

**Village of Almont**  
Management's Discussion & Analysis Letter  
For The Year Ended June 30, 2006

**Management's Discussion & Analysis**

This discussion of the Village of Almont financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the Village's financial statements.

**Using this Annual Report**

The Village's General fund unreserved/undesignated amount was decreased from \$275,441.10 to \$257,171.72 compared to last year. This is a minimal 6% decrease of the general fund. However, the general fund has experienced improvement over the past fiscal years of 2003-2005.

The Village saw no reduction in State revenue sharing this year. Overall capital and operating costs were kept to minimum. The local street fund was used to cap / overlay Kay Court, Cheryl Drive, Almont Ave. (800') Westwinds (skip patch). The total cost of paving for 2005-06 was \$34,651.

Construction was completed on the Urban Pocket Park on the southwest corner of M-53 and West St. Clair. The park was done in time for Homecoming 2005 and the Village's 150<sup>th</sup> Anniversary jointly held the second weekend in August.

The construction of infrastructure for the 112 lot Drakeshire Subdivision was completed and a model home started this year. Drakeshire subdivision is located east of Kidder Road and north of Hough Road.

Both the Water and Sewer funds will need rate increases in 2006 to support increased operating costs.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Individual fund financial statements tell how these services were financed in the short term, as well as what remains for the future spending. Fund financial statements also report the Village's operation in more detail than the government wide financial statements.

**Village of Almont**  
Management's Discussion & Analysis Letter  
For The Year Ended June 30, 2006

**The Village as a Whole**

The following table shows in a condensed format, the net assets as of the current date and compared to the prior year's net assets. Comparative data is not available for assets and liabilities due to the change in accounting formats for the fiscal year ending June 30, 2006 (see note one in the notes to the financial statements).

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>
Current Assets	\$ 1,902,343	\$ 1,940,569	\$ 298,794	\$ 289,704	\$ 2,201,137	\$ 2,230,273
Noncurrent Assets	1,834,254	1,721,878	7,659,333	7,838,536	9,493,587	9,560,414
Total Assets	3,736,597	3,662,447	7,958,127	8,128,240	11,694,724	11,790,687
Current Liabilities	258,017	450,096	205,518	162,588	463,535	612,684
Noncurrent Liabilities	1,168,540	1,204,867	1,945,000	2,025,000	3,113,540	3,229,867
Total Liabilities	1,426,557	1,654,963	2,150,518	2,187,588	3,577,075	3,842,551
Net Assets:						
Invested in Capital Assets -						
Net of Related Debt	525,449	223,896	5,580,705	5,677,525	6,106,154	5,901,421
Restricted	732,617	786,245	-	-	732,617	786,245
Unrestricted	1,051,973	997,344	226,904	263,127	1,278,877	1,260,471
Total Net Assets	<u>\$ 2,310,039</u>	<u>\$ 2,007,485</u>	<u>\$ 5,807,609</u>	<u>\$ 5,940,652</u>	<u>\$ 8,117,648</u>	<u>\$ 7,948,137</u>

The Village's combined net assets increased 2.13% from \$7,948,137 to \$8,117,649. As we look at the governmental activities separately from the business type (water & sewer) we can see that the governmental activities experienced an increase of approximately \$302,555 during the year (a 13.10% increase). The business-type activities (water & sewer) experienced a \$133,043 decrease in net assets, due to the completion of the equalization basin at the Waste Water Treatment Plant.

**Village of Almont**  
Management's Discussion & Analysis Letter  
For The Year Ended June 30, 2006

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 806,066	\$ 596,734	\$ 600,624	\$ 567,298	\$ 1,406,690	\$ 1,164,032
Operating Grants & Cont's	209,386	227,321	-	-	209,386	227,321
Capital Grants & Cont's	-	-	-	-	-	-
General Revenues:						
Property Taxes	1,071,014	998,121	-	-	1,071,014	998,121
State-Shared Revenues	281,818	287,628	-	-	281,818	287,628
Interest	63,925	24,240	7,813	4,643	71,738	28,883
Other Revenues	129,380	93,830	-	-	129,380	93,830
Transfers	<u>(168,634)</u>	<u>(166,840)</u>	<u>168,634</u>	<u>166,840</u>	<u>-</u>	<u>-</u>
Total Revenues	2,392,955	2,061,034	777,071	738,781	3,170,026	2,799,815
<b>Program Expenses</b>						
General Government	\$ 573,752	\$ 491,744	\$ -	\$ -	\$ 573,752	\$ 491,744
Public Safety	846,566	622,427	-	-	846,566	622,427
Public Works	513,104	499,532	-	-	513,104	499,532
Recreation & Culture	14,141	14,520	-	-	14,141	14,520
Interest on Long-Term Debt	75,338	86,001	92,551	96,778	167,889	182,779
Water & Sewer	<u>-</u>	<u>-</u>	<u>818,663</u>	<u>784,516</u>	<u>818,663</u>	<u>784,516</u>
Total Program Expenses	<u>2,022,901</u>	<u>1,714,224</u>	<u>911,214</u>	<u>881,294</u>	<u>2,934,115</u>	<u>2,595,518</u>
<b>Change in Net Assets</b>	<u>\$ 370,054</u>	<u>\$ 346,810</u>	<u>\$ (134,143)</u>	<u>\$ (142,513)</u>	<u>\$ 235,911</u>	<u>\$ 204,297</u>

**Contacting the Village of Almont's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village of Almont's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the administration at the village hall.

# *Village of Almont*

**Lapeer County, Michigan**

Audited Financial Report  
June 30, 2006

**Village of Almont**  
 Annual Financial Report  
 For The Fiscal Year Ended June 30, 2006

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Phone 989-635-3113  
Fax 989-635-5580

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

**Independent Auditor's Report**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Almont, Michigan as of and for the year ended June 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Almont, Michigan's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Almont, Michigan as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The 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 accompanying 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of July 1, 2003.

*Lehn King*

Lehn L. King  
Certified Public Accountant

August 9, 2006

**Village of Almont**  
Management's Discussion & Analysis Letter  
For The Year Ended June 30, 2006

**Management's Discussion & Analysis**

This discussion of the Village of Almont financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the Village's financial statements.

**Using this Annual Report**

The Village's General fund unreserved/undesignated amount was increased from \$123,000 in 2004 to \$217,300 in 2006. This increase of over 75% compared to last year or 15% of the total of all funds is a dramatic improvement over the last three years.

The Village saw no reduction in State revenue sharing this year. Overall capital and operating costs were kept to minimum. The local street fund was used to cap / overlay Westwinds Circle and Dawn Drive from June drive to west of Bernice. The total cost of paving for 2004 was \$28,900.

The Almont DDA retained a contractor to begin the construction of the Urban Pocket Park located on the southwest corner of M-53 and West St. Clair. The bid price was \$204,385 plus \$45,000 for the 21 nozzle fountain feature.

Final Village approval and DEQ permits were obtained for the 112 lot Drakeshire subdivision located east of Kidder and north of Hough. Construction of the subdivision infrastructure was to begin in July of 2005.

Both Water and Sewer funds will need rate increases in 2006 to support increased operating costs.

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Individual fund financial statements tell how these services were financed in the short term, as well as what remains for the future spending. Fund financial statements also report the Village's operation in more detail than the government wide financial statements.

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**The Village as a Whole**

The following table shows in a condensed format, the net assets as of the current date and compared to the prior year's net assets. Comparative data is not available for assets and liabilities due to the change in accounting formats for the fiscal year ending June 30, 2006 (see note one in the notes to the financial statements).

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>
Current Assets	\$ 1,940,569	\$ 1,774,193	\$ 289,704	\$ 323,222	\$ 2,230,273	\$ 2,097,415
Noncurrent Assets	1,721,878	1,569,699	7,838,536	8,037,390	9,560,414	9,607,089
Total Assets	3,662,447	3,343,892	8,128,240	8,360,612	11,790,687	11,704,504
Current Liabilities	450,096	403,160	162,588	172,446	612,684	575,606
Noncurrent Liabilities	1,204,867	1,402,106	2,025,000	2,105,000	3,229,867	3,507,106
Total Liabilities	1,654,963	1,805,266	2,187,588	2,277,446	3,842,551	4,082,712
Net Assets:						
Invested in Capital Assets -						
Net of Related Debt	223,896	(129,537)	5,677,525	5,932,390	5,901,421	5,802,853
Restricted	786,245	838,078	-	-	786,245	838,078
Unrestricted	997,344	830,085	263,127	150,776	1,260,471	980,861
Total Net Assets	<u>\$ 2,007,485</u>	<u>\$ 1,538,626</u>	<u>\$ 5,940,652</u>	<u>\$ 6,083,166</u>	<u>\$ 7,948,137</u>	<u>\$ 7,621,792</u>

The Village's combined net assets increased 4.28% from \$7,621,792 to \$7,948,137. As we look at the governmental activities separately from the business type (water & sewer) we can see that the governmental activities experienced an increase of approximately \$468,859 during the year (a 30.50% increase). The business-type activities (water & sewer) experienced a \$142,514 decrease in net assets, due to the completion of the equalization basin at the Waste Water Treatment Plant.



