

# *Village of Almont*

**Lapeer County, Michigan**

Audited Financial Report  
June 30, 2014

**KING & KING CPAs LLC**

Marlette - Imlay City - North Branch  
Michigan

**Village of Almont**  
 Annual Financial Report  
 For The Fiscal Year Ended June 30, 2014

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# KING & KING CPAs LLC

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## Independent Auditor's Report

Honorable Village Council  
**Village of Almont**  
Lapeer County, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the **Village of Almont**, Michigan as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statement, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the **Village of Almont**, Michigan as of June 30, 2014, and the respective changes in financial position for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

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## Other Matters

### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and major fund budgetary comparison schedule, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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 Almont**, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material aspects in relation to the basic financial statements as a whole.

*Lehn King*

Lehn L. King, C.P.A.  
**KING & KING CPAs LLC**

August 1, 2014

# Village of Almont

## Almont, Michigan

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### MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Village of Almont, Michigan's (the "Village") financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the Village's financial statements.

#### Using this Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Village as a whole and present a long-term view of the Village's finances. This long-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current fiscal year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the fiscal year, as well as how much is available for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside the government.

#### Condensed Financial Information

The following table shows in a condensed format, the net position as of the current date and compared to the most recently audited year's net position.

	Governmental Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
Current Assets	\$ 1,204,827	\$ 1,487,114	\$ 649,424	\$ 647,198	\$ 1,854,251	\$ 2,134,312
Noncurrent Assets	2,558,401	2,410,928	8,466,999	8,644,207	11,025,400	11,055,135
Total Assets	3,763,227	3,898,042	9,116,423	9,291,405	12,879,651	13,189,448
Current Liabilities	279,381	421,396	312,283	345,138	591,664	766,534
Noncurrent Liabilities	760,743	828,724	2,822,694	3,062,694	3,583,437	3,891,418
Total Liabilities	1,040,124	1,250,120	3,134,977	3,407,832	4,175,101	4,657,952
Net Position:						
Invested in Capital Assets -						
Net of Related Debt	1,582,770	1,665,916	5,410,806	5,479,045	6,993,575	7,144,961
Restricted	561,723	721,671	9,714	-	571,437	721,671
Unrestricted	578,611	260,335	560,927	404,528	1,139,538	664,863
Total Net Position	\$ 2,723,103	\$ 2,647,922	\$ 5,981,446	\$ 5,883,573	\$ 8,704,550	\$ 8,531,495

# Village of Almont

## Almont, Michigan

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### Condensed Financial Information – Continued

The following table shows the changes of the net position during the current fiscal year:

	Governmental Activities		Business-Type Activities		Total	
	6/30/2014	6/30/2013	6/30/2014	6/30/2013	6/30/2014	6/30/2013
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 783,445	\$ 736,843	\$ 1,041,103	\$ 1,045,612	\$ 1,824,549	\$ 1,782,454
Grants & Contrib's	500,879	317,066	-	-	500,879	317,066
General Revenues:					-	-
Property Taxes	967,268	944,993	-	-	967,268	944,993
State Shared Revenues	242,685	240,199	-	-	242,685	240,199
Interest	2,146	1,714	262	495	2,408	2,209
Other Revenues	115,293	256,336	-	55,000	115,293	311,336
Transfers	(276,490)	(249,192)	276,490	249,192	-	-
Total Revenues	<u>2,335,227</u>	<u>2,247,959</u>	<u>1,317,856</u>	<u>1,350,298</u>	<u>3,653,082</u>	<u>3,598,257</u>
<b>Program Expenses</b>						
General Government	\$ 591,097	\$ 539,628	\$ -	\$ -	\$ 591,097	\$ 539,628
Public Safety	766,968	727,910	-	-	766,968	727,910
Public Works	874,203	713,786	-	-	874,203	713,786
Recreation & Culture	20,073	22,096	-	-	20,073	22,096
Interest on L/T Debt	24,114	20,175	90,819	86,864	114,932	107,039
Water & Sewer	-	-	1,160,164	1,138,551	1,160,164	1,138,551
Total Program Expenses	<u>2,276,455</u>	<u>2,023,594</u>	<u>1,250,983</u>	<u>1,225,414</u>	<u>3,527,438</u>	<u>3,249,009</u>
<b>Change in Net Position</b>	<u>\$ 58,772</u>	<u>\$ 224,364</u>	<u>\$ 66,872</u>	<u>\$ 124,884</u>	<u>\$ 125,645</u>	<u>\$ 349,248</u>

### The Village as a Whole

- The Village's Governmental Activities net position increased by \$58,772 this year. This compares to a net increase of \$224,364 in the previous year. The decrease in income was caused by a decrease in other revenues and an increase in expenses, specifically public works.
- The Village's Business-type Activities net position increased by \$66,872 this year. This compares to a net increase of \$124,884 in the previous year. This was caused by a decrease in other revenues and an increase in expenses.
- The Village's primary source of revenue is from charges for services and property taxes, which represent 76% of total revenue.

# Village of Almont

## Almont, Michigan

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### **The Village's Funds**

Our analysis of the Village's major funds begins on Page 5, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village's major funds for the fiscal year ended June 30, 2014, include the General Fund, Major Streets, Downtown Development Authority, Water Tower Debt Service Fund, Water System Improvement Debt Service Fund and W.W.T.P. Improvement Project Debt Service Fund.

Other major funds are the Water and Sewer Funds, which are categorized as enterprise or proprietary funds. These funds operate on revenue they receive from the customers (users) of the water and sewer systems.

### **General Fund Budgetary Highlights**

The Village made amendments to the budget throughout the year to cover the expenditures incurred.

### **Capital Asset and Debt Administration**

During the fiscal year ended June 30, 2014, the Village Equipment Fund purchased a snow plow for \$2,930 and a 2014 GMC pickup for \$29,366. The DDA Fund continued their work on the Fire Hall lot for \$63,123. The General Fund purchased Fiber Optic cable for \$8,367, a new phone system for \$6,736 and constructed a walking path in the park for \$6,960. The Major and Local Street Funds resurfaced roads, sidewalks and curbs with a total cost of \$77,410 allocated to the Major Street Fund, and \$81,761 to the Local Street Fund. The Sewer Fund made major repairs to the Sewer System for \$58,154. The Water Fund purchased/installed new radio water meters for \$23,330, and conducted plans to purchase land in the next fiscal year for \$12,749.

Additional information regarding the Village's capital assets can be found in Note 4 to the financial statements.

The Village incurred new debt in the fiscal year ended 2014. The Village took out a loan for the GMC pickup for \$29,366. The Village's total debt as of June 30, 2014, was \$3,622,632, with principal payments of \$421,779 due within one year. There were principal payments of \$395,193 made during the fiscal year.

Additional information regarding the Village's Long-Term Debt can be found in Note 6 to the financial statements.

### **Economic Factors and Next Year's Budget and Rates**

The Village's tax base remained relatively constant. The Village will need to continue to watch the budget very closely in all categories.

### **Contacting the Village**

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Village Office in Almont, Michigan by telephone at (810) 798-8528.

# Village of Almont

## Statement of Net Position

June 30, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 1,055,708.67	\$ 398,141.73	\$ 1,453,850.40
Accounts Receivable	123,880.86	234,827.73	358,708.59
Grant Receivable	-	-	-
Prepaid Expenses	12,606.38	9,713.70	22,320.08
Due From Other Funds (Net)	12,630.79	6,741.20	19,371.99
Capital Assets			
Nondepreciable Capital Assets	357,000.00	100.00	357,100.00
Depreciable Capital Assets	2,201,400.60	8,466,898.97	10,668,299.57
<u>Total Assets</u>	<u>3,763,227.30</u>	<u>9,116,423.33</u>	<u>12,879,650.63</u>
<b><u>Deferred Outflows of Resources</u></b>			
	-	-	-
<b><u>Liabilities</u></b>			
Accounts Payable	58,011.58	59,263.42	117,275.00
Deferred Revenue	6,481.54	19,520.29	26,001.83
Accrued Interest Payable	3,136.00	18,499.31	21,635.31
Current Portion of Long-Term Debt	211,751.84	215,000.00	426,751.84
Noncurrent Liabilities:			
Net Retiree Healthcare Obligation	387,573.00	-	387,573.00
Long-Term Debt	373,170.10	2,822,694.00	3,195,864.10
<u>Total Liabilities</u>	<u>1,040,124.06</u>	<u>3,134,977.02</u>	<u>4,175,101.08</u>
<b><u>Deferred Inflows of Resources</u></b>			
	-	-	-
<b><u>Net Position</u></b>			
Invested in Capital Assets - Net of Related Debt	1,582,769.66	5,410,805.66	6,993,575.32
Nonspendable	5,056.19	9,713.70	14,769.89
Restricted:			
Restricted for Debt Service	188,148.01	-	188,148.01
Restricted for Other Uses	350,950.09	-	350,950.09
Committed	17,568.57	-	17,568.57
Unrestricted	578,610.72	560,926.95	1,139,537.67
<u>Total Net Position</u>	<u>\$ 2,723,103.24</u>	<u>\$ 5,981,446.31</u>	<u>\$ 8,704,549.55</u>

