$ 38,915	$ 14,294	$ 12,811	$ 52,003	$ 118,023
Accrued and other liabilities	104,251	8,987	21,347	-	134,585
Advance from other funds	-	122,182	-	-	122,182
Total liabilities	143,166	145,463	34,158	52,003	374,790
Deferred inflows of resources:					
Taxes levied for the following year	-	-	108,633	-	108,633
Fund balance:					
Nonspendable – prepaid expenditures	18,340	5,387	4,194	1,975	29,896
Restricted for:					
Police	-	-	436,410	-	436,410
Streets	-	-	-	450,084	450,084
Parking	-	-	-	1,347	1,347
Capital projects	-	-	-	191,965	191,965
Perpetual care	-	-	-	339,618	339,618
Committed for public works	-	24,557	-	-	24,557
Unassigned	772,735	-	-	-	772,735
Total fund balance	791,075	29,944	440,604	984,989	2,246,612
Total liabilities, deferred inflows of resources, and fund balance	$ 934,241	$ 175,407	$ 583,395	$ 1,036,992	$ 2,730,035

See accompanying notes.

Village of Lake Orion

Governmental Funds
Reconciliation of Balance Sheet to Statement of Net Position

June 30, 2022

Total fund balance – governmental funds	$	2,246,612
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Net cost of capital assets		3,234,222
Governmental funds report actual pension and other post employment benefit expenditures for the fiscal year, whereas the governmental activities will recognize the net pension liability as of the measurement date. Pension contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, and differences betwen projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:		
Deferred outflows of resources related to pensions		121,188
Deferred outflows of resources related to other post employment benefits		10,745
Deferred inflows of resources related to pensions		(85,333)
Deferred inflows of resources related to other post employment benefits		(92,815)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Net other post employment benefit liability		(1,241,241)
Net pension liability		(1,345,710)
Compensated absences		(190,777)
Net position – governmental activities	$	2,656,891

See accompanying notes.

Village of Lake Orion

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2022

	General Fund	Special Revenue: Public Works Fund	Special Revenue: Police Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 1,200,103	$ -	$ 341,723	$ -	$ 1,541,826
Intergovernmental:					
Federal, state, and local	410,501	-	8,649	323,599	742,749
Charges for services	323,114	145,134	96,162	17,199	581,609
Fines and forfeitures	-	-	33,419	2,328	35,747
Interest	1,274	387	1,396	6,076	9,133
Other revenues	105,507	34,435	5,320	5,336	150,598
Total revenues	2,040,499	179,956	486,669	354,538	3,061,662
Expenditures					
Current:					
General government	718,097	-	-	-	718,097
Public safety	-	-	788,492	-	788,492
Public works	235,166	552,832	-	259,182	1,047,180
Parking	-	-	-	909	909
Community and economic development	60,298	-	-	-	60,298
Recreation and culture	55,473	-	-	-	55,473
Other	67,207	-	-	-	67,207
Capital outlay	143,327	106,326	21,135	39,834	310,622
Total expenditures	1,279,568	659,158	809,627	299,925	3,048,278
Excess of revenues over (under)	760,931	(479,202)	(322,958)	54,613	13,384
Other financing sources (uses)					
Transfers in	142,300	495,000	355,000	95,000	1,087,300
Transfers out	(890,000)	-	-	(55,000)	(945,000)
Total other financing sources and uses	(747,700)	495,000	355,000	40,000	142,300
Net change in fund balance	13,231	15,798	32,042	94,613	155,684
Fund balance at beginning of year	777,844	14,146	408,562	890,376	2,090,928
Fund balance at end of year	$ 791,075	$ 29,944	$ 440,604	$ 984,989	$ 2,246,612

See accompanying notes.

Village of Lake Orion

Governmental Funds
Reconciliation of Statement of Revenues, Expenditures, and
Changes in Fund Balance to Statement of Activities

Year Ended June 30, 2022

Net change in fund balance – governmental funds	$	155,684
Total change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. Also, when capital assets are disposed prior to being fully depreciated, the loss on disposal is recorded in the statement of activities, but not in the governmental funds. In the current period, these amounts are:		
Capital outlay		314,490
Depreciation expense		(216,496)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. In the current period, these items consist of:		
Change in net other post employment benefit liability		512,576
Change in deferred outflows related to pensions and OPEB		44,201
Change in deferred inflows related to pensions and OPEB		(65,259)
Change in net pension liability		124,153
Change in compensated absences		(16,574)
Change in net position – governmental activities	$	852,775

See accompanying notes.

Village of Lake Orion

Proprietary Fund
Statement of Net Position

June 30, 2022

	Enterprise Fund Water and Sewer
Assets	
Current assets:	
Cash and investments	$ 2,215,407
Accounts receivable	547,827
Prepaid expenses	10,894
Total current assets	2,774,128
Advance to component unit	400,000
Property, plant, and equipment	18,554,004
Less: Accumulated depreciation	(8,409,510)
Net property, plant, and equipment	10,144,494
Total assets	13,318,622
Liabilities	
Current liabilities:	
Accounts payable	200,594
Accrued interest	33,108
Current portion of compensated absences	500
Current portion of bonds payable	336,210
Total current liabilities	570,412
Long-term liabilities:	
Compensated absences, less current portion	6,718
Bonds payable, less current portion	5,523,912
Total long-term liabilities	5,530,630
Total liabilities	6,101,042
Net position	
Net investment in capital assets	4,284,372
Unrestricted	2,933,208
Total net position	$ 7,217,580

See accompanying notes.

Village of Lake Orion

Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

	Enterprise Fund Water and Sewer
Operating revenues	
Charges for services	$ 1,831,108
Penalty charges	29,614
Miscellaneous	350
Total operating revenues	1,861,072
Operating expenses	
Salaries and fringe benefits	109,052
Water purchases	416,616
Sewage treatment	862,144
General and administrative	14,124
Supplies	3,470
Contract services	43,912
Equipment repairs and rentals	37,873
Depreciation	269,857
Total operating expenses	1,757,048
Operating income	104,024
Nonoperating revenues (expenses)	
State grants	335,128
Interest earned	20,531
Interest expense and related fees	(127,490)
Total nonoperating revenues (expenses)	228,169
Income before contributions and transfers	332,193
Capital contributions	
Capital and lateral charges	11,776
Transfers	
Transfers out	(113,300)
Change in net position	230,669
Net position at beginning of period	6,986,911
Net position at end of period	$ 7,217,580

See accompanying notes.

Village of Lake Orion

Proprietary Fund
Statement of Cash Flows

Year Ended June 30, 2022

	Enterprise Fund Water and Sewer
Cash flows from operating activities	
Receipts from customers and users	$ 1,879,761
Payments to suppliers	(1,935,451)
Payments to employees	(109,052)
Net cash from operating activities	(164,742)
Cash flows from capital and related financing activities	
Collection of capital and lateral charges	11,776
Amounts due from State, net	617,510
Payment for capital acquisitions	273,915
Proceeds from issuance of capital debt	690
Principal paid on capital debt	(332,250)
Interest paid on capital debt	(127,715)
Transfer to other funds	(113,300)
Net cash from capital and related financing activities	330,626
Cash flows from investing activities	
Advance to component unit, net	100,000
Interest earned	20,531
Net cash from investing activities	120,531
Net change in cash and cash equivalents	286,415
Cash and cash equivalents at beginning of period	1,928,992
Cash and cash equivalents at end of period	$ 2,215,407
Reconciliation of operating income to net cash from operating activities:	
Operating income	$ 104,024
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	269,857
Change in accounts receivable	18,689
Change in prepaids	765
Change in accounts payable and contract retainage	(558,077)
Net cash from operating activities	$ (164,742)

See accompanying notes.

Village of Lake Orion

Fiduciary Fund
Statement of Fiduciary Net Position

June 30, 2022

	Retiree Healthcare Trust Fund
Assets	
Investments, at fair value:	
Mutual funds	$ 180,906
Total assets	180,906
Net Position	
Held in trust for retirement benefits	$ 180,906

See accompanying notes.

Village of Lake Orion

Fiduciary Fund
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	Retiree Healthcare Trust Fund
Additions	
Contributions:	
Employer	$ 10,000
Investment earnings:	
Net decrease in fair value of investments	(26,734)
Total additions (decrease)	(16,734)
Deductions	
Fees	-
Change in net position	(16,734)
Net position at beginning of year	197,640
Net position at end of year	$ 180,906

See accompanying notes.

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Lake Orion (Village) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies used by the Village.

Reporting Entity

The Village was incorporated in 1859. The Village operates under an elected Village Council, with a full-time Village Manager appointed by the Council to carry out the policies that it establishes. Services are provided to approximately 3,000 residents in the areas of police, refuse removal, parks and recreation, road construction, lighting, maintenance, and water and sewer.

As required by generally accepted accounting principles, these financial statements present the Village and its component units, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Unit

Downtown Development Authority (DDA)

The Village of Lake Orion Downtown Development Authority (DDA) was established to promote economic growth and revitalization of the Village's business district. The DDA Board is appointed by the Village Council, and the annual operating budget and any modifications require the approval of the Village Council. The DDA has a June 30 fiscal year end.

Description of 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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

1. Summary of Significant Accounting Policies (continued)

Description of Government-Wide and Fund Financial Statements (continued)

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental and internal service funds, while business-type activities incorporate data from the Village's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the Village has one discretely presented component unit. Although all may not be considered to be major component units, they are nevertheless shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and other charges between the Village's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Village's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The Village reports the following major governmental funds:

General Fund – General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Public Works Fund – Public Works Fund is a special revenue fund used to account for the activity of the Department of Public Works, including cemetery operations.

Police Fund – Police Fund is a special revenue fund used to account for the revenues and expenditures of the police department.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the enterprise fund types.

The Village reports the following major proprietary fund:

Enterprise Funds – Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Village Council has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. The Village has one enterprise fund, which is the Water and Sewer Fund.

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation – Fund Financial Statements (continued)

The Village reports the following fiduciary funds:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund types:

Retiree Healthcare Trust Fund – Retiree Healthcare Trust Fund accumulates resources for future retiree health care payments.

Agency Fund – Agency Fund is used to account for assets that the government holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Additionally, the Village reports the following fund types:

Special Revenue Fund – Special Revenue Fund is used to account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

Capital Project Fund – Capital Project Fund is used to account for the financial resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary Funds.)