**Village of Almont**  
Management's Discussion & Analysis Letter  
For The Year Ended June 30, 2006

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2005</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 596,734	\$ 622,893	\$ 567,298	\$ 645,793	\$ 1,164,032	\$ 1,268,686
Operating Grants & Cont's	227,321	209,537	-	-	227,321	209,537
Capital Grants & Cont's	-	126,138	-	81,532	-	207,670
General Revenues:						
Property Taxes	998,121	953,227	-	-	998,121	953,227
State-Shared Revenues	287,628	298,009	-	-	287,628	298,009
Interest	24,240	13,527	4,643	2,242	28,883	15,769
Other Revenues	93,830	68,467	-	-	93,830	68,467
Transfers	<u>(166,840)</u>	<u>(169,768)</u>	<u>166,840</u>	<u>169,768</u>	<u>-</u>	<u>-</u>
Total Revenues	2,061,034	2,122,030	738,781	899,335	2,799,815	3,021,365
<b>Program Expenses</b>						
General Government	\$ 491,744	\$ 454,364	\$ -	\$ -	\$ 491,744	\$ 454,364
Public Safety	622,427	596,348	-	-	622,427	596,348
Public Works	499,532	818,953	-	-	499,532	818,953
Recreation & Culture	14,520	17,837	-	-	14,520	17,837
Interest on Long-Term Debt	86,001	136,080	96,778	-	182,779	136,080
Water & Sewer	-	-	784,516	929,489	784,516	929,489
Total Program Expenses	<u>1,714,224</u>	<u>2,023,582</u>	<u>881,294</u>	<u>929,489</u>	<u>2,595,518</u>	<u>2,953,071</u>
<b>Change in Net Assets</b>	<u>\$ 346,810</u>	<u>\$ 98,448</u>	<u>\$ (142,513)</u>	<u>\$ (30,154)</u>	<u>\$ 204,297</u>	<u>\$ 68,294</u>

**Village of Almont**  
Management's Discussion & Analysis Letter  
For The Year Ended June 30, 2006

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

The Village of Almont's 2006/2007 adopted budget for the General Fund is as follows:

	<b>General Fund</b>	
	<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>
Fund Balance Surplus	\$ -	\$ 85,000
<b>Revenue</b>		
Property Taxes	-	573,696
State Shared Revenue	-	289,345
Licenses, Permits, & Fees	-	46,595
Charges for Services	-	298,365
Grant Proceeds	-	-
Loan Proceeds	-	-
Other	-	75,470
Total Revenue Collected	-	1,283,471
<b>Expenditures</b>		
General Government	-	479,846
Public Safety - Police	-	656,174
Public Works	-	219,401
Recreation & Culture	-	13,050
Capital Outlay	-	-
Debt Service	-	-
Transfers	-	-
Total Expenditures	-	1,368,471
<b>Net Over/Under Budget</b>	\$ -	\$ -

**Contacting the Village of Almont's Management**

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## Village of Almont

### Statement of Net Assets (Deficit)

June 30, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 1,680,612.92	\$ 156,436.90	\$ 1,837,049.82
Accounts Receivable	131,746.82	142,357.00	274,103.82
Due From Other Governmental Units	89,984.24	-	89,984.24
Capital Assets			
Nondepreciable Capital Assets	357,000.00	100.00	357,100.00
Depreciable Capital Assets	1,477,253.52	7,659,232.71	9,136,486.23
 Total Assets	3,736,597.50	7,958,126.61	11,694,724.11
 <b><u>Liabilities</u></b>			
Accounts Payable	66,657.83	34,309.66	100,967.49
Due To Other Governmental Units	51,095.10	37,580.31	88,675.41
Accrued Interest Payable	41,581.00	53,628.00	95,209.00
Current Portion of Long-Term Debt	98,683.00	80,000.00	178,683.00
Noncurrent Liabilities:			
Long-Term Debt	1,168,540.20	1,945,000.00	3,113,540.20
 Total Liabilities	1,426,557.13	2,150,517.97	3,577,075.10
 <b>Net Assets (Deficit)</b>			
Invested in Capital Assets - Net of Related Debt	525,449.32	5,580,704.71	6,106,154.03
Restricted:			
Reserved for Capital Projects	54,108.71	-	54,108.71
Reserved for Debt Service	678,182.32	-	678,182.32
Reserved for Homecoming	(24,298.33)	-	(24,298.33)
Reserved for Park	24,624.77	-	24,624.77
Unrestricted	1,051,973.58	226,903.93	1,278,877.51
 Total Net Assets (Deficit)	\$ 2,310,040.37	\$ 5,807,608.64	\$ 8,117,649.01

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Activities  
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue & Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Totals
Primary Government:							
Governmental Activities:							
General Government	\$ 573,752.44	\$ 139,752.86	\$ -	\$ -	\$ (433,999.58)	\$ -	\$ (433,999.58)
Public Safety	846,565.57	423,951.53	15,000.00	-	(407,614.04)	-	(407,614.04)
Public Works	513,104.30	242,361.70	167,994.12	-	(102,748.48)	-	(102,748.48)
Recreation & Culture	15,141.58	-	26,391.70	-	11,250.12	-	11,250.12
Interest on Long-Term Debt	75,338.45	-	-	-	(75,338.45)	-	(75,338.45)
<u>Total Governmental Activities</u>	<u>2,023,902.34</u>	<u>806,066.09</u>	<u>209,385.82</u>	<u>-</u>	<u>(1,008,450.43)</u>	<u>-</u>	<u>(1,008,450.43)</u>
Business-type Activities	818,663.17	600,623.78	-	-	-	(218,039.39)	(218,039.39)
Interest on Long-Term Debt	92,550.76	-	-	-	-	(92,550.76)	(92,550.76)
<u>Total Business-type Activities</u>	<u>911,213.93</u>	<u>600,623.78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(310,590.15)</u>	<u>(310,590.15)</u>
Total Primary Government	<u>\$ 2,935,116.27</u>	<u>\$ 1,406,689.87</u>	<u>\$ 209,385.82</u>	<u>\$ -</u>	<u>\$ (1,008,450.43)</u>	<u>\$ (310,590.15)</u>	<u>\$ (1,319,040.58)</u>
<b>General Revenues:</b>							
Property Taxes					\$ 1,071,013.87	\$ -	\$ 1,071,013.87
State Shared Revenues					281,818.00	-	281,818.00
Interest					63,925.20	8,913.06	72,838.26
Other Revenues					129,380.32	-	129,380.32
Transfers					(168,633.76)	168,633.76	-
Total General Revenues, Special Items & Transfers					<u>1,377,503.63</u>	<u>177,546.82</u>	<u>1,555,050.45</u>
<b>Change in Net Assets</b>					369,053.20	(133,043.33)	236,009.87
<b>Net Assets (Deficit) - Beginning of Year</b>					<u>1,940,987.17</u>	<u>5,940,651.97</u>	<u>7,881,639.14</u>
<b>Net Assets (Deficit) - End of Year</b>					<u>\$ 2,310,040.37</u>	<u>\$ 5,807,608.64</u>	<u>\$ 8,117,649.01</u>

The notes are an integral part of the statements.