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Activities  
For The Fiscal Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 591,097.13	\$ 161,298.83	\$ -	\$ -	\$ (429,798.30)	\$ -	\$ (429,798.30)
Public Safety	766,967.63	418,456.62	-	-	(348,511.01)	-	(348,511.01)
Public Works	874,203.38	203,689.79	189,655.58	293,671.38	(187,186.63)	-	(187,186.63)
Recreation & Culture	20,072.78	-	17,552.31	-	(2,520.47)	-	(2,520.47)
Interest on Long-Term Debt	24,113.67	-	-	-	(24,113.67)	-	(24,113.67)
<b>Total Governmental Activities</b>	<b>2,276,454.59</b>	<b>783,445.24</b>	<b>207,207.89</b>	<b>293,671.38</b>	<b>(992,130.08)</b>	<b>-</b>	<b>(992,130.08)</b>
Business-type Activities	1,160,164.47	1,041,103.44	-	-	-	(119,061.03)	(119,061.03)
Interest on Long-Term Debt	90,818.62	-	-	-	-	(90,818.62)	(90,818.62)
<b>Total Business-type Activities</b>	<b>1,250,983.09</b>	<b>1,041,103.44</b>	<b>-</b>	<b>293,671.38</b>	<b>-</b>	<b>(209,879.65)</b>	<b>(209,879.65)</b>
<b>Total Primary Government</b>	<b>\$ 3,527,437.68</b>	<b>\$ 1,824,548.68</b>	<b>\$ 207,207.89</b>	<b>\$ 587,342.76</b>	<b>\$ (992,130.08)</b>	<b>\$ (209,879.65)</b>	<b>\$ (1,202,009.73)</b>
<b>General Revenues:</b>							
Property Taxes					\$ 967,268.48	\$ -	\$ 967,268.48
State Shared Revenues					242,685.00	-	242,685.00
Interest					2,145.88	262.03	2,407.91
Other Revenues					115,293.12	-	115,293.12
Transfers					(276,490.09)	276,490.09	-
<b>Total General Revenues, Special Items &amp; Transfers</b>					<b>1,050,902.39</b>	<b>276,752.12</b>	<b>1,327,654.51</b>
<b>Change in Net Position</b>					<b>58,772.31</b>	<b>66,872.47</b>	<b>125,644.78</b>
<b>Net Position - Beginning of Year</b>					<b>2,664,330.93</b>	<b>5,914,573.84</b>	<b>8,578,904.77</b>
<b>Net Position - End of Year</b>					<b>\$ 2,723,103.24</b>	<b>\$ 5,981,446.31</b>	<b>\$ 8,704,549.55</b>

The notes are an integral part of the statements.

# Village of Almont

Governmental Funds  
Balance Sheet  
June 30, 2014

	Special Revenue Funds			Debt Service Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Major Streets Fund	Downtown Development Authority	Water Tower	Water System Improvement	W.W.T.P. Improvement Project		
<b><u>Assets &amp; Deferred Outflows of Resources</u></b>								
<b><u>Assets</u></b>								
Cash & Cash Equivalents	\$ 412,430.84	\$ 63,691.99	\$ 162,233.96	\$ 45,364.94	\$ 30,424.30	\$ 85,341.93	\$ 114,176.46	\$ 913,664.42
Accounts Receivable	68,693.68	18,320.78	-	582.69	620.56	25,813.59	8,224.56	122,255.86
Grant Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	5,056.19	-	-	-	-	-	-	5,056.19
Due From Other Funds	53,831.28	1,834.10	-	-	-	-	7,170.92	62,836.30
<b>Total Assets</b>	<b>540,011.99</b>	<b>83,846.87</b>	<b>162,233.96</b>	<b>45,947.63</b>	<b>31,044.86</b>	<b>111,155.52</b>	<b>129,571.94</b>	<b>1,103,812.77</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets &amp; Deferred Outflows</b>	<b>\$ 540,011.99</b>	<b>\$ 83,846.87</b>	<b>\$ 162,233.96</b>	<b>\$ 45,947.63</b>	<b>\$ 31,044.86</b>	<b>\$ 111,155.52</b>	<b>\$ 129,571.94</b>	<b>\$ 1,103,812.77</b>
<b><u>Liabilities, Deferred Inflows of Resources &amp; Fund Equity</u></b>								
<b><u>Liabilities</u></b>								
Accounts Payable	\$ 35,678.49	\$ 1,009.76	\$ 7,715.81	\$ -	\$ -	\$ -	\$ 12,933.14	\$ 57,337.20
Deferred Revenue	6,481.54	-	-	-	-	-	-	6,481.54
Due To Other Funds	14,493.32	-	1,821.95	-	-	-	20,201.12	36,516.39
<b>Total Liabilities</b>	<b>56,653.35</b>	<b>1,009.76</b>	<b>9,537.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,134.26</b>	<b>100,335.13</b>
<b>Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Equity</u></b>								
Fund Balances:								
Nonspendable	5,056.19	-	-	-	-	-	-	5,056.19
Restricted For:								
Debt Service	-	-	-	45,947.63	31,044.86	111,155.52	-	188,148.01
Highways	-	82,837.11	-	-	-	-	68,807.46	151,644.57
Downtown Development	-	-	152,696.20	-	-	-	-	152,696.20
Building Inspection	-	-	-	-	-	-	27,630.22	27,630.22
Homecoming	11,428.91	-	-	-	-	-	-	11,428.91
Committed For:								
Park	17,568.57	-	-	-	-	-	-	17,568.57
Unassigned	449,304.97	-	-	-	-	-	-	449,304.97
<b>Total Fund Equity</b>	<b>483,358.64</b>	<b>82,837.11</b>	<b>152,696.20</b>	<b>45,947.63</b>	<b>31,044.86</b>	<b>111,155.52</b>	<b>96,437.68</b>	<b>1,003,477.64</b>
<b>Total Liab., Deferred Inflows &amp; Fund Equity</b>	<b>\$ 540,011.99</b>	<b>\$ 83,846.87</b>	<b>\$ 162,233.96</b>	<b>\$ 45,947.63</b>	<b>\$ 31,044.86</b>	<b>\$ 111,155.52</b>	<b>\$ 129,571.94</b>	<b>\$ 1,103,812.77</b>

The notes are an integral part of the statements.

**Village of Almont**  
Governmental Funds  
Reconciliation of Fund Balances to the  
Statement of Net Position  
For The Fiscal Year Ended June 30, 2014

<b>Total Fund Balances for Governmental Funds and Equipment Fund</b>	\$ 1,274,307.82
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds	2,215,506.00
Long-term bonds payable are not due and payable in the current period and are not reported in the Funds	(376,001.58)
Other post-employment benefit obligation in Governmental Activities is not reported in the Funds	(387,573.00)
Accrued Interest Payable is not reported in the Funds	<u>(3,136.00)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 2,723,103.24</u></u>

**Village of Almont**  
Governmental Funds  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For The Fiscal Year Ended June 30, 2014

	Special Revenue Funds			Debt Service Funds			Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Major Streets Fund	Downtown Development Authority	Water Tower	Water System Improvement	W.W.T.P. Improvement Project		
<b>Revenues</b>								
Property Taxes	\$ 616,380.83	\$ -	\$ 139,059.43	\$ 124,266.86	\$ 87,561.36	\$ -	\$ -	\$ 967,268.48
Intergovernmental Revenues	242,685.00	135,257.40	-	-	-	-	54,398.18	432,340.58
Licenses, Permits & Fees	77,890.55	-	-	-	-	-	94,243.34	172,133.89
Charges for Services	398,004.07	-	-	-	-	100,410.30	-	498,414.37
Interest Earnings	938.85	47.84	103.64	20.31	74.61	813.74	87.79	2,086.78
Other Revenues	83,659.48	112.66	6,153.20	-	-	1,980.99	8,060.07	99,966.40
<b>Total Revenues</b>	<b>1,419,558.78</b>	<b>135,417.90</b>	<b>145,316.27</b>	<b>124,287.17</b>	<b>87,635.97</b>	<b>103,205.03</b>	<b>156,789.38</b>	<b>2,172,210.50</b>
<b>Expenditures</b>								
General Government	318,174.95	-	-	-	-	-	-	318,174.95
Public Safety	680,278.54	-	-	-	-	-	83,585.29	763,863.83
Public Works	269,927.34	78,273.62	382,713.56	-	-	-	64,369.51	795,284.03
Recreation & Culture	19,472.78	-	-	-	-	-	-	19,472.78
Capital Outlay	22,062.29	77,409.86	63,123.35	-	-	-	81,760.97	244,356.47
Debt Service - Principal	4,508.14	-	32,313.26	-	75,000.00	-	14,679.31	126,500.71
Debt Service - Interest	-	-	2,826.40	-	12,150.00	-	4,136.00	19,112.40
<b>Total Expenditures</b>	<b>1,314,424.04</b>	<b>155,683.48</b>	<b>480,976.57</b>	<b>-</b>	<b>87,150.00</b>	<b>-</b>	<b>248,531.08</b>	<b>2,286,765.17</b>
<b>Excess of Rev. Over (Under) Expenditures</b>	<b>105,134.74</b>	<b>(20,265.58)</b>	<b>(335,660.30)</b>	<b>124,287.17</b>	<b>485.97</b>	<b>103,205.03</b>	<b>(91,741.70)</b>	<b>(114,554.67)</b>
<b>Other Financing Sources (Uses)</b>								
Grant Proceeds	-	-	293,671.38	-	-	-	-	293,671.38
Transfers In (Out)	(50,933.73)	-	-	(125,013.49)	-	(131,618.76)	-	(307,565.98)
<b>Net Change in Fund Balances</b>	<b>54,201.01</b>	<b>(20,265.58)</b>	<b>(41,988.92)</b>	<b>(726.32)</b>	<b>485.97</b>	<b>(28,413.73)</b>	<b>(91,741.70)</b>	<b>(128,449.27)</b>
<b>Fund Balances - Beginning of Year</b>	<b>429,157.63</b>	<b>103,102.69</b>	<b>194,685.12</b>	<b>46,673.95</b>	<b>30,558.89</b>	<b>139,569.25</b>	<b>188,179.38</b>	<b>1,131,926.91</b>
<b>Fund Balances - End of Year</b>	<b>\$ 483,358.64</b>	<b>\$ 82,837.11</b>	<b>\$ 152,696.20</b>	<b>\$ 45,947.63</b>	<b>\$ 31,044.86</b>	<b>\$ 111,155.52</b>	<b>\$ 96,437.68</b>	<b>\$ 1,003,477.64</b>

The notes are an integral part of the statements.

