

Village of Almont

Lapeer County, Michigan

Audited Financial Report
June 30, 2016

KING & KING CPAs LLC

Marlette - Imlay City - North Branch
Michigan

Village of Almont
 Annual Financial Report
 For The Fiscal Year Ended June 30, 2016

Table of Contents

	<u>Page Number</u>
I. Independent Auditor’s Report	1-2
II. Management’s Discussion and Analysis Letter	MD&A 1-3
III. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Governmental Funds	
Balance Sheet.....	5
Reconciliation of Fund Balances to the Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances	7
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Proprietary Funds	
Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Net Position.....	10
Statement of Cash Flows	11
Fiduciary Funds	
Statement of Fiduciary Assets and Liabilities – Agency Fund	12
Notes to the Financial Statements.....	13-28
IV. Required Supplemental Information	29
Budgetary Comparison Schedule	
General Fund	30-31
Major Special Revenue Funds	32-33
Major Debt Service Funds	34-36

Village of Almont
Annual Financial Report
For The Fiscal Year Ended June 30, 2016

V. Other Supplemental Information.....	37
Municipal Employees Retirement System of Michigan	
Schedule of Employer Contributions.....	38
Schedule of Changes in Net Pension Liability and Related Ratios	39
Schedule of Employers' Net Pension Liability.....	40
Nonmajor Governmental Funds	
Combining Balance Sheet	41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	42
Schedule of Indebtedness	43-47

KING & KING CPAs LLC

Lehn L. King, C.P.A.

Ryan L. King, C.P.A.

3531 MAIN STREET
MARLETTE, MI 48453
Phone 989-635-3113
Fax 989-635-5580

www.kingandkingcpas.com

1814 S. CEDAR STREET
IMLAY, MICHIGAN 48444
Phone 810-724-1120
Fax 810-519-1332

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, 2016, 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, 2016, 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.

KING & KING CPAs LLC

Lehn L. King, C.P.A.

Ryan L. King, C.P.A.

3531 MAIN STREET
MARLETTE, MI 48453
Phone 989-635-3113
Fax 989-635-5580

www.kingandkingcpas.com

1814 S. CEDAR STREET
IMLAY, MICHIGAN 48444
Phone 810-724-1120
Fax 810-519-1332

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.

Others Supplemental 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

July 28, 2016

Village of Almont

Almont, Michigan

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, 2016. 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 fully funded the 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 fiscal year. Comparative data of the prior audit's net position is included.

	Governmental Activities		Business-type Activities		Total	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Current Assets	\$ 1,776,226	\$ 1,446,576	\$ 860,729	\$ 707,960	\$ 2,636,955	\$ 2,154,536
Noncurrent Assets	2,639,931	2,491,502	8,747,557	8,999,228	11,387,488	11,490,730
Total Assets	4,416,157	3,938,078	9,608,286	9,707,188	14,024,443	13,645,266
Current Liabilities	316,414	233,917	352,561	398,633	668,975	632,550
Noncurrent Liabilities	1,657,599	807,345	2,972,694	3,227,694	4,630,293	4,035,039
Total Liabilities	1,974,013	1,041,262	3,325,255	3,626,327	5,299,268	4,667,589
Net Position:						
Invested in Capital Assets -						
Net of Related Debt	1,499,705	1,513,230	5,502,197	5,502,462	7,001,902	7,015,692
Restricted	690,438	609,013	10,588	10,194	701,026	619,207
Unrestricted	252,031	774,574	770,244	568,205	1,022,275	1,342,779
Total Net Position	\$ 2,442,174	\$ 2,896,817	\$ 6,283,029	\$ 6,080,861	\$ 8,725,203	\$ 8,977,678

Village of Almont

Almont, Michigan

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	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Revenues						
Program Revenues:						
Charges for Services	\$ 825,929	\$ 796,307	\$ 1,187,680	\$ 1,104,301	\$ 2,013,609	\$ 1,900,608
Grants & Contributions	281,920	211,218	-	-	281,920	211,218
General Revenues:						
Property Taxes	1,077,077	1,015,940	-	-	1,077,077	1,015,940
State-Shared Revenues	245,230	247,586	-	-	245,230	247,586
Interest Earnings	1,640	1,824	290	247	1,930	2,071
Other Revenues	120,973	144,162	-	-	120,973	144,162
Transfers	(299,962)	(282,091)	299,962	282,091	-	-
Total Revenues	<u>2,252,807</u>	<u>2,134,946</u>	<u>1,487,932</u>	<u>1,386,639</u>	<u>3,740,739</u>	<u>3,521,585</u>
Program Expenses						
General Government	\$ 674,199	\$ 562,136	\$ -	\$ -	\$ 674,199	\$ 562,136
Public Safety	817,122	785,473	-	-	817,122	785,473
Public Works	590,730	580,437	-	-	590,730	580,437
Recreation & Culture	17,863	16,714	-	-	17,863	16,714
Interest on L/T Debt	11,521	17,651	86,574	94,541	98,095	112,192
Water & Sewer	-	-	1,199,190	1,192,682	1,199,190	1,192,682
Total Program Expenses	<u>2,111,435</u>	<u>1,962,411</u>	<u>1,285,764</u>	<u>1,287,223</u>	<u>3,397,199</u>	<u>3,249,634</u>
Change in Net Position	<u>\$ 141,372</u>	<u>\$ 172,535</u>	<u>\$ 202,168</u>	<u>\$ 99,416</u>	<u>\$ 343,540</u>	<u>\$ 271,951</u>

The Village as a Whole

- The Village's Governmental Activities net position increased by \$141,372 this year. This compares to a net increase of \$172,535 in the previous year. This was fairly comparable to the previous year, with slight increases in both revenues and expenses.
- The Village's Business-type Activities net position increased by \$202,168 this year. This compares to a net increase of \$99,416 in the previous year. This improvement was caused by an increase in charges for services revenue due to a change in utility billing rates.
- The Village's primary source of revenue is from charges for services and property taxes, which represent 83% of total revenue.

Village of Almont

Almont, Michigan

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 detailed information about the most significant funds, not the Village as a whole. The Village's major funds for the fiscal year ended June 30, 2016, 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, 2016, the Village's Equipment Fund purchased a 2016 Ford Explorer police car (\$36,815) and a street sweeper (\$82,000). The Park Fund constructed a new park pavilion (\$72,800). The Local Streets Fund installed a sidewalk from the bike path to Allison Drive (\$6,000) and resurfaced Mill Street (\$4,650). The Sewer Fund installed a humidifier for the Waste Water Treatment Plant (\$4,450) and purchased/installed spare lift pumps (\$10,262). The Water Fund (Capital Project Fund) had additional expenses capitalized for the installation of a new booster station (\$29,332). The amount spent on the booster station for the fiscal year ended June 30, 2015 was \$748,836 with a total project amount of \$778,168. 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 June 30, 2016. The Village took out a loan for the police car for \$36,815, the street sweeper for \$82,000, and the DDA dumpster enclosure for \$15,850 (this project had not started as of June 30, 2016). The Village's total debt as of June 30, 2016, was \$3,661,491, with principal payments of \$414,053 due within one year. There were principal payments of \$414,053 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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash & Cash Equivalents	\$ 1,532,604	\$ 575,241	\$ 2,107,845
Accounts Receivable	196,318	269,193	465,510
Prepaid Expenses	15,024	10,588	25,612
Due From Other Funds (Net)	32,280	5,707	37,987
Capital Assets			
Nondepreciable Capital Assets	357,000	37,849	394,849
Depreciable Capital Assets	2,209,722	8,709,708	10,919,430
<u>Total Assets</u>	<u>4,342,948</u>	<u>9,608,284</u>	<u>13,951,232</u>
<u>Deferred Outflows of Resources</u>			
Related to the Pension Plan	73,209	-	73,209
<u>Liabilities</u>			
Accounts Payable	195,767	58,218	253,985
Deferred Revenue	-	21,678	21,678
Accrued Interest Payable	661	17,665	18,326
Current Portion of Long-Term Debt	119,956	255,000	374,956
Noncurrent Liabilities:			
Net Retiree Healthcare Obligation	632,587	-	632,587
Net Pension Liability	711,199	-	711,199
Long-Term Debt	313,813	2,972,694	3,286,507
<u>Total Liabilities</u>	<u>1,973,983</u>	<u>3,325,256</u>	<u>5,299,239</u>
<u>Deferred Inflows of Resources</u>			
	-	-	-
<u>Net Position</u>			
Invested in Capital Assets - Net of Related Debt	861,715	5,502,197	6,363,912
Nonspendable	6,903	10,588	17,491
Restricted:			
Restricted for Debt Service	150,010	-	150,010
Restricted for Other Uses	533,525	-	533,525
Unrestricted	890,021	770,244	1,660,264
<u>Total Net Position</u>	<u>\$ 2,442,174</u>	<u>\$ 6,283,028</u>	<u>\$ 8,725,202</u>

The notes are an integral part of the statements.