# Village of Almont

Balance Sheet  
Governmental Funds  
June 30, 2006

<u>Assets</u>	Special Revenue Funds			Debt Service Funds			Capital Project Funds	Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Major Streets Fund	Downtown Development Authority	Waste Water	Water System Improvement	W.W.T.P. Improvement Project	W.W.T.P. Improvement Project		
Cash & Cash Equivalents	\$ 256,759.56	\$ 171,282.88	\$ 266,518.93	\$ 11,798.76	\$ 2,156.09	\$ 613,444.47	\$ 54,108.71	\$ 8,516.57	\$ 1,384,585.97
Accounts Receivable	75,829.78	-	-	7,893.00	3,853.00	33,965.00	-	-	121,540.78
Due From Other Funds	30,054.31	1,000.00	3,857.93	5,072.00	-	-	-	-	39,984.24
<b>Total Assets</b>	<b>\$ 362,643.65</b>	<b>\$ 172,282.88</b>	<b>\$ 270,376.86</b>	<b>\$ 24,763.76</b>	<b>\$ 6,009.09</b>	<b>\$ 647,409.47</b>	<b>\$ 54,108.71</b>	<b>\$ 8,516.57</b>	<b>\$ 1,546,110.99</b>
<b><u>Liabilities &amp; Fund Equity</u></b>									
<b><u>Liabilities</u></b>									
Accounts Payable	\$ 54,376.83	\$ 3,403.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,289.43	\$ 62,069.96
Due To Other Funds	51,095.10	-	-	-	-	-	-	-	51,095.10
<b>Total Liabilities</b>	<b>105,471.93</b>	<b>3,403.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,289.43</b>	<b>113,165.06</b>
<b><u>Fund Equity</u></b>									
Fund Balances:									
Reserved for Capital Projects	-	-	-	-	-	-	54,108.71	-	54,108.71
Reserved for Debt Service	-	-	-	24,763.76	6,009.09	647,409.47	-	-	678,182.32
Reserved for Homecoming	(24,298.33)	-	-	-	-	-	-	-	(24,298.33)
Reserved for Park	24,624.77	-	-	-	-	-	-	-	24,624.77
Unreserved - Undesignated	256,845.28	168,879.18	270,376.86	-	-	-	-	4,227.14	700,328.46
<b>Total Fund Equity</b>	<b>257,171.72</b>	<b>168,879.18</b>	<b>270,376.86</b>	<b>24,763.76</b>	<b>6,009.09</b>	<b>647,409.47</b>	<b>54,108.71</b>	<b>4,227.14</b>	<b>1,432,945.93</b>
<b>Total Liab. &amp; Fund Equity</b>	<b>\$ 362,643.65</b>	<b>\$ 172,282.88</b>	<b>\$ 270,376.86</b>	<b>\$ 24,763.76</b>	<b>\$ 6,009.09</b>	<b>\$ 647,409.47</b>	<b>\$ 54,108.71</b>	<b>\$ 8,516.57</b>	<b>\$ 1,546,110.99</b>

The notes are an integral part of the statements.

**Village of Almont**  
Governmental Funds  
Reconciliation of Fund Balances to the  
Statement of Net Assets (Deficit)  
For The Year Ended June 30, 2006

<b>Total Fund Balances for Governmental Funds &amp; Equipment Fund</b>	\$ 1,963,159.86
Amounts reported for governmental activities in the statement of net assets (deficit) are different because:	
Capital Assets used in Governmental Activities are not financial resources and are not reported in the Funds	1,655,684.71
Long-term bonds payable are not due and payable in the current period and are not reported in the Funds	(1,267,223.20)
Accrued Interest Payable is not reported in the Funds	<u>(41,581.00)</u>
<b>Net Assets of Governmental Activities</b>	<u><u>\$ 2,310,040.37</u></u>

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Governmental Funds  
For The Year Ended June 30, 2006

	Capital									
	Special Revenue Funds			Debt Service Funds			Project Funds		Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Major Streets Fund	Downtown Development Authority	Waste Water	Water System Improvement	W.W.T.P. Improvement Project	W.W.T.P. Improvement Project			
<b>Revenues</b>										
Property Taxes	\$ 635,561.73	\$ -	\$ 171,060.65	\$ 172,415.05	\$ 91,976.44	\$ -	\$ -	\$ -	\$ 1,071,013.87	
Intergovernmental Revenues	281,818.00	122,258.95	-	-	-	-	-	45,735.17	449,812.12	
Licenses, Permits, & Fees	209,130.22	-	-	-	-	-	-	20,371.46	229,501.68	
Charges for Services	322,331.30	-	-	24,591.73	-	132,968.15	-	-	479,891.18	
Grant Proceeds	15,000.00	-	-	-	-	-	-	-	15,000.00	
Loan Proceeds	-	-	69,227.00	-	-	-	-	-	69,227.00	
Interest Earnings	10,068.88	6,153.03	7,575.31	2,101.32	257.62	14,972.46	11,231.13	1,267.00	53,626.75	
Other Revenues	116,950.58	250.00	580.00	-	-	2,107.47	-	250.00	120,138.05	
<b>Total Revenues</b>	<b>1,590,860.71</b>	<b>128,661.98</b>	<b>248,442.96</b>	<b>199,108.10</b>	<b>92,234.06</b>	<b>150,048.08</b>	<b>11,231.13</b>	<b>67,623.63</b>	<b>2,488,210.65</b>	
<b>Expenditures</b>										
General Government	402,347.51	-	-	-	-	-	-	-	402,347.51	
Public Safety	825,456.51	-	-	-	-	-	-	18,043.26	843,499.77	
Public Works	309,945.48	60,002.22	50,139.91	500.00	400.00	483.35	5,242.50	50,243.72	476,957.18	
Recreation & Culture	15,141.58	-	-	-	-	-	-	-	15,141.58	
Capital Outlay	28,865.55	-	150,663.01	-	-	-	-	73,095.00	252,623.56	
Debt Service - Principal	-	-	23,656.54	165,000.00	45,000.00	-	-	24,960.26	258,616.80	
Debt Service - Interest	-	-	11,114.75	18,315.00	38,345.00	-	-	7,351.70	75,126.45	
<b>Total Expenditures</b>	<b>1,581,756.63</b>	<b>60,002.22</b>	<b>235,574.21</b>	<b>183,815.00</b>	<b>83,745.00</b>	<b>483.35</b>	<b>5,242.50</b>	<b>173,693.94</b>	<b>2,324,312.85</b>	
<b>Excess of Rev. Over (Under) Expend.</b>	<b>9,104.08</b>	<b>68,659.76</b>	<b>12,868.75</b>	<b>15,293.10</b>	<b>8,489.06</b>	<b>149,564.73</b>	<b>5,988.63</b>	<b>(106,070.31)</b>	<b>163,897.80</b>	
<b>Other Financing Sources (Uses)</b>										
Transfers In (Out)	(27,373.46)	(27,818.00)	-	-	-	359,308.73	(534,242.49)	61,491.46	(168,633.76)	
<b>Net Change in Fund Balances</b>	<b>(18,269.38)</b>	<b>40,841.76</b>	<b>12,868.75</b>	<b>15,293.10</b>	<b>8,489.06</b>	<b>508,873.46</b>	<b>(528,253.86)</b>	<b>(44,578.85)</b>	<b>(4,735.96)</b>	
<b>Fund Balances - Beginning of Year</b>	<b>275,441.10</b>	<b>128,037.42</b>	<b>257,508.11</b>	<b>9,470.66</b>	<b>(2,479.97)</b>	<b>138,536.01</b>	<b>582,362.57</b>	<b>48,805.99</b>	<b>1,437,681.89</b>	
<b>Fund Balances - End of Year</b>	<b>\$ 257,171.72</b>	<b>\$ 168,879.18</b>	<b>\$ 270,376.86</b>	<b>\$ 24,763.76</b>	<b>\$ 6,009.09</b>	<b>\$ 647,409.47</b>	<b>\$ 54,108.71</b>	<b>\$ 4,227.14</b>	<b>\$ 1,432,945.93</b>	

The notes are an integral part of the statements.





**Village of Almont**  
Statement of Net Assets (Deficit)  
Proprietary Funds  
June 30, 2006

	<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>Assets</u></b>				
<u>Current Assets</u>				
Cash & Cash Equivalents	\$ 12,108.65	\$ 144,328.25	\$ 156,436.90	\$ 296,026.95
Accounts Receivable	78,603.00	63,754.00	142,357.00	10,206.04
Due From Other Funds	-	-	-	50,000.00
<u>Total Current Assets</u>	90,711.65	208,082.25	298,793.90	356,232.99
<u>Noncurrent Assets</u>				
Capital Assets not being Depreciated	100.00	-	100.00	-
Capital Assets being Depreciated	7,969,843.94	2,439,122.08	10,408,966.02	554,706.58
Less: Accumulated Depreciation	(1,986,330.00)	(763,403.31)	(2,749,733.31)	(376,137.77)
<u>Total Noncurrent Assets</u>	5,983,613.94	1,675,718.77	7,659,332.71	178,568.81
 Total Assets	 6,074,325.59	 1,883,801.02	 7,958,126.61	 534,801.80
<b><u>Liabilities</u></b>				
<u>Current Liabilities</u>				
Accounts Payable	17,471.72	16,837.94	34,309.66	4,587.87
Due To Other Funds	35,126.31	-	35,126.31	-
Due To Others	-	2,454.00	2,454.00	-
Accrued Interest Payable	53,628.00	-	53,628.00	-
Current Portion of Long-Term Debt	80,000.00	-	80,000.00	-
<u>Total Current Liabilities</u>	186,226.03	19,291.94	205,517.97	4,587.87
<u>Long-Term Liabilities</u>				
Bonds Payable	1,945,000.00	-	1,945,000.00	-
<u>Total Liabilities</u>	2,131,226.03	19,291.94	2,150,517.97	4,587.87
<b><u>Net Assets</u></b>				
Invested in Capital Assets Net of Related Debt	3,904,985.94	1,675,718.77	5,580,704.71	178,568.81
Unrestricted	38,113.62	188,790.31	226,903.93	351,645.12
<u>Total Net Assets</u>	<u>\$ 3,943,099.56</u>	<u>\$ 1,864,509.08</u>	<u>\$ 5,807,608.64</u>	<u>\$ 530,213.93</u>