# Village of Almont

Governmental Funds  
Reconciliation of Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For The Fiscal Year Ended June 30, 2014

**Net Change in Fund Balances - Total Governmental Funds and Equipment Fund**      \$    (97,833.08)

Amounts reported for Governmental Activities in the Statement of  
Activities are different because:

Governmental Funds report Capital Outlays as Expenditures  
in the Statement of Activities, these costs are capitalized and  
allocated over their estimated useful lives as Depreciation      244,356.47

Repayment of Bond Principal is an Expenditure in the Governmental  
Funds, but not in the Statement of Activities (where it  
reduces Long-Term Debt)      126,500.71

Loan Proceeds are recognized as revenue in the Governmental Funds,  
but not in the Statement of Activities      -

Interest Expense is reported in the Statement of Activities  
when a Liability is incurred; they are reported in the  
Governmental Funds only when payment is due      1,125.00

Change in other postemployment benefit obligation is recorded  
when incurred in the Statement of Activities      (120,916.00)

Depreciation is an Expenditure for the Statement of  
Activities, but is not reported in the Governmental Funds      (94,460.79)

**Net Change in Assets of Governmental Activities**      \$    58,772.31

# Village of Almont

Proprietary Funds  
Statement of Net Position  
June 30, 2014

	Enterprise Funds		Total	Internal
	Sewer Fund	Water Fund	Enterprise Funds	Service Fund Equipment
<b><u>Assets</u></b>				
<u>Current Assets</u>				
Cash & Cash Equivalents	\$ 209,603.46	\$ 188,538.27	\$ 398,141.73	\$ 142,044.25
Accounts Receivable	130,512.35	104,315.38	234,827.73	1,625.00
Prepaid Expenses	6,930.36	2,783.34	9,713.70	7,550.19
Due From Other Funds	6,741.20	-	6,741.20	-
<u>Total Current Assets</u>	<u>353,787.37</u>	<u>295,636.99</u>	<u>649,424.36</u>	<u>151,219.44</u>
<u>Noncurrent Assets</u>				
Capital Assets not being Depreciated	100.00	-	100.00	-
Capital Assets being Depreciated	8,494,544.90	4,540,271.02	13,034,815.92	967,300.63
Less: Accumulated Depreciation	(3,279,346.44)	(1,288,570.51)	(4,567,916.95)	(624,406.03)
<u>Total Noncurrent Assets</u>	<u>5,215,298.46</u>	<u>3,251,700.51</u>	<u>8,466,998.97</u>	<u>342,894.60</u>
<u>Total Assets</u>	<u>5,569,085.83</u>	<u>3,547,337.50</u>	<u>9,116,423.33</u>	<u>494,114.04</u>
<b><u>Deferred Outflows of Resources</u></b>				
	-	-	-	-
<b><u>Liabilities</u></b>				
<u>Current Liabilities</u>				
Accounts Payable	14,442.00	44,821.42	59,263.42	674.38
Due To Other Funds	13,696.38	5,823.91	19,520.29	13,689.12
Accrued Interest Payable	9,985.00	8,514.31	18,499.31	-
Current Portion of Long-Term Debt	125,000.00	90,000.00	215,000.00	52,487.34
<u>Total Current Liabilities</u>	<u>163,123.38</u>	<u>149,159.64</u>	<u>312,283.02</u>	<u>66,850.84</u>
<u>Long-Term Liabilities</u>				
Bonds Payable	1,310,000.00	1,512,694.00	2,822,694.00	156,433.02
<u>Total Liabilities</u>	<u>1,473,123.38</u>	<u>1,661,853.64</u>	<u>3,134,977.02</u>	<u>223,283.86</u>
<b><u>Deferred Inflows of Resources</u></b>				
	-	-	-	-
<b><u>Net Position</u></b>				
Invested in Capital Assets Net of Related Debt	3,770,313.46	1,640,492.20	5,410,805.66	133,974.24
Restricted	6,930.36	2,783.34	9,713.70	7,550.19
Unrestricted	318,718.63	242,208.32	560,926.95	129,305.75
<u>Total Net Position</u>	<u>\$ 4,095,962.45</u>	<u>\$ 1,885,483.86</u>	<u>\$ 5,981,446.31</u>	<u>\$ 270,830.18</u>

The notes are an integral part of the statements.

**Village of Almont**  
Proprietary Funds  
Statement of Revenues, Expenditures and  
Changes in Net Position  
June 30, 2014

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>		<u>Equipment</u>
<b><u>Operating Revenues</u></b>				
User Charges & Penalties	\$ 524,779.95	\$ 441,998.70	\$ 966,778.65	\$ 19,500.00
Service Connection Charges	35,437.50	37,875.00	73,312.50	-
Other Income	487.35	524.94	1,012.29	3,818.27
Equipment Rental	-	-	-	122,457.74
<b>Total Operating Revenues</b>	<b>560,704.80</b>	<b>480,398.64</b>	<b>1,041,103.44</b>	<b>145,776.01</b>
<b><u>Operating Expenditures</u></b>				
Cost of Water	-	222,932.15	222,932.15	-
Operation & Maintenance	469,636.93	144,195.50	613,832.43	104,900.42
General & Administration	41,024.50	10,934.72	51,959.22	549.00
Depreciation	180,345.07	91,095.60	271,440.67	34,719.12
<b>Total Operating Expenditures</b>	<b>691,006.50</b>	<b>469,157.97</b>	<b>1,160,164.47</b>	<b>140,168.54</b>
<b><u>Operating Income (Loss)</u></b>	<b>(130,301.70)</b>	<b>11,240.67</b>	<b>(119,061.03)</b>	<b>5,607.47</b>
<b><u>Nonoperating Revenues (Expenditures)</u></b>				
Interest Earned	139.50	122.53	262.03	59.10
Interest Expense	(56,283.26)	(34,535.36)	(90,818.62)	(6,126.27)
Gain (Loss) on Sale of Fixed Assets	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers From (To) Other Funds	160,167.72	116,322.37	276,490.09	31,075.89
<b>Change in Net Position</b>	<b>(26,277.74)</b>	<b>93,150.21</b>	<b>66,872.47</b>	<b>30,616.19</b>
<b><u>Net Position - Beginning of Year</u></b>	<b>4,122,240.19</b>	<b>1,792,333.65</b>	<b>5,914,573.84</b>	<b>240,213.99</b>
<b><u>Net Position - End of Year</u></b>	<b>\$ 4,095,962.45</b>	<b>\$ 1,885,483.86</b>	<b>\$ 5,981,446.31</b>	<b>\$ 270,830.18</b>

The notes are an integral part of the statements.

**Village of Almont**  
Proprietary Funds  
Statement of Cash Flows  
For The Fiscal Year Ended June 30, 2014

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Fund Equipment</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>		
<b><u>Cash Flows From Operating Activities</u></b>				
Receipts from Customers	\$ 561,989.37	\$ 481,112.15	\$ 1,043,101.52	\$ 150,269.70
Payments for Operation, Maintenance & Water	(446,740.85)	(367,486.36)	(814,227.21)	(244,913.11)
Payments for General & Administration	(41,024.50)	(10,934.72)	(51,959.22)	(549.00)
<u>Net Cash Provided by Operating Activity</u>	<u>74,224.02</u>	<u>102,691.07</u>	<u>176,915.09</u>	<u>(95,192.41)</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>				
Operating Transfers In (Out)	160,167.72	116,322.37	276,490.09	31,075.89
Insurance Proceeds	-	-	-	-
Received (Paid) "Due To / From Other Funds"	(14,332.03)	(58,553.59)	(72,885.62)	7,818.88
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>145,835.69</u>	<u>57,768.78</u>	<u>203,604.47</u>	<u>38,894.77</u>
<b><u>Cash Flows From Capital &amp; Related Financing Activities</u></b>				
Interest Expense	(53,766.26)	(35,013.49)	(88,779.75)	(6,126.27)
Net Proceeds from Issuance (Payments) of Long-Term Debt	(120,000.00)	(90,000.00)	(210,000.00)	(29,328.56)
Sale (Purchase) of Capital Assets	(58,153.61)	(36,078.75)	(94,232.36)	(32,296.00)
<u>Net Cash Provided by Capital &amp; Related Financing Activities</u>	<u>(231,919.87)</u>	<u>(161,092.24)</u>	<u>(393,012.11)</u>	<u>(67,750.83)</u>
<b><u>Cash Flows From Investing Activities</u></b>				
Increase in Customer Deposits	-	-	-	-
Interest received on Investments	139.50	122.53	262.03	59.10
<u>Net Increase (Decrease) in Cash &amp; Cash Equivalents</u>	<u>(11,720.66)</u>	<u>(509.86)</u>	<u>(12,230.52)</u>	<u>(123,989.37)</u>
<u>Cash &amp; Cash Equivalents - Beginning of Year</u>	<u>221,324.12</u>	<u>189,048.13</u>	<u>410,372.25</u>	<u>266,033.62</u>
<u>Cash &amp; Cash Equivalents - End of Year</u>	<u>\$ 209,603.46</u>	<u>\$ 188,538.27</u>	<u>\$ 398,141.73</u>	<u>\$ 142,044.25</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u></b>				
Operating Income (Loss)	(130,301.70)	11,240.67	(119,061.03)	5,607.47
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:				
Depreciation	180,345.07	91,095.60	271,440.67	34,719.12
Prior Period Adjustments	28,217.57	2,783.34	31,000.91	11,306.78
Changes in Assets & Liabilities:				
Prepaid Expenses	(6,930.36)	(2,783.34)	(9,713.70)	(7,550.19)
Accounts Receivable	1,284.57	713.51	1,998.08	737.10
Accounts Payable	1,608.87	(358.71)	1,250.16	(140,012.69)
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 74,224.02</u>	<u>\$ 102,691.07</u>	<u>\$ 176,915.09</u>	<u>\$ (95,192.41)</u>

The notes are an integral part of the statements.