Village of Almont
Statement of Activities
For The Fiscal Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue & Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Primary Government</u>		<u>Totals</u>
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Primary Government:							
Governmental Activities:							
General Government	\$ 674,199	\$ 166,674	\$ -	\$ -	\$ (507,525)	\$ -	\$ (507,525)
Public Safety	817,122	400,578	-	-	(416,544)	-	(416,544)
Public Works	590,730	258,677	229,811	-	(102,243)	-	(102,243)
Recreation & Culture	17,863	-	7,310	44,800	34,247	-	34,247
Interest on Long-Term Debt	11,521	-	-	-	(11,521)	-	(11,521)
<u>Total Governmental Activities</u>	<u>2,111,435</u>	<u>825,929</u>	<u>237,120</u>	<u>44,800</u>	<u>(1,003,586)</u>	<u>-</u>	<u>(1,003,586)</u>
Business-type Activities	1,199,190	1,187,680	-	-	-	(11,510)	(11,510)
Interest on Long-Term Debt	86,574	-	-	-	-	(86,574)	(86,574)
<u>Total Business-type Activities</u>	<u>1,285,765</u>	<u>1,187,680</u>	<u>-</u>	<u>44,800</u>	<u>-</u>	<u>(98,084)</u>	<u>(98,084)</u>
Total Primary Government	<u>\$ 3,397,200</u>	<u>\$ 2,013,610</u>	<u>\$ 237,120</u>	<u>\$ 89,600</u>	<u>\$ (1,003,586)</u>	<u>\$ (98,084)</u>	<u>\$ (1,101,670)</u>
General Revenues:							
Property Taxes					\$ 1,077,077	\$ -	\$ 1,077,077
State-Shared Revenues					245,230	-	245,230
Interest Earnings					1,640	290	1,930
Other Revenues					120,973	-	120,973
Transfers					(299,962)	299,962	-
Total General Revenues, Special Items & Transfers					<u>1,144,958</u>	<u>300,252</u>	<u>1,445,210</u>
Change in Net Position					141,372	202,168	343,539
Net Position - Beginning of Year					<u>2,300,802</u>	<u>6,080,861</u>	<u>8,381,663</u>
Net Position - End of Year					<u>\$ 2,442,174</u>	<u>\$ 6,283,028</u>	<u>\$ 8,725,202</u>

The notes are an integral part of the statements.

Village of Almont

Governmental Funds

Balance Sheet

June 30, 2016

	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		
<u>Assets & Deferred Outflows of Resources</u>								
<u>Assets</u>								
Cash & Cash Equivalents	\$ 630,119	\$ 119,195	\$ 245,958	\$ 52,554	\$ 4,115	\$ 56,783	\$ 212,461	\$ 1,321,185
Accounts Receivable	78,404	19,693	-	583	621	35,356	60,037	194,693
Grant Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	5,663	1,240	-	-	-	-	-	6,903
Due From Other Funds	109,908	308	-	-	-	-	335	110,551
Total Assets	824,093	140,436	245,958	53,136	4,736	92,138	272,833	1,633,332
<u>Deferred Outflows of Resources</u>								
Total Assets & Deferred Outflows	\$ 824,093	\$ 140,436	\$ 245,958	\$ 53,136	\$ 4,736	\$ 92,138	\$ 272,833	\$ 1,633,332
<u>Liabilities, Deferred Inflows of Resources & Fund Equity</u>								
<u>Liabilities</u>								
Accounts Payable	\$ 114,464	\$ 1,274	\$ 2,316	\$ -	\$ -	\$ -	\$ 73,724	\$ 191,779
Deferred Revenue	-	-	-	-	-	-	-	-
Due To Other Funds	860	690	1,839	-	-	-	33,537	36,927
Total Liabilities	115,325	1,964	4,156	-	-	-	107,261	228,706
<u>Deferred Inflows of Resources</u>								
Total	-	-	-	-	-	-	-	-
<u>Fund Equity</u>								
Fund Balances:								
Nonspendable	5,663	1,240	-	-	-	-	-	6,903
Restricted For:								
Debt Service	-	-	-	53,136	4,736	92,138	-	150,010
Highways	-	137,232	-	-	-	-	110,665	247,897
Downtown Development	-	-	241,803	-	-	-	-	241,803
Building Inspection	-	-	-	-	-	-	32,000	32,000
Homecoming	3,704	-	-	-	-	-	-	3,704
Public Works	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	22,907	22,907
Committed For:								
Park	-	-	-	-	-	-	-	-
Unassigned	699,402	-	-	-	-	-	-	699,402
Total Fund Equity	708,768	138,472	241,803	53,136	4,736	92,138	165,572	1,404,626
Total Liab., Deferred Inflows & Fund Equity	\$ 824,093	\$ 140,436	\$ 245,958	\$ 53,136	\$ 4,736	\$ 92,138	\$ 272,833	\$ 1,633,332

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, 2016

Total Fund Balances for Governmental Funds and Equipment Fund \$ 1,734,710

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. 2,127,195

Long-term bonds payable are not due and payable in the current period and are not reported in the funds. (148,493)

Other post-employment benefit obligation in Governmental Activities is not reported in the funds. (632,587)

Net pension liability is not due and payable in the current period and is not reported as fund liabilities. (711,199)

Certain pension contributions and changes in pension plan liabilities are reported as deferred outflows of resources in the Statement of Net Position. 73,209

Accrued interest payable is not reported in the funds. (661)

Net Position of Governmental Activities \$ 2,442,174

Village of Almont
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2016

	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		
Revenues								
Property Taxes	\$ 717,199	\$ -	\$ 167,353	\$ 126,292	\$ 66,233	\$ -	\$ -	\$ 1,077,077
Intergovernmental Revenues	245,230	127,559	-	-	-	-	95,552	468,341
Licenses, Permits & Fees	66,073	-	-	-	-	-	85,368	151,440
Charges for Services	435,118	-	-	-	-	127,368	-	562,486
Interest Earnings	1,114	76	120	52	-	36	125	1,523
Other Revenues	82,202	569	50	-	-	1,753	5,054	89,628
Total Revenues	1,546,935	128,203	167,523	126,343	66,233	129,158	186,099	2,350,495
Expenditures								
General Government	354,210	-	-	-	-	-	-	354,210
Public Safety	727,811	-	-	-	-	-	85,876	813,686
Public Works	276,293	70,149	96,566	-	-	-	64,931	507,939
Recreation & Culture	-	-	-	-	-	-	16,567	16,567
Capital Outlay	-	-	-	-	-	-	100,646	100,646
Debt Service - Principal	4,509	-	10,000	-	85,000	-	15,538	115,048
Debt Service - Interest	-	-	865	-	2,550	-	3,277	6,692
Total Expenditures	1,362,823	70,149	107,431	-	87,550	-	286,835	1,914,788
Excess of Revenues Over (Under) Expenditures	184,113	58,055	60,092	126,343	(21,317)	129,158	(100,736)	435,708
Other Financing Sources (Uses)								
Loan Proceeds	-	-	15,850	-	-	-	-	15,850
Grant Proceeds	-	-	6,700	-	-	-	44,800	51,500
Transfers In (Out)	(79,775)	(39,000)	-	(121,188)	-	(131,219)	48,820	(322,362)
Net Change in Fund Balances	104,337	19,055	82,642	5,155	(21,317)	(2,060)	(7,116)	180,695
Fund Balances - Beginning of Year	604,431	119,418	159,161	47,981	26,053	94,199	172,688	1,223,931
Fund Balances - End of Year	\$ 708,768	\$ 138,472	\$ 241,803	\$ 53,136	\$ 4,736	\$ 92,138	\$ 165,572	\$ 1,404,626

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, 2016

Net Change in Fund Balances - Total Governmental Funds and Equipment Fund	\$ 206,827
 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.	100,646
Repayment of bond principal is an expenditure in the Governmental Funds, but not in the Statement of Activities (where it reduces long-term debt).	115,048
Loan proceeds are recognized as revenue in the Governmental Funds, but not in the Statement of Activities.	(15,850.00)
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.	1,275
Change in other post-employment benefit obligation is recorded when incurred in the Statement of Activities.	(124,421)
Pension expense is recognized in the Statement of Activities when incurred, but in the Governmental Funds when paid.	(41,976)
Depreciation is an expenditure for the Statement of Activities, but is not reported in the Governmental Funds.	<u>(100,177)</u>
Net Change in Net Position of Governmental Activities	<u><u>\$ 141,372</u></u>

The notes are an integral part of the statements.