Permanent Fund – Permanent Fund is used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. This includes the Perpetual Care Fund for the municipal cemetery.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 taxes. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

1. Summary of Significant Accounting Policies (continued)

Basis of Presentation – Fund Financial Statements (continued)

During the course of operations, the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as "due from/to other funds" and "advances to/from other funds." While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect the amounts of assets and liabilities, 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.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

Governmental fund 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 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted for the General Fund, all special revenue funds, capital project funds, enterprise and internal service funds and the discretely presented component unit. The DDA budget is based upon a fiscal year which matches the Village's fiscal year. The Village Administrator submits to the Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Budgets are prepared on a basis consistent with the accounting basis utilized by the fund. Public hearings are conducted to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through a resolution passed by the Council. The budget and approved appropriations lapse at the end of the fiscal year. The Village does not maintain a formal encumbrance accounting system. The budgets are adopted on a functional basis. Expenditures may not legally exceed the budgeted amounts by function for these funds. The Village Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.

Comparisons to budget are presented as required by GAAP for all major governmental funds for which budgets were legally adopted. Budgets are adopted on a basis consistent with GAAP.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Position/Fund Balance

Cash and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks.

Investments for the Village, as well as for its component units, are recorded at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates, as determined by the Village's share of the net asset value (NAV) of the investment. Investments that do not have an established fair value are reported at estimated fair value as determined by management.

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 "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., non-current 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. All trade and property tax receivables are shown net of allowance for uncollectible accounts, which are recorded at $0 as of June 30, 2022.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Position/Fund Balance (continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the Village), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 costs 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 capitalized value of the assets constructed. Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Land improvements	10-50 years
Buildings	40 years
Street and road improvements	50 years
Water and sewer lines	50 years
Equipment	5-10 years
Vehicles	5-10 years

Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Village and the Village's internal policy, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the statement of net position. This liability is composed of employees who retire and any unused vacation paid upon termination of employment.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Position/Fund Balance (continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type state of net position. Bond premiums and discounts as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the statement of net position. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

Fund Balance Classifications

In the fund financial statements, governmental funds report the following components of fund balance which comprise a hierarchy based on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable – amounts which cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as creditors, grantors, and higher levels of government), through constitutional provisions, or by enabling legislations.

Committed – amounts which are subject to limitations the Village imposes upon itself through official actions made by the Village Council, and that remain binding unless removed in the same manner.

Assigned – amounts neither restricted nor committed for which the Village has a stated intended use as established by the Village Council or an official to which the Village Council has delegated the authority to assign amounts for specific purposes.

Unassigned – amounts that are available for any purpose.

1. Summary of Significant Accounting Policies (continued)

Assets, Liabilities, and Net Position/Fund Balance (continued)

The Village would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 Village's enterprise fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the systems. Operating expenses for enterprise 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.

2. Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units
Cash and investments	$ 2,267,500	$ 2,215,407	$ 180,906	$ 858,134

These amounts are classified into the following deposits and investments categories:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units
Deposits	$ 1,073,170	$ 457,536	$ -	$ 408,126
Investments:				
Oakland County – LGIP	1,115,975	1,757,871	-	450,008
Michigan CLASS	78,355	-	-	-
Investment managers	-	-	180,906	-

2. Deposits and Investments (continued)

Michigan Compiled Laws Section 129.91 (Public Act (PA) 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Village adopted Public Act 149 of 1999, which allows the Village to invest retiree health care funds in more diversified investment asset classes, as allowed under Michigan Public Act 314 of 1965, as amended. Michigan Public Act 314 of 1965, as amended, allows the Village to invest pension and retiree health care funds in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed $250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Village has designated two banks for the deposit of its funds. The investment policy adopted by the Village Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government, bank accounts, CDs, commercial paper, repurchase agreements, bankers' acceptances of United States banks, municipal bonds, and investment pools. The Village's deposits and investment policies are in accordance with statutory authority. The Village's treasurer periodically submits recommendations for approved depository banks and credit unions to the Village Council. Additionally, the Village participates in the Oakland County Local Government Investment Pool (LGIP) and the Michigan CLASS investment pool. The investment pools are not subject to regulatory oversight, are not registered with the SEC, and do not issue a separate financial report. The fair value of the position in the pool is the same as the value of the pool shares.

2. Deposits and Investments (continued)

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk. Custodial Credit Risk is the risk that in the event of a bank failure, the Village's deposits may not be recovered. Neither State law nor the Village's investment policy requires consideration of custodial credit risk. At year end, the Village had $1,702,539 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The uninsured and uncollateralized amount includes $355,870 of component unit deposits. The Village believes that, due to the dollar amounts of cash deposits and the limits of Federal Deposit Insurance Corporation (FDIC) insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As noted above, the Village participates in the Oakland County Local Government Investment Pool and the Michigan CLASS investment pool. At year end the Village's investment in the Oakland County Local Government Investment Pool was $3,323,854 which includes component unit investments. At year end, the Village's investment in the Michigan CLASS investment pool was $78,355.

In addition to the governmental fund bank deposits noted above, the Village had investments held in trust by a custodial bank as a part of the Retiree Health Care Trust Fund. The fund's investments stated at market value were $180,906 as of June 30, 2022.

2. Deposits and Investments (continued)

Interest Rate Risk. Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments above. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates. The Village's investments and weighted average maturities consisted of the following:

Deposits and Investments	Fair Value	Weighted Average Maturity
Primary Government (includes component unit investments):		
Savings and checking accounts	$ 1,938,832	Demand
Pooled investments (share price $1)	3,402,209	Less Than One Year
	$ 5,341,041	
Fiduciary Fund:		
Mutual Funds – Bonds	$ 47,221	N/A
Mutual Funds – Equity	133,685	N/A
	$ 180,906	

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds, and qualified external investment pools as identified above. The Village has no investment policy that would further limit its investment choices.

	Fair Value	Rating	Rating Organization
Primary Government (includes component unit investments):			
Oakland County – LGIP	$ 3,323,854	Not rated	N/A
Michigan CLASS	78,355	AAAm	S&P
Fiduciary Fund:			
Mutual Funds – Bonds	47,221	Not rated	N/A
Mutual Funds – Equity	133,685	Not rated	N/A

2. Deposits and Investments (continued)

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Village's investment policy places no limit on the amount the Village may invest in any one issuer.

Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified within the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset.

The Village has the following recurring fair value measurements as of June 30, 2022:

	Balance at June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
OPEB mutual funds – fixed income	$ 47,221	$ 47,221	$ -	$ -
Equity securities				
OPEB mutual funds – equity	133,685	133,685	-	-
Total investments by fair value level	$ 180,906	$ 180,906	$ -	$ -
Investments measured at the net asset value (NAV)				
Oakland County Investment Pool	$ 3,323,854			
Michigan CLASS	78,355			
Total investments measured at NAV	3,402,209			
Total investments measured at fair value	$ 3,583,115			

2. Deposits and Investments (continued)

Debt and equity securities (mutual funds) classified in Level 1 are valued using prices quoted in active markets for those securities.

Investments in Entities that Calculate Net Asset Value per Share

The Village holds shares or interests in investment pools whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At June 30, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Investment Pool	$ 3,323,854	$ -	No limitations	None
Michigan CLASS	78,355	-	No limitations	None
Total	$ 3,402,209	$ -		

The Oakland County Investment Pool is a portfolio combining investments in U.S. government securities, certificates of deposit, and cash equivalents. These investments are made in conformance with PA 20 of 1943 and the Oakland County Investment Policy. This investment policy demands three standards for investment: safety of principal, liquidity of investment, and return on investment. The Oakland County Local Government Investment Pool is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares, since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost.

The Michigan Cooperative Liquid Assets Securities System (CLASS) investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102% by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under the state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

3. Interfund Receivables, Payables, and Transfers

The transfers between funds may be summarized as follows:

Transfers In	Transfers Out	Amount
Public Works Fund	General Fund	$ 490,000
Police Fund	General Fund	355,000
General Fund	Water Sewer Fund	113,300
General Fund	DDA	29,000
Public Works Fund	Cemetery Perpetual Care	5,000
Local Street Fund	Major Street Fund	50,000
Capital Improvement Fund	General Fund	45,000
DDA Property Acquisition Fund	DDA	120,000
		$ 1,207,300

Interfund transfers are used to: 1) transfer revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; 2) transfer receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due; and 3) transfer unrestricted revenues collected in the General Fund to other funds to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

During the year-ended June 30, 2020, the Cemetery Perpetual Care fund advanced $148,472 to the Public Works Fund for the purchase of a vehicle. The Public Works Fund will repay this advance in ten annual installments of $14,847 plus interest of 3.0%, beginning January 1, 2021. The current balance outstanding is $122,182.

4. Capital Assets

Capital assets activity for primary government for the year ended June 30, 2022 was as follows:

Governmental Activities	Beginning Balance	Additions	Disposals	Ending Balance
General				
Capital assets not being depreciated:				
Land	$ 498,484	$ -	$ -	$ 498,484
Capital assets being depreciated:				
Land improvements	485,965	-	-	485,965
Street and road improvements	2,529,446	46,124	-	2,575,570
Building and improvements	1,468,029	7,635	-	1,475,664
Machinery and equipment	663,326	154,405	(21,310)	796,421
Vehicles	944,210	106,326	(55,000)	995,536
Total capital assets being depreciated	6,090,976	314,490	(76,310)	6,329,156
Accumulated depreciation:				
Land improvements	(425,617)	(5,530)	-	(431,147)
Street and road improvements	(983,117)	(51,512)	-	(1,034,629)
Building and improvements	(714,687)	(75,579)	-	(790,266)
Machinery and equipment	(652,504)	(21,552)	21,310	(652,746)
Vehicles	(677,307)	(62,323)	55,000	(684,630)
Total accumulated depreciation	(3,453,232)	(216,496)	76,310	(3,593,418)
Total general capital assets being depreciated, net	2,637,744	97,994	-	2,735,738
Total governmental activities capital assets, net	$ 3,136,228	$ 97,994	$ -	$ 3,234,222

The depreciation expense was $216,496 during the year.