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Revenues, Expenses, And Changes in Net Assets  
Proprietary Funds  
June 30, 2006

	<u>Enterprise Funds</u>		<u>Total</u>	<u>Internal</u>
	<u>Sewer</u>	<u>Water</u>	<u>Enterprise</u>	<u>Service</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>
				<u>Equipment</u>
<b><u>Operating Revenues</u></b>				
User Charges & Penalties	\$ 325,067.02	\$ 257,006.76	\$ 582,073.78	\$ -
Service Connection Charges	9,750.00	8,800.00	18,550.00	-
Equipment Rental	-	-	-	124,247.20
<b><u>Total Operating Revenues</u></b>	<u>334,817.02</u>	<u>265,806.76</u>	<u>600,623.78</u>	<u>124,247.20</u>
<b><u>Operating Expenses</u></b>				
Cost of Water	-	126,340.07	126,340.07	-
Operation & Maintenance	330,304.55	121,453.98	451,758.53	113,851.86
General & Administration	24,106.76	10,337.81	34,444.57	550.00
Depreciation	158,381.00	47,739.00	206,120.00	45,896.00
<b><u>Total Operating Expenses</u></b>	<u>512,792.31</u>	<u>305,870.86</u>	<u>818,663.17</u>	<u>160,297.86</u>
<b><u>Operating Income (Loss)</u></b>	(177,975.29)	(40,064.10)	(218,039.39)	(36,050.66)
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Interest Earned	1,716.56	7,196.50	8,913.06	10,298.45
Interest Expense	(92,550.76)	-	(92,550.76)	-
Sale of Capital Assets	-	-	-	8,060.00
Capital Contribution	-	-	-	-
Transfers From (To) Other Funds	168,633.76	-	168,633.76	-
<b>Change in Net Assets</b>	(100,175.73)	(32,867.60)	(133,043.33)	(17,692.21)
<b><u>Net Assets - Beginning of Year</u></b>	<u>4,043,275.29</u>	<u>1,897,376.68</u>	<u>5,940,651.97</u>	<u>547,906.14</u>
<b><u>Net Assets - End of Year</u></b>	<u>\$ 3,943,099.56</u>	<u>\$ 1,864,509.08</u>	<u>\$ 5,807,608.64</u>	<u>\$ 530,213.93</u>

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended June 30, 2006

	<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>Cash Flow From Operating Activities</u></b>				
Receipts from Customers	\$ 324,565.02	\$ 260,655.76	\$ 585,220.78	\$ 127,422.05
Payments for Operation, Maintenance, & Water	(322,958.60)	(242,653.38)	(565,611.98)	(158,850.93)
Payments for General & Administration	(24,106.76)	(10,337.81)	(34,444.57)	(550.00)
<u>Net Cash Provided by Operating Activity</u>	(22,500.34)	7,664.57	(14,835.77)	(31,978.88)
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Operating Transfers In (Out)	168,633.76	-	168,633.76	-
Received "Due From Other Funds"	35,126.31	-	35,126.31	-
<u>Net Cash Provided by Noncapital Financing Activities</u>	203,760.07	-	203,760.07	-
<b><u>Cash Flows from Capital &amp; Related Financing Activities</u></b>				
Interest Expense	(94,933.76)	-	(94,933.76)	-
Receipt of Capital Contributions	-	-	-	-
Net Proceeds from Issuance of Long-Term Debt	(80,000.00)	-	(80,000.00)	-
Purchase of Capital Assets	-	(26,917.13)	(26,917.13)	(22,245.00)
Sale of Fixed Assets	-	-	-	8,060.00
<u>Net Cash Provided by Capital &amp; Related Financing Activities</u>	(174,933.76)	(26,917.13)	(201,850.89)	(14,185.00)
<b><u>Cash Flows From Investing Activities</u></b>				
Increase in Customer Deposits	-	(2,300.00)	(2,300.00)	-
Interest received on Investments	1,716.56	7,196.50	8,913.06	10,298.45
<u>Net Increase (Decrease) in Cash &amp; Cash Equivalents</u>	8,042.53	(14,356.06)	(6,313.53)	(35,865.43)
<u>Cash &amp; Cash Equivalents - Beginning of Year</u>	4,066.12	158,684.31	162,750.43	331,892.38
<u>Cash &amp; Cash Equivalents - End of Year</u>	<u>\$ 12,108.65</u>	<u>\$ 144,328.25</u>	<u>\$ 156,436.90</u>	<u>\$ 296,026.95</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u></b>				
Operating Income (Loss)	(177,975.29)	(40,064.10)	(218,039.39)	(36,050.66)
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:				
Depreciation	158,381.00	47,739.00	206,120.00	45,896.00
Changes in Assets & Liabilities:				
Accounts Receivable	(10,252.00)	(5,151.00)	(15,403.00)	3,174.85
Accounts Payable	7,345.95	5,140.67	12,486.62	(44,999.07)
<u>Net Cash Provided by Operating Activities</u>	<u>\$ (22,500.34)</u>	<u>\$ 7,664.57</u>	<u>\$ (14,835.77)</u>	<u>\$ (31,978.88)</u>

The notes are an integral part of the statements.

**Village of Almont**  
Statement of Net Assets (Deficit)  
Fiduciary Funds  
June 30, 2006

	<b>Trust &amp; Agency Fund</b>	<b>Totals June 30, 2006</b>
	<u>                    </u>	<u>                    </u>
<b><u>Assets</u></b>		
Cash & Cash Equivalents	\$ 19,246.58	\$ 19,246.58
Due from Other Funds	<u>95.10</u>	<u>95.10</u>
<b><u>Total Assets</u></b>	<b><u>\$ 19,341.68</u></b>	<b><u>\$ 19,341.68</u></b>
<b><u>Liabilities</u></b>		
Due To Other Funds	\$ -	\$ -
Amounts held in Escrow	<u>19,341.68</u>	<u>19,341.68</u>
<b><u>Total Liabilities</u></b>	<b><u>19,341.68</u></b>	<b><u>19,341.68</u></b>
<b><u>Fund Balance</u></b>		
Fund Balance	<u>-</u>	<u>-</u>
<b><u>Total Liab. &amp; Fund Balance</u></b>	<b><u>\$ 19,341.68</u></b>	<b><u>\$ 19,341.68</u></b>

The notes are an integral part of the statements.

# **Village of Almont**

Notes to the Financial Statements  
For The Year Ended June 30, 2006

The accounting methods and procedures adopted by the Village of Almont, Lapeer County, Michigan, conform to Generally Accepted Accounting Principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Village's Comprehensive Annual Financial Report.

## **1. Summary of Significant Accounting Policies**

### **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 Statements Fund**

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) 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 Year Ended June 30, 2006

## 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.

**Waste Water Debt Service Fund** - The fund accounts for all debt payments made regarding the bond for the Lapeer County Wastewater Treatment System originally issued February 1, 1993.

**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 February 5, 2002.

**W.W.T.P. Improvement Project Fund** - The fund accounts for construction of the W.W.T.P. Improvement Project. Funding is provided primarily from grant proceeds.

The Village reports the following major Enterprise Funds & 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 Year Ended June 30, 2006

**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 December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

**Vacation, Sick Leave, & Other Compensated Absences** - Vacation days are earned by employees at a rate from 10 to 25 days per year with unused days at year-end being forfeited. Sick days are earned by employees at a rate of one day per month during the year. A maximum of 30 unused sick days may be accumulated by an employee. No provision has been made for accumulated sick pay liability since the amount is immaterial to the financial statements taken as a whole.

**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 \$1000 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 Year Ended June 30, 2006

**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 assets. 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 Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**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.

## Accounting Changes

**GASB Statement No. 34** – Effective July 1, 2003, the Village implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Village's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Village's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Village's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Village as well as assets previously reported in the General Fixed Assets Account Group. In addition, the governmental activities column includes bonds and other long-term obligations previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.