Village of Almont

Proprietary Funds
Statement of Net Position
June 30, 2016

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>		<u>Service Fund Equipment</u>
<u>Assets</u>				
<u>Current Assets</u>				
Cash & Cash Equivalents	\$ 338,805	\$ 236,436	\$ 575,241	\$ 211,419
Accounts Receivable	157,900	111,292	269,193	1,625
Prepaid Expenses	7,582	3,006	10,588	8,121
Due From Other Funds	4,164	1,542	5,707	1,014
<u>Total Current Assets</u>	<u>508,451</u>	<u>352,277</u>	<u>860,728</u>	<u>222,180</u>
<u>Noncurrent Assets</u>				
Capital Assets Not Being Depreciated	100	37,749	37,849	-
Capital Assets Being Depreciated	8,536,886	5,311,244	13,848,129	1,101,641
Less: Accumulated Depreciation	(3,643,637)	(1,494,785)	(5,138,422)	(662,114)
<u>Total Noncurrent Assets</u>	<u>4,893,349</u>	<u>3,854,207</u>	<u>8,747,556</u>	<u>439,527</u>
<u>Total Assets</u>	<u>5,401,800</u>	<u>4,206,484</u>	<u>9,608,284</u>	<u>661,707</u>
<u>Deferred Outflows of Resources</u>				
	-	-	-	-
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts Payable	20,114	38,105	58,218	3,988
Due To Other Funds	1,378	20,300	21,678	42,359
Accrued Interest Payable	6,029	11,636	17,665	-
Current Portion of Long-Term Debt	135,000	120,000	255,000	84,296
<u>Total Current Liabilities</u>	<u>162,521</u>	<u>190,041</u>	<u>352,562</u>	<u>130,643</u>
<u>Long-Term Liabilities</u>				
Bonds Payable	1,045,000	1,927,694	2,972,694	200,980
<u>Total Liabilities</u>	<u>1,207,521</u>	<u>2,117,735</u>	<u>3,325,256</u>	<u>331,623</u>
<u>Deferred Inflows of Resources</u>				
	-	-	-	-
<u>Net Position</u>				
Invested in Capital Assets Net of Related Debt	3,707,320	1,794,877	5,502,197	154,251
Restricted	7,582	3,006	10,588	8,121
Unrestricted	479,377	290,867	770,244	167,712
<u>Total Net Position</u>	<u>\$ 4,194,279</u>	<u>\$ 2,088,749</u>	<u>\$ 6,283,028</u>	<u>\$ 330,084</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, 2016

	<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>
<u>Operating Revenues</u>				
User Charges & Penalties	\$ 599,790	\$ 477,299	\$ 1,077,090	\$ 19,500
Service Connection Charges	52,875	55,070	107,945	-
Other Income	1,612	1,034	2,646	6,314
Equipment Rental	-	-	-	123,844
<u>Total Operating Revenues</u>	<u>654,277</u>	<u>533,404</u>	<u>1,187,680</u>	<u>149,658</u>
<u>Operating Expenditures</u>				
Cost of Water	-	198,678	198,678	-
Operation & Maintenance	458,134	189,396	647,530	96,289
General & Administration	43,233	14,034	57,266	585
Depreciation	182,528	113,189	295,716	44,064
<u>Total Operating Expenditures</u>	<u>683,894</u>	<u>515,296</u>	<u>1,199,190</u>	<u>140,938</u>
Operating Income (Loss)	(29,617)	18,107	(11,510)	8,719
<u>Non-operating Revenues (Expenditures)</u>				
Interest Earned	180	110	290	117
Interest Expense	(39,388)	(47,186)	(86,574)	(6,105)
Gain (Loss) on Sale of Fixed Assets	-	-	-	1,000
Transfers From (To) Other Funds	158,758	141,204	299,962	22,400
Change in Net Position	89,932	112,235	202,168	26,131
<u>Net Position - Beginning of Year</u>	<u>4,104,347</u>	<u>1,976,514</u>	<u>6,080,861</u>	<u>303,953</u>
<u>Net Position - End of Year</u>	<u>\$ 4,194,279</u>	<u>\$ 2,088,749</u>	<u>\$ 6,283,028</u>	<u>\$ 330,084</u>

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, 2016

	<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>
<u>Cash Flows From Operating Activities</u>				
Receipts from Customers	\$ 641,986	\$ 529,330	\$ 1,171,316	\$ 149,658
Payments for Operation, Maintenance & Water	(458,226)	(372,878)	(831,104)	(94,112)
Payments for General & Administration	(43,233)	(14,154)	(57,386)	(585)
<u>Net Cash Provided by Operating Activities</u>	<u>140,528</u>	<u>142,298</u>	<u>282,826</u>	<u>54,960</u>
<u>Cash Flows From Noncapital Financing Activities</u>				
Operating Transfers In (Out)	158,758	141,204	299,962	22,400
Received (Paid) "Due To / From Other Funds"	(30,905)	(39,844)	(70,749)	39,657
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>127,853</u>	<u>101,360</u>	<u>229,213</u>	<u>62,057</u>
<u>Cash Flows From Capital & Related Financing Activities</u>				
Interest Expense	(45,154)	(47,827)	(92,981)	(6,105)
Net Proceeds From Issuance (Payments) of Long-Term Debt	(130,000)	(115,000)	(245,000)	64,797
Sale (Purchase) of Capital Assets	(14,712)	(29,332)	(44,045)	(117,815)
<u>Net Cash Provided by Capital & Related Financing Activities</u>	<u>(189,866)</u>	<u>(192,160)</u>	<u>(382,026)</u>	<u>(59,123)</u>
<u>Cash Flows From Investing Activities</u>				
Increase in Customer Deposits	-	-	-	-
Interest received on Investments	180	110	290	117
Net Increase (Decrease) in Cash & Cash Equivalents	78,694	51,609	130,303	58,011
<u>Cash & Cash Equivalents - Beginning of Year</u>	<u>260,110</u>	<u>184,828</u>	<u>444,938</u>	<u>153,408</u>
<u>Cash & Cash Equivalents - End of Year</u>	<u>\$ 338,805</u>	<u>\$ 236,436</u>	<u>\$ 575,241</u>	<u>\$ 211,419</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>				
<u>From Operating Activities</u>				
Operating Income (Loss)	(29,617)	18,107	(11,510)	8,719
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:				
Depreciation	182,528	113,189	295,716	44,064
Changes in Assets & Liabilities:				
Prepaid Expenses	(274)	(120)	(394)	(190)
Accounts Receivable	(12,291)	(4,074)	(16,364)	-
Accounts Payable	182	15,196	15,378	2,367
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 140,528</u>	<u>\$ 142,298</u>	<u>\$ 282,826</u>	<u>\$ 54,960</u>

The notes are an integral part of the statements.

Village of Almont

Fiduciary Funds
Statement of Fiduciary Assets and Liabilities - Agency Fund
June 30, 2016

	Payroll Fund	Totals June 30, 2016
<u>Assets</u>		
Cash & Cash Equivalents	\$ 26,092	\$ 26,092
Due From Other Funds	-	-
	<u> </u>	<u> </u>
<u>Total Assets</u>	<u>\$ 26,092</u>	<u>\$ 26,092</u>
<u>Liabilities</u>		
Due To Other Funds	\$ 16,309	\$ 16,309
Due To Others	9,784	9,784
	<u> </u>	<u> </u>
<u>Total Liabilities</u>	<u>\$ 26,092</u>	<u>\$ 26,092</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

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 separate from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separate 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, 2016

1. Summary of Significant Accounting Policies - Continued

Downtown Development Authority Fund (Major Special Revenue Fund) - 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 - This 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 - This 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 - This 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. Funding 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 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, 2016

1. Summary of Significant Accounting Policies - Continued

Cash - The Village pools the cash resources of its various funds. 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 July 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The Village's 2015 tax is levied and collectible on July 1, 2015, and is recognized as revenue in the fiscal year ended June 30, 2016, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2015 taxable valuation of the Village totaled about \$60 million (a portion of which is captured by the DDA), on which taxes levied consisted of 14.047 mills for operating purposes, 1.133 mills for water construction, and 2.162 mills for water tower debt service. This resulted in approximately \$715,000 for operating, \$66,000 for water construction, and \$126,000 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 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 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, 2016