# Village of Almont

Fiduciary Funds  
Statement of Net Position  
June 30, 2014

	<b>Payroll Fund</b>	<b>Totals June 30, 2014</b>
<b><u>Assets &amp; Deferred Outflows of Resources</u></b>		
<b><u>Assets</u></b>		
Cash & Cash Equivalents	\$ 26,544.64	\$ 26,544.64
Due from Other Funds	148.30	148.30
<u>Total Assets</u>	<u>26,692.94</u>	<u>26,692.94</u>
<b><u>Deferred Outflows of Resources</u></b>		
	-	-
<u>Total Assets &amp; Deferred Outflows of Resources</u>	<u>\$ 26,692.94</u>	<u>\$ 26,692.94</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balance</u></b>		
<b><u>Liabilities</u></b>		
Due To Other Funds	\$ -	\$ -
Due To Others	26,692.94	26,692.94
<u>Total Liabilities</u>	<u>26,692.94</u>	<u>26,692.94</u>
<b><u>Deferred Inflows of Resources</u></b>		
	-	-
<b><u>Fund Balance</u></b>		
<u>Fund Balance</u>	-	-
<u>Total Liab, Deferred Inflows &amp; Fund Balance</u>	<u>\$ 26,692.94</u>	<u>\$ 26,692.94</u>

The notes are an integral part of the statements.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**1. Summary of Significant Accounting Policies**

The accounting policies of the **Village of Almont**, Lapeer County, Michigan (the “Village”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the **Village of Almont**, Lapeer County, Michigan:

**Financial Reporting Entity**

The **Village of Almont** was incorporated under the laws of the State of Michigan in 1855 and has operated since 1968 under a Home Rule Village-Council Manager form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Village (the primary government) and its component units. The component units discussed below are included in the Village reporting entity because of the significance of their operational or financial relationships with the Village.

**Component Units** - In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity either as blended component units or discretely presented component units.

**Blended Component Units** - The Downtown Development Authority (DDA) of the **Village of Almont**, an entity legally separate from the Village, is governed by an eleven-member Council appointed by the Village Council. For financial reporting purposes, the DDA is reported as if it were part of the Village’s operations because its purpose is to finance and provide assistance to businesses and citizens within the DDA District of the Village.

**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 the nonfiduciary activities of the Village (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. 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 activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

**General Fund** - The General Fund is the Village’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Major Streets Fund** – The Major Streets Fund accounts for maintenance and improvement activities for streets designated as “major” within the Village. Funding is provided primarily through State-shared gas and weight taxes.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**1. Summary of Significant Accounting Policies – Continued**

**Downtown Development Authority Fund (a Special Revenue Fund type)** – The Downtown Development Authority’s purpose is to finance and provide assistance to businesses and citizens within the DDA District of the Village.

**Water Tower Debt Service Fund** - The fund accounts for all debt payments made regarding the bond for the Lapeer County Revolving Drinking Water originally issued September 20, 2007.

**Water System Improvement Debt Service Fund** - The fund accounts for all debt payments made regarding the improvement bond for the **Village of Almont** Water Supply System originally issued May 1, 1996.

**W.W.T.P. Improvement Project Debt Service Fund** - The fund accounts for all debt payments made regarding the improvement project for the Lapeer County Sewage Disposal Bonds originally issued October 5, 2011.

The Village reports the following Major Enterprise Funds and Internal Service Fund:

**Water Fund** - The Water Fund accounts for the activities of the water distribution system. Funding is provided primarily through user charges.

**Sewer Fund** - The Sewer Fund accounts for the activities of the sewage disposal system. Fund is provided primarily through user charges.

**Equipment Fund (Internal Service Fund)** – This fund was established to account for the financing of goods or services provided by one department to other departments of the Village on a cost-reimbursement basis.

Additionally, the Village reports the following fund types:

**Agency Funds** - The Agency Funds account for assets held by the Village in a trustee capacity or as an agent for individuals, organizations or other governments.

**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. Revenue is 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 revenue 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.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Village. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**1. Summary of Significant Accounting Policies - Continued**

**Cash** - The Village does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Village's investments.

**Investments** - Debt securities are valued at cost since it is generally the policy of the Village to hold such investments until they mature.

**Due To and Due From Other Funds** - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

**Property Tax Revenues** - Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Village's 2013 tax is levied and collectible on July 1, 2013, and is recognized as revenue in the fiscal year ended June 30, 2014, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2013 taxable valuation of the Villages totaled about \$50 million (a portion of which is captured by the DDA), on which taxes levied consisted of 13.567 mills for operating purposes, 1.7 mills for water construction, and 2.4 mills for water tower debt service. This resulted in approximately \$615,000 for operating, \$88,000 for water construction, and \$124,000 for water tower debt service. These amounts are recognized in the General Fund, Water Tower Debt Service Fund, and Water System Improvement Debt Fund financial statements as tax revenue.

**Vacation, Sick Leave and Other Compensated Absences** – The Village has recently made major adjustments to their contracts, including Vacation, Sick Leave and Other Compensated Absences. The Village Manager, Police Chief, and Clerk/Treasurer each have unique contracts which specify their compensated absences. Most of the other Village employees are members of the Union and their compensated absences are specified in the collective bargaining agreement. The remaining employees' compensated absences are stipulated in the employee handbook.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased. Inventories and supplies held by the Water Fund and the Sewer Fund, which are immaterial in amount, have not been recognized. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both Government-wide and Fund Financial Statements.

**Capital Assets** - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Infrastructure	40 years
Water & Sewer Distribution Systems	20 to 75 years
Buildings & Building Improvements	20 to 40 years
Machinery & Equipment	3 to 10 years

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**1. Summary of Significant Accounting Policies – Continued**

**Long-Term Obligations** - In the Government-wide 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 statement of net position. Bond premiums and discounts, issuance costs, and the deferred amount on refunding 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 and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Fund Balance Classification** - In the fund financial statements, governmental funds report nonspendable fund balance for amounts of assets that will not be converted to cash soon enough to affect the current period; restrictions of fund balance for amounts that are legally restricted by outside parties or enabling legislation for use for a specific purpose; committed fund balance for constraints placed on resources by a formal action of the council; and assigned fund balance for constraints placed on resources by the Village's intent to be used for specific purposes.

- For *committed* fund balances, the Village's highest level of decision-making authority is the Council and it takes a Council's resolution to establish a fund balance commitment.
- For *assigned* fund balances, the Village Manager or Council can authorize to assign amounts to a specific purpose.
- The Village's policy is that the restricted amounts are considered to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.
- The Village's policy is if it has *committed*, *assigned*, or *unassigned* fund balance available when it incurs expenditure it will use up the fund balance in the order of committed, assigned and then unassigned.
- The Village does not have a policy with respect to a fund balance.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**2. Stewardship, Compliance and Accountability**

**Budgetary Information**

The Village is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Village Council as a management tool during the year for all budgetary funds. The budgets are adopted on an accrual basis, which is consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund and the Major Special Revenue Funds, Debt Service Funds, and Capital Project Funds are presented in the required supplemental information. During the fiscal year ended June 30, 2014, the Village incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
<b>NONE</b>			

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**3. Cash and Investments**

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Village Council has designated two banks for the deposit of Village funds. The investment policy adopted by the council is in accordance with Public Act 196 of 1997. The Council has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. All cash deposits and investments of the Village are held by the Village in the Village's name.

At the fiscal year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Fiduciary - Trust &amp; Agency Funds</b>	<b>Total Primary Government</b>
Cash & Cash Equivalents	\$ 1,055,709	\$ 398,142	\$ 26,545	\$ 1,480,396

The breakdown between deposits and investments is as follows:

	<b>Primary Government</b>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 1,480,396

The bank balance of the primary government's deposits is \$1,480,396, of which \$500,000 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Village's name.

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village has a deposit policy for custodial credit risk. At the fiscal year end, the Village had approximately \$980,396 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Village believes that due to the dollar amounts of cash deposits and the limits of 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.

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not further limit its investment choices.