Depreciation expense was charged on the statement of activities as follows:

	Governmental Activities
General government	$ 71,776
Public safety	25,099
Public works	100,645
Recreation and culture	18,976
Total depreciation expense – governmental activities	$ 216,496

4. Capital Assets (continued)

Business-Type Activities	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 5,709,281	$ -	$ (273,913)	$ 5,435,368
Capital assets being depreciated:				
Water and sewer mains	11,875,526	-	-	11,875,526
Equipment	342,399	-	-	342,399
Intangible assets – water lines	900,713	-	-	900,713
Total capital assets being depreciated	13,118,638	-	-	13,118,638
Accumulated depreciation:				
Water and sewer mains	(7,294,968)	(236,392)	-	(7,531,360)
Equipment	(236,706)	(10,947)	-	(247,653)
Intangible assets – water lines	(607,981)	(22,518)	-	(630,499)
Total accumulated depreciation	(8,139,655)	(269,857)	-	(8,409,512)
Business-type capital assets being depreciated, net	4,978,983	(269,857)	-	4,709,126
Business-type activities capital assets, net	$ 10,688,264	$ (269,857)	$ (273,913)	$ 10,144,494

Depreciation expense was $269,857 during the year. All depreciation expense was charged to the water and sewer function in the statement of activities.

Component Unit – DDA	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	$ 393,274	$ -	$ -	$ 393,274
Capital assets being depreciated:				
Land improvements	909,220	-	-	909,220
Street and road improvements	3,628,501	-	-	3,628,501
Equipment	22,182	-	-	22,182
Total capital assets being depreciated	4,559,903	-	-	4,559,903
Accumulated depreciation:				
Land improvements	(656,273)	(23,127)	-	(679,400)
Street and road improvements	(1,078,377)	(100,763)	-	(1,179,140)
Equipment	(15,541)	(2,001)	-	(17,542)
Total accumulated depreciation	(1,750,191)	(125,891)	-	(1,876,082)
Component unit capital assets being depreciated, net	2,809,712	(125,891)	-	2,683,821
Component unit capital assets, net	$ 3,202,986	$ (125,891)	$ -	$ 3,077,095

Depreciation expense was $125,891 during the year.

4. Capital Assets (continued)

The Village has active construction projects at year-end. At year-end, the Village's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Water main project	$ 5,435,368	$ 594,632

In addition, the Village has active construction projects that are administered through Oakland County, Michigan and will be funded through long-term debt within the Water and Sewer Fund.

5. Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended June 30, 2022:

	Balance July 1, 2021	Add: Additional Debt Incurred	Less: Retirements and Payments on Debt	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated absences	$ 174,203	$ 16,574	$ -	$ 190,777	$ 121,728
Total governmental activities	174,203	16,574	-	190,777	121,728
Business-type Activities:					
County Interceptor Bonds	1,030,098	-	62,933	967,165	61,665
Resource Recovery Facility Bonds	190,396	-	9,317	181,079	9,545
Drinking Water Revolving Fund Bonds	4,971,878	-	260,000	4,711,878	265,000
Compensated absences	6,528	690	-	7,218	500
Total business-type activities	6,198,900	690	332,250	5,867,340	336,710
Total	$ 6,373,103	$ 17,264	$ 332,250	$ 6,058,117	$ 458,438
Component Unit – DDA:					
Long-term advance	$ 500,000	$ -	$ 100,000	$ 400,000	$ 100,000

5. Long-Term Debt (continued)

The following is a summary of general obligation debt outstanding (excluding compensated absences) of the Village as of June 30, 2022:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Business-type Activities:				
County Interceptor Bonds	9	1.55-5.90%	2040	$ 967,165
Resource Recovery Facility Bonds	1	2.50%	2038	181,079
Drinking Water Revolving Fund Bonds	1	2.00%	2037	4,711,878
				$ 5,860,122
Component Unit – DDA				
Long term advance	1	2.50%	2026	$ 400,000

In July 2010, the Oakland-Macomb Interceptor Drain Drainage Board assessed the Village of Lake Orion, along with other communities within the drainage district, for the maintenance and rehabilitation of the Oakland-Macomb Interceptor Drain, under the provisions of the Michigan Drain Code, Public Act 40 of 1956, Section 526. Bonds were issued in the amount of $26,076,000, Series 2010A, maturing in 2031 with an interest rate of 2.50%, $6,731,484, Series 2010B, maturing in 2030 with interest rates of 1.45-5.90%, Series 2011, maturing in 2033 with an interest rate of 2.50%, $65,140,000, Series 2013A, maturing in 2034 with an interest rate of 2.00%, Series 2014A maturing in 2034 with interest rates of 2.00-3.50%, Series 2015 maturing in 2035 with interest rates of 2.00-3.50%, $5,205,000, Series 2019A maturing in 2030 with an interest rate of 1.85%, and $4,510,000 (a refunding of the 2010B bonds), Series 2019B maturing in 2025 with an interest rate of 1.55%. During the year-ended June 30, 2021, Series 2020A was issued, maturing in 2040 with interest rates of 2.00%-5.00% totaling $252,833 (0.4419% of the issuance). The Village's portion of the total debt as of June 30, 2022 is $967,165.

During fiscal year 2020, the Downtown Development Authority commenced a significant parking lot project. The Village authorized $500,000 be loaned to the DDA from the Water and Sewer Fund. The loan was made in a lump-sum in fiscal year 2020. All loan amounts transferred will bear interest at the simple annual interest rate of 2.50% from the date of transfer until full repayment. Repayment will be made in 5 annual installments commencing October 1, 2021 through 2025.

5. Long-Term Debt (continued)

In 2017, the Village received notice from Oakland County Water Resources Commissioner that the Clinton River Water Resource Recovery Drainage District is planning to construct a Biosolids Handling and Septage Receiving Facility. The total estimated cost of the project is approximately $40 million. The Village's estimated share of the total expected debt issue of approximately $29.5 million is 0.7698% or approximately $227,000. Each of the participating communities were given the option to prepay the assessment or pay the assessment through a debt issue over 20 years. The Village elected to pay the assessment through a debt issue over 20 years. Through June 30, 2022, the Village's share of the total debt incurred to date is $181,082.

In 2017, the Village entered into an agreement with the State of Michigan Department of Environmental Quality, Drinking Water Revolving Fund loan program to upgrade certain portions of the Village's water main infrastructure. The total amount of the loan approved is $6,030,000. The bonds will be purchased by the Michigan Finance Authority. Annual debt service began April 1, 2020 and continues with annual payments due through 2039. Interest on the bonds is payable semi-annually on October 1 and April 1 at 2.00% per annum.

The annual debt service requirements to maturity for general obligation debt outstanding as of June 30, 2022 are as follows:

	Governmental Activities		Business-type Activities	
Year Ended	Principal	Interest	Principal	Interest
2023	$ -	$ -	$ 336,210	$ 115,560
2024	-	-	343,129	109,310
2025	-	-	350,005	102,937
2026	-	-	356,932	96,411
2027	-	-	363,531	89,773
2028-2032	-	-	1,924,026	344,956
2033-2037	-	-	1,950,274	166,085
2038-2041	-	-	236,015	13,006
	$ -	$ -	$ 5,860,122	$1,038,038

5. Long-Term Debt (continued)

	Component Unit – DDA	
Year Ended	**Principal**	**Interest**
2023	$ 100,000	$ 10,000
2024	100,000	7,500
2025	100,000	5,000
2026	100,000	2,500
	$ 400,000	$ 25,000

6. Employees' Retirement System

General Plan Information

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 is a not-for-profit organization that was granted independence from the State of Michigan pursuant to Public Act 220 of 1996, effective August 15, 1996. 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 http://www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The Village's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The Plan covers all full-time employees at the Village including union and non-union employees. As of July 1, 2012, the Village closed all defined benefit groups to new members. Benefits are calculated as 2.25% of the employee's three-year final average compensation multiplied by the employee's years of service with a maximum of 80% of final average compensation. Normal retirement age is 60. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred if the member had remained an employee.

Benefit terms, within the guidelines established by MERS, are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Police employee benefit terms may be subject to binding arbitration in certain circumstances.

6. Employees' Retirement System (continued)

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

Inactive plan members or beneficiaries currently receiving benefits	18
Inactive plan members entitled to, but not yet receiving benefits	5
Active plan members	3
Total employees covered by MERS plan	26

Contributions

Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2022, the average active employee contribution rate was 5.00% of gross wages for police union employees and 5.00% of gross wages for public works employees. The Village's contribution rate was a monthly flat rate of $20,198.

6. Employees' Retirement System (continued)

Net Pension Liability

The net pension liability reported as of June 30, 2022 was determined using a measure of the total pension liability and the plan net position as of December 31, 2021. The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
	Total Pension Liability	**Plan Net Position**	**Net Pension Liability**
Balance as of December 31, 2020	$ 4,397,555	$ 2,927,692	$ 1,469,863
Service cost	22,795	-	22,795
Interest	306,483	-	306,483
Contributions – employer	-	208,920	(208,920)
Contributions – employee	-	9,642	(9,642)
Net investment income	-	404,929	(404,929)
Differences between expected and actual experience	24,535	-	24,535
Change in assumptions	126,086	-	126,086
Benefit payments, including refunds	(363,200)	(363,200)	-
Administrative expenses	-	(4,643)	4,643
Other changes	14,796	-	14,796
Net changes	131,495	255,648	(124,153)
Balance as of December 31, 2021	$ 4,529,050	$ 3,183,340	$ 1,345,710

6. Employees' Retirement System (continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ending June 30, 2022, the Village recognized a pension expense of $295,874. As of June 30, 2022, the Village reported deferred inflows and outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments*	$ -	$ 85,333
Employer contributions to plan subsequent to the measurement date**	121,188	-
Total	$ 121,188	$ 85,333

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

Years Ending June 30	Amount
2023	$ 48,967
2024	(17,200)
2025	13,950
2026	39,616

** The amount reported as deferred outflow of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the fiscal year ending June 30, 2023.

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%

6. Employees' Retirement System (continued)

Actuarial Assumptions (continued)

Mortality rates were based on 106% of the PubG-2010 Healthy Retiree Tables. For disabled retirees, 100% of the PubNS-2010 Disabled Retiree Tables were used.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study in 2020.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 as of December 31, 2021, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	60%	3.15%
Global fixed income	20%	0.25%
Private investments	20%	1.45%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

6. Employees' Retirement System (continued)

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 if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$ 1,743,207	$ 1,345,710	$ 948,213

7. Post-Employment Healthcare Benefits

Plan Administration

The Village administers a single-employer, defined benefit post-employment health insurance plan (OPEB plan). The OPEB plan does not include pension benefits described in Note 6. Management of the plan is vested with the elected Village Council. The OPEB plan is reported as a Trust Fund in the Village's financial statements. The OPEB plan does not issue a publicly available financial report.