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 to 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 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 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, the 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, 2016

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, Major 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, 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, 2016, 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>
NONE			

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

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:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary - Trust & Agency Funds</u>	<u>Total Primary Government</u>
Cash & Cash Equivalents	\$ 1,532,604	\$ 575,241	\$ 26,092	\$ 2,133,937

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 2,133,937

The bank balance of the primary government's deposits is \$2,133,937, of which \$1,797,741 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 \$336,196 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, 2016

4. Capital Assets

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

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Disposals & Adjustments</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
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	1,079,976	27,846	-	1,107,822
Infrastructure - DDA	1,194,048	-	-	1,194,048
Buildings & Building Improvements	423,427	72,800	-	496,227
Machinery & Equipment	163,225	-	-	163,225
Office Equipment	49,609	-	-	49,609
Equipment - Internal Service Fund	1,029,904	118,815	47,078	1,101,641
Total Capital Assets Being Depreciated	<u>3,940,188</u>	<u>219,462</u>	<u>47,078</u>	<u>4,112,571</u>
Accumulated Depreciation:				
Infrastructure	411,615	43,486	-	455,101
Infrastructure - DDA	343,991	35,360	-	379,351
Buildings & Building Improvements	223,664	12,308	-	235,972
Machinery & Equipment	111,679	9,023	-	120,703
Office Equipment	49,609	-	-	49,609
Equipment - Internal Service Fund	665,128	44,064	47,078	662,114
Total Accumulated Depreciation	<u>1,805,687</u>	<u>144,241</u>	<u>47,078</u>	<u>1,902,850</u>
Governmental Activities Capital Assets - Net	<u>\$ 2,491,501</u>	<u>\$ 75,221</u>	<u>\$ -</u>	<u>\$ 2,566,722</u>
Business-type Activities:				
Capital Assets Not Being Depreciated - Land	\$ 37,849	\$ -	\$ -	\$ 37,849
Capital Assets Being Depreciated:				
Sewage Treatment Plant	8,522,173	14,712	-	8,536,885
Water Distribution System	5,281,911	29,332	-	5,311,244
Total Capital Assets Being Depreciated	<u>13,804,084</u>	<u>44,045</u>	<u>-</u>	<u>13,848,129</u>
Accumulated Depreciation:				
Sewage Treatment Plant	3,461,110	182,528	-	3,643,637
Water Distribution System	1,381,596	113,189	-	1,494,785
Total Accumulated Depreciation	<u>4,842,706</u>	<u>295,716</u>	<u>-</u>	<u>5,138,422</u>
Business-type Activities Capital Assets - Net	<u>\$ 8,999,227</u>	<u>\$ (251,672)</u>	<u>\$ -</u>	<u>\$ 8,747,555</u>

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

Governmental Activities:	
General Government	\$ 12,849
Public Safety	4,142
Public Works	125,955
Recreation & Culture	1,296
Total Governmental Activities	<u>\$ 144,241</u>
Business-type Activities:	
Sewer Fund	\$ 182,528
Water Fund	113,189
Total Business-type Activities	<u>\$ 295,716</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

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:

	Due From Other Funds		Due To Other Funds	
Water Fund	\$ 1,542	Payroll Fund	\$ 1,542	(1)
General Fund	690	Major Streets Fund	690	(2)
Park Fund	27	Equipment Fund	27	(2)
Sewer Fund	4,164	Payroll Fund	4,164	(1)
General Fund	702	Local Streets Fund	702	(1)
General Fund	30,568	Park Fund	30,568	(1)
General Fund	2,268	Inspection Fund	2,268	(1)
General Fund	1,378	Sewer Fund	1,378	(1)
General Fund	41,472	Equipment Fund	41,472	(1)
General Fund	20,300	Water Fund	20,300	(1)
General Fund	9,831	Payroll Fund	9,831	(3)
Equipment Fund	154	Payroll Fund	154	(1)
General Fund	1,839	Downtown Development Authority	1,839	(1)
Major Streets Fund	308	Payroll Fund	308	(1)
Local Streets Fund	308	Payroll Fund	308	(1)
Total	<u>\$ 115,552</u>		<u>\$ 115,552</u>	

- (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 the Payroll Fund.

Interfund transfers reported in the Fund Statements are as follows:

	Transferred From		Transferred To	
General Fund	\$ 38,739	Sewer Fund	\$ 38,739	(4)
General Fund	3,700	Equipment Fund	3,700	(5)
General Fund	10,000	Park Fund	10,000	(4)
Major Streets Fund	39,000	Local Streets Fund	39,000	(4)
W.W.T.P. Improvement Debt Service	131,219	Sewer Fund	131,219	(5)
Water Fund	7,500	Equipment Fund	7,500	(5)
Sewer Fund	11,200	Equipment Fund	11,200	(5)
General Fund	121,188	Water Fund	121,188	(4)
Capital Project Fund	27,336	Water Fund	27,336	(6)
Water Tower Debt Service Fund	180	Water Fund	180	(5)
Total	<u>\$ 390,062</u>		<u>\$ 390,062</u>	

- (4) To assist with operations.
- (5) To fund current debt payment.
- (6) To move asset purchase to Water Fund.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

6. Long-Term Debt

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Governmental Activities:						
Police Vehicle: 2012 Dodge Charger Amount of Issue - \$29,000 Maturing Through May 2017	1.85%	\$7,036 - \$7,456	\$ 14,755	\$ (7,320)	\$ 7,435	\$ 7,435
Police Vehicle: Chevy Tahoe Amount of Issue - \$33,000 Maturing Through May 2017	1.85%	\$8,025 - \$8,478	\$ 16,802	\$ (8,324)	\$ 8,478	\$ 8,478
2000 Sterling Vector Truck Amount of Issue - \$137,500 Maturing Through May 2020	3.16%	\$18,064 - \$21,502	\$ 101,048	\$ (18,946)	\$ 82,102	\$ 19,569
Cherry Street Bridge - Local Streets Amount of Issue - \$162,227 Maturing Through October 2021	2.75%	\$14,280 - \$18,305	\$ 118,152	\$ (15,538)	\$ 102,614	\$ 15,946
Fiber Optic Equipment Amount of Issue - \$22,540 Maturing Through December 2017	1.00%	\$4,418 - \$4,598	\$ 13,524	\$ (4,508)	\$ 9,016	\$ 4,553
2014 GMC 2500 Truck - Equipment Fund Amount of Issue - \$29,366 Maturing Through September 2019	2.85%	\$5,548 - \$6,208	\$ 23,818	\$ (5,706)	\$ 18,112	\$ 5,868
Police Vehicle: 2015 Dodge Charger Amount of Issue - \$30,000 Maturing Through February 2019	2.13%	\$7,226 - \$7,752	\$ 30,000	\$ (7,279)	\$ 22,721	\$ 7,432
Equipment: Gehl Skid Steer Amount of Issue - \$34,045 Maturing Through July 2019	2.85%	\$6,432 - \$7,096	\$ 34,045	\$ (6,432)	\$ 27,613	\$ 6,615
Equipment: 2016 Ford Explorer Amount of Issue - \$36,815 Maturing Through May 2020	1.75%	\$8,966 - \$9,444	\$ -	\$ 36,815	\$ 36,815	\$ 8,966
Equipment: Street Sweeper Amount of Issue - \$82,000 Maturing Through September 2019	4.00%	\$19,933 - \$21,072	\$ -	\$ 82,000	\$ 82,000	\$ 19,933
Downtown Development Authority Obligations DDA Dumpster Enclosure Amount of Issue - \$15,850 Maturing Through October 2018	2.35%	\$5,161 - \$5,406	\$ -	\$ 15,850	\$ 15,850	\$ 5,161
DDA Infrastructure Removal - Old Fire Hall Amount of Issue - \$50,000 Maturing Through October 2017	2.50%	\$8,986 - \$41,014	\$ 31,014	\$ (10,000)	\$ 21,014	\$ 10,000
Total Governmental Activities			<u>\$ 383,158</u>	<u>\$ 50,612</u>	<u>\$ 433,770</u>	<u>\$ 119,956</u>
Business-type Activities:						
General Obligation Bonds & Contracts						
1996 Water Supply System Improvement Bond Amount of Issue - \$995,000 Maturing through 2015	3.80% - 6.00%	\$25,000 - \$85,000	\$ 85,000	\$ (85,000)	\$ -	\$ -
2007 Revolving Drinking Water Bonds Amount of Issue - \$2,090,000 Maturing through 2028	2.13%	\$85,000 - \$115,000	\$ 1,512,694	\$ (90,000)	\$ 1,422,694	\$ 95,000
2011 Lapeer Co. Refunding Bonds Amount of Issue - \$1,180,000 Maturing through 2022	2.00% 3.50%	\$90,000 - \$130,000	\$ 900,000	\$ (100,000)	\$ 800,000	\$ 100,000
2014 Lapeer Co. General Obligation Bond Amount of Issue - \$650,000 Maturing through 2027	2.61%	\$25,000 - \$75,000	\$ 650,000	\$ (25,000)	\$ 625,000	\$ 25,000
Lapeer Co. Lift Station Bonds Amount of Issue - \$465,000 Maturing through 2024	3.50% 4.00%	\$25,000 - \$50,000	\$ 410,000	\$ (30,000)	\$ 380,000	\$ 35,000
Total Business-type Activities			<u>\$ 3,557,694</u>	<u>\$ (330,000)</u>	<u>\$ 3,227,694</u>	<u>\$ 255,000</u>
Total			<u>\$ 3,940,852</u>	<u>\$ (279,388)</u>	<u>\$ 3,661,464</u>	<u>\$ 374,956</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