At the fiscal year end, there were no deposits and investments reported in the basic financial statements with additional credit risk.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**4. Capital Assets**

Capital Assets activity of the Village's governmental activities (and business-type) was as follows:

	<b>Balance July 1, 2013</b>	<b>Additions</b>	<b>Disposals &amp; Adjustments</b>	<b>Balance June 30, 2014</b>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated - Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Capital Assets Not Being Depreciated - DDA	330,000	-	-	330,000
Total Capital Assets Not Being Depreciated	<u>357,000</u>	<u>-</u>	<u>-</u>	<u>357,000</u>
Capital Assets Being Depreciated:				
Infrastructure	920,805	159,171	-	1,079,976
Infrastructure - DDA	1,130,925	63,123	-	1,194,048
Buildings & Building Improvements	423,427	-	-	423,427
Machinery & Equipment	129,517	22,062	-	151,580
Office Equipment	49,609	-	-	49,609
Equipment - Internal Service Fund	935,004	32,296	-	967,300
Total Capital Assets Being Depreciated	<u>3,589,287</u>	<u>276,652</u>	<u>-</u>	<u>3,865,939</u>
Accumulated Depreciation:				
Infrastructure	327,540	40,876	-	368,416
Infrastructure - DDA	274,534	34,097	-	308,632
Buildings & Building Improvements	199,048	12,308	-	211,356
Machinery & Equipment	94,941	7,179	-	102,120
Office Equipment	49,609	-	-	49,609
Equipment - Internal Service Fund	589,687	34,719	-	624,406
Total Accumulated Depreciation	<u>1,535,359</u>	<u>129,180</u>	<u>-</u>	<u>1,664,539</u>
<b>Net Governmental Capital Assets</b>	<u>\$ 2,410,927</u>	<u>\$ 147,473</u>	<u>\$ -</u>	<u>\$ 2,558,400</u>
<b>Business-type Activities:</b>				
Capital Assets Not Being Depreciated - Land	\$ 100	\$ 12,749	\$ -	\$ 12,849
Capital Assets Being Depreciated:				
Sewage Treatment Plant	8,436,391	58,154	-	8,494,544
Water Distribution System	4,504,192	23,330	-	4,527,522
Total Capital Assets Being Depreciated	<u>12,940,583</u>	<u>81,484</u>	<u>-</u>	<u>13,022,067</u>
Accumulated Depreciation:				
Sewage Treatment Plant	3,099,002	180,345	-	3,279,347
Water Distribution System	1,197,475	91,096	-	1,288,571
Total Accumulated Depreciation	<u>4,296,477</u>	<u>271,441</u>	<u>-</u>	<u>4,567,917</u>
<b>Net Business-type Capital Assets</b>	<u>\$ 8,644,206</u>	<u>\$ (177,208)</u>	<u>\$ -</u>	<u>\$ 8,466,998</u>

Depreciation expense was charged to programs of the primary government as follows:

<b>Governmental Activities:</b>	
General Government	\$ 12,033
Public Safety	3,638
Public Works	112,909
Recreation & Culture	600
Total Governmental Activities	<u>\$ 129,180</u>
<b>Business-type Activities:</b>	
Sewer Fund	\$ 180,345
Water Fund	91,096
Total Business-type Activities	<u>\$ 271,441</u>

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**5. Interfund Receivables, Payables and Transfers**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due From Other Funds” or “Due To Other Funds” on the balance sheet. The amounts of interfund receivables and payables are as follows:

	<b>Due From Other Funds</b>		<b>Due To Other Funds</b>	
General Fund	\$ 1,822	DDA Fund	\$ 1,822	(1)
Major Streets Fund	433	General Fund	433	(2)
Major Streets Fund	1,401	Local Streets Fund	1,401	(2)
General Fund	9,181	Local Streets Fund	9,181	(1)
General Fund	2,448	Inspection Fund	2,448	(1)
General Fund	6,955	Sewer Fund	6,955	(1)
General Fund	13,689	Equipment Fund	13,689	(1)
General Fund	5,824	Water Fund	5,824	(1)
Payroll Fund	148	General Fund	148	(3)
Total	\$ 41,902		\$ 41,902	

- (1) Unreimbursed bills as of the fiscal year end
- (2) Net amount of deposit errors which were not corrected by the fiscal year end
- (3) Residual balance in Payroll Fund

Interfund Transfers reported in the Fund Statements are as follows:

	<b>Transferred From</b>		<b>Transferred To</b>	
General Fund	\$ 36,049	Sewer Fund	\$ 36,049	(1)
W.W.T.P. Improvement Debt Service	131,619	Sewer Fund	131,619	(2)
General Fund	14,885	Equipment Fund	14,885	(2)
Water Fund	8,691	Equipment Fund	8,691	(2)
Sewer Fund	7,500	Equipment Fund	7,500	(2)
Water Tower Debt Service Fund	125,013	Water Fund	125,013	(2)
Total	\$ 323,757		\$ 323,757	

- (1) To assist with operations
- (2) To fund current debt payment

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**6. Long-Term Debt**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
Police Vehicle: Dodge Charger Amount of Issue - \$29,000 Maturing Through May 2017	1.85%	\$7,036 - \$7,456	\$ 29,000	\$ (7,057)	\$ 21,943	\$ 7,188
Police Vehicle: Chevy Tahoe Amount of Issue - \$33,000 Maturing Through May 2017	1.85%	\$8,025 - \$8,478	\$ 33,000	\$ (8,025)	\$ 24,975	\$ 8,173
2000 Sterling Vector Truck Amount of Issue - \$137,500 Maturing Through May 2020	3.16%	\$18,064 - \$21,502	\$ 137,500	\$ (18,064)	\$ 119,436	\$ 18,377
Cherry Street Bridge - Local Streets Amount of Issue - \$162,227 Maturing Through October 2021	2.75%	\$14,280 - \$18,305	\$ 147,934	\$ (14,679)	\$ 133,255	\$ 15,100
Dump Truck - Equipment Fund Amount of Issue - \$57,500 Maturing Through September 2014	2.20%	\$18,751 - \$19,585	\$ 38,749	\$ (25,548)	\$ 13,201	\$ 13,201
Fiber Optic Equipment Amount of Issue - \$22,540 Maturing Through December 2017	1.00%	\$4,418 - \$4,598	\$ 22,540	\$ (4,507)	\$ 18,033	\$ 4,463
2014 GMC 2500 Truck - Equipment Fund Amount of Issue - \$29,366 Maturing Through September 2019	2.85%	\$5,548 - \$6,208	\$ -	\$ 29,366	\$ 29,366	\$ 5,548
Downtown Development Authority Obligations DDA Infrastructure Removal - Old Fire Hall Amount of Issue - \$50,000 Maturing Through October 2014	2.50%	\$8,986 - \$41,014	\$ 50,000	\$ (8,986)	\$ 41,014	\$ 41,014
Pocket Park Construction Installment Contract Amount of Issue - \$204,385 Maturing through November 22, 2014	3.75%	\$13,515	\$ 42,042	\$ (23,327)	\$ 18,715	\$ 18,715
<b>Total Governmental Activities</b>			<u>\$ 500,765</u>	<u>\$ (80,827)</u>	<u>\$ 419,938</u>	<u>\$ 131,779</u>
<b>Business-type Activities</b>						
General Obligation Bonds & Contracts 1996 Water Supply System Improv Bond Amount of Issue - \$995,000 Maturing through 2015	3.80% - 6.00%	\$25,000 - \$85,000	\$ 240,000	\$ (75,000)	\$ 165,000	\$ 80,000
2007 Revolving Drinking Water Bonds Amount of Issue - \$2,090,000 Maturing through 2028	2.13%	\$85,000 - \$115,000	\$ 1,692,694	\$ (90,000)	\$ 1,602,694	\$ 90,000
2011 Lapeer Co. Refunding Bonds Amount of Issue - \$1,180,000 Maturing through 2022	2.00% 3.50%	\$90,000 - \$130,000	\$ 1,090,000	\$ (95,000)	\$ 995,000	\$ 95,000
Lapeer Co. Lift Station Bonds Amount of Issue - \$465,000 Maturing through 2024	3.50% 4.00%	\$25,000 - \$50,000	\$ 465,000	\$ (25,000)	\$ 440,000	\$ 25,000
<b>Total Business-type Activities</b>			<u>\$ 3,487,694</u>	<u>\$ (285,000)</u>	<u>\$ 3,202,694</u>	<u>\$ 290,000</u>
<b>Total</b>			<u>\$ 3,988,459</u>	<u>\$ (365,827)</u>	<u>\$ 3,622,632</u>	<u>\$ 421,779</u>

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**6. Long-Term Debt - Continued**

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

Year(s) Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 131,779	\$ 11,458	\$ 143,237	\$ 295,000	\$ 91,155	\$ 386,155
2016	60,334	7,931	68,265	305,000	80,392	385,392
2017	61,849	6,394	68,243	230,000	71,740	301,740
2018	47,137	4,809	51,946	235,000	65,496	300,496
2019	43,902	3,489	47,391	250,000	58,901	308,901
2020-2024	74,937	3,699	78,636	1,235,000	170,738	1,405,738
2025-2029	-	-	-	652,694	33,452	686,146
<b>Total</b>	<b>\$ 419,938</b>	<b>\$ 37,780</b>	<b>\$ 457,718</b>	<b>\$ 3,202,694</b>	<b>\$ 571,874</b>	<b>\$ 3,774,568</b>

**7. Retirement System - MERS Operated**

**Plan Description** – The Village participates in the Michigan Municipal Employees’ Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers eligible employees of the Village. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system.

**Funding Policy** – The obligation to contribute to and maintain the system for these employees was established by negotiation with the Village’s competitive bargaining units and requires a contribution from the employees, depending on the department (Police Department, Waste Water Treatment Plant and DPW) of 6.98%, 9.57% and 16.11%, respectively.

