

Village of Almont

Lapeer County, Michigan

Audited Financial Report
June 30, 2015

KING & KING CPAs LLC

Marlette - Imlay City - North Branch
Michigan

Village of Almont
Annual Financial Report
For The Fiscal Year Ended June 30, 2015

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Independent Auditor's Report

Honorable Village Council
Village of Almont
Lapeer County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the **Village of Almont**, Michigan as of and for the fiscal year ended June 30, 2015, 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, 2015, and the respective changes in financial position for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and major fund budgetary comparison schedule, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Village of Almont**, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the basic financial statements as a whole.

Lehn King

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

August 17, 2015

Village of Almont

Statement of Net Position

June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash & Cash Equivalents	\$ 1,215,499	\$ 444,938	\$ 1,660,437
Accounts Receivable	129,437	252,828	382,265
Grant Receivable	-	-	-
Prepaid Expenses	14,734	10,194	24,928
Due From Other Funds (Net)	86,905	-	86,905
Capital Assets			
Nondepreciable Capital Assets	357,000	37,849	394,849
Depreciable Capital Assets	2,134,502	8,961,379	11,095,881
<u>Total Assets</u>	<u>3,938,077</u>	<u>9,707,188</u>	<u>13,645,265</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>			
Accounts Payable	56,654	42,840	99,495
Deferred Revenue	6,335	86,721	93,056
Accrued Interest Payable	1,936	24,072	26,008
Current Portion of Long-Term Debt	168,991	245,000	413,991
Noncurrent Liabilities:			
Net Retiree Healthcare Obligation	508,166	-	508,166
Long-Term Debt	299,179	3,227,694	3,526,873
<u>Total Liabilities</u>	<u>1,041,261</u>	<u>3,626,327</u>	<u>4,667,588</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Position</u>			
Invested in Capital Assets - Net of Related Debt	1,513,230	5,502,462	7,015,691
Nonspendable	6,803	10,194	16,997
Restricted:			
Restricted for Debt Service	168,233	-	168,233
Restricted for Other Uses	433,976	-	433,976
Unrestricted	774,574	568,205	1,342,779
<u>Total Net Position</u>	<u>\$ 2,896,816</u>	<u>\$ 6,080,861</u>	<u>\$ 8,977,677</u>

The notes are an integral part of the statements.

Village of Almont
Statement of Activities
For The Fiscal Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Totals
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 562,136	\$ 154,385	\$ -	\$ -	\$ (407,751)	\$ -	\$ (407,751)
Public Safety	785,473	405,965	-	-	(379,508)	-	(379,508)
Public Works	580,437	235,956	193,334	-	(151,147)	-	(151,147)
Recreation & Culture	16,714	-	17,884	-	1,170	-	1,170
Interest on Long-Term Debt	17,651	-	-	-	(17,651)	-	(17,651)
Total Governmental Activities	1,962,411	796,307	211,218	-	(954,887)	-	(954,887)
Business-type Activities	1,192,682	1,104,301	-	-	-	(88,381)	(88,381)
Interest on Long-Term Debt	94,541	-	-	-	-	(94,541)	(94,541)
Total Business-type Activities	1,287,224	1,104,301	-	-	-	(182,923)	(182,923)
Total Primary Government	\$ 3,249,635	\$ 1,900,608	\$ 211,218	\$ -	\$ (954,887)	\$ (182,923)	\$ (1,137,810)
General Revenues:							
Property Taxes					\$ 1,015,940	\$ -	\$ 1,015,940
State Shared Revenues					247,586	-	247,586
Interest					1,824	247	2,071
Other Revenues					144,162	-	144,162
Transfers					(282,091)	282,091	-
Total General Revenues, Special Items & Transfers					1,127,421	282,337	1,409,758
Change in Net Position					172,534	99,415	271,949
Net Position - Beginning of Year					2,724,282	5,981,446	8,705,728
Net Position - End of Year					\$ 2,896,816	\$ 6,080,861	\$ 8,977,677

The notes are an integral part of the statements.

Village of Almont

Governmental Funds

Balance Sheet

June 30, 2015

	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	\$ 375,390	\$ 103,827	\$ 160,577	\$ 47,399	\$ 25,433	\$ 65,848	\$ 283,618	\$ 1,062,091
Accounts Receivable	68,348	18,217	-	583	621	28,351	11,693	127,812
Grant Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	5,632	1,171	-	-	-	-	-	6,803
Due From Other Funds	198,575	1,401	-	-	-	-	12,975	212,952
Total Assets	647,946	124,616	160,577	47,981	26,053	94,199	308,286	1,409,658
<u>Deferred Outflows of Resources</u>								
Total Assets & Deferred Outflows	\$ 647,946	\$ 124,616	\$ 160,577	\$ 47,981	\$ 26,053	\$ 94,199	\$ 308,286	\$ 1,409,658
<u>Liabilities, Deferred Inflows of Resources & Fund Equity</u>								
<u>Liabilities</u>								
Accounts Payable	\$ 35,930	\$ 4,278	\$ 1,416	\$ -	\$ -	\$ -	\$ 13,409	\$ 55,033
Deferred Revenue	6,335	-	-	-	-	-	-	6,335
Due To Other Funds	1,250	921	-	-	-	-	122,189	124,359
Total Liabilities	43,514	5,199	1,416	-	-	-	135,598	185,727
<u>Deferred Inflows of Resources</u>								
Total	-	-	-	-	-	-	-	-
<u>Fund Equity</u>								
Fund Balances:								
Nonspendable	5,632	1,171	-	-	-	-	-	6,803
Restricted For:								
Debt Service	-	-	-	47,981	26,053	94,199	-	168,233
Highways	-	118,247	-	-	-	-	97,651	215,897
Downtown Development	-	-	159,161	-	-	-	-	159,161
Building Inspection	-	-	-	-	-	-	32,432	32,432
Homecoming	18,555	-	-	-	-	-	-	18,555
Public Works	-	-	-	-	-	-	180	180
Parks	-	-	-	-	-	-	42,426	42,426
Committed For:								
Park	-	-	-	-	-	-	-	-
Unassigned	580,244	-	-	-	-	-	-	580,244
Total Fund Equity	604,431	119,418	159,161	47,981	26,053	94,199	172,688	1,223,931
Total Liab., Deferred Inflows & Fund Equity	\$ 647,946	\$ 124,616	\$ 160,577	\$ 47,981	\$ 26,053	\$ 94,199	\$ 308,286	\$ 1,409,658