6. Long-Term Debt - Continued

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

Year(s) Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 119,956	\$ 10,745	\$ 130,701	\$ 255,000	\$ 88,053	\$ 343,053
2018	107,212	7,915	115,127	285,000	81,156	366,156
2019	93,975	5,296	99,271	300,000	73,256	373,256
2020	76,537	2,944	79,481	300,000	63,906	363,906
2021	17,806	1,010	18,816	310,000	54,556	364,556
2022-2026	18,311	510	18,821	1,335,000	135,939	1,470,939
2027-2029	-	-	-	442,694	13,736	456,430
Total	\$ 433,797	\$ 28,420	\$ 462,217	\$ 3,227,694	\$ 510,602	\$ 3,738,296

7. Retirement System - MERS Operated

Plan Description - The Village participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee Defined Benefit Pension Plan (the "Plan") that covers eligible employees of the Village. The Plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. 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. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits Provided - Benefits provided include Plans with a multipliers between 1.00% and 2.25% depending on the department. Vesting periods are between six and ten years depending on the department. Normal retirement age is 60 with early retirement at 50 with 25 years of service. Final average compensation is calculated based on three or five years depending on the department. Member contributions range from 0% to 4.57% depending on the department.

Employees Covered by Benefit Terms - at the December 31, 2015 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	7
Inactive employees entitled to, but not	
yet receiving benefits	3
Active employees	11
	<u>21</u>

Contributions - The employer is required to contribute amounts at least equally to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. 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 4.57%, 2.00% and 2.00%. The Village makes a contribution of 11.99%, 12.54% and 31.79% to the Police, Waste Water Treatment, and DPW departments.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

7. Retirement System - MERS Operated - Continued

Net Pension Liability - the employer's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2015 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) inflation 2.5%; 2) Salary increases 3.75% in the long-term; 3) Investment rate of return 7.75%, net of investment expense including inflation.

Mortality rates used were based on the RP-2014 Mortality Tables of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	57.5%	5.02%
Global fixed income	20.0%	2.18%
Real assets	12.5%	4.23%
Diversifying strategies	10.0%	6.56%
	100.0%	

Discount Rate - The discount rate used to measure the total pension liability is 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

7. Retirement System - MERS Operated - Continued

The schedule of changes in net position liability is as follows:

Total Pension Liability	
Service Cost	\$ 43,334
Interest on the total pension liability	261,799
Benefit payments and refunds	(145,007)
Net change in total pension liability	160,126
Total pension liability - beginning	2,592,690
Total pension liability - ending (a)	\$ 2,752,816
Plan Fiduciary Net Position	
Employer contributions	70,919
Employee contributions	19,476
Pension plan net investment income	98,412
Benefit payments and refunds	(145,007)
Pension plan administrative expense	-
Net change in plan fiduciary net position	43,800
Plan fiduciary net position - beginning	1,997,817
Plan fiduciary net position - ending (b)	2,041,617
Net pension liability (a-b)	\$ 711,199
Plan fiduciary net position as a percentage of total pension liability	74.16%
Covered employee payroll	575,586
Net pension liability as a percentage of covered employee payroll	123.56%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the employer, calculated using the discount rate of 8.00%, as well as that the employer's net pension liability would be using a discount rate that is 1% point lower (7.00%) or 1% higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 1,058,006	\$ 711,199	\$ 422,247

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

7. Retirement System - MERS Operated - Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended June 30, 2016, the employer recognized pension expense of \$75,513. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 73,209
Contributions subsequent to the measurement date*	54,060
Total	\$ 127,269

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2017.

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

Year Ended,		
2017	\$	18,302
2018		18,302
2019		18,302
2020		18,303
	\$	73,209

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

NONE

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.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2016

10. Deferred Compensation Plan

The Village offers its employees a Deferred Compensation Plan (the “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 there 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, 2016, were \$14,820.

11. Other Post-employment Benefits

Plan Description - The Village provides retiree healthcare benefits (the “Plan”) to eligible employees and their spouses. As of June 30, 2016, the Plan has eight active and four retired members.

This is a Single Employer Defined Benefit Plan administered by the Village. Benefits are provided under collective bargaining agreements for employees hired before June 1, 2013. Employees hired after June 1, 2013 are under a hybrid Plan. The Plans do not issue separate stand-alone financial statements. Administrative costs are paid by the Plans 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, 2016, 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, 2016

11. Other Post-employment Benefits - Continued

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

	Post-Retirement Healthcare Plan
Annual Required Contribution (ARC)	\$ 174,901
Interest on the Prior Year's Net OPEB Obligation	16,515
Less Adjustment to the Annual Required Contribution (ARC)	(16,939)
Annual OPEB Cost	174,477
Amounts Contributed - Current Premiums and Advance Funding	50,056
Increase in Net OPEB Obligation	124,421
OPEB Obligation - Beginning of Year	508,166
OPEB Obligation - End of Year	\$ 632,587

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:

Fiscal Year Ended	Annual OPEB Costs	Percentage OPEB Costs Contributed	Net OPEB Obligation
6/30/2014	\$ 148,390	18.51%	\$ 387,573
6/30/2015	\$ 159,993	24.42%	\$ 508,489
6/30/2016	\$ 174,901	28.62%	\$ 632,588

The fund progress of the Plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
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, 2016

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, 2016, was 30 years.

12. Subsequent Events

As of July 28, 2016, there were no subsequent events which have a material effect on the financial statements.

13. New Accounting Standards

The Governmental Accounting Standards Board (GASB) issued the following statement that could have an impact on the Township's financial statements when adopted. The Village is currently evaluating the implications of the pronouncements.

GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefit Plan Other Than Pension Plans*, was issued in June 2015 and will become effective for the Village's June 30, 2018 fiscal year. The statement requires governments providing defined benefit plans to report the net OPEB liability in their statement of net position. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets accumulated in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries.

The implementation of this new accounting standard resulted in a prior period adjustment in the Government Wide Financial Statements, governmental activities, to book a liability of \$669,223 for the net pension liability at the beginning of the fiscal year being audited.