**Annual Pension Cost** - For the fiscal year ended June 30, 2014, the Village’s annual pension cost of \$61,981 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2013, using the entry age normal cost method. Significant actuarial assumptions used include: (i) an 8 percent investment rate of return; (ii) projected salary increase of 4.5 percent per year; and (iii) 4.5 percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level of percent of payroll on a closed basis. The remaining amortization period is 30 years.

Three-year trend information as of June 30, 2014, (date of most recent actuaries) follows:

	December 31		
	2013	2012	2011
Annual Pension Cost	\$ 68,952	\$ 66,588	\$ 65,212
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	-	-	-
Actuarial Value of Assets	1,920,905	1,828,722	1,750,540
Actuarial Accrued Liability	2,533,119	2,354,351	2,261,901
Unfunded Actuarial Accrued Liability	612,214	525,629	511,361
Funded Ratio	75.8%	77.7%	77.4%
Covered Payroll	594,290	651,777	621,157
UAAL as a Percentage of Covered Payroll	103.0%	80.6%	82.3%

**8. Deficit Fund Balance or Retained Earnings Balances of Individual Funds**

NONE

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**9. Risk Management**

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Village has purchased commercial insurance for the various risks of loss stated above. Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage obtained through commercial insurance during the past year.

**10. Deferred Compensation Plan**

The Village offers its employees a deferred compensation plan created in accordance with IRC Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Village's financial statements.

The simplified employee plan (SEP-IRA) provides annual contributions to each employee SEP-IRA of five to ten percent of annual compensation. The SEP-IRA retirement contributions are 100% vested. Total SEP-IRA contributions for the fiscal year ending June 30, 2014, were \$14,089.

**11. Other Post-Employment Benefits**

**Plan Description** – The Village provides retiree healthcare benefits to eligible employees and their spouses. As of June 30, 2014, the plan has nine active and three retired members.

This is a single employer defined benefit plan administered by the Village. Benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the Plan through employer contributions.

**Funding Policy** – The collective bargaining agreements currently do not require a contribution from employees. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). The only current contributions being made are to pay the actual current premiums of the retirees. The amount of the annual required contribution is reflected in the schedule to follow.

**Funding Status and Fund Progress** – The Village estimated the cost of providing retiree healthcare benefits through Milliman utilizing actuarial valuations as of June 30, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. As of June 30, 2014, the value of assets contributed to the Plan was \$-0-.

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**11. Other Post-Employment Benefits - Continued**

This valuation's computed contribution and actual funding are summarized as follows:

	<b>Post-Retirement Healthcare Plan</b>
Annual Required Contribution (ARC)	\$ 148,390
Interest on the Prior Year's net OPEB Obligation	-
Less Adjustment to the Annual Required Contribution (ARC)	-
Annual OPEB Cost	148,390
Amounts Contributed - Current Premiums and Advance Funding	27,474
Increase in net OPEB Obligation	120,916
OPEB Obligation - Beginning of Year	266,657
OPEB Obligation - End of Year	\$ 387,573

The annual OPEB cost, the percentage contributed to the plan, and the net OPEB asset for the plan for the current year and previous year are as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Costs</b>	<b>Percentage OPEB Costs Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2012	\$ 170,583	0.00%	\$ 170,583
6/30/2013	\$ 101,574	5.41%	\$ 266,657
6/30/2014	\$ 148,390	18.51%	\$ 387,573

The fund progress of the plan is as follows:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (Percent) (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll</b>
6/30/2012	\$ -	\$ 1,698,988	\$ 1,698,988	0.00%	\$ 525,955	323.03%
6/30/2013	\$ -	\$ 1,085,786	\$ 1,085,786	0.00%	\$ 632,016	171.80%
6/30/2014	\$ -	\$ 1,459,747	\$ 1,459,747	0.00%	\$ 642,422	227.23%

**Village of Almont**  
Notes to the Financial Statements  
For The Fiscal Year Ended June 30, 2014

**11. Other Post-Employment Benefits – Continued**

**Actuarial Methods and Assumptions** – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The Village qualified to use the Alternative Measurement Method (AMM), the calculation of the actuarial accrued liability and annual required contribution has been completed without a traditional actuarial valuation. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions permitted per GASB guidelines. In the June 30, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a zero percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of eight percent initially, grading down to four and seven tenths of a percent over the next ten years. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2014, was 30 years.

**12. New Accounting Standards**

For the fiscal year ended June 30, 2014, the Village implemented the following new pronouncements:

GASB Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB 65 – *Items previously reported as Assets and Liabilities*.

*Summary:*

These statements provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

The implementation of these standards did not require a restatement of the Village's beginning year net position.

**Required Supplemental Information**

# Village of Almont

Required Supplemental Information

Budgetary Comparison Schedule

General Fund

For The Fiscal Year Ended June 30, 2014

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>Revenues</u></b>				
<u>Taxes</u>				
Current Property Tax	\$ 703,050.00	\$ 712,540.00	\$ 616,380.83	\$ (96,159.17)
<u>State Shared Revenue</u>	240,450.00	242,250.00	242,685.00	435.00
<u>Licenses, Permits &amp; Fees</u>				
Tax Fees, Penalties & Interest	12,025.00	16,470.00	13,261.82	(3,208.18)
Liquor Licenses	2,200.00	2,260.00	2,261.00	1.00
Zoning Permits & Site Plan Review	1,800.00	2,500.00	8,647.08	6,147.08
Police Fines & District Court Fees	5,200.00	22,650.00	20,841.62	(1,808.38)
Franchise Fees	29,810.00	31,960.00	32,879.03	919.03
<u>Total Licenses, Permits &amp; Fees</u>	51,035.00	75,840.00	77,890.55	2,050.55
<u>Charges for Services</u>				
Trash Collection	101,300.00	102,300.00	103,279.49	979.49
Live Scan	1,700.00	1,700.00	1,224.50	(475.50)
Police Contract	291,500.00	293,500.00	293,500.08	0.08
<u>Total Charges for Services</u>	394,500.00	397,500.00	398,004.07	504.07
<u>Miscellaneous Revenue</u>				
Refunds & Reimbursements	39,000.00	45,650.00	44,694.42	(955.58)
Miscellaneous	7,000.00	7,000.00	3,277.43	(3,722.57)
Donations/Homecoming	3,000.00	3,000.00	1,751.00	(1,249.00)
Park-Township/Grant	12,200.00	12,950.00	15,801.31	2,851.31
Cellular Land Lease	23,235.00	23,235.00	18,135.32	(5,099.68)
<u>Total Miscellaneous Revenues</u>	84,435.00	91,835.00	83,659.48	(8,175.52)
<u>Interest Earnings</u>	500.00	750.00	938.85	188.85
<u>Total Revenues</u>	\$ 1,473,970.00	\$ 1,520,715.00	\$ 1,419,558.78	\$ (101,156.22)

# Village of Almont

Required Supplemental Information  
Budgetary Comparison Schedule  
General Fund  
For The Fiscal Year Ended June 30, 2014

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>Expenditures</u></b>				
<b><u>General Government</u></b>				
Legislative	\$ 8,055.00	\$ 10,865.00	\$ 10,134.67	\$ 730.33
Executive	119,350.00	117,615.00	115,186.89	2,428.11
General Administration	117,210.00	127,555.00	121,861.02	5,693.98
Central Municipal Activities	147,830.00	160,595.00	70,992.37	89,602.63
<b>Total General Government</b>	<b>392,445.00</b>	<b>416,630.00</b>	<b>318,174.95</b>	<b>98,455.05</b>
<b><u>Public Safety</u></b>				
Police Department	671,600.00	666,485.00	660,951.46	5,533.54
Planning & Zoning	15,175.00	19,675.00	19,327.08	347.92
<b>Total Public Safety</b>	<b>686,775.00</b>	<b>686,160.00</b>	<b>680,278.54</b>	<b>5,881.46</b>
<b><u>Public Works</u></b>				
Department of Public Works	139,325.00	128,390.00	123,948.51	4,441.49
Street Lighting	46,250.00	45,500.00	45,444.80	55.20
Sanitation	103,000.00	101,250.00	100,534.03	715.97
Sanitary Sewer Collection Exp.	39,850.00	-	-	-
<b>Total Public Works</b>	<b>328,425.00</b>	<b>275,140.00</b>	<b>269,927.34</b>	<b>5,212.66</b>
<b><u>Recreation &amp; Culture</u></b>				
	24,875.00	22,665.00	19,472.78	3,192.22
<b><u>Capital Outlay</u></b>				
	23,000.00	23,000.00	22,062.29	937.71
<b><u>Debt Service-Principal</u></b>				
	4,550.00	4,510.00	4,508.14	1.86
<b><u>Debt Service-Interest</u></b>				
	-	-	-	-
<b>Total Expenditures</b>	<b>1,460,070.00</b>	<b>1,428,105.00</b>	<b>1,314,424.04</b>	<b>113,680.96</b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	13,900.00	92,610.00	105,134.74	12,524.74
<b><u>Other Financing Sources (Uses)</u></b>				
Loan Proceeds	-	-	-	-
Transfers In (Out)	(8,500.00)	(57,800.00)	(50,933.73)	6,866.27
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	5,400.00	34,810.00	54,201.01	19,391.01
<b><u>Fund Balance - Beginning of Year</u></b>	230,000.00	240,000.00	429,157.63	189,157.63
<b><u>Fund Balance - End of Year</u></b>	<b>\$ 235,400.00</b>	<b>\$ 274,810.00</b>	<b>\$ 483,358.64</b>	<b>\$ 208,548.64</b>