OPEB Plan Membership

As of June 30, 2022, the OPEB plan membership data is as follows:

Inactive plan members receiving benefits	10
Inactive plan members	1
Active plan members	3
Total participants	14

7. Post-Employment Healthcare Benefits (continued)

Benefits Provided

The OPEB plan provides medical insurance for eligible retirees and their dependents through the Village's group health insurance plan, which covers both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Village and the respective unions or as established by the Village for non-union employees. The OPEB plan provides the following benefits based on employee group upon retirement.

AFSCME Union – The Village pays 75% of premium for the retiree and spouse for their lifetimes provided the participant was hired prior to July 1, 2007 and obtained 30 years of service.

POAM Union – The Village pays 75% of premium for the retiree and spouse for their lifetimes provided the participant was hired prior to July 1, 2007 and obtained 25 years of service.

Non-Union – The Village pays 75% (100% for certain retirees with grandfathered benefits) of premium for the retiree and spouse for their lifetimes provided the participant was hired prior to July 1, 2007 and obtained 25 years of service.

Contributions

The OPEB plan was established and is being funded under the authority of the Village. The OPEB plan's funding policy is that the Village will contribute up to $10,000 to the OPEB trust fund in 2022 and discretionary amounts if able in subsequent years. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, the plan may be financed on a "pay-as-you-go" basis). There are no long-term contracts for contributions to the plan. The OPEB plan has no legally required reserves. For the year-ended June 30, 2022, the Village contributed $73,639 for insurance premiums and $10,000 to the Retiree Healthcare Trust Fund, while OPEB plan participants contributed $12,955 for insurance premiums during the year ended June 30, 2022.

Summary of Significant Accounting Policies

Basis of Accounting – The Retiree Healthcare Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price.

7. Post-Employment Healthcare Benefits (continued)

OPEB Plan Investments

Investment Policy – The Village Treasurer may invest funds held in the Retiree Healthcare Trust Fund at his/her discretion including common or preferred stocks, bonds, certificates of deposit, interest or participation, mutual funds, and other forms of security investments.

Net OPEB Liability

The components of the net OPEB liability of the Village as of June 30, 2022, were as follows:

Total OPEB Liability	$ 1,422,147
OPEB Plan Fiduciary Net Position	(180,906)
Net OPEB Liability	$ 1,241,241
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	12.7%

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2022. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal (level percentage of compensation)
Salary Increases	3.00%
Discount Rate	5.54% for June 30, 2022 liability and 2023 contribution
Investment Rate of Return	5.54%
Healthcare Cost Trend Rates – pre-Medicare	7.25% per year graded down to an ultimate rate of 4.50% by 0.25% per year
Healthcare Cost Trend Rates – post-Medicare	5.50% graded down to an ultimate rate of 4.50% by 0.25% per year
Mortality	2010 Public General and Public Safety Employees, and Healthy Retirees, Headcount weighted, with MP-2021 Improvement Scale

7. Post-Employment Healthcare Benefits (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of OPEB plan investment expense 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 best estimates of arithmetic rates of return for each major asset class included in the retirement plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	64.00%	6.50%
Global fixed income	26.00%	3.60%
Real assets	5.00%	6.40%
Diversifying strategies	5.00%	3.00%
	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability was 5.54%. Because the covered group is closed to new entrants and the Village continues to make benefit payments on a pay-as-you-go basis, assets will theoretically never be depleted, and no cross-over point will occur so the average rate above is used for the discount rate. As long as benefits are paid from general operating funds, those benefits ought to be discounted at the municipal bond rate and a lower discount rate would result in a higher liability.

The discount rate as of June 30, 2021 was 4.46%.

7. Post-Employment Healthcare Benefits (continued)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	**Plan Fiduciary Net Position**	**Net OPEB Liability**
Balances as of July 1, 2021	$ 1,951,457	$ 197,640	$ 1,753,817
Changes for the Year:			
Service cost	15,152	-	15,152
Interest on the total OPEB liability	86,069	-	86,069
Difference between expected and actual experience	(389,595)	-	(389,595)
Changes in assumptions	(167,297)	-	(167,297)
Employer contributions to OPEB Trust	-	10,000	(10,000)
Contributions paid from general operating funds	-	73,639	(73,639)
Net investment income	-	(25,765)	25,765
Benefit payments, including employee refunds	(73,639)	(73,639)	-
Administrative expense	-	(969)	969
Net changes	(529,310)	(16,734)	(512,576)
Balances as of June 30, 2022	$ 1,422,147	$ 180,906	$ 1,241,241

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease (4.54%)	**Current Discount Rate (5.54%)**	**1% Increase (6.54%)**
Net OPEB Liability	$ 1,400,539	$ 1,241,241	$ 1,107,042

7. Post-Employment Healthcare Benefits (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.50%)	Current Healthcare Cost Trend Rates (4.50%)	1% Increase (5.50%)
Net OPEB Liability	$ 1,100,270	$ 1,241,241	$ 1,407,322

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Village recognized OPEB expense as follows:

	OPEB Expense
Service cost	$ 15,152
Interest on the total OPEB liability	86,069
Experience (gains) / losses	(324,663)
Changes in assumptions	(139,414)
Projected earnings on OPEB investments	(8,905)
Investment earnings (gains)/losses	1,474
Administrative expense	969
Total OPEB expense	$ (369,318)

7. Post-Employment Healthcare Benefits (continued)

As of June 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses	$ -	$ 64,932
Changes of assumptions	-	27,883
Net difference between projected and actual earnings on OPEB plan investments	10,745	-
Total	$ 10,745	$ 92,815

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 June 30	
2023	$ (90,802)
2024	1,789
2025	9
2026	6,934

8. Property Taxes

Property tax assessments are determined as of each December 31. Taxes are levied on July 1 of the following year. These taxes are due on August 31 with the final collection date of February 28 before they are added to the county delinquent tax roll. The Village's property taxes are accounted for in the general fund and the downtown development authority. Village property tax revenues are recognized in the current year as revenue in accordance with guidelines of the State of Michigan.

8. Property Taxes (continued)

The Village is permitted by State law to levy taxes up to $20 per $1,000 of equalized valuation for general governmental services. The 2021 taxable valuation of the Village totaled $155.4 million. The following is a summary of the tax rates levied on the 2021 tax roll:

Purpose	Millage Rate	Revenue
General operating	9.7844	$ 1,151,633
Police millage – operations	2.8912	340,297

Under terms of an agreement with the Charter Township of Orion, the Township remits to the Village the equivalent of two mills (as rolled back by State law) of property taxes, which represents a special-voted tax levied on all Township residents (including Village residents) for police services. In accordance with the agreement, the Village will decrease its tax levy by an equal amount. The December 31, 2021 Township tax levy is paid by residents through February 2022. The Township remits its payment to the Village through June 2022, which will be used to replace the July 1, 2022 tax levy.

9. Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee's injuries (workers' compensation). The Village has purchased commercial insurance coverage through various policies for general liability, property, vehicle, and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

The Village is a member of the Michigan Municipal Liability and Property Pool for its general liability insurance coverage and a member of the Michigan Municipal Workers Compensation Fund for its workers' compensation coverage. The Village pays annual premiums to the pools. The pools are self-sustaining through member premiums, and each carries reinsurance through commercial companies for claims in excess of the pool loss reserve fund.

In the event that a single loss should exceed the amount of protection afforded by the pool loss reserve fund, reinsurance, or other insurance carried by the pools, in the event that a series of losses should deplete or exhaust the loss reserve fund and reinsurance, the payment of valid losses shall be the obligation of the individual member or members of the respective pool against whom the claim was made. No such event has occurred with the Village and the pools to which it belongs in any of the past three fiscal years.

10. Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted by the Village Council for the General Fund and Special Revenue Funds after a public hearing is held. The budget basis of accounting does not differ significantly for the modified accrual basis used to reflect actual revenues and expenditures for these funds. The budget is adopted at the activity level and control is exercised at the activity level. The Village Council monitors and amends the budgets as necessary. Unexpended appropriations lapse at year end. The Village does not maintain a formalized encumbrance accounting system. Budget appropriations are considered to be spent once goods are delivered or services are rendered.

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Village charter requires two regular council meetings per month. By the first meeting in April, a proposed operating budget must be submitted to the Village Council for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year.

2. A public hearing and adoption of the budget is required by the first meeting in May.

3. On or before June 15, the tax rate must be set and the budget is legally enacted through the passage of a budget resolution (general appropriation act).

4. Formal budgetary integration is employed as a management control device for the general and special revenue funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP). The general fund and special revenue fund budgets are adopted at the activity level.

5. Budgetary appropriations lapse at year-end.

6. The Village Council may authorize supplemental appropriations (budget amendments) during the year. In fiscal year 2022, several budget amendments were made.

10. Stewardship, Compliance, and Accountability (continued)

Excess Expenditures over Appropriations in Budgeted Funds

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

During the year ended June 30, 2022, the Village incurred expenditures in excess of the amounts appropriated as follows:

Budget Item	Budget Appropriation	Actual Expenditure	Variance
General Fund – General government			
Village manager	$ 108,341	$ 149,773	$ 41,432

11. Joint Venture

North Oakland Transportation Authority

The Authority provides transportation services for the following six entities: the Charter Township of Oxford, the Charter Township of Orion, the Township of Addison, the Village of Lake Orion, the Village of Leonard, and the Village of Oxford. The Authority's board consists of nine members of which the Village of Lake Orion appoints one. The North Oakland Transportation Authority is not considered a part of the reporting entity of the Village of Lake Orion. Separate financial statements of the joint venture may be obtained at North Oakland Transportation Authority, 467 East Jackson St., Lake Orion, Michigan 48362.

12. Tax Abatements

The Village granted reduced property tax revenue to qualified low income housing programs (PA 346 of 1966). Qualified low-income housing is exempt from property taxes, but pay a fee in lieu of taxes based on a percentage of their rents. The amount of tax forgone was determined by subtracting the fee in lieu of taxes paid from the amount of tax that would have been calculated had PA 345 of 1966 not covered these properties.

12. Tax Abatements (continued)

The Village granted reduced property tax revenue as a result of issuing a Commercial Facilities Tax exemption (PA 255 of 1978). Commercial Facilities Exemptions are intended to promote commercial redevelopment and restoration of commercial facilities. Under the Commercial Facilities Exemption Certificate, the restored commercial facility is exempt from ad valorem taxation on the facility and personal property within the facility. The taxable value of the facility is also frozen.