Required Supplemental Information

Village of Almont

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

For The Fiscal Year Ended June 30, 2016

<u>Revenues</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Taxes				
Current Property Tax	\$ 801,435	\$ 833,675	\$ 717,199	\$ (116,476)
State-Shared Revenues	257,372	257,372	245,230	(12,142)
Licenses, Permits & Fees				
Tax Fees, Penalties & Interest	12,014	14,850	14,718	(132)
Liquor Licenses	2,250	2,300	2,298	(2)
Zoning Permits & Site Plan Review	3,000	3,000	2,366	(634)
Police Fines & District Court Fees	8,100	8,100	9,035	935
Franchise Fees	34,000	37,270	37,655	385
Total Licenses, Permits & Fees	59,364	65,520	66,073	553
Charges for Services				
Trash Collection	127,000	131,300	131,308	8
Live Scan	800	1,300	1,259	(41)
Police Contract	302,555	302,555	302,551	(4)
Total Charges for Services	430,355	435,155	435,118	(37)
Miscellaneous Revenues				
Refunds & Reimbursements	42,500	43,300	39,602	(3,698)
Miscellaneous	3,400	10,610	10,760	150
Donations/Homecoming	8,000	8,000	7,310	(690)
Cellular Land Lease	24,100	24,100	24,531	431
Total Miscellaneous Revenues	78,000	86,010	82,202	(3,808)
Interest Earnings	800	1,075	1,114	39
Total Revenues	\$ 1,627,326	\$ 1,678,807	\$ 1,546,935	\$ (131,872)

Village of Almont

Required Supplemental Information
Budgetary Comparison Schedule
General Fund - *Continued*
For The Fiscal Year Ended June 30, 2016

<u>Expenditures</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
General Government				
Legislative	\$ 8,200	\$ 6,986	\$ 6,365	\$ 621
Executive	85,700	153,071	150,065	3,006
General Administration	123,544	126,369	122,503	3,866
Central Municipal Activities	<u>167,653</u>	<u>182,080</u>	<u>75,277</u>	<u>106,803</u>
Total General Government	<u>385,097</u>	<u>468,506</u>	<u>354,210</u>	<u>114,296</u>
Public Safety				
Police Department	731,899	723,091	722,779	312
Planning & Zoning	<u>7,290</u>	<u>5,315</u>	<u>5,032</u>	<u>284</u>
Total Public Safety	<u>739,189</u>	<u>728,406</u>	<u>727,811</u>	<u>595</u>
Public Works				
Department of Public Works	154,214	163,950	135,471	28,479
Street Lighting	47,000	47,000	37,172	9,828
Sanitation	<u>123,700</u>	<u>123,700</u>	<u>103,649</u>	<u>20,051</u>
Total Public Works	<u>324,914</u>	<u>334,650</u>	<u>276,293</u>	<u>58,357</u>
Capital Outlay	-	-	-	-
Debt Service-Principal	4,515	4,515	4,509	6
Debt Service-Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,453,715</u>	<u>1,536,077</u>	<u>1,362,823</u>	<u>173,254</u>
Excess of Revenues Over (Under) Expenditure	173,611	142,730	184,113	41,383
Other Financing Sources (Uses)				
Transfers In (Out)	<u>(89,536)</u>	<u>(81,036)</u>	<u>(79,775)</u>	<u>1,261</u>
Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses	84,075	61,694	104,337	42,643
Fund Balance - Beginning of Year	<u>604,431</u>	<u>604,431</u>	<u>604,431</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 688,506</u>	<u>\$ 666,125</u>	<u>\$ 708,768</u>	<u>\$ 42,643</u>

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Special Revenue Fund - Major Streets
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Intergovernmental Revenues	\$ 113,000	\$ 118,500	\$ 119,747	\$ 1,247
State Trunk Line Maintenance	11,000	7,815	7,811	(4)
Interest Income	50	80	76	(4)
Other Revenues	-	600	569	(31)
<u>Total Revenues</u>	124,050	126,995	128,203	1,208
<u>Expenditures</u>				
Salaries, Wages & Fringes	30,395	45,044	28,430	16,614
Professional Fees	525	473	473	1
Equipment Rental	27,000	27,200	27,192	8
Insurance	2,100	2,170	2,101	69
Sidewalks & Curbs	6,000	6,000	61	5,939
Winter Maintenance - Salt	3,500	3,500	3,014	486
Other Street Expenditures	11,800	12,170	8,879	3,291
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	81,320	96,557	70,149	26,408
Excess of Revenues Over (Under) Expenditures	42,730	30,438	58,055	27,617
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(39,000)	(39,000)	(39,000)	-
Net Change in Fund Balance	3,730	(8,562)	19,055	27,617
<u>Fund Balance - Beginning of Year</u>	119,418	119,418	119,418	-
<u>Fund Balance - End of Year</u>	\$ 123,148	\$ 110,856	\$ 138,472	\$ 27,617

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Special Revenue Fund - Downtown Development Authority
 For The Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Property Taxes	\$ 152,983	\$ 152,983	\$ 167,353	\$ 14,370
Interest Earnings	60	60	120	60
Other Revenues	-	-	50	50
<u>Total Revenues</u>	<u>153,043</u>	<u>153,043</u>	<u>167,523</u>	<u>14,480</u>
<u>Expenditures</u>				
Administration	37,800	37,800	35,632	2,168
Promotion - Business	7,500	7,500	7,331	169
Downtown Maintenance	66,070	60,800	42,254	18,546
Professional Fees	5,500	5,500	4,613	888
Grant Project	20,100	20,100	6,738	13,363
Debt Service - Principal	25,000	25,000	10,000	15,000
Debt Service - Interest	3,500	3,500	865	2,635
<u>Total Expenditures</u>	<u>165,470</u>	<u>160,200</u>	<u>107,431</u>	<u>52,769</u>
Excess of Revenues Over (Under) Expenditures	(12,427)	(7,157)	60,092	67,249
<u>Other Financing Sources (Uses)</u>				
Loan Proceeds	-	-	15,850	15,850
Grant Proceeds	-	-	6,700	6,700
Net Change in Fund Balances	(12,427)	(7,157)	82,642	89,799
<u>Fund Balance - Beginning of Year</u>	<u>159,161</u>	<u>159,161</u>	<u>159,161</u>	<u>-</u>
<u>Fund Balance - End of Year</u>	<u>\$ 146,734</u>	<u>\$ 152,004</u>	<u>\$ 241,803</u>	<u>\$ 89,799</u>

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Debt Service Fund - Water Tower
 For The Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Property Taxes	\$ 123,126	\$ 126,300	\$ 126,292	\$ (8)
Interest Earnings	25	50	52	2
<u>Total Revenues</u>	<u>123,151</u>	<u>126,350</u>	<u>126,343</u>	<u>(7)</u>
<u>Expenditures</u>				
Public Works	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	123,151	126,350	126,343	(7)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(121,188)	(125,250)	(121,188)	4,061
Net Change in Fund Balance	1,963	1,100	5,155	4,054
<u>Fund Balance - Beginning of Year</u>	<u>47,981</u>	<u>47,981</u>	<u>47,981</u>	<u>-</u>
<u>Fund Balance - End of Year</u>	<u>\$ 49,944</u>	<u>\$ 49,081</u>	<u>\$ 53,136</u>	<u>\$ 4,054</u>

Village of Almont

Required Supplemental Information
 Budgetary Comparison Schedule
 Major Debt Service Fund - Water System Improvement
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Property Taxes	\$ 62,525	\$ 66,275	\$ 66,233	\$ (42)
Interest Earnings	15	2	-	(2)
<u>Total Revenues</u>	62,540	66,277	66,233	(44)
<u>Expenditures</u>				
Debt Service - Principal	85,000	85,000	85,000	-
Debt Service - Interest	2,550	2,550	2,550	-
<u>Total Expenditures</u>	87,550	87,550	87,550	-
Excess of Revenues Over (Under) Expenditures	(25,010)	(21,273)	(21,317)	(44)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	-	-	-
Net Change in Fund Balance	(25,010)	(21,273)	(21,317)	(44)
<u>Fund Balance - Beginning of Year</u>	26,053	26,053	26,053	-
<u>Fund Balance - End of Year</u>	\$ 1,043	\$ 4,780	\$ 4,736	\$ (44)

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Debt Service Fund - W.W.T.P. Improvement Project
 For The Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Amended Budget
<u>Revenues</u>				
User Fees	\$ 122,400	\$ 131,400	\$ 127,368	\$ (4,032)
Penalties	1,800	1,800	1,753	(47)
Interest Earnings	40	40	36	(4)
<u>Total Revenues</u>	<u>124,240</u>	<u>133,240</u>	<u>129,158</u>	<u>(4,082)</u>
<u>Expenditures</u>				
Paying Agent Fees & Other	-	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	124,240	133,240	129,158	(4,082)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(132,750)	(132,750)	(131,219)	1,531
Net Change in Fund Balance	(8,510)	490	(2,060)	(2,550)
<u>Fund Balance - Beginning of Year</u>	<u>94,199</u>	<u>94,199</u>	<u>94,199</u>	<u>-</u>
<u>Fund Balance - End of Year</u>	<u>\$ 85,689</u>	<u>\$ 94,689</u>	<u>\$ 92,138</u>	<u>\$ (2,550)</u>

Other Supplemental Information

Village of Almont
 Required Supplemental Information
 Municipal Employees Retirement System of Michigan
 Schedule of Employer Contributions
 For The Fiscal Year Ended June 30, 2016