# Village of Almont

Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Special Revenue Funds - Major Streets  
 For The Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
State Shared Rev. - Gas & Wt. Tax	\$ 105,000.00	\$ 110,000.00	\$ 116,259.73	\$ 6,259.73
State Trunk Line Maintenance	9,000.00	18,995.00	18,997.67	2.67
Interest Income	100.00	60.00	47.84	(12.16)
Other Revenues	20.00	8,100.00	112.66	(7,987.34)
<b><u>Total Revenues</u></b>	<b><u>114,120.00</u></b>	<b><u>137,155.00</u></b>	<b><u>135,417.90</u></b>	<b><u>6,250.24</u></b>
<b><u>Expenditures</u></b>				
Salaries, Wages & Fringes	29,340.00	38,350.00	37,197.19	1,152.81
Professional Fees	500.00	460.00	457.50	2.50
Equipment Rental	29,000.00	33,500.00	30,711.79	2,788.21
Insurance	2,000.00	2,000.00	2,000.00	-
Sidewalks & Curbs	-	-	-	-
Contingency	500.00	500.00	-	500.00
Winter Maintenance - Salt	4,000.00	2,000.00	1,932.88	67.12
Other Expenditures	3,700.00	6,065.00	5,974.26	90.74
Capital Outlay	8,500.00	77,800.00	77,409.86	390.14
<b><u>Total Expenditures</u></b>	<b><u>77,540.00</u></b>	<b><u>160,675.00</u></b>	<b><u>155,683.48</u></b>	<b><u>4,991.52</u></b>
<b><u>Excess of Revenues Over (Under) Expenditur</u></b>	<b><u>36,580.00</u></b>	<b><u>(23,520.00)</u></b>	<b><u>(20,265.58)</u></b>	<b><u>11,241.76</u></b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	(35,000.00)	-	-	-
<b><u>Net Change in Fund Balance</u></b>	<b><u>1,580.00</u></b>	<b><u>(23,520.00)</u></b>	<b><u>(20,265.58)</u></b>	<b><u>11,241.76</u></b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b><u>78,000.00</u></b>	<b><u>85,000.00</u></b>	<b><u>103,102.69</u></b>	<b><u>18,102.69</u></b>
<b><u>Fund Balance - End of Year</u></b>	<b><u>\$ 79,580.00</u></b>	<b><u>\$ 61,480.00</u></b>	<b><u>\$ 82,837.11</u></b>	<b><u>\$ 29,344.45</u></b>

# Village of Almont

Required Supplemental Information

Budgetary Comparison Schedule

Major Special Revenue Funds - Downtown Development Authority

For The Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 134,000.00	\$ 134,000.00	\$ 139,059.43	\$ 5,059.43
Contributions & Donations	5,000.00	5,000.00	3,670.00	(1,330.00)
Interest Earnings	200.00	205.00	103.64	(101.36)
Other Revenues	-	20,000.00	2,483.20	(17,516.80)
<b><u>Total Revenues</u></b>	<b><u>139,200.00</u></b>	<b><u>159,205.00</u></b>	<b><u>145,316.27</u></b>	<b><u>(13,888.73)</u></b>
<b><u>Expenditures</u></b>				
Administration	37,110.00	41,610.00	41,373.21	236.79
Promotion - Business	7,500.00	7,500.00	6,824.82	675.18
Downtown Maintenance	44,600.00	64,600.00	60,889.66	3,710.34
Professional Fees	6,500.00	6,500.00	4,726.73	1,773.27
MSHDA Grant Project	345,500.00	307,000.00	268,899.14	38,100.86
Capital Outlay	49,000.00	79,000.00	63,123.35	15,876.65
Debt Service - Principal	32,327.15	32,327.15	32,313.26	13.89
Debt Service - Interest	2,559.04	2,859.04	2,826.40	32.64
<b><u>Total Expenditures</u></b>	<b><u>525,096.19</u></b>	<b><u>541,396.19</u></b>	<b><u>480,976.57</u></b>	<b><u>60,419.62</u></b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b><u>(385,896.19)</u></b>	<b><u>(382,191.19)</u></b>	<b><u>(335,660.30)</u></b>	<b><u>46,530.89</u></b>
<b><u>Other Financing Sources (Uses)</u></b>				
Grant Proceeds	342,500.00	335,000.00	293,671.38	(41,328.62)
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balances</u></b>	<b><u>(43,396.19)</u></b>	<b><u>(47,191.19)</u></b>	<b><u>(41,988.92)</u></b>	<b><u>5,202.27</u></b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b><u>166,590.00</u></b>	<b><u>166,590.00</u></b>	<b><u>194,685.12</u></b>	<b><u>28,095.12</u></b>
<b><u>Fund Balance - End of Year</u></b>	<b><u>\$ 123,193.81</u></b>	<b><u>\$ 119,398.81</u></b>	<b><u>\$ 152,696.20</u></b>	<b><u>\$ 33,297.39</u></b>

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Debt Service Funds - Water Tower  
 For The Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 122,769.00	\$ 123,250.00	\$ 124,266.86	\$ 1,016.86
Interest Earnings	-	-	20.31	20.31
<u>Total Revenues</u>	<u>122,769.00</u>	<u>123,250.00</u>	<u>124,287.17</u>	<u>1,037.17</u>
<b><u>Expenditures</u></b>				
Public Works	800.00	800.00	-	800.00
<u>Total Expenditures</u>	<u>800.00</u>	<u>800.00</u>	<u>-</u>	<u>800.00</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	121,969.00	122,450.00	124,287.17	1,837.17
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	(90,000.00)	(125,014.00)	(125,013.49)	0.51
<b><u>Net Change in Fund Balance</u></b>	31,969.00	(2,564.00)	(726.32)	1,837.68
<b><u>Fund Balance - Beginning of Year</u></b>	<u>41,507.00</u>	<u>41,507.00</u>	<u>46,673.95</u>	<u>5,166.95</u>
<b><u>Fund Balance - End of Year</u></b>	<u>\$ 73,476.00</u>	<u>\$ 38,943.00</u>	<u>\$ 45,947.63</u>	<u>\$ 7,004.63</u>

# Village of Almont

Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Debt Service Funds - Water System Improvement  
 For The Fiscal Year Ended June 30, 2014

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>Revenues</u></b>				
Property Taxes	\$ 86,961.00	\$ 87,715.00	\$ 87,561.36	\$ (153.64)
Interest Earnings	-	20.00	74.61	54.61
<u>Total Revenues</u>	86,961.00	87,735.00	87,635.97	(99.03)
<b><u>Expenditures</u></b>				
	800.00	800.00	-	800.00
Debt Service - Principal	75,000.00	75,000.00	75,000.00	-
Debt Service - Interest	12,150.00	12,150.00	12,150.00	-
<u>Total Expenditures</u>	87,950.00	87,950.00	87,150.00	800.00
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(989.00)	(215.00)	485.97	700.97
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balance</u></b>	(989.00)	(215.00)	485.97	700.97
<b><u>Fund Balance - Beginning of Year</u></b>	30,509.00	30,509.00	30,558.89	49.89
<b><u>Fund Balance - End of Year</u></b>	\$ 29,520.00	\$ 30,294.00	\$ 31,044.86	\$ 750.86

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Debt Service Funds - W.W.T.P. Improvement Project  
 For The Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
User Fees	\$ 93,870.00	\$ 94,000.00	\$ 100,410.30	\$ 6,410.30
Penalties	1,700.00	1,800.00	1,980.99	180.99
Bond Proceeds	-	-	-	-
Interest Earnings	200.00	60.00	813.74	753.74
<b>Total Revenues</b>	<b>95,770.00</b>	<b>95,860.00</b>	<b>103,205.03</b>	<b>7,345.03</b>
<b><u>Expenditures</u></b>				
Paying Agent Fees & Other	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b>95,770.00</b>	<b>95,860.00</b>	<b>103,205.03</b>	<b>7,345.03</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	(131,120.00)	(131,620.00)	(131,618.76)	1.24
<b><u>Net Change in Fund Balance</u></b>	<b>(35,350.00)</b>	<b>(35,760.00)</b>	<b>(28,413.73)</b>	<b>7,346.27</b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b>102,447.00</b>	<b>102,447.00</b>	<b>139,569.25</b>	<b>37,122.25</b>
<b><u>Fund Balance - End of Year</u></b>	<b>\$ 67,097.00</b>	<b>\$ 66,687.00</b>	<b>\$ 111,155.52</b>	<b>\$ 44,468.52</b>

**Other Supplemental Information**

# Village of Almont

Other Supplemental Information

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2014

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Local Streets Fund	Inspection Fund	
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 73,077.90	\$ 41,098.56	\$ 114,176.46
Accounts Receivable	8,143.15	81.41	8,224.56
Due From Other Funds	7,170.92	-	7,170.92
<b><u>Total Assets</u></b>	<b><u>\$ 88,391.97</u></b>	<b><u>\$ 41,179.97</u></b>	<b><u>\$ 129,571.94</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 1,831.37	\$ 11,101.77	\$ 12,933.14
Due To Other Funds	17,753.14	2,447.98	20,201.12
<b><u>Total Liabilities</u></b>	<b><u>19,584.51</u></b>	<b><u>13,549.75</u></b>	<b><u>33,134.26</u></b>
<b><u>Fund Balances</u></b>			
Restricted For:			
Highways	68,807.46	-	68,807.46
Building Inspections	-	27,630.22	27,630.22
<b><u>Total Liab. &amp; Fund Balances</u></b>	<b><u>\$ 88,391.97</u></b>	<b><u>\$ 41,179.97</u></b>	<b><u>\$ 129,571.94</u></b>

