

## FY 2015 BONDED AND OTHER INDEBTEDNESS REPORT

### **I. Purpose**

Section 8.3 of the Almont Village Charter requires the Village Manager to submit to the Village Council annually a report regarding bonded and other indebtedness of the Village. This document includes attachments from the Village's most recent audit illustrating the Village's bonded and other indebtedness and details the level of debt that could be issued.

### **II. Attachments**

The following documents have been attached from the Village's 2012-2013 Audit completed by King & King, C.P.A.s which detail bonded and other indebtedness:

- Page (36) of the audit, which details indebtedness related to the 1996 water supply system improvement project and indebtedness related to the water tower project.
- Page (37) of the audit, which details indebtedness related to the 2002 waste water treatment plant improvement project and the East St. Clair lift station and alarm system upgrade project.
- Page (38) of the audit, which details indebtedness for the purchase of a Dodge Charger for the police department; the purchase of a Chevy Tahoe for the police department; the purchase of a vactor truck for public works purposes; and the removal of the old fire hall by the Almont DDA.
- Page (39) of the audit, which details indebtedness for the Cherry Street Bridge project; loan obligations for the dump truck purchased in 2011 for public works purposes; the installation of fiber optic infrastructure in the Almont Research and Industrial Park; and the construction of the pocket park by the Almont DDA.

In addition, it should be pointed out that the Village also issued debt for the purchase of a new pick-up truck for public works purposes during FY 2014 in the amount of \$29,366. A debt schedule for this purchase has been included.

### **III. Maximum Debt Issuance Limitation**

As permitted by State law, with certain exceptions, the Village can issue debt as long as the aggregate amount of such debt [not including interest] does not exceed 10% of its SEV. The SEV of the Village for FY 2015 has been calculated to be \$60,120,900, meaning the debt issuance limit of the Village is approximately \$6,012,090. As well, the Village cannot issue debt through installment purchase contract financing in an amount exceeding 1.25% of its taxable value [including both real and personal property], meaning its limit for debt issued through installment purchase contracts is approximately \$667,777.

### **IV. Total Outstanding Principal**

The total outstanding principal of all bonded and other indebtedness for the Village of Almont on July 1, 2014 is as follows:

• Water Supply System Improvement Bond	\$165,000
• Water Tower Project Drinking Water Bonds	\$1,602,694
• WWTP Improvement Project Bonds	\$995,000
• East St. Clair Lift Station Bonds	\$440,000

• Cherry Street Bridge Project	\$133,257
• 2012 International Dump Truck	\$19,585
• Almont DDA Pocket Park	\$18,715
• Fiber Optic Infrastructure Project	\$18,122
• Police Vehicle – Dodge Charger	\$21,964
• Police Vehicle – Chevy Tahoe	\$24,975
• Sterling Vactor Truck	\$119,436
• Almont DDA Old Fire Hall Removal	\$41,014
• DPW Pick-Up Truck - GMC	\$29,366

**DEBT TOTAL                    \$3,629,128**

This total is 60.36% of the statutory maximum. It should also be noted that the final nine items of the above list are considered to be installment purchase contract funded purchases/projects. The total debt amount for these projects/purchases is \$426,434. This total is 63.86% of the statutory maximum.

**V. Total Debt Issuance Capacity**

At this time the Village may issue approximately \$2,382,962 in debt. It should be noted that this amount does **not** include the bonds that will be issued for the construction of a new above ground pumping station near the intersection of Almont Road and Glover Road. In addition, the Village may issue approximately \$241,343 in installment purchase contract financed debt. These amounts should be verified by a professional bond attorney or financing attorney before the issuance of any additional debt.

**VI. FY 2015 – Ending Debt Burden**

At the end of FY 2015, assuming all principal payments are made as highlighted within the audit report completed by King & King, C.P.A.s, the debt burden of the Village would total \$3,195,965 and the total debt amount for projects/purchases financing through installment purchase contracts would be \$288,271. Issuing approximately \$600,000 in bonds to finance the construction of an above ground pumping station would bring the total debt to approximately \$3,795,965 at the end of FY 2015 (or about 4.6% higher than the current debt level). Issuing such bond funds and utilizing approximately \$40,000 in installment purchase contract financing for additional equipment purchases would place the total debt burden at \$3,835,965 at the end of FY 2015 (or 5.7% higher than the current debt level).