Actuarial Valuation Date	Annual Determined Contribution	Actual Contribution	Contribution Excess (Deficiency)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2006	\$ 42,050	\$ 42,050	\$ -	\$ 622,967	6.75%
12/31/2007	45,746	45,746	-	650,827	7.03%
12/31/2008	51,155	51,155	-	707,469	7.23%
12/31/2009	56,288	56,288	-	693,226	8.12%
12/31/2010	60,404	60,404	-	756,251	7.99%
12/31/2011	55,893	55,893	-	621,157	9.00%
12/31/2012	55,653	55,653	-	651,777	8.54%
12/31/2013	57,525	57,525	-	594,290	9.68%
12/31/2014	64,872	64,872	-	606,507	10.70%
12/31/2015	70,919	70,919	-	504,281	14.06%

Note: Actuarially determined contribution amounts are calculated as of December 31 each year, which is six months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contributions Rates:

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	23
Asset valuation method	10-year smoothed value of assets
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	60
Mortality	RP-2014 Mortality Tables of 50% male and 50% female blend

Village of Almont
 Required Supplemental Information
 Municipal Employees Retirement System of Michigan
 Schedule of Changes in Net Pension Liability and Related Ratios
 For The Fiscal Year Ended June 30, 2016

Total Pension Liability	
Service Cost	\$ 43,334
Interest on the total pension liability	261,799
Benefit payments and refunds	(145,007)
	<hr/>
Net change in total pension liability	160,126
Total pension liability - beginning	2,592,690
	<hr/>
Total pension liability - ending (a)	\$ 2,752,816
	<hr/> <hr/>
Plan Fiduciary Net Position	
Employer contributions	\$ 70,919
Employee contributions	19,476
Pension plan net investment income	98,412
Benefit payments and refunds	(145,007)
Pension plan administrative expense	-
	<hr/>
Net change in plan fiduciary net position	43,800
Plan fiduciary net position - beginning	1,997,817
	<hr/>
Plan fiduciary net position - ending (b)	2,041,617
	<hr/> <hr/>
Net pension liability (a-b)	\$ 711,199
	<hr/> <hr/>
Plan fiduciary net position as a percentage of total pension liability	74.16%
Covered employee payroll	\$ 575,586
Net pension liability as a percentage of covered employee payroll	123.56%

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2016 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

Village of Almont
 Required Supplemental Information
 Municipal Employees Retirement System of Michigan
 Schedule of Employers' Net Pension Liability
 For The Fiscal Year Ended June 30, 2016

<u>Fiscal Year Ending June 30,</u>	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>	<u>Plan Net Position as a % of Total Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a % of Covered Payroll</u>
2016	\$ 2,752,816	\$ 2,041,617	\$ 711,199	74.16%	\$ 575,586	123.56%

Note: GASB Statement No. 68 was implemented for the fiscal year ended March 31, 2016 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

Village of Almont

Other Supplemental Information
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2016

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Local Streets Fund</u>	<u>Inspection Fund</u>	<u>Capital Project Fund</u>	<u>Parks & Recreation Fund</u>	
<u>Assets & Deferred Outflows of Resources</u>					
<u>Assets</u>					
Cash & Cash Equivalents	\$ 107,842	\$ 51,278	\$ -	\$ 53,341	\$ 212,461
Accounts Receivable	15,237	-	-	44,800	60,037
Due From Other Funds	308	-	-	27	335
<u>Total Assets</u>	<u>123,388</u>	<u>51,278</u>	<u>-</u>	<u>98,168</u>	<u>272,833</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Assets & Deferred Outflows</u>	<u>\$ 123,388</u>	<u>\$ 51,278</u>	<u>\$ -</u>	<u>\$ 98,168</u>	<u>\$ 272,833</u>
<u>Liabilities, Deferred Inflows of Resources & Fund Balances</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 12,021	\$ 17,010	\$ -	\$ 44,693	\$ 73,724
Due To Other Funds	702	2,268	-	30,568	33,537
<u>Total Liabilities</u>	<u>12,723</u>	<u>19,278</u>	<u>-</u>	<u>75,261</u>	<u>107,261</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted For:					
Highways	110,665	-	-	-	110,665
Building Inspections	-	32,000	-	-	32,000
Public Works	-	-	-	-	-
Recreation & Culture	-	-	-	22,907	22,907
<u>Total Liabilities, Deferred Inflows & Fund Balances</u>	<u>\$ 123,388</u>	<u>\$ 51,278</u>	<u>\$ -</u>	<u>\$ 98,168</u>	<u>\$ 272,833</u>

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, 2016

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Local Streets Fund</u>	<u>Inspection Fund</u>	<u>Capital Project Fund</u>	<u>Park & Recreation Fund</u>	
<u>Revenues</u>					
Intergovernmental Revenues	\$ 85,552	\$ -	\$ -	\$ 10,000	\$ 95,552
Licenses, Fees & Permits	-	85,368	-	-	85,368
Interest Earnings	52	25	-	48	125
Other Revenues	2	52	-	5,000	5,054
<u>Total Revenues</u>	<u>85,607</u>	<u>85,444</u>	<u>-</u>	<u>15,048</u>	<u>186,099</u>
<u>Expenditures</u>					
Public Safety	-	85,876	-	-	85,876
Public Works	64,931	-	-	-	64,931
Recreation & Culture	-	-	-	16,567	16,567
Capital Outlay	27,846	-	-	72,800	100,646
Debt Service - Principal	15,538	-	-	-	15,538
Debt Service - Interest	3,277	-	-	-	3,277
<u>Total Expenditures</u>	<u>111,593</u>	<u>85,876</u>	<u>-</u>	<u>89,367</u>	<u>286,835</u>
Excess of Revenues Over (Under)					
Expenditures	(25,986)	(431)	-	(74,319)	(100,736)
<u>Other Financing Sources (Uses)</u>					
Grant Proceeds	-	-	-	44,800	44,800
Transfers In (Out)	39,000	-	(180)	10,000	48,820
Net Change in Fund Balances	13,014	(431)	(180)	(19,519)	(7,116)
<u>Fund Balances - Beginning of Year</u>	<u>97,651</u>	<u>32,432</u>	<u>180</u>	<u>42,426</u>	<u>172,688</u>
<u>Fund Balances - End of Year</u>	<u>\$ 110,665</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 22,907</u>	<u>\$ 165,572</u>

Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness
 June 30, 2016

Business-Type Activities General Obligation Bonds & Contracts

Lapeer County Revolving Drinking Water Bonds
Water Tower Project

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
4.500%	10/1/2015	\$ -	\$ 90,000	\$ -
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 Bond</u>		<u>\$ 1,422,694</u>	<u>\$ 1,512,694</u>	<u>\$ 207,054</u>

Lapeer County General Obligation Limited Tax Bond
Pump Station

Dated: November 6, 2014
 Original Issue: \$650,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
2.610%	11/6/2015	\$ -	\$ 25,000	\$ -
2.610%	11/6/2016	25,000	25,000	16,313
2.610%	11/6/2017	50,000	50,000	15,660
2.610%	11/6/2018	50,000	50,000	14,355
2.610%	11/6/2019	50,000	50,000	13,050
2.610%	11/6/2020	50,000	50,000	11,745
2.610%	11/6/2021	50,000	50,000	10,440
2.610%	11/6/2022	50,000	50,000	9,135
2.610%	11/6/2023	75,000	75,000	7,830
2.610%	11/6/2024	75,000	75,000	5,873
2.610%	11/6/2025	75,000	75,000	3,915
2.610%	11/6/2026	75,000	75,000	1,958
<u>Total General Obligation Bond</u>		<u>\$ 625,000</u>	<u>\$ 650,000</u>	<u>\$ 110,274</u>

Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness - *Continued*
 June 30, 2016

**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>2016</u>	<u>2015</u>	
6.0%	10/1/2015	\$ -	\$ 85,000	\$ -
<u>Total Water Supply System Improv. Bonds</u>		<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ -</u>

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

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
3.000%	12/1/2015	\$ -	\$ 100,000	\$ -
3.000%	12/1/2016	100,000	100,000	28,519
3.000%	12/1/2017	105,000	105,000	25,519
4.000%	12/1/2018	110,000	110,000	22,369
4.000%	12/1/2019	110,000	110,000	17,969
4.000%	12/1/2020	120,000	120,000	13,569
3.375%	12/1/2021	125,000	125,000	8,769
3.500%	12/1/2022	130,000	130,000	4,550
<u>Total Refunding Bonds</u>		<u>\$ 800,000</u>	<u>\$ 900,000</u>	<u>\$ 121,263</u>