**Village of Almont**  
Notes to the Financial Statements  
For The Year Ended June 30, 2006

**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 and 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 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 a cash basis, which is not 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 year ended June 30, 2006, 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>General Fund</b>			
Executive	\$ 72,849	\$ 75,162	\$ 2,313
General Administration	128,071	130,195	2,124
Planning & Zoning	158,554	160,279	1,725
Department of Public Works	123,432	147,516	24,084
Street Lighting	20,000	27,492	7,492
Capital Outlay	18,676	28,866	10,190
<b>WWTP Improvement Capital Project Fund</b>			
Engineering	-	5,243	5,243
Transfer Out	-	534,242	534,242

## Village of Almont

Notes to the Financial Statements  
For The Year Ended June 30, 2006

### 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 three 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 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	\$ 1,680,613	\$ 156,437	\$ 19,247	\$ 1,856,297

The breakdown between deposits and investments is as follows:

	<b>Primary Government</b>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 1,856,297

The bank balance of the primary government's deposits is \$1,856,297, of which \$300,000 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.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	<b>Category</b>			<b>Carrying Value</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	
Investments	\$ NONE	\$ NONE	\$ NONE	\$ NONE

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1      Insured or registered, or securities held by the Village or its agent in the Village's name.
- Category 2      Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name.
- Category 3      Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name.

**Village of Almont**  
Notes to the Financial Statements  
For The Year Ended June 30, 2006

**4. Capital Assets**

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

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Disposals &amp; Adjustments</u>	<u>Balance June 30, 2006</u>
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated - Land	\$ 27,000	\$ -	\$ -	\$ 27,000
- DDA	330,000	-	-	330,000
Capital Assets Being Depreciated:				
Infrastructure	401,907	73,095	-	475,002
Infrastructure - DDA	709,405	150,663	-	860,068
Buildings & Building Improvements	354,534	-	-	354,534
Machinery & Equipment	74,958	19,320	-	94,278
Office Equipment	40,063	9,546	-	49,609
Equipment - Internal Service Fund	587,297	22,245	54,836	554,706
Total Capital Assets being Depreciated	<u>2,168,164</u>	<u>274,869</u>	<u>54,836</u>	<u>2,388,197</u>
Accumulated Depreciation:				
Infrastructure	197,942	16,320	-	214,262
Infrastructure - DDA	70,330	19,827	-	90,157
Buildings & Building Improvements	114,144	8,863	-	123,007
Machinery & Equipment	67,942	3,063	-	71,005
Office Equipment	34,128	2,247	-	36,375
Equipment - Internal Service Fund	385,078	45,896	54,836	376,138
Total Accumulated Depreciation	<u>869,564</u>	<u>96,216</u>	<u>54,836</u>	<u>910,944</u>
<b>Net Capital Assets</b>	<u>\$ 1,298,600</u>	<u>\$ 178,653</u>	<u>\$ -</u>	<u>\$ 1,477,253</u>
<b>Business-type Activities:</b>				
Capital Assets not being Depreciated - Land	\$ 100	\$ -	\$ -	\$ 100
Capital Assets Being Depreciated:				
Sewage Treatment Plant	7,969,844	-	-	7,969,844
Water Distribution System	2,412,205	26,917	-	2,439,122
Total Capital Assets being Depreciated	<u>10,382,049</u>	<u>26,917</u>	<u>-</u>	<u>10,408,966</u>
Accumulated Depreciation:				
Sewage Treatment Plant	1,827,949	158,381	-	1,986,330
Water Distribution System	715,664	47,739	-	763,403
Total Accumulated Depreciation	<u>2,543,613</u>	<u>206,120</u>	<u>-</u>	<u>2,749,733</u>
<b>Net Capital Assets</b>	<u>\$ 7,838,536</u>	<u>\$ (179,203)</u>	<u>\$ -</u>	<u>\$ 7,659,333</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 57,003
Public Safety	3,066
Public Works	36,147
Total Governmental Activities	<u>\$ 96,216</u>
<b>Business-type Activities:</b>	
Sewer Fund	\$ 158,381
Water Fund	47,739
Total Business-type Activities	<u>\$ 206,120</u>

## Village of Almont

Notes to the Financial Statements  
For The Year Ended June 30, 2006

### 5. Interfund Receivables, Payables, & 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>
Trust & Agency	\$ 95	General Fund	\$ 95
General Fund	30,054	Sewer Fund	30,054
Waste Water Plant Fund	5,072	Sewer Fund	5,072
Major Street Fund	1,000	General Fund	1,000
DDA	3,858	General Fund	3,858
Equipment Fund	50,000	General Fund	50,000
Total	\$ 90,079		\$ 90,079

Interfund Transfers reported in the Fund Statements are as follows:

	<b>Transferred From</b>		<b>Transferred To</b>
Major Street Fund	\$ 27,818	Local Street Fund	\$ 27,818
General Fund	21,073	Municipal Bldg Debt Svc	21,073
General Fund	6,300	M-53 Sewer Leads Debt Svc	6,300
WWTP Improvement Debt Service	174,934	Sewer Fund	174,934
WWTP Improvement Project Fund	534,242	WWTP Improvement Debt Svc	534,242
Sewer Fund	6,300	M-53 Sewer Leads Debt Svc	6,300
Total	\$ 770,667		\$ 770,667

**Village of Almont**  
Notes to the Financial Statements  
For The Year Ended June 30, 2006

**7. Long-Term Debt**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
General Obligation Bonds & Contracts						
1993 Lapeer Co. W.W.T.S. Refunding Bonds						
Amount of Issue - \$1,885,000	2.90% -	\$100,000 -				
Maturing through 2007	8.00%	\$170,000	\$ 330,000	\$ (165,000)	\$ 165,000	\$ 165,000
1996 Water Supply System Improv Bond						
Amount of Issue - \$995,000	3.80% -	\$25,000 -				
Maturing through 2015	6.00%	\$85,000	\$ 690,000	\$ (45,000)	\$ 645,000	\$ 50,000
1999 Lapeer Co. M-53 Sewer Leads Sewage Disposal Bonds						
Amount of Issue - \$90,000	3.95% -	\$8,043 -				
Maturing through 2009	5.10%	\$11,555	\$ 51,000	\$ (9,000)	\$ 42,000	\$ 10,000
2002 Installment Purch Contract Payable for Municipal Building Addition						
Amount of Issue - \$170,500						
Maturing through 2011	4.05%	\$21,074	\$ 126,251	\$ (15,960)	\$ 110,291	\$ 16,607
Downtown Development Authority Obligations						
Pocket Park Construction Installment Contract						
Amount of Issue - \$204,385						
Maturing through November 22, 2014	3.75%	\$13,515	\$ 135,158	\$ 48,280	\$ 183,438	\$ 18,007
2004 Land Contract Purchase of 125 N. Main Almont, MI						
Due Monthly in installments of \$988.51						
Amount of Issue - \$127,500						
Maturing through 2009	7.00%	\$989	\$ 124,204	\$ (2,710)	\$ 121,494	\$ 4,069
<b>Total Governmental Activities</b>			<b>\$ 1,456,613</b>	<b>\$ (189,390)</b>	<b>\$ 1,267,223</b>	<b>\$ 263,683</b>
<b>Business-type Activities</b>						
General Obligation Bonds & Contracts						
2003 Lapeer Co. Sewage Disposal Bonds W.W.T.P Improvement Project						
Amount of Issue - \$2,255,000	3.75% -	\$80,000 -				
Maturing through 2022	4.90%	175000	\$ 2,105,000	\$ (80,000)	\$ 2,025,000	\$ 80,000
<b>Total Business-type Activities</b>			<b>\$ 2,105,000</b>	<b>\$ (80,000)</b>	<b>\$ 2,025,000</b>	<b>\$ 80,000</b>
<b>Total</b>			<b>\$ 3,561,613</b>	<b>\$ (269,390)</b>	<b>\$ 3,292,223</b>	<b>\$ 343,683</b>

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

Years Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 263,683	\$ 68,012	\$ 331,695	\$ 80,000	\$ 91,933	\$ 171,933
2008	99,723	52,616	152,339	85,000	88,733	173,733
2009	217,025	46,934	263,959	85,000	85,280	170,280
2010	104,817	34,683	139,500	90,000	81,616	171,616
2011	100,329	29,641	129,970	95,000	77,613	172,613
2012-2016	481,646	67,866	549,512	550,000	317,664	867,664
2017-2021	-	-	-	700,000	171,479	871,479
2022	-	-	-	340,000	16,906	356,906
<b>Total</b>	<b>\$ 1,267,223</b>	<b>\$ 299,752</b>	<b>\$ 1,566,975</b>	<b>\$ 2,025,000</b>	<b>\$ 931,224</b>	<b>\$ 2,956,224</b>

# Village of Almont

Notes to the Financial Statements  
For The Year Ended June 30, 2006

## 8. Retirement System - MERS Operated

The Village of Almont participated in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer public employee retirements system (PERS) that is administered by the State of Michigan. The MERS was organized pursuant to Act No. 427, Public Acts of 1984, as amended, and the constitution of the State of Michigan. The Village has no fiduciary responsibility for the plan.