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, 2015

Total Fund Balances for Governmental Funds and Equipment Fund	\$ 1,527,883
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	2,126,725
Long-term bonds payable are not due and payable in the current period and are not reported in the Funds	(247,691)
Other post-employment benefit obligation in Governmental Activities is not reported in the Funds	(508,166)
Accrued Interest Payable is not reported in the Funds	<u>(1,936)</u>
Net Position of Governmental Activities	<u><u>\$ 2,896,816</u></u>

Village of Almont
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2015

	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	\$ 655,431	\$ -	\$ 152,983	\$ 125,100	\$ 82,425	\$ -	\$ -	\$ 1,015,940
Intergovernmental Revenues	247,586	128,438	-	-	-	-	64,896	440,920
Licenses, Permits & Fees	67,643	-	-	-	-	-	87,415	155,058
Charges for Services	426,682	-	-	-	-	109,857	-	536,538
Interest Earnings	1,159	61	73	34	83	48	268	1,727
Other Revenues	100,439	133	330	-	-	2,282	23,647	126,831
<u>Total Revenues</u>	<u>1,498,940</u>	<u>128,632</u>	<u>153,386</u>	<u>125,135</u>	<u>82,508</u>	<u>112,187</u>	<u>176,227</u>	<u>2,277,014</u>
Expenditures								
General Government	303,197	-	-	-	-	-	-	303,197
Public Safety	698,597	-	-	-	-	-	82,882	781,479
Public Works	270,965	54,222	116,465	-	-	-	56,280	497,932
Recreation & Culture	-	-	-	-	-	-	15,418	15,418
Capital Outlay	11,645	-	-	-	-	-	-	11,645
Debt Service - Principal	4,508	-	28,715	-	80,000	-	15,080	128,303
Debt Service - Interest	-	-	1,741	-	7,500	-	3,735	12,976
<u>Total Expenditures</u>	<u>1,288,912</u>	<u>54,222</u>	<u>146,921</u>	<u>-</u>	<u>87,500</u>	<u>-</u>	<u>173,395</u>	<u>1,750,951</u>
Excess of Rev. Over (Under) Expenditures	210,028	74,409	6,464	125,135	(4,992)	112,187	2,832	526,064
Other Financing Sources (Uses)								
Transfers In (Out)	(88,956)	(39,000)	-	(123,101)	-	(129,144)	73,419	(306,782)
Net Change in Fund Balances	121,073	35,409	6,464	2,034	(4,992)	(16,957)	76,250	219,282
Fund Balances - Beginning of Year	483,359	84,008	152,696	45,948	31,045	111,156	96,438	1,004,649
Fund Balances - End of Year	<u>\$ 604,431</u>	<u>\$ 119,418</u>	<u>\$ 159,161</u>	<u>\$ 47,981</u>	<u>\$ 26,053</u>	<u>\$ 94,199</u>	<u>\$ 172,688</u>	<u>\$ 1,223,931</u>

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, 2015

Net Change in Fund Balances - Total Governmental Funds and Equipment Fund \$ 252,405

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 11,645

Repayment of Bond Principal is an Expenditure in the Governmental
Funds, but not in the Statement of Activities (where it
reduces Long-Term Debt) 128,303

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 1,200

Change in other postemployment benefit obligation is recorded
when incurred in the Statement of Activities (120,593)

Depreciation is an Expenditure for the Statement of
Activities, but is not reported in the Governmental Funds (100,426)

Net Change in Assets of Governmental Activities \$ 172,534

Village of Almont

Proprietary Funds
Statement of Net Position
June 30, 2015

	Enterprise Funds		Total Enterprise Funds	Internal Service Fund
	Sewer Fund	Water Fund		Equipment
<u>Assets</u>				
<u>Current Assets</u>				
Cash & Cash Equivalents	\$ 260,110	\$ 184,828	\$ 444,938	\$ 153,408
Accounts Receivable	145,610	107,219	252,828	1,625
Prepaid Expenses	7,308	2,886	10,194	7,931
Due From Other Funds	-	-	-	1,250
<u>Total Current Assets</u>	413,028	294,932	707,960	164,214
<u>Noncurrent Assets</u>				
Capital Assets not being Depreciated	100	37,749	37,849	-
Capital Assets being Depreciated	8,522,174	5,281,911	13,804,085	1,029,904
Less: Accumulated Depreciation	(3,461,109)	(1,381,596)	(4,842,706)	(665,128)
<u>Total Noncurrent Assets</u>	5,061,164	3,938,064	8,999,228	364,776
<u>Total Assets</u>	5,474,192	4,232,996	9,707,188	528,990
<u>Deferred Outflows of Resources</u>	-	-	-	-
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts Payable	19,931	22,909	42,840	1,621
Due To Other Funds	28,119	58,601	86,721	2,937
Accrued Interest Payable	11,795	12,277	24,072	-
Current Portion of Long-Term Debt	130,000	115,000	245,000	53,962
<u>Total Current Liabilities</u>	189,845	208,788	398,633	58,521
<u>Long-Term Liabilities</u>				
Bonds Payable	1,180,000	2,047,694	3,227,694	166,517
<u>Total Liabilities</u>	1,369,845	2,256,482	3,626,327	225,037
<u>Deferred Inflows of Resources</u>	-	-	-	-
<u>Net Position</u>				
Invested in Capital Assets Net of Related Debt	3,739,370	1,763,092	5,502,462	144,297
Restricted	7,308	2,886	10,194	7,931
Unrestricted	357,669	210,536	568,205	151,725
<u>Total Net Position</u>	\$ 4,104,347	\$ 1,976,514	\$ 6,080,861	\$ 303,953