The Village also granted reduced property tax revenue as a result of issuing a Commercial Rehabilitation exemption (PA 210 of 2005). The Commercial Rehabilitation Act, PA 210 of 2005, as amended, affords a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate.

The total amount of Village taxes abated under these three programs approximated $31,000 during the year ended June 30, 2022.

13. Risks and Uncertainties

The current Coronavirus pandemic has had an economic impact on the United States and the international community. The extent of the ultimate impact of the pandemic on the Village's operational and financial performance will depend on various developments, including duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time.

Required Supplementary Information

Village of Lake Orion

Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability								
Service cost	**$ 22,795**	$ 21,712	$ 18,056	$ 24,122	$ 28,897	$ 28,587	$ 27,164	$ 33,257
Interest	**306,483**	304,357	288,677	299,399	300,398	326,778	329,227	308,260
Difference between expected and actual experience	**24,535**	81,869	100,782	36,345	(45,443)	(393,125)	(5,100)	-
Changes in assumptions	**126,086**	178,827	116,591	-	-	-	184,225	-
Benefit payments including refunds	**(363,200)**	(366,092)	(303,553)	(298,323)	(289,575)	(294,716)	(336,654)	(318,528)
Other changes	14,796	-	15,194	-	-	-	-	-
Net change in total pension liability	131,495	220,673	235,747	61,543	(5,723)	(332,476)	198,862	22,989
Total pension liability at beginning of year	4,397,555	4,176,882	3,941,135	3,879,592	3,885,315	4,217,791	4,018,929	3,995,940
Total pension liability at end of year	$ 4,529,050	$ 4,397,555	$ 4,176,882	$ 3,941,135	$ 3,879,592	$ 3,885,315	$ 4,217,791	$ 4,018,929
Plan fiduciary net position								
Contributions – employer	$ 208,920	$ 158,088	$ 133,392	$ 187,278	$ 181,860	$ 114,072	$ 107,640	$ 107,334
Contributions – employee	9,642	9,392	12,552	13,571	14,011	13,867	14,348	16,627
Net investment income	404,929	333,267	348,189	(108,893)	336,390	275,341	(38,613)	171,339
Benefit payments including refunds	(363,200)	(366,092)	(303,553)	(298,323)	(289,575)	(294,716)	(336,654)	(318,528)
Administrative expense	(4,643)	(5,474)	(5,995)	(5,458)	(5,331)	(5,442)	(5,808)	(6,252)
Net change in plan fiduciary net position	255,648	129,181	184,585	(211,825)	237,355	103,122	(259,087)	(29,480)
Plan fiduciary net position at beginning of year	2,927,692	2,798,511	2,613,926	2,825,751	2,588,396	2,485,274	2,744,361	2,773,841
Plan fiduciary net position at end of year	$ 3,183,340	$ 2,927,692	$ 2,798,511	$ 2,613,926	$ 2,825,751	$ 2,588,396	$ 2,485,274	$ 2,744,361
Village's net pension liability at end of year	$ 1,345,710	$ 1,469,863	$ 1,378,371	$ 1,327,209	$ 1,053,841	$ 1,296,919	$ 1,732,517	$ 1,274,568
Plan fiduciary net position as a percentage of the total pension liability	**70.3%**	66.6%	67.0%	66.3%	72.8%	66.6%	58.9%	68.3%
Covered employee payroll	**$ 192,851**	$ 187,983	$ 182,199	$ 244,394	$ 280,322	$ 277,342	$ 268,611	$ 324,635
Employer's net pension liability as a percentage of covered employee payroll	**697.8%**	781.9%	756.5%	543.1%	375.9%	467.6%	645.0%	392.6%

Notes to schedule:
Above dates are based on measurement date, which may not necessarily agree to the fiscal year.

Village of Lake Orion

Schedule of Pension Contributions
Last Ten Fiscal Years

Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarial determined contributions	**$ 180,996**	$ 181,596	$ 174,528	$ 175,560	$ 175,164	$ 115,236	$ 112,908	$ 102,012	$ 113,016	$ 102,960
Contributions in relation to the actuarially determined contribution	**180,996**	158,088	133,392	187,278	181,860	115,236	112,908	102,012	113,016	102,960
Contribution deficiency (excess)	**$ -**	$ 23,508	$ 41,136	$ (11,718)	$ (6,696)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	**$ 192,851**	$ 187,983	$ 182,199	$ 244,394	$ 280,322	$ 277,342	$ 268,611	$ 324,635	$ 378,751	$ 489,211
Contributions as a percentage of covered employee payroll	**93.9%**	96.6%	95.8%	71.8%	62.5%	41.6%	42.0%	31.4%	29.8%	21.0%

Notes to schedule

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 18 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
Amortization method	Level percentage of payroll, closed
Remaining amortization period	10 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	3.00% including inflation
Investment rate of return	7.35%
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	106% of the PubG-2010 Healthy Retiree Tables. For disabled retirees, 100% of the PubNS-2010 Disabled Retiree Tables were used.

Village of Lake Orion

Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 75)

Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	**$ 15,152**	$ 15,453	$ 13,960	$ 27,523	$ 26,056
Interest	**86,069**	88,773	136,147	120,056	119,190
Difference between expected and actual experience	**(389,595)**	1,670	(492,465)	833	-
Changes in assumptions	**(167,297)**	(90,146)	489,911	(307,414)	-
Benefit payments including refunds	**(73,639)**	(78,550)	(79,196)	(87,636)	(87,425)
Net change in total pension liability	**(529,310)**	(62,800)	68,357	(246,638)	57,821
Total OPEB liability at beginning of year	**1,951,457**	2,014,257	1,945,900	2,192,538	2,134,717
Total OPEB liability at end of year	**$ 1,422,147**	$ 1,951,457	$ 2,014,257	$ 1,945,900	$ 2,192,538
Plan fiduciary net position					
Contributions to OPEB trust	**10,000**	10,000	10,000	10,000	10,000
Contributions/benefit payments made from general operating funds	**73,639**	78,550	79,196	87,636	87,425
Net investment income	**(25,765)**	41,387	962	5,726	8,775
Benefit payments including refunds	**(73,639)**	(78,550)	(79,196)	(87,636)	(87,425)
Administrative expense	**(969)**	(895)	(694)	(606)	(554)
Net change in plan fiduciary net position	**(16,734)**	50,492	10,268	15,120	18,221
Plan fiduciary net position at beginning of year	**197,640**	147,148	136,880	121,760	103,539
Plan fiduciary net position at end of year	**$ 180,906**	$ 197,640	$ 147,148	$ 136,880	$ 121,760
Village's net OPEB liability at end of year	**$ 1,241,241**	$ 1,753,817	$ 1,867,109	$ 1,809,020	$ 2,070,778
Plan fiduciary net position as a percentage of the total OPEB liability	**12.7%**	10.1%	7.3%	7.0%	5.6%
Covered employee payroll	**Not Avail.**	Not Avail.	Not Avail.	Not Avail.	Not Avail.
Employer's net OPEB liability as a percentage of covered employee payroll	**Not Avail.**	Not Avail.	Not Avail.	Not Avail.	Not Avail.

Village of Lake Orion

Schedule of OPEB Contributions
Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 75)

Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Service cost	**$ 15,152**	$ 15,453	$ 13,960	$ 27,523	$ 27,523
Interest cost	**13,365**	12,755	19,545	16,284	-
Amortization of unfunded liability	**284,501**	270,543	261,710	261,707	226,285
Actuarially determined employer contribution	**313,018**	298,751	295,215	305,514	253,808
Contributions in relation to the actuarially determined contribution	**83,639**	88,550	89,196	97,636	97,425
Contribution deficiency (excess)	**$ 229,379**	$ 210,201	$ 206,019	$ 207,878	$ 156,383
Covered employee payroll	**$ 194,150**	$ 187,983	$ 178,243	Not Avail.	Not Avail.
Contributions as a percentage of covered employee payroll	**161.2%**	158.9%	165.6%	Not Avail.	Not Avail.

Notes to schedule

Actuarial valuation information relative to the determination of contributions:					
Valuation date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percentage of compensation)
Amortization method	Level dollar
Remaining amortization period	8 years
Asset valuation method	Equal to market value of assets
Inflation	Included in investment return
Salary increases	3.00% including inflation
Investment rate of return	5.54% (including inflation)
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	2010 Public General and Public Safety Employees, and Healthy Retirees, Headcount weighted, with MP-2021 improvement scale

Village of Lake Orion

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	$1,152,000	$ 1,152,000	$ 1,151,653	$ (347)
Penalties and interest	3,000	3,000	4,957	1,957
In lieu of taxes	38,000	38,000	38,601	601
Other taxes	681	681	4,892	4,211
Intergovernmental – Federal/CDBG	9,964	9,964	-	(9,964)
Intergovernmental – State and local	296,736	368,768	410,501	41,733
Business licenses and permits	-	10,000	10,000	-
Charges for services	231,500	309,710	323,114	13,404
Interest earnings	4,182	1,182	1,274	92
Other revenues	7,700	70,190	95,507	25,317
Total revenues	1,743,763	1,963,495	2,040,499	77,004
Expenditures				
General government:				
Village council	3,421	3,421	3,180	241
Village manager	108,301	108,341	149,773	(41,432)
Clerk	114,265	114,265	88,625	25,640
Treasurer	126,431	126,431	116,667	9,764
Municipal building	283,362	283,699	269,204	14,495
Data processing and information technology	27,000	27,000	25,460	1,540
Professional services	40,938	78,938	72,824	6,114
	703,718	742,095	725,733	16,362
Public works:				
Sanitation	195,000	198,500	198,417	83
Street lighting	33,000	36,800	36,749	51
	228,000	235,300	235,166	134
Community and economic development:				
Community development and block grant	2,964	2,964	-	2,964
Planning and zoning	49,613	72,613	60,298	12,315
	52,577	75,577	60,298	15,279
Recreation and cultural:				
Parks and recreation	93,768	191,978	191,164	814
Other functions:				
Insurance	68,000	68,000	67,207	793
Total expenditures	1,146,063	1,312,950	1,279,568	33,382
Excess of revenues over expenditures	597,700	650,545	760,931	110,386
Other financing sources (uses):				
Transfers in	210,300	142,300	142,300	-
Transfers out	(808,000)	(890,000)	(890,000)	-
Total other financing sources (uses)	(597,700)	(747,700)	(747,700)	-
Net change in fund balance	-	(97,155)	13,231	110,386
Fund balance at beginning of period	777,844	777,844	777,844	-
Fund balance at end of period	$ 777,844	$ 680,689	$ 791,075	$ 110,386