All full time employees of the Village (other than the Village Manager, Clerk, Police Chief and office employees who are covered by a simplified employee plan) are eligible to participate in the plan immediately upon employment. As of June 30, 2006, the Village had 15 covered employees. Covered payroll for the year then ended was \$674,168.

The plan provides for vesting of benefits after 10 years of service. Participants may elect normal retirement at age 60 with 10 or more years of service. The plan also provides for early retirement of police officers at age 55 with 25 years or more of service.

Election of early retirement is subject to reduction of benefits as outlined below. Participants are entitled to a retirement benefit equal to the credited service at the time of membership termination multiplied by the sum of 1.5% of their 5-year final average compensation (F.A.C.). The retirement allowance is reduced 1/2% of 1% for each complete month that retirement precedes the age at which full normal retirement benefits are available. The Village contributes the necessary amounts to fund the actuarial determined benefits. The Village makes employer contributions in accordance with funding requirements determined by MERS' actuary. The MERS' actuary uses an attained age actuarial funding method. During the year ended June 30, 2006, \$41,796 of Village contributions were made. Employees also contribute to the plan. Benefit provisions and contributions obligations have been established by the Village Council.

As of December 31, 2003, the most recent actuarial report, the actuarial determined unfunded accrued liabilities was in the amount of \$178,680. The non-funded accrued liability is being financed over a period of 32 years.

The simplified employee plan (SEP-IRA) provides annual contributions to each employee SEP-IRA of 5-7% of annual compensation. The SEP-IRA retirement contributions are 100% vested. Total SEP-IRA contributions for the fiscal year ending June 30, 2006, were \$11,277.

## 9. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

Local Street Fund	(\$1,160)
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## 10. 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's obtained through commercial insurance during the past year.

**Required Supplemental Information**

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 General Fund  
 For The Year Ended June 30, 2006

<b>Revenues</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<u>Taxes</u>				
Current Property Tax	\$ 662,436.00	\$ 636,208.00	\$ 635,561.73	\$ (646.27)
<u>State Shared Revenue</u>	289,345.00	289,345.00	281,818.00	(7,527.00)
<u>Licenses, Permits &amp; Fees</u>				
Tax Fees, Penalties & Interest	12,260.00	12,260.00	13,326.01	1,066.01
Liquor Licenses	2,265.00	2,265.00	2,179.65	(85.35)
Zoning Permits & Site Plan Review	10,000.00	152,693.00	156,117.71	3,424.71
Police Fines & District Court Fees	5,230.00	7,330.00	9,932.88	2,602.88
Cable TV Franchise	28,395.00	28,395.00	27,573.97	(821.03)
<u>Total Licenses, Permits, &amp; Fees</u>	<u>58,150.00</u>	<u>202,943.00</u>	<u>209,130.22</u>	<u>6,187.22</u>
<u>Charges for Services</u>				
Trash Collection	85,580.00	85,140.00	84,801.82	(338.18)
Live Scan	-	-	9,215.87	9,215.87
Police Contract	212,785.00	212,785.00	228,313.61	15,528.61
<u>Total Charges for Services</u>	<u>298,365.00</u>	<u>297,925.00</u>	<u>322,331.30</u>	<u>24,406.30</u>
<u>Miscellaneous Revenue</u>				
Refunds & Reimbursements	39,500.00	39,500.00	64,562.05	25,062.05
Miscellaneous	5,275.00	13,051.00	12,996.83	(54.17)
Donations/Homecoming	10,000.00	16,039.00	16,779.70	740.70
Park-Township/Grant	650.00	2,562.00	9,612.00	7,050.00
Cellular Land Lease	13,000.00	13,000.00	13,000.00	-
Police Grant	-	-	15,000.00	15,000.00
<u>Total Miscellaneous Revenues</u>	<u>68,425.00</u>	<u>84,152.00</u>	<u>131,950.58</u>	<u>47,798.58</u>
<u>Interest Earnings</u>	3,750.00	7,608.00	10,068.88	2,460.88
<u>Total Revenues</u>	<u>\$ 1,380,471.00</u>	<u>\$ 1,518,181.00</u>	<u>\$ 1,590,860.71</u>	<u>\$ 72,679.71</u>



**Village of Almont**  
Required Supplemental Information  
Budgetary Comparison Schedule  
General Fund  
For The Year Ended June 30, 2006

<u>Expenditures</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>General Government</u>				
Legislative	\$ 6,246.00	\$ 6,246.00	\$ 4,402.52	\$ 1,843.48
Executive	70,923.00	72,849.00	75,162.18	(2,313.18)
General Administration	124,974.00	128,071.00	130,194.95	(2,123.95)
Central Municipal Activities	220,777.00	246,277.00	192,587.86	53,689.14
<u>Total General Government</u>	<u>422,920.00</u>	<u>453,443.00</u>	<u>402,347.51</u>	<u>51,095.49</u>
<u>Public Safety</u>				
Police Department	645,198.00	670,116.00	665,177.02	4,938.98
Planning & Zoning	10,976.00	158,554.00	160,279.49	(1,725.49)
<u>Total Public Safety</u>	<u>656,174.00</u>	<u>828,670.00</u>	<u>825,456.51</u>	<u>3,213.49</u>
<u>Public Works</u>				
Department of Public Works	117,937.00	123,432.00	147,515.92	(24,083.92)
Street Lighting	20,000.00	20,000.00	27,492.32	(7,492.32)
Sanitation	87,852.00	87,852.00	79,452.10	8,399.90
Sanitary Sewer Collection Exp.	101,464.00	101,764.00	55,485.14	46,278.86
<u>Total Public Works</u>	<u>327,253.00</u>	<u>333,048.00</u>	<u>309,945.48</u>	<u>23,102.52</u>
<u>Recreation &amp; Culture</u>	<u>15,250.00</u>	<u>15,250.00</u>	<u>15,141.58</u>	<u>108.42</u>
<u>Capital Outlay</u>	<u>16,500.00</u>	<u>18,676.00</u>	<u>28,865.55</u>	<u>(10,189.55)</u>
<u>Total Expenditures</u>	<u>1,438,097.00</u>	<u>1,649,087.00</u>	<u>1,581,756.63</u>	<u>67,330.37</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	(57,626.00)	(130,906.00)	9,104.08	140,010.08
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(27,374.00)	(27,374.00)	(27,373.46)	(0.54)
<u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u>	(85,000.00)	(158,280.00)	(18,269.38)	140,010.62
<u>Fund Balance - Beginning of Year</u>	<u>85,000.00</u>	<u>158,280.00</u>	<u>275,441.10</u>	<u>117,161.10</u>
<u>Fund Balance - End of Year</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 257,171.72</u>	<u>\$ 257,171.72</u>

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Streets Fund  
 For The Year Ended June 30, 2006

<u>Revenues</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
State Shared Rev. - Gas & Wt. Tax	\$ 117,222.00	\$ 117,222.00	\$ 111,272.50	\$ (5,949.50)
State Trunk Line Maintenance	8,470.00	8,470.00	10,986.45	2,516.45
Miscellaneous Revenues	-	250.00	250.00	-
Interest Income	2,000.00	5,500.00	6,153.03	653.03
<u>Total Revenues</u>	<u>127,692.00</u>	<u>131,442.00</u>	<u>128,661.98</u>	<u>(2,780.02)</u>
<u>Expenditures</u>				
Salaries, Wages & Fringes	34,598.00	34,598.00	16,948.27	17,649.73
Professional Fees	600.00	600.00	450.00	150.00
Equipment Rental	35,000.00	38,750.00	37,188.13	1,561.87
Insurance	424.00	424.00	410.87	13.13
Street Paving	60,000.00	60,000.00	-	60,000.00
Contingency	28,070.00	28,070.00	215.69	27,854.31
Winter Maint. - Salt	4,000.00	4,000.00	2,076.44	1,923.56
Other Expenditures	36,000.00	36,000.00	2,712.82	33,287.18
<u>Total Expenditures</u>	<u>198,692.00</u>	<u>202,442.00</u>	<u>60,002.22</u>	<u>142,439.78</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(71,000.00)</u>	<u>(71,000.00)</u>	<u>68,659.76</u>	<u>139,659.76</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(29,000.00)	(29,000.00)	(27,818.00)	1,182.00
<u>Net Change in Fund Balance</u>	<u>(100,000.00)</u>	<u>(100,000.00)</u>	<u>40,841.76</u>	<u>140,841.76</u>
<u>Fund Balance - Beginning of Year</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>128,037.42</u>	<u>28,037.42</u>
<u>Fund Balance - End of Year</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,879.18</u>	<u>\$ 168,879.18</u>