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, 2015

	<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	\$ 575,887	\$ 457,394	\$ 1,033,281	\$ 19,500
Service Connection Charges	22,500	26,608	49,108	-
Other Income	757	21,155	21,912	3,138
Equipment Rental	-	-	-	117,286
Total Operating Revenues	599,144	505,157	1,104,301	139,925
<u>Operating Expenditures</u>				
Cost of Water	-	220,961	220,961	-
Operation & Maintenance	488,864	158,057	646,921	84,369
General & Administration	37,020	12,992	50,012	625
Depreciation	181,763	93,026	274,789	40,722
Total Operating Expenditures	707,647	485,035	1,192,682	125,715
Operating Income (Loss)	(108,503)	20,122	(88,381)	14,209
<u>Nonoperating Revenues (Expenditures)</u>				
Interest Earned	146	101	247	97
Interest Expense	(50,938)	(43,603)	(94,541)	(5,875)
Gain (Loss) on Sale of Fixed Assets	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers From (To) Other Funds	167,681	114,410	282,091	24,691
Change in Net Position	8,385	91,030	99,415	33,122
Net Position - Beginning of Year	4,095,962	1,885,484	5,981,446	270,830
Net Position - End of Year	\$ 4,104,347	\$ 1,976,514	\$ 6,080,861	\$ 303,953

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, 2015

	<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	\$ 584,047	\$ 502,254	\$ 1,086,301	\$ 139,925
Payments for Operation, Maintenance & Water	(483,753)	(400,930)	(884,683)	(83,803)
Payments for General & Administration	(37,020)	(13,094)	(50,114)	(625)
<u>Net Cash Provided by Operating Activity</u>	<u>63,274</u>	<u>88,230</u>	<u>151,504</u>	<u>55,497</u>
<u>Cash Flows From Noncapital Financing Activities</u>				
Operating Transfers In (Out)	167,681	114,410	282,091	24,691
Insurance Proceeds	-	-	-	-
Received (Paid) "Due To / From Other Funds"	21,164	52,777	73,941	(12,002)
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>188,845</u>	<u>167,187</u>	<u>356,032</u>	<u>12,689</u>
<u>Cash Flows From Capital & Related Financing Activities</u>				
Interest Expense	(49,129)	(39,840)	(88,969)	(5,875)
Net Proceeds from Issuance (Payments) of Long-Term Debt	(125,000)	560,000	435,000	11,559
Sale (Purchase) of Capital Assets	(27,629)	(779,389)	(807,018)	(62,603)
<u>Net Cash Provided by Capital & Related Financing Activities</u>	<u>(201,757)</u>	<u>(259,229)</u>	<u>(460,986)</u>	<u>(56,919)</u>
<u>Cash Flows From Investing Activities</u>				
Increase in Customer Deposits	-	-	-	-
Interest received on Investments	146	101	247	97
<u>Net Increase (Decrease) in Cash & Cash Equivalents</u>	<u>50,507</u>	<u>(3,711)</u>	<u>46,796</u>	<u>11,364</u>
<u>Cash & Cash Equivalents - Beginning of Year</u>	<u>209,603</u>	<u>188,538</u>	<u>398,142</u>	<u>142,044</u>
<u>Cash & Cash Equivalents - End of Year</u>	<u>\$ 260,110</u>	<u>\$ 184,828</u>	<u>\$ 444,938</u>	<u>\$ 153,408</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u>				
Operating Income (Loss)	(108,503)	20,122	(88,381)	14,209
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:				
Depreciation	181,763	93,026	274,789	40,722
Prior Period Adjustments	-	-	-	-
Changes in Assets & Liabilities:				
Prepaid Expenses	(378)	(102)	(480)	(381)
Accounts Receivable	(15,097)	(2,903)	(18,000)	-
Accounts Payable	5,489	(21,913)	(16,423)	947
<u>Net Cash Provided by Operating Activities</u>	<u>\$ 63,274</u>	<u>\$ 88,230</u>	<u>\$ 151,504</u>	<u>\$ 55,497</u>

The notes are an integral part of the statements.

Village of Almont

Fiduciary Funds
Statement of Net Position
June 30, 2015

	Payroll Fund	Totals June 30, 2015
<u>Assets & Deferred Outflows of Resources</u>		
<u>Assets</u>		
Cash & Cash Equivalents	\$ 26,927	\$ 26,927
Due from Other Funds	-	-
<u>Total Assets</u>	<u>26,927</u>	<u>26,927</u>
<u>Deferred Outflows of Resources</u>		
<u>Total Assets & Deferred Outflows of Resources</u>	<u>\$ 26,927</u>	<u>\$ 26,927</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>		
<u>Liabilities</u>		
Due To Other Funds	\$ 185	\$ 185
Due To Others	26,742	26,742
<u>Total Liabilities</u>	<u>26,927</u>	<u>26,927</u>
<u>Deferred Inflows of Resources</u>		
<u>Fund Balance</u>		
<u>Fund Balance</u>	-	-
<u>Total Liab, Deferred Inflows & Fund Balance</u>	<u>\$ 26,927</u>	<u>\$ 26,927</u>

The notes are an integral part of the statements.

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

1. Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

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

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

Government-wide and Fund Financial Statements

The Government-wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the Village (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

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

The Village reports the following major governmental funds:

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

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

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

1. Summary of Significant Accounting Policies – Continued

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

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

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

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

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

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

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

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

Additionally, the Village reports the following fund types:

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

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

1. Summary of Significant Accounting Policies - Continued

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

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

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

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

The Village's 2014 tax is levied and collectible on July 1, 2014, and is recognized as revenue in the fiscal year ended June 30, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2014 taxable valuation of the Villages totaled about \$54 million (a portion of which is captured by the DDA), on which taxes levied consisted of 13.567 mills for operating purposes, 1.5 mills for water construction, and 2.275 mills for water tower debt service. This resulted in approximately \$652,000 for operating, \$82,000 for water construction, and \$125,000 for water tower debt service. These amounts are recognized in the General Fund, Water Tower Debt Service Fund, and Water System Improvement Debt Fund financial statements as tax revenue.