Village of Lake Orion

Public Works Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	$ 43,200	$ 43,200	$ 43,200	$ -
Equipment rental	80,000	80,000	73,085	(6,915)
Cemetery	35,000	35,000	28,849	(6,151)
Federal grants	-	-	-	-
Interest income	244	244	387	143
Other	2,000	34,500	34,435	(65)
Total revenues	160,444	192,944	179,956	(12,988)
Expenditures				
Public works:				
Wages and benefits	319,416	348,662	338,793	9,869
Repairs and maintenance	31,000	33,600	32,415	1,185
Capital outlay	15,000	107,000	106,326	674
Other	51,962	88,072	87,048	1,024
Interest expense	-	4,100	4,066	34
Cemetery	84,027	84,027	70,375	13,652
Phase II Stormwater	36,629	36,629	20,135	16,494
Total expenditures	538,034	702,090	659,158	42,932
Excess (deficiency) of revenues over expenditures	(377,590)	(509,146)	(479,202)	29,944
Other financing sources (uses):				
Transfers in	395,000	495,000	495,000	-
Transfers out	(17,410)	-	-	-
Total other financing sources (uses)	377,590	495,000	495,000	-
Net change in fund balance	-	(14,146)	15,798	29,944
Fund balance at beginning of year	14,146	14,146	14,146	-
Fund balance at end of year	$ 14,146	$ -	$ 29,944	$ 29,944

Village of Lake Orion

Police Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual

Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property taxes	$ 343,600	$ 343,600	$ 341,723	$ (1,877)
Intergovernmental – State	1,000	1,000	700	(300)
Intergovernmental – Local	8,000	8,000	7,949	(51)
Charges for services	95,000	95,000	96,161	1,161
Fines and forfeitures	50,000	50,000	33,419	(16,581)
Interest	1,200	1,200	1,396	196
Other	3,148	3,148	5,321	2,173
Total revenues	501,948	501,948	486,669	(15,279)
Expenditures				
Wages and benefits	682,340	645,840	617,567	28,273
Other	170,522	210,108	170,925	39,183
Debt service	-	-	-	-
Capital outlay	38,086	51,712	21,135	30,577
Total expenditures	890,948	907,660	809,627	98,033
Excess of revenues over (under) expenditures	(389,000)	(405,712)	(322,958)	82,754
Other financing sources (uses):				
Transfers in	355,000	355,000	355,000	-
Transfers out	(9,000)	(9,000)	-	9,000
Total other financing sources (uses)	346,000	346,000	355,000	9,000
Net change in fund balance	(43,000)	(59,712)	32,042	91,754
Fund balance at beginning of year	408,562	408,562	408,562	-
Fund balance at end of year	$ 365,562	$ 348,850	$ 440,604	$ 91,754

Other Supplementary Information

Village of Lake Orion

Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2022

	Special Revenue			Capital Project	Permanent Fund	
	Major Street	Local Street	Parking	Capital Improvement	Cemetery Perpetual Care	Total
Assets						
Cash	$ 385,243	$ 64,997	$ 1,347	$ 194,185	$ 217,436	$ 863,208
Advance to other funds	-	-	-	-	122,182	122,182
Due from State	34,585	15,042	-	-	-	49,627
Prepaid expenses	789	1,113	73	-	-	1,975
Total assets	$ 420,617	$ 81,152	$ 1,420	$ 194,185	$ 339,618	$ 1,036,992
Liabilities and fund balance						
Liabilities:						
Accounts payable	$ 31,758	$ 18,025	$ -	$ 2,220	$ -	$ 52,003
Fund balance:						
Nonspendable – prepaid	789	1,113	73	-	-	1,975
Restricted for streets	388,070	62,014	-	-	-	450,084
Restricted for parking	-	-	1,347	-	-	1,347
Restricted for capital projects	-	-	-	191,965	-	191,965
Restricted for perpetual care	-	-	-	-	339,618	339,618
Total fund balance	388,859	63,127	1,420	191,965	339,618	984,989
Total liabilities and fund balance	$ 420,617	$ 81,152	$ 1,420	$ 194,185	$ 339,618	$ 1,036,992

Village of Lake Orion

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2022

	Special Revenue			Capital Project	Permanent Fund	
	Major Street	Local Street	Parking	Capital Improvement	Cemetery Perpetual Care	Total
Revenues						
State-shared revenue	$ 225,620	$ 97,979	$ -	$ -	$ -	$ 323,599
Charges for services	-	-	-	-	17,199	17,199
Fines and forfeitures	-	-	2,328	-	-	2,328
Interest earned	1,097	233	1	126	4,619	6,076
Other revenues	-	5,336	-	-	-	5,336
Total revenues	226,717	103,548	2,329	126	21,818	354,538
Expenditures						
Highways, streets, sidewalks and other maintenance	86,357	172,825	-	-	-	259,182
Parking	-	-	909	-	-	909
Capital outlay	33,174	-	-	6,660	-	39,834
Total expenditures	119,531	172,825	909	6,660	-	299,925
Excess (deficiency) of revenues over expenditures	107,186	(69,277)	1,420	(6,534)	21,818	54,613
Other financing sources (uses):						
Operating transfers in	-	50,000	-	45,000	-	95,000
Operating transfers out	(50,000)	-	-	-	(5,000)	(55,000)
Total other financing sources (uses):	(50,000)	50,000	-	45,000	(5,000)	40,000
Change in fund balance	57,186	(19,277)	1,420	38,466	16,818	94,613
Fund balance at beginning of year	331,673	82,404	-	153,499	322,800	890,376
Fund balance at end of year	$ 388,859	$ 63,127	$ 1,420	$ 191,965	$ 339,618	$ 984,989

Village of Lake Orion

Combining Balance Sheet
Component Unit – DDA

June 30, 2022

	Downtown Development Authority	DDA Property Acquisition Fund	Total
Assets			
Cash	$ 635,661	$ 222,473	$ 858,134
Prepaid expenditures	20,055	-	20,055
Total assets	$ 655,716	$ 222,473	$ 878,189
Liabilities and fund balance			
Accounts payable and accrued liabilities	$ 17,271	$ -	$ 17,271
Fund balance	638,445	222,473	860,918
Total liabilities and fund balance	$ 655,716	$ 222,473	$ 878,189

Reconciliation to statement of net position:	
Fund balance as of June 30, 2022	$ 860,918
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,077,095
Long-term liabilities, including long term advance, are not due and payable in the current period and, therefore, are not reported in the funds.	(400,000)
Net position of governmental activities – component unit	$ 3,538,013

Village of Lake Orion

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Component Unit – DDA

Year Ended June 30, 2022

	Downtown Development Authority	DDA Property Acquisition Fund	Total
Revenues			
Property taxes	$ 740,526	$ -	$ 740,526
Other taxes	8,015	-	8,015
Operating grants and contributions	87,764	-	87,764
State grants	3,688	-	3,688
Interest	2,297	161	2,458
Other revenues	58,841	-	58,841
Total revenues	901,131	161	901,292
Expenditures			
Community development	579,752	-	579,752
Debt service:			
Principal	-	100,000	100,000
Interest and other charges	-	12,500	12,500
Capital outlay	93,203	-	93,203
Total expenditures	672,955	112,500	785,455
Excess (deficiency) of revenues over expenditures	228,176	(112,339)	115,837
Other financing sources (uses)			
Transfers in	-	120,000	120,000
Transfers out	(149,000)	-	(149,000)
Total other financing sources (uses)	(149,000)	120,000	(29,000)
Net change in fund balance	79,176	7,661	86,837
Fund balance at beginning of year	559,269	214,812	774,081
Fund balance at end of year	$ 638,445	$ 222,473	$ 860,918

Reconciliation to statement of activities:	
Net change in fund balance as of June 30, 2022	$ 86,837
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 amount represents capital outlay in excess of depreciation in the current period.	
Capital outlay	-
Depreciation expense	(125,891)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt.	
Principal repayments	100,000
Change in net position – component unit	$ 60,946

Village of Lake Orion

Schedule of Indebtedness
Proprietary Funds

June 30, 2022

Oakland-Macomb Interceptor Drain Bond
Summary By Issue

Issue	Total Principal Amount	Total Interest Payable	Total Obligation
2010A	$ 88,303	$ 11,401	$ 99,704
2011	136,341	21,450	157,791
2013A	313,882	42,543	356,425
2014A	46,976	9,695	56,671
2015	47,011	11,632	58,643
2015-SAW	46,583	8,553	55,136
2019A	23,242	2,021	25,263
2019B	15,518	486	16,004
2020A	249,309	76,082	325,391
	$ 967,165	$ 183,863	$1,151,028

2010A Oakland-Macomb Interceptor Drain Bond
Date of Issue: January 22, 2010
Village of Lake Orion Portion $172,415 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.50%	4/1/2023	$ 8,860	$ 2,208	$ 11,068
2.50%	4/1/2024	9,092	1,986	11,078
2.50%	4/1/2025	9,323	1,759	11,082
2.50%	4/1/2026	9,554	1,526	11,080
2.50%	4/1/2027	9,786	1,286	11,072
2.50%	4/1/2028	10,050	1,042	11,092
2.50%	4/1/2029	10,282	790	11,072
2.50%	4/1/2030	10,545	534	11,079
2.50%	4/1/2031	10,811	270	11,081
		$ 88,303	$ 11,401	$ 99,704

Village of Lake Orion

Schedule of Indebtedness
Proprietary Funds

June 30, 2022

2011 Oakland-Macomb Interceptor Drain Bond
Date of Issue: November 2011
Village of Lake Orion Portion $207,251 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.50%	10/1/2022	$ 9,863	$ 3,285	$ 13,148
2.50%	10/1/2023	10,148	3,035	13,183
2.50%	10/1/2024	10,391	2,778	13,169
2.50%	10/1/2025	10,635	2,515	13,150
2.50%	10/1/2026	10,919	2,246	13,165
2.50%	10/1/2027	11,203	1,970	13,173
2.50%	10/1/2028	11,446	1,687	13,133
2.50%	10/1/2029	11,730	1,397	13,127
2.50%	10/1/2030	12,055	1,099	13,154
2.50%	10/1/2031	12,339	794	13,133
2.50%	10/1/2032	12,664	482	13,146
2.50%	10/1/2033	12,948	162	13,110
		$ 136,341	$ 21,450	$ 157,791