# Village of Almont

Other Supplemental Information  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 For The Fiscal Year Ended June 30, 2014

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Local Streets Fund	Inspection Fund	
	Fund	Fund	
<b><u>Revenues</u></b>			
Property Taxes	\$ -	\$ -	\$ -
State Shared Rev. - Gas & Wt. Tax	54,398.18	-	54,398.18
Licenses, Fees & Permits	-	94,243.34	94,243.34
Interest Earnings	69.62	18.17	87.79
Other Revenues	7,247.91	812.16	8,060.07
<u>Total Revenues</u>	61,715.71	95,073.67	156,789.38
<b><u>Expenditures</u></b>			
Public Safety	-	83,585.29	83,585.29
Public Works	64,369.51	-	64,369.51
Capital Outlay	81,760.97	-	81,760.97
Debt Service - Principal	14,679.31	-	14,679.31
Debt Service - Interest	4,136.00	-	4,136.00
<u>Total Expenditures</u>	164,945.79	83,585.29	248,531.08
<b><u>Excess of Revenues Over (Under)</u></b>			
<b><u>Expenditures</u></b>	(103,230.08)	11,488.38	(91,741.70)
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In (Out)	-	-	-
<b><u>Net Change in Fund Balances</u></b>	(103,230.08)	11,488.38	(91,741.70)
<b><u>Fund Balances - Beginning of Year</u></b>	172,037.54	16,141.84	188,179.38
<b><u>Fund Balances - End of Year</u></b>	\$ 68,807.46	\$ 27,630.22	\$ 96,437.68

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2014

**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
		2014	2013	
6.0%	10/1/2013	\$ -	\$ 75,000	\$ -
6.0%	10/1/2014	80,000	80,000	7,500
6.0%	10/1/2015	85,000	85,000	2,550
<u>Total Water Supply System Improv. Bonds</u>		<u>\$ 165,000</u>	<u>\$ 240,000</u>	<u>\$ 10,050</u>

**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
		2014	2013	
4.500%	10/1/2013	\$ -	\$ 90,000	\$ -
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
<u>Total Revolving Drinking Water Bonds</u>		<u>\$ 1,602,694</u>	<u>\$ 1,692,694</u>	<u>\$ 271,343</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2014

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

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

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		June 30,		
		2014	2013	
2.000%	12/1/2013	\$ -	\$ 95,000	\$ -
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
<b>Total Refunding Bonds</b>		<b>\$ 995,000</b>	<b>\$ 1,090,000</b>	<b>\$ 187,150</b>

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

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

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		June 30,		
		2014	2013	
3.500%	10/1/2013	\$ -	\$ 25,000	\$ -
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
<b>Total Lift Station Bonds</b>		<b>\$ 440,000</b>	<b>\$ 465,000</b>	<b>\$ 103,331</b>
<b>Total Business-type Activities Long-Term Debt</b>		<b>\$ 3,202,694</b>	<b>\$ 3,487,694</b>	<b>\$ 571,874</b>

# Village of Almont

Other Supplemental Information  
Schedule of Indebtedness  
June 30, 2014

## Governmental Activities General Obligation Bonds & Contracts

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

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

<u>Interest</u> <u>Rate</u>	<u>Date</u> <u>of</u> <u>Maturity</u>	<u>Principal Outstanding</u> <u>June 30,</u>		<u>Remaining</u> <u>Annual Interest</u> <u>Payable</u>
		<u>2014</u>	<u>2013</u>	
1.85%	5/2/2014	\$ -	\$ 7,057	\$ -
1.85%	5/2/2015	7,188	7,188	406
1.85%	5/2/2016	7,320	7,320	274
1.85%	5/2/2017	7,435	7,435	138
<u>Total Installment Purchase Contract</u>		<u>\$ 21,943</u>	<u>\$ 29,000</u>	<u>\$ 818</u>

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

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

<u>Interest</u> <u>Rate</u>	<u>Date</u> <u>of</u> <u>Maturity</u>	<u>Principal Outstanding</u> <u>June 30,</u>		<u>Remaining</u> <u>Annual Interest</u> <u>Payable</u>
		<u>2014</u>	<u>2013</u>	
1.85%	5/31/2014	\$ -	\$ 8,025	\$ -
1.85%	5/31/2015	8,173	8,173	462
1.85%	5/31/2016	8,324	8,324	311
1.85%	5/31/2017	8,478	8,478	156
<u>Total Installment Purchase Contract</u>		<u>\$ 24,975</u>	<u>\$ 33,000</u>	<u>\$ 929</u>

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

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

<u>Interest</u> <u>Rate</u>	<u>Date</u> <u>of</u> <u>Maturity</u>	<u>Principal Outstanding</u> <u>June 30,</u>		<u>Remaining</u> <u>Annual Interest</u> <u>Payable</u>
		<u>2014</u>	<u>2013</u>	
3.16%	5/2/2014	\$ -	\$ 18,064	\$ -
3.16%	5/2/2015	18,377	18,377	3,815
3.16%	5/2/2016	18,955	18,955	3,236
3.16%	5/2/2017	19,569	19,569	2,622
3.16%	5/2/2018	20,194	20,194	1,997
3.16%	5/2/2019	20,839	20,839	1,352
3.16%	5/2/2020	21,502	21,502	689
<u>Total Installment Purchase Contract</u>		<u>\$ 119,436</u>	<u>\$ 137,500</u>	<u>\$ 13,711</u>

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

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

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

**Village of Almont**  
Other Supplemental Information  
Schedule of Indebtedness  
June 30, 2014

**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
		2014	2013	
2.750%	10/5/2013	\$ -	\$ 14,679	\$ -
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	18,304	18,304	510
<u>Total Cherry Street Bridge</u>		<u>\$ 133,255</u>	<u>\$ 147,934</u>	<u>\$ 17,266</u>

**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
		2014	2013	
2.200%	9/7/2013	\$ -	\$ 25,548	\$ -
2.200%	9/7/2014	13,201	13,201	290
<u>Total Dump Truck</u>		<u>\$ 13,201</u>	<u>\$ 38,749</u>	<u>\$ 290</u>

**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
		2014	2013	
1.000%	12/10/2013	\$ -	\$ 4,507	\$ -
1.000%	12/10/2014	4,463	4,463	181
1.000%	12/10/2015	4,508	4,508	137
1.000%	12/10/2016	4,553	4,553	92
1.000%	12/10/2017	4,509	4,509	46
<u>Total Fiber Optic Equipment</u>		<u>\$ 18,033</u>	<u>\$ 22,540</u>	<u>\$ 456</u>

**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
		2014	2013	
3.75%	11/22/2013	\$ -	\$ 23,327	\$ -
3.75%	11/22/2014	18,715	18,715	712
<u>Total Pocket Park Construction</u>		<u>\$ 18,715</u>	<u>\$ 42,042</u>	<u>\$ 712</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2014

**Tri County Bank**

Dated: February 13, 2014

**Equipment - 2014 GMC 2500 HD Truck**

Original Issue: \$29,366

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2014</u>	<u>2013</u>	
2.85%	2/13/2015	\$ 5,548	\$ -	\$ 837
2.85%	2/13/2016	5,706	-	679
2.85%	2/13/2017	5,868	-	516
2.85%	2/13/2018	6,036	-	349
2.85%	2/13/2019	6,208	-	177
<u>Total Installment Purchase</u>		<u>\$ 29,366</u>	<u>\$ -</u>	<u>\$ 2,558</u>
<u>Total Governmental Activities Long-Term Debt</u>		<u>\$ 419,938</u>	<u>\$ 500,765</u>	<u>\$ 37,780</u>

# KING & KING CPAs LLC

Lehn L. King, C.P.A.

Ryan L. King, C.P.A.

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Fax 810-519-1332

August 1, 2014

**Village of Almont**  
817 North Main Street  
Almont, MI 48003

To the Members of the Council:

In planning and performing our audit of the financial statements, as of and for the fiscal year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the **Village of Almont's** internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses; however, material weaknesses may exist that we have not identified.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the **Village of Almont's** internal control to be a significant deficiency:

**Segregation of Duties** – Due to the limited number of people, many critical duties are combined and given to the available employees/council members. To the extent possible, duties should be segregated to serve as a check and balance to maintain the best control possible. We recommend the Village segregate duties whenever possible.

This information is intended solely for the information and use of management, **Village of Almont**, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Lehn King*

Lehn L. King, C.P.A.  
KING & KING CPAs LLC

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August 1, 2014

**Village of Almont**  
817 North Main Street  
Almont, MI 48003

To the Members of the Council:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **Village of Almont** for the fiscal year ended June 30, 2014, and have issued our report thereon dated August 1, 2014. Professional standards require that we provide you with the following information related to our audit.

## **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated October 1, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you.

## **Significant Audit Findings**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the **Village of Almont** are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

# KING & KING CPAs LLC

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## **Audit Adjustments (Corrected and Uncorrected Misstatements)**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 1, 2014.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. There were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the information and use of management, the Council of the **Village of Almont**, and Federal and State agencies and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Lehn King*

Lehn L. King, C.P.A.  
KING & KING CPAs LLC