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

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

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

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

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

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

1. Summary of Significant Accounting Policies – Continued

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

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

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

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

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

In the body of the financial statements, the Village’s actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Village Council as a management tool during the year for all budgetary funds. The budgets are adopted on an accrual basis, which is consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. Budgets for the General Fund and the Major Special Revenue Funds, Debt Service Funds, and Capital Project Funds are presented in the required supplemental information. During the fiscal year ended June 30, 2015, 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, 2015

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	\$ 1,215,499	\$ 444,938	\$ 26,927	\$ 1,687,364

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 1,687,364

The bank balance of the primary government's deposits is \$1,687,364, of which \$500,000 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Village's name.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village has a deposit policy for custodial credit risk. At the fiscal year end, the Village had approximately \$1,187,364 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, 2015

4. Capital Assets

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

	Balance July 1, 2014	Additions	Disposals & Adjustments	Balance June 30, 2015
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	-	-	1,079,976
Infrastructure - DDA	1,194,048	-	-	1,194,048
Buildings & Building Improvements	423,427	-	-	423,427
Machinery & Equipment	151,580	11,645	-	163,225
Office Equipment	49,609	-	-	49,609
Equipment - Internal Service Fund	967,300	62,603	-	1,029,904
Total Capital Assets Being Depreciated	<u>3,865,939</u>	<u>74,248</u>	<u>-</u>	<u>3,940,188</u>
Accumulated Depreciation:				
Infrastructure	368,416	43,199	-	411,615
Infrastructure - DDA	308,632	35,360	-	343,991
Buildings & Building Improvements	211,356	12,308	-	223,664
Machinery & Equipment	102,120	9,559	-	111,679
Office Equipment	49,609	-	-	49,609
Equipment - Internal Service Fund	624,406	40,722	-	665,128
Total Accumulated Depreciation	<u>1,664,539</u>	<u>141,147</u>	<u>-</u>	<u>1,805,687</u>
Net Governmental Capital Assets	<u>\$ 2,558,400</u>	<u>\$ (66,899)</u>	<u>\$ -</u>	<u>\$ 2,491,501</u>
Business-type Activities:				
Capital Assets Not Being Depreciated - Land	\$ 12,849	\$ 25,000	\$ -	\$ 37,849
Capital Assets Being Depreciated:				
Sewage Treatment Plant	8,494,544	27,629	-	8,522,173
Water Distribution System	4,527,522	754,389	-	5,281,911
Total Capital Assets Being Depreciated	<u>13,022,067</u>	<u>782,018</u>	<u>-</u>	<u>13,804,084</u>
Accumulated Depreciation:				
Sewage Treatment Plant	3,279,347	181,763	-	3,461,110
Water Distribution System	1,288,571	93,026	-	1,381,596
Total Accumulated Depreciation	<u>4,567,917</u>	<u>274,789</u>	<u>-</u>	<u>4,842,706</u>
Net Business-type Capital Assets	<u>\$ 8,466,998</u>	<u>\$ 532,229</u>	<u>\$ -</u>	<u>\$ 8,999,227</u>

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

Governmental Activities:	
General Government	\$ 12,826
Public Safety	4,529
Public Works	122,497
Recreation & Culture	1,296
Total Governmental Activities	<u>\$ 141,147</u>
Business-type Activities:	
Sewer Fund	\$ 181,763
Water Fund	93,026
Total Business-type Activities	<u>\$ 274,789</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

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:

	<u>Due From Other Funds</u>		<u>Due To Other Funds</u>	
General Fund	\$ 115,281	Capital Project Fund	\$ 115,281	(1)
General Fund	921	Major Streets Fund	921	(2)
Major Streets Fund	1,401	Local Streets Fund	1,401	(2)
Capital Project Fund	12,975	Water Fund	12,975	(1)
General Fund	1,070	Local Streets Fund	1,070	(1)
General Fund	2,672	Park Fund	2,672	(1)
General Fund	1,764	Inspection Fund	1,764	(1)
General Fund	28,119	Sewer Fund	28,119	(1)
General Fund	1,687	Equipment Fund	1,687	(1)
General Fund	45,626	Water Fund	45,626	(1)
General Fund	185	Payroll Fund	185	(3)
	<u>\$ 211,701</u>		<u>\$ 211,701</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 Payroll Fund

Interfund Transfers reported in the Fund Statements are as follows:

	<u>Transferred From</u>		<u>Transferred To</u>	
General Fund	\$ 46,037	Sewer Fund	\$ 46,037	(1)
General Fund	8,500	Equipment Fund	8,500	(2)
General Fund	34,419	Park Fund	34,419	(1)
Major Streets Fund	39,000	Local Streets Fund	39,000	(1)
W.W.T.P. Improvement Debt Service	129,144	Sewer Fund	129,144	(2)
Water Fund	8,691	Equipment Fund	8,691	(2)
Sewer Fund	7,500	Equipment Fund	7,500	(2)
Water Tower Debt Service Fund	123,101	Water Fund	123,101	(2)
	<u>\$ 396,392</u>		<u>\$ 396,392</u>	