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

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
3.500%	10/1/2015	\$ -	\$ 30,000	\$ -
3.500%	10/1/2016	35,000	35,000	13,998
3.500%	10/1/2017	35,000	35,000	12,773
3.800%	10/1/2018	40,000	40,000	11,400
3.800%	10/1/2019	40,000	40,000	9,880
3.800%	10/1/2020	40,000	40,000	8,360
4.000%	10/1/2021	45,000	45,000	6,700
4.000%	10/1/2022	45,000	45,000	4,900
4.000%	10/1/2023	50,000	50,000	3,000
4.000%	10/1/2024	50,000	50,000	1,000
<u>Total Lift Station Bonds</u>		<u>\$ 380,000</u>	<u>\$ 410,000</u>	<u>\$ 72,011</u>

<u>Total Business-type Activities Long-Term Debt</u>	<u>\$ 3,227,694</u>	<u>\$ 3,557,694</u>	<u>\$ 510,602</u>
--	---------------------	---------------------	-------------------

Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness - *Continued*
 June 30, 2016

Governmental Activities General Obligation Bonds & Contracts

Installment Purchase Contract Payable
Police Vehicle: 2012 Dodge Charger

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
1.85%	5/2/2016	\$ -	\$ 7,320	\$ -
1.85%	5/2/2017	7,435	7,435	138
<u>Total Installment Purchase Contract</u>		<u>\$ 7,435</u>	<u>\$ 14,755</u>	<u>\$ 138</u>

Installment Purchase Contract Payable
Police Vehicle: Chevy Tahoe

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
1.85%	5/31/2016	\$ -	\$ 8,324	\$ -
1.85%	5/31/2017	8,478	8,478	156
<u>Total Installment Purchase Contract</u>		<u>\$ 8,478</u>	<u>\$ 16,802</u>	<u>\$ 156</u>

Installment Purchase Contract Payable
Equipment: 2000 Sterling Vector Truck

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
3.16%	5/2/2016	\$ -	\$ 18,946	\$ -
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	21,500	21,500	689
<u>Total Installment Purchase Contract</u>		<u>\$ 82,102</u>	<u>\$ 101,048</u>	<u>\$ 6,660</u>

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

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
2.75%	10/16/2015	\$ -	\$ 10,000	\$ -
2.95%	10/16/2016	10,000	10,000	620
2.95%	10/16/2017	11,014	11,014	325
<u>Total Installment Purchase Contract</u>		<u>\$ 21,014</u>	<u>\$ 31,014</u>	<u>\$ 945</u>

Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness - *Continued*
 June 30, 2016

Tri-County Bank
Cherry Street Bridge

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

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		June 30, 2016	2015	
2.75%	10/5/2015	\$ -	\$ 15,538	\$ -
2.75%	10/5/2016	15,946	15,946	2,870
2.75%	10/5/2017	16,398	16,398	2,417
2.75%	10/5/2018	16,855	16,855	1,960
2.75%	10/5/2019	17,325	17,325	1,490
2.75%	10/5/2020	17,806	17,806	1,010
2.75%	10/5/2021	18,284	18,284	510
<u>Total Cherry Street Bridge</u>		<u>\$ 102,614</u>	<u>\$ 118,152</u>	<u>\$ 10,256</u>

Tri-County Bank
Police Vehicle - 2016 Ford Explorer

Dated: May 31, 2016
 Original Issue: \$36,815

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		June 30, 2016	2015	
1.75%	5/31/2017	\$ 8,966	\$ -	\$ 644
1.75%	5/31/2018	9,123	-	488
1.75%	5/31/2019	9,282	-	328
1.75%	5/31/2020	9,444	-	165
<u>Total Dump Truck</u>		<u>\$ 36,815</u>	<u>\$ -</u>	<u>\$ 1,625</u>

Tri-County Bank
Fiber Optic Equipment

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

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		June 30, 2016	2015	
0.00%	12/10/2015	\$ -	\$ 4,508	\$ -
0.00%	12/10/2016	4,553	4,553	-
0.00%	12/10/2017	4,463	4,463	-
<u>Total Fiber Optic Equipment</u>		<u>\$ 9,016</u>	<u>\$ 13,524</u>	<u>\$ -</u>

Tri-County Bank
DPW Equipment - Street Sweeper

Dated: September 24, 2015
 Original Issue: \$82,000

Interest Rate	Date of Maturity	Principal Outstanding		Remaining Annual Interest Payable
		June 30, 2016	2015	
4.00%	9/24/2016	\$ 19,933	\$ -	\$ 1,537
4.00%	9/24/2017	20,307	-	1,164
4.00%	9/24/2018	20,688	-	783
4.00%	9/24/2019	21,072	-	395
<u>Total Street Sweeper</u>		<u>\$ 82,000</u>	<u>\$ -</u>	<u>\$ 3,879</u>

Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness - *Continued*
 June 30, 2016

Tri-County Bank
DDA - Building Construction

Dated: October 2, 2015
 Original Issue: \$15,850

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
2.35%	10/7/2016	\$ 5,161	\$ -	\$ 372
2.35%	10/7/2017	5,283	-	251
2.35%	10/7/2018	5,406	-	127
<u>Total Installment Purchase</u>		<u>\$ 15,850</u>	<u>\$ -</u>	<u>\$ 750</u>

Tri-County Bank
Equipment - 2014 GMC 2500 HD Truck

Dated: February 13, 2014
 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>2016</u>	<u>2015</u>	
2.85%	2/13/2016	\$ -	\$ 5,706	\$ -
2.85%	2/13/2017	5,868	5,868	516
2.85%	2/13/2018	6,036	6,036	349
2.85%	2/13/2019	6,208	6,208	177
<u>Total Installment Purchase</u>		<u>\$ 18,112</u>	<u>\$ 23,818</u>	<u>\$ 1,042</u>

Tri-County Bank
Equipment - Gehl Skid Steer

Dated: 8/11/2014
 Original Issue: \$34,045

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
2.85%	7/24/2015	\$ -	\$ 6,432	\$ -
2.85%	7/24/2016	6,615	6,615	787
2.85%	7/24/2017	6,804	6,804	598
2.85%	7/24/2018	6,998	6,998	405
2.85%	7/24/2019	7,196	7,196	205
<u>Total Installment Purchase</u>		<u>\$ 27,613</u>	<u>\$ 34,045</u>	<u>\$ 1,995</u>

Tri-County Bank
Police Vehicle: 2015 Dodge Charger

Dated: February 12, 2015
 Original Issue: \$30,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2016</u>	<u>2015</u>	
2.13%	2/13/2015	\$ -	\$ 7,279	\$ -
2.13%	2/13/2016	7,432	7,432	484
2.13%	2/13/2017	7,590	7,590	326
2.13%	2/13/2018	7,699	7,699	164
<u>Total Installment Purchase</u>		<u>\$ 22,721</u>	<u>\$ 30,000</u>	<u>\$ 974</u>
<u>Total Governmental Activities Long-Term Debt</u>		<u>\$ 433,770</u>	<u>\$ 383,158</u>	<u>\$ 28,420</u>

KING & KING CPAs LLC

Lehn L. King, C.P.A.

Ryan L. King, C.P.A.

3531 MAIN STREET
MARLETTE, MI 48453
Phone 989-635-3113
Fax 989-635-5580

www.kingandkingcpas.com

1814 S. CEDAR STREET
IMLAY CITY, MI 48444
Phone 810-724-1120
Fax 810-519-1332

July 28, 2016

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, 2016, 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, nor should it be used by anyone other than these specified parties.

Sincerely,

Lehn King

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

KING & KING CPAs LLC

Lehn L. King, C.P.A.

Ryan L. King, C.P.A.

3531 MAIN STREET
MARLETTE, MI 48453
Phone 989-635-3113
Fax 989-635-5580

www.kingandkingcpas.com

1814 S. CEDAR STREET
IMLAY CITY, MI 48444
Phone 810-724-1120
Fax 810-519-1332

July 28, 2016

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, 2016, and have issued our report thereon dated July 28, 2016. 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, 2016. 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

Lehn L. King, C.P.A.

Ryan L. King, C.P.A.

3531 MAIN STREET
MARLETTE, MI 48453
Phone 989-635-3113
Fax 989-635-5580

www.kingandkingcpas.com

1814 S. CEDAR STREET
IMLAY CITY, MI 48444
Phone 810-724-1120
Fax 810-519-1332

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 July 28, 2016.

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" in 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, nor should it be used by anyone other than these specified parties.

Sincerely,

Lehn King

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