2013A Oakland-Macomb Interceptor Drain Bond
Date of Issue: June 2013
Village of Lake Orion Portion $452,251 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.00%	10/1/2022	$ 21,384	$ 6,064	$ 27,448
2.00%	10/1/2023	21,800	5,632	27,432
2.00%	10/1/2024	22,252	5,191	27,443
2.00%	10/1/2025	22,668	4,742	27,410
2.00%	10/1/2026	23,154	4,284	27,438
2.00%	10/1/2027	23,605	3,816	27,421
2.00%	10/1/2028	24,091	3,339	27,430
2.00%	10/1/2029	24,543	2,853	27,396
2.00%	10/1/2030	25,063	2,357	27,420
2.00%	10/1/2031	25,549	1,851	27,400
2.00%	10/1/2032	26,070	1,335	27,405
2.00%	10/1/2033	26,591	808	27,399
2.00%	10/1/2034	27,112	271	27,383
		$ 313,882	$ 42,543	$ 356,425

Village of Lake Orion

Schedule of Indebtedness
Proprietary Funds

June 30, 2022

2014A Oakland-Macomb Interceptor Drain Bond
Date of Issue: September 2014
Village of Lake Orion Portion $66,124 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.00%	10/1/2022	$ 3,016	$ 1,292	$ 4,308
2.00%	10/1/2023	3,107	1,231	4,338
2.00%	10/1/2024	3,153	1,168	4,321
3.00%	10/1/2025	3,245	1,087	4,332
3.00%	10/1/2026	3,382	988	4,370
3.00%	10/1/2027	3,473	886	4,359
3.00%	10/1/2028	3,564	780	4,344
3.00%	10/1/2029	3,701	671	4,372
3.00%	10/1/2030	3,793	559	4,352
3.00%	10/1/2031	3,930	443	4,373
3.00%	10/1/2032	4,067	323	4,390
2.50%	10/1/2033	4,204	199	4,403
3.125%	10/1/2034	4,341	68	4,409
		$ 46,976	$ 9,695	$ 56,671

2015 Oakland-Macomb Interceptor Drain Bond
Date of Issue: April 2015
Village of Lake Orion Portion $66,120 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.75%	4/1/2023	$ 3,008	$ 1,506	$ 4,514
2.75%	4/1/2024	3,108	1,422	4,530
3.00%	4/1/2025	3,174	1,338	4,512
3.00%	4/1/2026	3,273	1,242	4,515
3.00%	4/1/2027	3,372	1,144	4,516
3.00%	4/1/2028	3,471	1,042	4,513
3.25%	4/1/2029	3,570	938	4,508
3.25%	4/1/2030	3,670	822	4,492
3.25%	4/1/2031	3,802	704	4,506
3.50%	4/1/2032	3,934	580	4,514
3.50%	4/1/2033	4,066	442	4,508
3.50%	4/1/2034	4,199	300	4,499
3.50%	4/1/2035	4,364	152	4,516
		$ 47,011	$ 11,632	$ 58,643

Village of Lake Orion

Schedule of Indebtedness
Proprietary Funds

June 30, 2022

2015 Oakland-Macomb Interceptor Drain Bond – SAW Loan
Date of Issue: April 2015
Village of Lake Orion Portion $66,120 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.50%	4/1/2023	$ 3,075	$ 1,164	$ 4,239
2.50%	4/1/2024	3,141	1,088	4,229
2.50%	4/1/2025	3,240	1,009	4,249
2.50%	4/1/2026	3,306	928	4,234
2.50%	4/1/2027	3,405	846	4,251
2.50%	4/1/2028	3,471	760	4,231
2.50%	4/1/2029	3,570	674	4,244
2.50%	4/1/2030	3,670	584	4,254
2.50%	4/1/2031	3,769	492	4,261
2.50%	4/1/2032	3,835	398	4,233
2.50%	4/1/2033	3,934	302	4,236
2.50%	4/1/2034	4,034	204	4,238
2.50%	4/1/2035	4,133	104	4,237
		$ 46,583	$ 8,553	$ 55,136

2019A Oakland-Macomb Interceptor Drain Bond
Date of Issue: December 19, 2019
Village of Lake Orion Portion $29,820 (.6612%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
1.85%	4/1/2023	$ 2,513	$ 430	$ 2,943
1.85%	4/1/2024	2,645	383	3,028
1.85%	4/1/2025	2,744	335	3,079
1.85%	4/1/2026	2,843	284	3,127
1.85%	4/1/2027	2,942	231	3,173
1.85%	4/1/2028	3,042	177	3,219
1.85%	4/1/2029	3,207	120	3,327
1.85%	4/1/2030	3,306	61	3,367
		$ 23,242	$ 2,021	$ 25,263

Village of Lake Orion

Schedule of Indebtedness
Proprietary Funds

June 30, 2022

2019B Oakland-Macomb Interceptor Drain Bond
Date of Issue: December 19, 2019
Village of Lake Orion Portion $41,000 (.7877%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
1.55%	4/1/2023	$ 3,781	$ 211	$ 3,992
1.55%	4/1/2024	3,860	152	4,012
1.55%	4/1/2025	3,899	92	3,991
1.55%	4/1/2026	3,978	31	4,009
		$ 15,518	$ 486	$ 16,004

2020A Oakland-Macomb Interceptor Drain Bond
Date of Issue: September 3, 2020
Village of Lake Orion Portion $252,833 (.4419%)
Interest Due January 1 and July 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
5.00%	7/1/2022	$ 6,165	$ 8,168	$ 14,333
5.00%	7/1/2023	6,452	7,852	14,304
5.00%	7/1/2024	6,783	7,520	14,303
5.00%	7/1/2025	7,115	7,172	14,287
5.00%	7/1/2026	11,025	6,719	17,744
5.00%	7/1/2027	11,578	6,155	17,733
5.00%	7/1/2028	12,152	5,562	17,714
5.00%	7/1/2029	12,771	4,939	17,710
5.00%	7/1/2030	13,412	4,283	17,695
4.00%	7/1/2031	14,097	3,667	17,764
4.00%	7/1/2032	14,649	3,093	17,742
3.00%	7/1/2033	15,268	2,571	17,839
2.00%	7/1/2034	15,710	2,183	17,893
2.00%	7/1/2035	16,041	1,865	17,906
2.00%	7/1/2036	16,372	1,542	17,914
2.00%	7/1/2037	16,726	1,211	17,937
2.00%	7/1/2038	17,057	874	17,931
2.00%	7/1/2039	17,411	529	17,940
2.00%	7/1/2040	18,525	177	18,702
		$ 249,309	$ 76,082	$ 325,391

Village of Lake Orion

Schedule of Indebtedness
Proprietary Funds

June 30, 2022

2017 Clinton River Water Resource Recovery Facility Drainage District Drain Bond (SRF)
Date of Issue: July 2017
Village of Lake Orion Portion $208,331 (.7698%)
Interest Due April 1 and October 1
Bonds Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.50%	10/1/2022	$ 9,545	$ 4,408	$ 13,953
2.50%	10/1/2023	9,776	4,166	13,942
2.50%	10/1/2024	10,046	3,918	13,964
2.50%	10/1/2025	10,315	3,664	13,979
2.50%	10/1/2026	10,546	3,403	13,949
2.50%	10/1/2027	10,815	3,136	13,951
2.50%	10/1/2028	11,085	2,862	13,947
2.50%	10/1/2029	11,393	2,581	13,974
2.50%	10/1/2030	11,662	2,293	13,955
2.50%	10/1/2031	11,970	1,998	13,968
2.50%	10/1/2032	12,278	1,695	13,973
2.50%	10/1/2033	12,586	1,384	13,970
2.50%	10/1/2034	12,894	1,065	13,959
2.50%	10/1/2035	13,202	739	13,941
2.50%	10/1/2036	13,548	405	13,953
2.50%	10/1/2037	9,418	118	9,536
		$ 181,079	$ 37,835	$ 218,914

2017 State of Michigan Department of Environmental Quality, Drinking Water Revolving Fund Loan
Total Draws: $4,971,878 (82.5% of $6,030,000)
Interest Due April 1 and October 1
Loan Due As Follows:

Interest Rate	Date of Maturity	Principal Amount	Annual Interest Payable	Total Obligation
2.00%	4/1/2023	$ 265,000	$ 94,991	$ 359,991
2.00%	4/1/2024	270,000	90,214	360,214
2.00%	4/1/2025	275,000	85,348	360,348
2.00%	4/1/2026	280,000	80,391	360,391
2.00%	4/1/2027	285,000	75,344	360,344
2.00%	4/1/2028	290,000	70,207	360,207
2.00%	4/1/2029	295,000	64,979	359,979
2.00%	4/1/2030	305,000	59,662	364,662
2.00%	4/1/2031	310,000	54,165	364,165
2.00%	4/1/2032	315,000	48,577	363,577
2.00%	4/1/2033	320,000	48,299	368,299
2.00%	4/1/2034	325,000	37,131	362,131
2.00%	4/1/2035	335,000	31,273	366,273
2.00%	4/1/2036	340,000	25,235	365,235
2.00%	4/1/2037	345,000	19,106	364,106
2.00%	4/1/2038	156,878	12,887	169,765
		$ 4,711,878	$ 897,809	$5,609,687

APPENDIX D

GENERAL FUND STATEMENTS
OF THE VILLAGE OF LAKE ORION
FOR THE FISCAL YEARS ENDED JUNE 30, 2022, 2021 AND 2020

FINANCIAL INFORMATION

The following financial information has been compiled from information provided in the Village of Lake Orion audited Annual Financial Reports for the fiscal years ended June 30, 2022, 2021 and 2020. These audited Annual Financial Reports were prepared in accordance with the Generally Accepted Accounting Principles. The Village's auditors have not been asked to consent to the use of information from such audited Annual Financial Reports in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such audited Annual Financial Reports or of the information presented in this Appendix.