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

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

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	\$ 21,943	\$ (7,188)	\$ 14,755	\$ 7,320
Police Vehicle: Chevy Tahoe Amount of Issue - \$33,000 Maturing Through May 2017	1.85%	\$8,025 - \$8,478	\$ 24,975	\$ (8,173)	\$ 16,802	\$ 8,324
2000 Sterling Vector Truck Amount of Issue - \$137,500 Maturing Through May 2020	3.16%	\$18,064 - \$21,502	\$ 119,436	\$ (18,377)	\$ 101,059	\$ 18,955
Cherry Street Bridge - Local Streets Amount of Issue - \$162,227 Maturing Through October 2021	2.75%	\$14,280 - \$18,305	\$ 133,232	\$ (15,080)	\$ 118,152	\$ 15,521
Dump Truck - Equipment Fund Amount of Issue - \$57,500 Maturing Through September 2014	2.20%	\$18,751 - \$19,585	\$ 13,201	\$ (13,201)	\$ -	\$ -
Fiber Optic Equipment Amount of Issue - \$22,540 Maturing Through December 2017	1.00%	\$4,418 - \$4,598	\$ 18,032	\$ (4,508)	\$ 13,524	\$ 4,508
2014 GMC 2500 Truck - Equipment Fund Amount of Issue - \$29,366 Maturing Through September 2019	2.85%	\$5,548 - \$6,208	\$ 29,366	\$ (5,548)	\$ 23,818	\$ 5,706
Police Vehicle: 2015 Dodge Charger Amount of Issue - \$30,000 Maturing Through February 2019	2.13%	\$7,226 - \$7,752	\$ -	\$ 30,000	\$ 30,000	\$ 7,226
Equipment: Gehl Skid Steer Amount of Issue - \$34,045 Maturing Through July 2019	2.85%	\$6,432 - \$7,096	\$ -	\$ 34,045	\$ 34,045	\$ 6,432
Downtown Development Authority Obligations DDA Infrastructure Removal - Old Fire Hall Amount of Issue - \$50,000 Maturing Through October 2014	2.50%	\$8,986 - \$41,014	\$ 41,014	\$ (10,000)	\$ 31,014	\$ 10,000
Pocket Park Construction Installment Contract Amount of Issue - \$204,385 Maturing through November 22, 2014	3.75%	\$13,515	\$ 18,715	\$ (18,715)	\$ -	\$ -
Total Governmental Activities			<u>\$ 419,914</u>	<u>\$ (36,745)</u>	<u>\$ 383,169</u>	<u>\$ 83,992</u>
Business-type Activities						
General Obligation Bonds & Contracts						
1996 Water Supply System Improv Bond Amount of Issue - \$995,000 Maturing through 2015	3.80% - 6.00%	\$25,000 - \$85,000	\$ 165,000	\$ (80,000)	\$ 85,000	\$ 85,000
2007 Revolving Drinking Water Bonds Amount of Issue - \$2,090,000 Maturing through 2028	2.13%	\$85,000 - \$115,000	\$ 1,602,694	\$ (90,000)	\$ 1,512,694	\$ 90,000
2011 Lapeer Co. Refunding Bonds Amount of Issue - \$1,180,000 Maturing through 2022	2.00% 3.50%	\$90,000 - \$130,000	\$ 995,000	\$ (95,000)	\$ 900,000	\$ 100,000
2014 Lapeer Co. General Obligation Bond Amount of Issue - \$650,000 Maturing through 2027	2.61%	\$25,000 - \$75,000	\$ -	\$ 650,000	\$ 650,000	\$ 25,000
Lapeer Co. Lift Station Bonds Amount of Issue - \$465,000 Maturing through 2024	3.50% 4.00%	\$25,000 - \$50,000	\$ 440,000	\$ (30,000)	\$ 410,000	\$ 30,000
Total Business-type Activities			<u>\$ 3,202,694</u>	<u>\$ 355,000</u>	<u>\$ 3,557,694</u>	<u>\$ 330,000</u>
Total			<u>\$ 3,622,608</u>	<u>\$ 318,255</u>	<u>\$ 3,940,863</u>	<u>\$ 413,992</u>

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

6. Long-Term Debt - Continued

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

Year(s) Ending June 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 83,992	\$ 10,445	\$ 94,437	\$ 330,000	\$ 95,708	\$ 425,708
2017	85,896	8,285	94,181	255,000	88,053	343,053
2018	72,499	6,058	78,557	285,000	81,156	366,156
2019	58,652	4,058	62,710	300,000	73,256	373,256
2020	45,923	2,384	48,307	300,000	63,906	363,906
2021-2025	36,107	1,520	37,627	1,450,000	177,490	1,627,490
2026-2030	-	-	-	637,694	26,740	664,434
Total	\$ 383,069	\$ 32,750	\$ 415,819	\$ 3,557,694	\$ 606,309	\$ 4,164,003

7. Retirement System - MERS Operated

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

Funding Policy – The obligation to contribute to and maintain the system for these employees was established by negotiation with the Village’s competitive bargaining units and requires a contribution from the employees, depending on the department (Police Department, Waste Water Treatment Plant and DPW) of 4.57%, 2.5% and 2.5%, respectively. The Village makes a contribution of 11.24%, 10.06% and 15.77% to the Police, Waste Water Treatment, and DPW departments, respectively.

Annual Pension Cost - For the fiscal year ended June 30, 2015, the Village’s annual pension cost of \$62,419 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2014, using the entry age normal cost method. Significant actuarial assumptions used include: (i) an 8 percent investment rate of return; (ii) projected salary increase of 4.5 percent per year; and (iii) 4.5 percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level of percent of payroll on a closed basis. The remaining amortization period is 30 years.

Three-year trend information as of June 30, 2015, (date of most recent actuaries) follows:

	December 31		
	2014	2013	2012
Annual Pension Cost	\$ 73,896	\$ 68,952	\$ 66,588
Percentage of APC Contributed	100.0%	100.0%	100.0%
Net Pension Obligation	-	-	-
Actuarial Value of Assets	1,997,817	1,920,905	1,828,722
Actuarial Accrued Liability	2,667,040	2,533,119	2,354,351
Unfunded Actuarial Accrued Liability	669,223	612,214	525,629
Funded Ratio	74.9%	75.8%	77.7%
Covered Payroll	606,507	594,290	651,777
UAAL as a Percentage of Covered Payroll	110.3%	103.0%	80.6%

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

NONE

Village of Almont
Notes to the Financial Statements
For The Fiscal Year Ended June 30, 2015

9. Risk Management

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

10. Deferred Compensation Plan

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

The simplified employee plan (SEP-IRA) provides annual contributions to each employee SEP-IRA of five to ten percent of annual compensation. The SEP-IRA retirement contributions are 100% vested. Total SEP-IRA contributions for the fiscal year ending June 30, 2015, were \$16,567.

11. Other Post-Employment Benefits

Plan Description – The Village provides retiree healthcare benefits to eligible employees and their spouses. As of June 30, 2015, the plan has nine active and four retired members.

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

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

Funding Status and Fund Progress – The Village estimated the cost of providing retiree healthcare benefits through Milliman utilizing actuarial valuations as of June 30, 2014. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. As of June 30, 2015, 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, 2015

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)	\$ 159,993
Interest on the Prior Year's net OPEB Obligation	12,596
Less Adjustment to the Annual Required Contribution (ARC)	(12,919)
Annual OPEB Cost	159,670
Amounts Contributed - Current Premiums and Advance Funding	39,077
Increase in net OPEB Obligation	120,593
OPEB Obligation - Beginning of Year	387,573
OPEB Obligation - End of Year	\$ 508,166

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
6/30/2013	\$ 101,574	5.41%	\$ 266,657
6/30/2014	\$ 148,390	18.51%	\$ 387,573
6/30/2015	\$ 159,993	24.42%	\$ 508,489

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, 2015

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, 2015, was 30 years.