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2013

**Business-type Activities General Obligation Bonds & Contracts**

**Village of Almont Water Supply System  
 Improvement Bond, Series 1996**

Dated: May 1, 1996  
 Original Issue: \$995,000

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
5.9%	10/1/2012	\$ -	\$ 70,000	\$ -
6.0%	10/1/2013	75,000	75,000	12,150
6.0%	10/1/2014	80,000	80,000	7,500
6.0%	10/1/2015	85,000	85,000	2,550
<b>Total Water Supply System Improv. Bonds</b>		<b>\$ 240,000</b>	<b>\$ 310,000</b>	<b>\$ 22,200</b>

**Lapeer County Revolving Drinking Water Bonds  
 Water Tower Project**

Dated: September 20, 2007  
 Original Issue: \$2,090,000

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
4.400%	10/1/2012	\$ -	\$ 85,000	\$ -
4.500%	10/1/2013	90,000	90,000	35,013
4.500%	10/1/2014	90,000	90,000	33,101
4.500%	10/1/2015	90,000	90,000	31,188
4.600%	10/1/2016	95,000	95,000	29,223
4.750%	10/1/2017	95,000	95,000	27,204
4.750%	10/1/2018	100,000	100,000	25,132
4.750%	10/1/2019	100,000	100,000	23,007
4.800%	10/1/2020	100,000	100,000	20,882
4.850%	10/1/2021	105,000	105,000	18,704
4.900%	10/1/2022	110,000	110,000	16,419
4.900%	10/1/2023	115,000	115,000	14,029
4.900%	10/1/2024	115,000	115,000	11,586
4.900%	10/1/2025	120,000	120,000	9,089
4.900%	10/1/2026	120,000	120,000	6,539
4.900%	10/1/2027	125,000	125,000	3,936
4.900%	10/1/2028	122,694	122,694	1,304
<b>Total Revolving Drinking Water Bonds</b>		<b>\$ 1,692,694</b>	<b>\$ 1,777,694</b>	<b>\$ 306,356</b>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2013

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

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2013</u>	<u>2012</u>	
2.000%	12/1/2012	\$ -	\$ 90,000	\$ -
2.000%	12/1/2013	95,000	95,000	36,269
3.000%	12/1/2014	95,000	95,000	34,369
3.000%	12/1/2015	100,000	100,000	31,519
3.000%	12/1/2016	100,000	100,000	28,519
3.000%	12/1/2017	105,000	105,000	25,519
4.000%	12/1/2018	110,000	110,000	22,369
4.000%	12/1/2019	110,000	110,000	17,969
4.000%	12/1/2020	120,000	120,000	13,569
3.375%	12/1/2021	125,000	125,000	8,769
3.500%	12/1/2022	130,000	130,000	4,550
<u>Total Refunding Bonds</u>		<u>\$ 1,090,000</u>	<u>\$ 1,180,000</u>	<u>\$ 223,419</u>

**Lapeer County Lift Station Bonds**  
**E. St. Clair Lift Station**

Dated: March 29, 2012  
 Original Issue: \$465,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2013</u>	<u>2012</u>	
3.500%	10/1/2013	\$ 25,000	\$ 25,000	\$ 17,148
3.500%	10/1/2014	30,000	30,000	16,185
3.500%	10/1/2015	30,000	30,000	15,135
3.500%	10/1/2016	35,000	35,000	13,998
3.500%	10/1/2017	35,000	35,000	12,773
3.800%	10/1/2018	40,000	40,000	11,400
3.800%	10/1/2019	40,000	40,000	9,880
3.800%	10/1/2020	40,000	40,000	8,360
4.000%	10/1/2021	45,000	45,000	6,700
4.000%	10/1/2022	45,000	45,000	4,900
4.000%	10/1/2023	50,000	50,000	3,000
4.000%	10/1/2024	50,000	50,000	1,000
<u>Total Lift Station Bonds</u>		<u>\$ 465,000</u>	<u>\$ 465,000</u>	<u>\$ 120,479</u>

<u>Total Business-type Activities Long-Term Debt</u>	<u>\$ 3,487,694</u>	<u>\$ 3,732,694</u>	<u>\$ 672,454</u>
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**Village of Almont**  
Other Supplemental Information  
Schedule of Indebtedness  
June 30, 2012

**Governmental Activities General Obligation Bonds & Contracts**

**Installment Purchase Contract Payable**  
**Police Vehicle: Dodge Charger**

Dated: May 2, 2013  
Original Issue: \$29,000

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
1.85%	5/2/2014	\$ 7,036	\$ -	\$ 557
1.85%	5/2/2015	7,188	-	406
1.85%	5/2/2016	7,320	-	274
1.85%	5/2/2017	7,456	-	138
<u>Total Installment Purchase Contract</u>		<u>\$ 29,000</u>	<u>\$ -</u>	<u>\$ 1,375</u>

**Installment Purchase Contract Payable**  
**Police Vehicle: Chevy Tahoe**

Dated: May 31, 2013  
Original Issue: \$33,000

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
1.85%	5/31/2014	\$ 8,025	\$ -	\$ 611
1.85%	5/31/2015	8,173	-	462
1.85%	5/31/2016	8,324	-	311
1.85%	5/31/2017	8,478	-	156
<u>Total Installment Purchase Contract</u>		<u>\$ 33,000</u>	<u>\$ -</u>	<u>\$ 1,540</u>