Copies of audited Annual Financial Reports of the Village may be obtained from the State of Michigan - Department of Treasury

Michigan Department of Treasury

Local Audit and Finance Division

Lansing, MI 48922

Telephone:(517) 373-3227

Website: www.michigan.gov/treasury

VILLAGE OF LAKE ORION
GENERAL FUND - BALANCE SHEET
FOR YEARS ENDED JUNE 30

ASSETS	2022	2021	2020
Cash and cash equivalents	$ 767,849	$ 771,801	$ 660,652
Receivables (net of allowance for uncollectible)	89,700	58,711	57,975
Due from State	58,352	57,549	37,575
Due from the County	-	20,000	-
Prepaid expenditures	18,340	18,439	2,608
Total Assets	$ 934,241	$ 926,500	$ 758,810
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 38,915	$ 41,565	$ 23,477
Accrued and other liabilities	104,251	107,091	13,052
Total Liabilities	143,166	148,656	36,529
Fund Balances			
Non Spendable - prepaid expenditures	18,340	18,439	2,608
Unassigned	772,735	759,405	719,673
Total fund equity	791,075	777,844	722,281
Total Liabilities and Fund Equity	$ 934,241	$ 926,500	$ 758,810

Source: Annual Financial Statements of the Village of Lake Orion

VILLAGE OF LAKE ORION
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES
FOR YEARS ENDED JUNE 30

	2022	2021	2020
REVENUES:			
Property taxes	$1,200,103	$1,161,010	$1,116,599
Intergovernmental: Federal, State, and Local	410,501	415,609	279,062
Charges for services	323,114	280,233	200,954
Interest	1,274	3,544	6,535
Other revenues	105,507	11,750	16,580
Total Revenues	2,040,499	1,872,146	1,619,730
EXPENDITURES:			
General government	718,097	585,518	507,904
Public works	235,166	224,101	210,285
Community Economic Development	60,298	53,971	57,501
Recreation and culture	55,473	49,710	27,041
Other	67,207	65,439	67,100
Capital outlay	143,327	14,889	
Total Expenditures	1,279,568	993,628	869,831
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	760,931	878,518	749,899
OTHER FINANCING SOURCES (USES)			
Operating transfers in	142,300	139,000	203,738
Operating transfers out	(890,000)	(961,955)	(854,327)
Total Other Financing Sources (Uses)	(747,700)	(822,955)	(650,589)
NET CHANGE IN FUND BALANCE	13,231	55,563	99,310
FUND BALANCES - Beginning of year	777,844	722,281	622,971
FUND BALANCE - End of year	$ 791,075	$ 777,844	$ 722,281

Source: Annual Financial Statements of the Village of Lake Orion

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APPENDIX E

FORMS OF APPROVING OPINION

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
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FAX (313) 496-7500
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FORM OF APPROVING OPINION
TAX-EXEMPT BONDS

Village of Lake Orion
County of Oakland
State of Michigan

We have acted as bond counsel to the Village of Lake Orion, County of Oakland, State of Michigan (the "Issuer"), in connection with the issuance by the Issuer of bonds in the aggregate principal sum of $3,500,000, designated 2023 Downtown Development Bonds (Limited Tax General Obligation), Tax-Exempt Series A (the "Bonds"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of June 29, 2023, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds. The Issuer has designated the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding obligations of the Issuer.

2. The Issuer has pledged certain tax increment revenues (the "Tax Increment Revenues"), to be received by the Issuer from the Lake Orion Downtown Development Authority (the "Authority"), for payment of the Bonds. As additional security, the Issuer has pledged its limited tax full faith and credit for the payment of the Bonds and in the case of insufficiency of the Tax Increment Revenues, the Issuer is obligated to provide, as a first budget obligation, sufficient general fund moneys therefor in its annual budget and, if necessary, to levy sufficient ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional, statutory and charter tax rate limitations.

3. The Bonds are of equal standing as to the Tax Increment Revenues with the Issuer's 2023 Downtown Development Bonds (Limited Tax General Obligation), Federally Taxable Series B, dated June 29, 2023. The Issuer and the Authority have reserved the right to issue additional bonds of equal standing as to the Tax Increment Revenues with the Bonds to the extent permitted by law.

4. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. Further, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

Except as stated in paragraph 4 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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Detroit, Michigan 48226
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FORM OF APPROVING OPINION
TAXABLE BONDS

Village of Lake Orion
County of Oakland
State of Michigan

We have acted as bond counsel to the Village of Lake Orion, County of Oakland, State of Michigan (the "Issuer"), in connection with the issuance by the Issuer of bonds in the aggregate principal sum of $1,500,000, designated 2023 Downtown Development Bonds (Limited Tax General Obligation), Federally Taxable Series B (the "Bonds"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of June 29, 2023, payable as to principal and interest as provided in the Bonds, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding obligations of the Issuer.

2. The Issuer has pledged certain tax increment revenues (the "Tax Increment Revenues"), to be received by the Issuer from the Lake Orion Downtown Development Authority (the "Authority"), for payment of the Bonds. As additional security, the Issuer has pledged its limited tax full faith and credit for the payment of the Bonds and in the case of insufficiency of the Tax Increment Revenues, the Issuer is obligated to provide, as a first budget obligation, sufficient general fund moneys therefor in its annual budget and, if necessary, to levy sufficient ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional, statutory and charter tax rate limitations.

3. The Bonds are of equal standing as to the Tax Increment Revenues with the Issuer's 2023 Downtown Development Bonds (Limited Tax General Obligation), Tax-Exempt Series A, dated June 29, 2023. The Issuer and the Authority have reserved the right to issue additional bonds of equal standing as to the Tax Increment Revenues with the Bonds to the extent permitted by law.

4. Interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. The Bonds and interest thereon and income from the Bonds are exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan. We express no opinion regarding any other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Investors are urged to obtain independent tax advice based upon their particular circumstances. The tax opinions herein were not intended to be used, and cannot be used, for the purpose of avoiding taxpayer penalties. These opinions were written to support the promotion or marketing of the Bonds.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Village of Lake Orion, County of Oakland, State of Michigan (the "Village"), in connection with the issuance of its 2023 Downtown Development Bonds (Limited Tax General Obligation), Tax-Exempt Series A and its 2023 Downtown Development Bonds (Limited Tax General Obligation), Federally Taxable Series B (together, the "Bonds"). The Village covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions*. The following terms used herein shall have the following meanings:

"Audited Financial Statements" means the annual audited financial statement pertaining to the Village prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

"Bondholders" shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access System, or such other system, internet web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"Financial Obligation" means "financial obligation" as such term is defined in the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the date of this Undertaking which are applicable to this Undertaking.

"SEC" means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The Village hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA on or before the last day of the sixth month after the end of the fiscal year the following annual financial information and operating data, commencing with the fiscal year ending June 30, 2023, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the Village relating to the Bonds (the "Official Statement") appearing in the tables or under the headings in the Official Statement as described below:

a. History of Captured Millages Rates of the Taxing Jurisdictions;
b. Historical Taxable Valuations;
c. Analysis of Taxable Value Within the Development Area By Class and By Use;
d. Major Taxpayers Located Within the Development Area;
e. Captured Millages (Minus Debt Millages) (for Taxing Jurisdictions in Development Area);
f. Schedule of Estimated DDA Tax Increment Revenues, Expenditures, Debt Service and Debt Service Coverage for the Bonds;
g. History of Property Valuations;
h. State Equalized Valuation by Class and by Use;
i. Taxable Value by Class and by Use;
j. Major Taxpayers;
k. Tax Rates;
l. Tax Rate Limitations;
m. Tax Levies and Collections;
n. Revenues from the State of Michigan;
o. Retirement Plan;
p. Other Post Employment Benefits;
q. General Fund – Fund Balance;
r. Debt Statement – Direct Debt; and
s. Statement of Legal Debt Margin.

(2) Audited Financial Statements, or in the event audited financial statements are not available, the Village agrees to provide unaudited financial statements and to provide audited financial statements immediately after they become available.

(3) Such additional financial information or operating data as may be determined by the Village and its advisors as desirable or necessary to comply with the Rule.

Such annual financial information and operating data described above are expected to be provided directly by the Village or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the Village is changed, the Village shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose*. The Village agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Village to provide the annual financial information with respect to the Village described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events*. The Village agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of holders of the Bonds, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Village, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village;

(13) the consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Village, any of which affect security holders, if material; or

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Village, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws*. The Village agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Identifying Information*. All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation*. The obligation of the Village to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the Village no longer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders*. The Village agrees that its undertaking pursuant to the Rule set forth in this Undertaking is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the Village's obligations hereunder and any failure by the Village to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking*. Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the Village, provided that the Village agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Village or

the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Village (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Village in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the Village to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

IN WITNESS WHEREOF, the Village has caused this Undertaking to be executed by its authorized officer.

VILLAGE OF LAKE ORION
County of Oakland
State of Michigan

By _____
Its:

Dated: _____, 2023

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $ _____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

MICHIGAN

ENDORSEMENT TO

MUNICIPAL BOND INSURANCE POLICY

NO.

This Policy is exempt from the filing requirements of MCL 500.2236.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language.

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

_____

Authorized Officer

SPECIMEN

The following have participated in the planning and development of this Bond issue:

VILLAGE OF LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY

DEBORAH BURGESS
Chairman

SAM CARUSO
Vice Chair

MATTHEW SHELL
Treasurer

HANK LORANT
Secretary

LLOYD COE
Board Member

SALLY MEDINA
Board Member

ALAINA CAMPBELL
Board Member

CHRIS BARNETT
Orion Township Supervisor

JERRY NARSH
Village Council President

MOLLY L. LALONE
Executive Director

VILLAGE OF LAKE ORION

ADMINISTRATION

DARWIN D. P. MCCLARY
Village Manager

SONJA STOUT
Finance Director/Treasurer

CHERYL HEDRICK
Deputy Finance Director/Treasurer

SUSAN GALECZKA
Clerk

VILLAGE COUNCIL

JERRY NARSH
President

CARL CYROWSKI
Member

MICHAEL LAMB
Member

VACANCY
Member

NANCY MOSHIER
Member

THERESA L. RUTT
President Pro-Tem

KEN VAN PORTFLIET
Member

PROFESSIONAL SERVICES

REGISTRAR/TRANSFER AGENT — THE HUNTINGTON NATIONAL BANK, Grand Rapids, Michigan

BOND COUNSEL — MILLER, CANFIELD, PADDOCK AND STONE, P.L.C., Detroit, Michigan

VILLAGE ATTORNEY — BEIER HOWLETT PC, Troy, Michigan

REGISTERED MUNICIPAL ADVISOR

Bendzinski & Co.
MUNICIPAL FINANCE ADVISORS
A MICHIGAN FIRM, WORKING FOR MICHIGAN.

17000 Kercheval Ave. • Suite 230 • Grosse Pointe, Michigan 48230

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