13. Subsequent Events

As of August 17, 2015, there were no subsequent events which have a material effect on the financial statements

Required Supplemental Information

Village of Almont

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

For The Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
<u>Taxes</u>				
Current Property Tax	\$ 747,475	\$ 760,260	\$ 655,431	\$ (104,829)
State Shared Revenue	248,000	249,049	247,586	(1,463)
<u>Licenses, Permits & Fees</u>				
Tax Fees, Penalties & Interest	13,700	14,200	12,159	(2,041)
Liquor Licenses	2,260	2,260	2,302	42
Zoning Permits & Site Plan Review	2,500	4,500	4,360	(140)
Police Fines & District Court Fees	3,200	13,210	13,608	398
Franchise Fees	34,000	37,000	35,214	(1,786)
<u>Total Licenses, Permits & Fees</u>	<u>55,660</u>	<u>71,170</u>	<u>67,643</u>	<u>(3,527)</u>
<u>Charges for Services</u>				
Trash Collection	121,500	126,340	126,100	(240)
Live Scan	1,250	1,250	1,027	(223)
Police Contract	257,000	299,555	299,555	0
<u>Total Charges for Services</u>	<u>379,750</u>	<u>427,145</u>	<u>426,682</u>	<u>(463)</u>
<u>Miscellaneous Revenue</u>				
Refunds & Reimbursements	41,750	43,250	47,699	4,449
Miscellaneous	8,500	10,010	10,350	340
Donations/Homecoming	19,000	12,110	17,884	5,774
Cellular Land Lease	23,235	23,235	24,506	1,271
<u>Total Miscellaneous Revenues</u>	<u>92,485</u>	<u>88,605</u>	<u>100,439</u>	<u>11,834</u>
<u>Interest Earnings</u>	<u>750</u>	<u>1,250</u>	<u>1,159</u>	<u>(91)</u>
<u>Total Revenues</u>	<u>\$ 1,524,120</u>	<u>\$ 1,597,479</u>	<u>\$ 1,498,940</u>	<u>\$ (98,539)</u>

Village of Almont

Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For The Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Expenditures</u>				
<u>General Government</u>				
Legislative	\$ 8,500	\$ 9,500	\$ 8,131	\$ 1,369
Executive	120,325	93,905	87,236	6,669
General Administration	133,465	136,490	133,619	2,871
Central Municipal Activities	175,400	182,825	74,210	108,615
<u>Total General Government</u>	<u>437,690</u>	<u>422,720</u>	<u>303,197</u>	<u>119,523</u>
<u>Public Safety</u>				
Police Department	673,150	710,595	688,821	21,774
Planning & Zoning	4,275	9,790	9,776	14
<u>Total Public Safety</u>	<u>677,425</u>	<u>720,385</u>	<u>698,597</u>	<u>21,788</u>
<u>Public Works</u>				
Department of Public Works	149,300	166,765	129,964	36,801
Street Lighting	44,900	44,900	39,389	5,511
Sanitation	105,500	134,500	101,612	32,888
Sanitary Sewer Collection Exp.	-	-	-	-
<u>Total Public Works</u>	<u>299,700</u>	<u>346,165</u>	<u>270,965</u>	<u>75,200</u>
<u>Recreation & Culture</u>				
	37,200	-	-	-
<u>Capital Outlay</u>				
	11,500	12,000	11,645	355
<u>Debt Service-Principal</u>				
	4,515	4,515	4,508	7
<u>Debt Service-Interest</u>				
	-	-	-	-
<u>Total Expenditures</u>	<u>1,468,030</u>	<u>1,505,785</u>	<u>1,288,912</u>	<u>216,873</u>
<u>Excess of Revenues Over (Under) Expenditure</u>	61,290	91,694	210,028	118,334
<u>Other Financing Sources (Uses)</u>				
Loan Proceeds	-	-	-	-
Transfers In (Out)	(40,000)	(89,019)	(88,956)	63
<u>Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses</u>	21,290	2,675	121,073	118,398
<u>Fund Balance - Beginning of Year</u>	-	-	483,359	483,359
<u>Fund Balance - End of Year</u>	<u>\$ 21,290</u>	<u>\$ 2,675</u>	<u>\$ 604,431</u>	<u>\$ 601,756</u>

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Special Revenue Funds - Major Streets
 For The Fiscal Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
State Shared Rev. - Gas & Wt. Tax	\$ 110,000	\$ 113,800	\$ 113,589	\$ (211)
State Trunk Line Maintenance	14,000	14,849	14,849	0
Interest Income	50	65	61	(4)
Other Revenues	100	100	133	33
<u>Total Revenues</u>	124,150	128,814	128,632	(215)
<u>Expenditures</u>				
Salaries, Wages & Fringes	34,775	34,775	21,288	13,487
Professional Fees	575	525	525	-
Equipment Rental	27,000	27,000	19,033	7,967
Insurance	2,000	2,062	2,062	-
Sidewalks & Curbs	5,500	5,500	-	5,500
Contingency	6,500	6,500	3,219	3,281
Winter Maintenance - Salt	3,000	3,060	3,055	6
Other Expenditures	5,300	6,300	5,042	1,258
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	84,650	85,722	54,222	31,500
<u>Excess of Revenues Over (Under) Expenditures</u>	39,500	43,092	74,409	31,284
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(39,000)	(39,000)	(39,000)	-
<u>Net Change in Fund Balance</u>	500	4,092	35,409	31,284
<u>Fund Balance - Beginning of Year</u>	60,000	60,000	84,008	24,008
<u>Fund Balance - End of Year</u>	\$ 60,500	\$ 64,092	\$ 119,418	\$ 55,292