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Downtown Development Authority  
 For The Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 158,819.00	\$ 158,819.00	\$ 171,060.65	\$ 12,241.65
Grant Proceeds	-	-	-	-
Loan Proceeds	-	-	69,227.00	69,227.00
Interest Earnings	2,200.00	2,200.00	7,575.31	5,375.31
Other Revenues	-	-	580.00	580.00
<b><u>Total Revenues</u></b>	<u>161,019.00</u>	<u>161,019.00</u>	<u>248,442.96</u>	<u>87,423.96</u>
<b><u>Expenditures</u></b>				
Administration	18,100.00	18,100.00	11,899.26	6,200.74
Promotion - Business	500.00	500.00	39.99	460.01
Downtown Maintenance	70,000.00	70,000.00	24,116.31	45,883.69
Future Projects	109,098.00	109,098.00	9,684.35	99,413.65
Professional Fees	6,600.00	6,600.00	4,400.00	2,200.00
Capital Outlay	185,000.00	185,000.00	150,663.01	34,336.99
Debt Service - Principal	24,000.00	24,000.00	23,656.54	343.46
Debt Service - Interest	13,000.00	13,000.00	11,114.75	1,885.25
<b><u>Total Expenditures</u></b>	<u>426,298.00</u>	<u>426,298.00</u>	<u>235,574.21</u>	<u>190,723.79</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<u>(265,279.00)</u>	<u>(265,279.00)</u>	<u>12,868.75</u>	<u>278,147.75</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balances</u></b>	<u>(265,279.00)</u>	<u>(265,279.00)</u>	<u>12,868.75</u>	<u>278,147.75</u>
<b><u>Fund Balances - Beginning of Year</u></b>	<u>265,279.00</u>	<u>265,279.00</u>	<u>257,508.11</u>	<u>(7,770.89)</u>
<b><u>Fund Balances - End of Year</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,376.86</u>	<u>\$ 270,376.86</u>

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Waste Water Plant Debt Service Fund  
 For The Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 175,273.00	\$ 174,991.00	\$ 172,415.05	\$ (2,575.95)
Charges for Services	20,286.00	20,286.00	24,591.73	4,305.73
Interest Earnings	340.00	2,449.00	2,101.32	(347.68)
<b><u>Total Revenues</u></b>	<u>195,899.00</u>	<u>197,726.00</u>	<u>199,108.10</u>	<u>1,382.10</u>
<b><u>Expenditures</u></b>				
Paying Agent Fees	500.00	500.00	500.00	-
Principal	186,247.00	188,074.00	165,000.00	23,074.00
Interest	18,315.00	18,315.00	18,315.00	-
<b><u>Total Expenditures</u></b>	<u>205,062.00</u>	<u>206,889.00</u>	<u>183,815.00</u>	<u>23,074.00</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(9,163.00)	(9,163.00)	15,293.10	24,456.10
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balance</u></b>	(9,163.00)	(9,163.00)	15,293.10	24,456.10
<b><u>Fund Balance - Beginning of Year</u></b>	9,163.00	9,163.00	9,470.66	307.66
<b><u>Fund Balance - End of Year</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,763.76</u>	<u>\$ 24,763.76</u>

**Village of Almont**  
Required Supplemental Information  
Budgetary Comparison Schedule  
Water System Improvement Debt Service Fund  
For The Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 91,894.00	\$ 90,528.00	\$ 91,976.44	\$ 1,448.44
Interest Earnings	45.00	288.00	257.62	(30.38)
<b><u>Total Revenues</u></b>	<u>91,939.00</u>	<u>90,816.00</u>	<u>92,234.06</u>	<u>1,418.06</u>
<b><u>Expenditures</u></b>				
Paying Agent Fees	800.00	800.00	400.00	400.00
Debt Service - Principal	54,013.00	52,890.00	45,000.00	7,890.00
Debt Service - Interest	38,345.00	38,345.00	38,345.00	-
<b><u>Total Expenditures</u></b>	<u>93,158.00</u>	<u>92,035.00</u>	<u>83,745.00</u>	<u>8,290.00</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(1,219.00)	(1,219.00)	8,489.06	9,708.06
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balance</u></b>	(1,219.00)	(1,219.00)	8,489.06	9,708.06
<b><u>Fund Balance - Beginning of Year</u></b>	<u>1,219.00</u>	<u>1,219.00</u>	<u>(2,479.97)</u>	<u>(3,698.97)</u>
<b><u>Fund Balance - End of Year</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,009.09</u>	<u>\$ 6,009.09</u>

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 W.W.T.P. Improvement Project Debt Service Fund  
 For The Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
User Fees	\$ 85,973.00	\$ 110,973.00	\$ 132,968.15	\$ 21,995.15
Penalties	750.00	1,750.00	2,107.47	357.47
Interest Earnings	2,000.00	5,800.00	14,972.46	9,172.46
<b><u>Total Revenues</u></b>	<b><u>88,723.00</u></b>	<b><u>118,523.00</u></b>	<b><u>150,048.08</u></b>	<b><u>31,525.08</u></b>
<b><u>Expenditures</u></b>				
Paying Agent Fees & Other	73,550.00	103,350.00	483.35	102,866.65
<b><u>Total Expenditures</u></b>	<b><u>73,550.00</u></b>	<b><u>103,350.00</u></b>	<b><u>483.35</u></b>	<b><u>102,866.65</u></b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b>15,173.00</b>	<b>15,173.00</b>	<b>149,564.73</b>	<b>134,391.73</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	(139,934.00)	(139,934.00)	359,308.73	499,242.73
<b><u>Net Change in Fund Balance</u></b>	<b>(124,761.00)</b>	<b>(124,761.00)</b>	<b>508,873.46</b>	<b>633,634.46</b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b><u>124,761.00</u></b>	<b><u>124,761.00</u></b>	<b><u>138,536.01</u></b>	<b><u>13,775.01</u></b>
<b><u>Fund Balance - End of Year</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 647,409.47</u></b>	<b><u>\$ 647,409.47</u></b>

**Village of Almont**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 W.W.T.P. Improvement Capital Project Fund  
 For The Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Grant Proceeds	\$ -	\$ -	\$ -	\$ -
Interest Earnings	-	-	11,231.13	11,231.13
<b><u>Total Revenues</u></b>	<u>-</u>	<u>-</u>	<u>11,231.13</u>	<u>11,231.13</u>
<b><u>Expenditures</u></b>				
Construction	-	-	-	-
Engineering	-	-	5,242.50	(5,242.50)
<b><u>Total Expenditures</u></b>	<u>-</u>	<u>-</u>	<u>5,242.50</u>	<u>(5,242.50)</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	-	-	5,988.63	5,988.63
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	(534,242.49)	(534,242.49)
<b><u>Net Change in Fund Balance</u></b>	-	-	(528,253.86)	(528,253.86)
<b><u>Fund Balance - Beginning of Year</u></b>	<u>-</u>	<u>-</u>	<u>582,362.57</u>	<u>582,362.57</u>
<b><u>Fund Balance - End of Year</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,108.71</u>	<u>\$ 54,108.71</u>

**Other Supplemental Information**



**Village of Almont**  
 Other Supplemental Information  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2006

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Local Streets Fund</u>	<u>Inspection Fund</u>	<u>M-53 Sewer Leads Debt Service Fund</u>	<u>Municipal Building Debt Service Fund</u>	
<b><u>Assets</u></b>					
Cash & Cash Equivalents	\$ 1,768.64	\$ 2,651.79	\$ 3,015.12	\$ 1,081.02	\$ 8,516.57
Due From Other Funds	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 1,768.64</u>	<u>\$ 2,651.79</u>	<u>\$ 3,015.12</u>	<u>\$ 1,081.02</u>	<u>\$ 8,516.57</u>
<b><u>Liabilities</u></b>					
Accounts Payable	\$ 2,928.18	\$ 1,361.25	\$ -	\$ -	\$ 4,289.43
Due To Other Funds	-	-	-	-	-
<u>Total Liabilities</u>	<u>2,928.18</u>	<u>1,361.25</u>	<u>-</u>	<u>-</u>	<u>4,289.43</u>
<b><u>Fund Balances</u></b>					
Fund Balances - Unreserved	(1,159.54)	1,290.54	3,015.12	1,081.02	4,227.14
<u>Total Liab. &amp; Fund Balances</u>	<u>\$ 1,768.64</u>	<u>\$ 2,651.79</u>	<u>\$ 3,015.12</u>	<u>\$ 1,081.02</u>	<u>\$ 8,516.57</u>