**Installment Purchase Contract Payable**  
**Equipment: 2000 Sterling Vector Truck**

Dated: May 2, 2013  
Original Issue: \$137,500

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
3.16%	5/2/2014	\$ 18,064	\$ -	\$ 4,127
3.16%	5/2/2015	18,377	-	3,815
3.16%	5/2/2016	18,955	-	3,236
3.16%	5/2/2017	19,569	-	2,622
3.16%	5/2/2018	20,194	-	1,997
3.16%	5/2/2019	20,839	-	1,352
3.16%	5/2/2020	21,502	-	689
<u>Total Installment Purchase Contract</u>		<u>\$ 137,500</u>	<u>\$ -</u>	<u>\$ 17,838</u>

**Installment Purchase Contract Payable**  
**DDA: Infrastructure Removal - Old Fire Hall**

Dated: October 16, 2012  
Original Issue: \$50,000

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
2.50%	10/16/2013	\$ 8,986	\$ -	\$ 1,267
2.50%	10/16/2014	41,014	-	1,040
<u>Total Installment Purchase Contract</u>		<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 2,307</u>

# Village of Almont

Other Supplemental Information  
Schedule of Indebtedness  
June 30, 2013

**Tri County Bank**  
**Cherry Street Bridge**

Dated: October 5, 2011  
Original Issue: \$162,227

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
2.750%	10/5/2012	\$ -	\$ 14,280	\$ -
2.750%	10/5/2013	14,690	14,690	4,125
2.750%	10/5/2014	15,100	15,100	3,715
2.750%	10/5/2015	15,521	15,521	3,294
2.750%	10/5/2016	15,946	15,946	2,870
2.750%	10/5/2017	16,398	16,398	2,417
2.750%	10/5/2018	16,855	16,855	1,960
2.750%	10/5/2019	17,325	17,325	1,490
2.750%	10/5/2020	17,806	17,806	1,010
2.750%	10/5/2021	18,305	18,305	510
<b>Total Cherry Street Bridge</b>		<b>\$ 147,947</b>	<b>\$ 162,227</b>	<b>\$ 21,391</b>

**Tri County Bank**  
**Equipment - Dump Truck**

Dated: September 7, 2011  
Original Issue: \$57,500

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
2.200%	9/7/2012	\$ -	\$ 18,751	\$ -
2.200%	9/7/2013	19,164	19,164	852
2.200%	9/7/2014	19,585	19,585	431
<b>Total Dump Truck</b>		<b>\$ 38,749</b>	<b>\$ 57,500</b>	<b>\$ 1,283</b>

**Tri County Bank**  
**Fiber Optic Equipment**

Dated: December 10, 2012  
Original Issue: \$22,540

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
1.000%	12/10/2013	\$ 4,418	\$ -	\$ 225
1.000%	12/10/2014	4,463	-	181
1.000%	12/10/2015	4,508	-	137
1.000%	12/10/2016	4,553	-	92
1.000%	12/10/2017	4,598	-	46
<b>Total Fiber Optic Equipment</b>		<b>\$ 22,540</b>	<b>\$ -</b>	<b>\$ 681</b>

**Installment Contract**  
**DDA: Pocket Park Construction**

Dated: November 3, 2004  
Original Issue: \$204,385

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2013	2012	
3.75%	11/22/2012	\$ -	\$ 22,461	\$ -
3.75%	11/22/2013	23,300	23,300	1,586
3.75%	11/22/2014	18,715	18,715	712
<b>Total Pocket Park Construction</b>		<b>\$ 42,015</b>	<b>\$ 64,476</b>	<b>\$ 2,298</b>
<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 500,751</b>	<b>\$ 284,203</b>	<b>\$ 48,714</b>

Date: 2/13/14

TRI-COUNTY BANK

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Prepared For VILLAGE ALMONT Officer 224 CSR TARAA2  
 Platform Type CM Rate 2.8500% Payment 6,384.77 Term 60 Payment Day:  
 Account # APR 2.8500% Interest 2,557.81

Date	Number	Misc.	Payment			Total	Balance
			Interest	Principal	PMI Ins.		
						Original Balance	29,366.00
2/13/15	1	.00	836.93	5,547.84	.00	6,384.77	23,818.16
2/13/16	2	.00	678.82	5,705.95	.00	6,384.77	18,112.21
2/13/17	3	.00	516.20	5,868.57	.00	6,384.77	12,243.64
2/13/18	4	.00	348.94	6,035.83	.00	6,384.77	6,207.81
2/13/19	5	.00	176.92	6,207.81	.00	6,384.73	.00
Year 2019		.00	2,557.81	29,366.00	.00	31,923.81	
Grand Total		.00	2,557.81	29,366.00	.00	31,923.81	