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Special Revenue Funds- Downtown Development Authority
 For The Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Property Taxes	\$ 139,059	\$ 152,983	\$ 152,983	\$ -
Contributions & Donations	-	-	-	-
Interest Earnings	80	72	73	1
Other Revenues	-	330	330	-
<u>Total Revenues</u>	<u>139,139</u>	<u>153,384</u>	<u>153,386</u>	<u>1</u>
<u>Expenditures</u>				
Administration	41,000	51,366	49,544	1,822
Promotion - Business	9,500	5,987	5,987	-
Downtown Maintenance	60,400	41,682	35,470	6,212
Professional Fees	6,700	7,648	7,561	88
MSHDA Grant Project	20,200	17,905	17,903	2
Capital Outlay	-	-	-	-
Debt Service - Principal	33,445	28,715	28,715	-
Debt Service - Interest	1,741	1,741	1,741	-
<u>Total Expenditures</u>	<u>172,986</u>	<u>155,045</u>	<u>146,921</u>	<u>8,123</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(33,847)</u>	<u>(1,660)</u>	<u>6,464</u>	<u>8,124</u>
<u>Other Financing Sources (Uses)</u>				
Grant Proceeds	-	-	-	-
Transfers In (Out)	-	-	-	-
<u>Net Change in Fund Balances</u>	<u>(33,847)</u>	<u>(1,660)</u>	<u>6,464</u>	<u>8,124</u>
<u>Fund Balance - Beginning of Year</u>	<u>151,639</u>	<u>162,222</u>	<u>152,696</u>	<u>(9,526)</u>
<u>Fund Balance - End of Year</u>	<u>\$ 117,792</u>	<u>\$ 160,562</u>	<u>\$ 159,161</u>	<u>\$ (1,401)</u>

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Debt Service Funds - Water Tower
 For The Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Property Taxes	\$ 124,138	\$ 125,200	\$ 125,100	\$ (100)
Interest Earnings	-	35	34	(1)
<u>Total Revenues</u>	<u>124,138</u>	<u>125,235</u>	<u>125,135</u>	<u>(100)</u>
<u>Expenditures</u>				
Public Works	500	500	-	500
<u>Total Expenditures</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	123,638	124,735	125,135	400
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	(123,101)	(123,101)	(123,101)	-
<u>Net Change in Fund Balance</u>	537	1,634	2,034	400
<u>Fund Balance - Beginning of Year</u>	<u>40,000</u>	<u>40,000</u>	<u>45,948</u>	<u>5,948</u>
<u>Fund Balance - End of Year</u>	<u>\$ 40,537</u>	<u>\$ 41,634</u>	<u>\$ 47,981</u>	<u>\$ 6,347</u>

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Debt Service Funds - Water System Improvement
 For The Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Property Taxes	\$ 110,850	\$ 111,450	\$ 82,425	\$ (29,025)
Interest Earnings	20	95	83	(12)
<u>Total Revenues</u>	<u>110,870</u>	<u>111,545</u>	<u>82,508</u>	<u>(29,037)</u>
<u>Expenditures</u>				
	400	400	-	400
Debt Service - Principal	80,000	80,000	80,000	-
Debt Service - Interest	7,500	7,500	7,500	-
<u>Total Expenditures</u>	<u>87,900</u>	<u>87,900</u>	<u>87,500</u>	<u>400</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	22,970	23,645	(4,992)	(28,637)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	-	-	-
<u>Net Change in Fund Balance</u>	22,970	23,645	(4,992)	(28,637)
<u>Fund Balance - Beginning of Year</u>	-	-	31,045	31,045
<u>Fund Balance - End of Year</u>	<u>\$ 22,970</u>	<u>\$ 23,645</u>	<u>\$ 26,053</u>	<u>\$ 2,408</u>

Village of Almont
 Required Supplemental Information
 Budgetary Comparison Schedule
 Major Debt Service Funds - W.W.T.P. Improvement Project
 For The Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
User Fees	\$ 107,776	\$ 107,776	\$ 109,857	\$ 2,081
Penalties	1,800	2,500	2,282	(218)
Bond Proceeds	-	-	-	-
Interest Earnings	30	50	48	(2)
<u>Total Revenues</u>	<u>109,606</u>	<u>110,326</u>	<u>112,187</u>	<u>1,861</u>
<u>Expenditures</u>				
Paying Agent Fees & Other	128,745	16,110	-	16,110
<u>Total Expenditures</u>	<u>128,745</u>	<u>16,110</u>	<u>-</u>	<u>16,110</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	(19,139)	94,216	112,187	17,971
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	-	(129,635)	(129,144)	491
<u>Net Change in Fund Balance</u>	(19,139)	(35,419)	(16,957)	18,462
<u>Fund Balance - Beginning of Year</u>	-	-	111,156	111,156
<u>Fund Balance - End of Year</u>	<u>\$ (19,139)</u>	<u>\$ (35,419)</u>	<u>\$ 94,199</u>	<u>\$ 129,618</u>

Other Supplemental Information

Village of Almont

Other Supplemental Information
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2015

	Special Revenue Funds				
	Local Streets Fund	Inspection Fund	Capital Project Fund	Parks & Recreation Fund	Total Nonmajor Governmental Funds
Assets					
Cash & Cash Equivalents	\$ 91,397	\$ 41,498	\$ 104,106	\$ 46,616	\$ 283,618
Accounts Receivable	11,693	-	-	-	11,693
Due From Other Funds	-	-	12,975	-	12,975
	-	-	12,975	-	12,975
<u>Total Assets</u>	\$ 103,090	\$ 41,498	\$ 117,081	\$ 46,616	\$ 308,286
Liabilities					
Accounts Payable	\$ 2,969	\$ 7,302	\$ 1,620	\$ 1,518	\$ 13,409
Due To Other Funds	2,471	1,764	115,281	2,672	122,189
	2,471	1,764	115,281	2,672	122,189
<u>Total Liabilities</u>	5,440	9,067	116,901	4,191	135,598
Fund Balances					
Restricted For:					
Highways	97,651	-	-	-	97,651
Building Inspections	-	32,432	-	-	32,432
Public Works	-	-	180	-	180
Recreation & Culture	-	-	-	42,426	42,426
	-	-	-	42,426	42,426
<u>Total Liab. & Fund Balances</u>	\$ 103,090	\$ 41,498	\$ 117,081	\$ 46,616	\$ 308,286