**Village of Almont**  
 Other Supplemental Information  
 Combining Statement of Revenues, Expenditures  
 And Changes in Fund Balances - Nonmajor Governmental Funds  
 For The Year Ended June 30, 2006

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Local Streets Fund</u>	<u>Inspection Fund</u>	<u>M-53 Sewer Leads Debt Service Fund</u>	<u>Municipal Building Debt Service Fund</u>	
<b><u>Revenues</u></b>					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State Shared Rev. - Gas & Wt. Tax	45,735.17	-	-	-	45,735.17
Licenses, Fees, & Permits	-	20,371.46	-	-	20,371.46
Interest Earnings	934.55	260.87	37.44	34.14	1,267.00
Other Revenues	250.00	-	-	-	250.00
<u>Total Revenues</u>	<u>46,919.72</u>	<u>20,632.33</u>	<u>37.44</u>	<u>34.14</u>	<u>67,623.63</u>
<b><u>Expenditures</u></b>					
Public Safety	-	18,043.26	-	-	18,043.26
Public Works	49,923.72	-	320.00	-	50,243.72
Capital Outlay	73,095.00	-	-	-	73,095.00
Debt Service - Principal	-	-	9,000.00	15,960.26	24,960.26
Debt Service - Interest	-	-	2,238.50	5,113.20	7,351.70
<u>Total Expenditures</u>	<u>123,018.72</u>	<u>18,043.26</u>	<u>11,558.50</u>	<u>21,073.46</u>	<u>173,693.94</u>
<b><u>Excess of Revenues Over (Under)</u></b>					
<b><u>Expenditures</u></b>	(76,099.00)	2,589.07	(11,521.06)	(21,039.32)	(106,070.31)
<b><u>Other Financing Sources (Uses)</u></b>					
Transfers In (Out)	27,818.00	-	12,600.00	21,073.46	61,491.46
<b><u>Net Change in Fund Balances</u></b>	(48,281.00)	2,589.07	1,078.94	34.14	(44,578.85)
<b><u>Fund Balances - Beginning of Year</u></b>	47,121.46	(1,298.53)	1,936.18	1,046.88	48,805.99
<b><u>Fund Balances - End of Year</u></b>	<u>\$ (1,159.54)</u>	<u>\$ 1,290.54</u>	<u>\$ 3,015.12</u>	<u>\$ 1,081.02</u>	<u>\$ 4,227.14</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2006

**General Obligation Bonds & Contracts**

**Lapeer County Wastewater Treatment System  
 (Village of Almont) Refunding Bonds**

Dated: February 1, 1993  
 Original Issue: \$1,885,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
7.0%	5/1/2006	\$ -	\$ 165,000	\$ -
7.0%	5/1/2007	165,000	165,000	9,240
<u>Total W.W.T.S. Bonds</u>		<u>\$ 165,000</u>	<u>\$ 330,000</u>	<u>\$ 9,240</u>

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

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
5.2%	10/1/2005	\$ -	\$ 45,000	\$ -
5.3%	10/1/2006	50,000	50,000	35,850
5.4%	10/1/2007	50,000	50,000	33,175
5.5%	10/1/2008	55,000	55,000	30,313
5.6%	10/1/2009	55,000	55,000	27,260
5.7%	10/1/2010	60,000	60,000	24,010
5.8%	10/1/2011	65,000	65,000	20,415
5.9%	10/1/2012	70,000	70,000	16,465
6.0%	10/1/2013	75,000	75,000	12,150
6.0%	10/1/2014	80,000	80,000	7,500
6.0%	10/1/2015	85,000	85,000	2,550
<u>Total W.W.T.S. Bonds</u>		<u>\$ 645,000</u>	<u>\$ 690,000</u>	<u>\$ 209,688</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2006

**Village of Almont M-53 Sewer Leads,  
 County of Lapeer, Sewage Disposal**

Dated: 2000  
 Original Issue: \$90,000

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2006	2005	
4.40%	11/1/2005	\$ -	\$ 9,000	\$ -
4.50%	5/1/2006	-	-	-
4.50%	11/1/2006	10,000	10,000	1,018
4.60%	5/1/2007	-	-	788
4.60%	11/1/2007	10,000	10,000	788
4.65%	5/1/2008	-	-	555
4.65%	11/1/2008	11,000	11,000	555
5.00%	5/1/2009	-	-	281
5.10%	11/1/2009	11,000	11,000	281
<u>Total M-53 Sewer Leads Bonds</u>		<u>\$ 42,000</u>	<u>\$ 51,000</u>	<u>\$ 4,266</u>

**Installment Purchase Contract Payable  
 -Municipal Building Addition**

Dated: August 7, 2001  
 Original Issue: \$170,500

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2006	2005	
4.05%	8/1/2005	\$ -	\$ 15,960	\$ -
4.05%	8/1/2006	16,607	16,607	4,467
4.05%	8/1/2007	17,279	17,279	3,794
4.05%	8/1/2008	17,979	17,979	3,094
4.05%	8/1/2009	18,707	18,707	2,366
4.05%	8/1/2010	19,465	19,465	1,609
4.05%	8/1/2011	20,254	20,254	820
<u>Total Installment Purchase Contract Payable</u>		<u>\$ 110,291</u>	<u>\$ 126,251</u>	<u>\$ 16,150</u>

**Village of Almont**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2006

**Lapeer County Sewage Disposal Bonds**  
**W.W.T.P. Improvement Project**

Dated February: 5, 2002  
 Original Issue: \$2,255,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
3.750%	12/1/2005	\$ -	\$ 80,000	\$ -
3.750%	12/1/2006	80,000	80,000	91,933
4.000%	12/1/2007	85,000	85,000	88,733
4.125%	12/1/2008	85,000	85,000	85,280
4.250%	12/1/2009	90,000	90,000	81,616
4.400%	12/1/2010	95,000	95,000	77,613
4.500%	12/1/2011	100,000	100,000	73,273
4.500%	12/1/2012	105,000	105,000	68,660
4.500%	12/1/2013	110,000	110,000	63,822
4.600%	12/1/2014	115,000	115,000	58,702
4.750%	12/1/2015	120,000	120,000	53,207
4.750%	12/1/2016	125,000	125,000	47,389
4.750%	12/1/2017	135,000	135,000	41,214
4.800%	12/1/2018	140,000	140,000	34,647
4.850%	12/1/2019	145,000	145,000	27,771
4.900%	12/1/2020	155,000	155,000	20,458
4.900%	12/1/2021	165,000	165,000	12,618
4.900%	12/1/2022	175,000	175,000	4,288
<u>Total Sewage Disposal Bonds</u>		<u>\$ 2,025,000</u>	<u>\$ 2,105,000</u>	<u>\$ 931,224</u>
<u>Total General Obligation Bonds &amp; Contracts</u>		<u>\$ 2,987,291</u>	<u>\$ 3,302,251</u>	<u>\$ 1,170,568</u>

**Village of Almont**  
Other Supplemental Information  
Schedule of Indebtedness  
June 30, 2006

**Land Contract**

Purchase of 125 N. Main Street  
Almont, Michigan

Dated: 2005  
Original Issue: \$127,500

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
7.0%	6/30/2006	\$ -	\$ 3,271	\$ -
7.0%	6/30/2007	4,069	3,508	9,770
7.0%	6/30/2008	3,762	3,762	8,100
7.0%	6/30/2009	113,663	113,663	7,188
<u>Total Land Contract</u>		<u>\$ 121,494</u>	<u>\$ 124,204</u>	<u>\$ 25,058</u>

**Installment Contract**

Pocket Park Construction

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2006</u>	<u>2005</u>	
3.75%	11/22/2005	\$ -	\$ 13,515	\$ -
3.75%	11/22/2006	18,007	13,515	6,879
3.75%	11/22/2007	18,682	13,515	6,204
3.75%	11/22/2008	19,383	13,515	5,503
3.75%	11/22/2009	20,110	13,515	4,776
3.75%	11/22/2010	20,864	13,515	4,022
3.75%	11/22/2011	21,646	13,515	3,240
3.75%	11/22/2012	22,458	13,515	2,428
3.75%	11/22/2013	23,300	13,515	1,586
3.75%	11/22/2014	18,988	13,523	712
<u>Total Installment Contract</u>		<u>\$ 183,438</u>	<u>\$ 135,158</u>	<u>\$ 35,350</u>
<u>Total DDA Bonds &amp; Contracts</u>		<u>\$ 304,932</u>	<u>\$ 259,362</u>	<u>\$ 60,408</u>