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, 2015

	Special Revenue Funds				
	Local Streets Fund	Inspection Fund	Capital Project Fund	Park & Recreation Fund	Total Nonmajor Governmental Funds
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State Shared Rev. - Gas & Wt. Tax	64,896	-	-	-	64,896
Licenses, Fees & Permits	-	87,415	-	-	87,415
Interest Earnings	40	21	180	27	268
Other Revenues	3	247	-	23,398	23,647
<u>Total Revenues</u>	64,939	87,684	180	23,425	176,227
Expenditures					
Public Safety	-	82,882	-	-	82,882
Public Works	56,280	-	-	-	56,280
Recreation & Culture	-	-	-	15,418	15,418
Capital Outlay	-	-	-	-	-
Debt Service - Principal	15,080	-	-	-	15,080
Debt Service - Interest	3,735	-	-	-	3,735
<u>Total Expenditures</u>	75,095	82,882	-	15,418	173,395
Excess of Revenues Over (Under)					
Expenditures	(10,157)	4,801	180	8,007	2,832
Other Financing Sources (Uses)					
Transfers In (Out)	39,000	-	-	34,419	73,419
Net Change in Fund Balances	28,843	4,801	180	42,426	76,250
Fund Balances - Beginning of Year	68,807	27,630	-	-	96,438
Fund Balances - End of Year	\$ 97,651	\$ 32,432	\$ 180	\$ 42,426	\$ 172,688

Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness
 June 30, 2015

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
4.500%	10/1/2014	\$ -	\$ 90,000	\$ -
4.500%	10/1/2015	90,000	90,000	31,188
4.600%	10/1/2016	95,000	95,000	29,223
4.750%	10/1/2017	95,000	95,000	27,204
4.750%	10/1/2018	100,000	100,000	25,132
4.750%	10/1/2019	100,000	100,000	23,007
4.800%	10/1/2020	100,000	100,000	20,882
4.850%	10/1/2021	105,000	105,000	18,704
4.900%	10/1/2022	110,000	110,000	16,419
4.900%	10/1/2023	115,000	115,000	14,029
4.900%	10/1/2024	115,000	115,000	11,586
4.900%	10/1/2025	120,000	120,000	9,089
4.900%	10/1/2026	120,000	120,000	6,539
4.900%	10/1/2027	125,000	125,000	3,936
4.900%	10/1/2028	122,694	122,694	1,304
<u>Total Revolving Drinking Water Bond</u>		<u>\$ 1,512,694</u>	<u>\$ 1,602,694</u>	<u>\$ 238,242</u>

Lapeer County General Obligation Limited Tax Bond
Pump Station

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
2.610%	11/6/2015	\$ 25,000	\$ -	\$ 15,316
2.610%	11/6/2016	25,000	-	16,313
2.610%	11/6/2017	50,000	-	15,660
2.610%	11/6/2018	50,000	-	14,355
2.610%	11/6/2019	50,000	-	13,050
2.610%	11/6/2020	50,000	-	11,745
2.610%	11/6/2021	50,000	-	10,440
2.610%	11/6/2022	50,000	-	9,135
2.610%	11/6/2023	75,000	-	7,830
2.610%	11/6/2024	75,000	-	5,873
2.610%	11/6/2025	75,000	-	3,915
2.610%	11/6/2026	75,000	-	1,958
<u>Total General Obligation Bond</u>		<u>\$ 650,000</u>	<u>\$ -</u>	<u>\$ 125,590</u>

Village of Almont
Other Supplemental Information
Schedule of Indebtedness
June 30, 2015

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

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
6.0%	10/1/2014	\$ -	\$ 80,000	\$ -
6.0%	10/1/2015	85,000	85,000	2,550
Total Water Supply System Improv. Bonds		\$ 85,000	\$ 165,000	\$ 2,550

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

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
3.000%	12/1/2014	\$ -	\$ 95,000	\$ -
3.000%	12/1/2015	100,000	100,000	31,519
3.000%	12/1/2016	100,000	100,000	28,519
3.000%	12/1/2017	105,000	105,000	25,519
4.000%	12/1/2018	110,000	110,000	22,369
4.000%	12/1/2019	110,000	110,000	17,969
4.000%	12/1/2020	120,000	120,000	13,569
3.375%	12/1/2021	125,000	125,000	8,769
3.500%	12/1/2022	130,000	130,000	4,550
Total Refunding Bonds		\$ 900,000	\$ 995,000	\$ 152,781

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

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
3.500%	10/1/2014	\$ -	\$ 30,000	\$ -
3.500%	10/1/2015	30,000	30,000	15,135
3.500%	10/1/2016	35,000	35,000	13,998
3.500%	10/1/2017	35,000	35,000	12,773
3.800%	10/1/2018	40,000	40,000	11,400
3.800%	10/1/2019	40,000	40,000	9,880
3.800%	10/1/2020	40,000	40,000	8,360
4.000%	10/1/2021	45,000	45,000	6,700
4.000%	10/1/2022	45,000	45,000	4,900
4.000%	10/1/2023	50,000	50,000	3,000
4.000%	10/1/2024	50,000	50,000	1,000
Total Lift Station Bonds		\$ 410,000	\$ 440,000	\$ 87,146

Total Business-type Activities Long-Term Debt	\$ 3,557,694	\$ 3,202,694	\$ 606,309
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Village of Almont
 Other Supplemental Information
 Schedule of Indebtedness
 June 30, 2015

Governmental Activities General Obligation Bonds & Contracts

Installment Purchase Contract Payable
Police Vehicle: 2012 Dodge Charger

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
1.85%	5/2/2015	\$ -	\$ 7,188	\$ -
1.85%	5/2/2016	7,320	7,320	274
1.85%	5/2/2017	7,435	7,435	138
<u>Total Installment Purchase Contract</u>		<u>\$ 14,755</u>	<u>\$ 21,943</u>	<u>\$ 412</u>

Installment Purchase Contract Payable
Police Vehicle: Chevy Tahoe

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
1.85%	5/31/2015	\$ -	\$ 8,173	\$ -
1.85%	5/31/2016	8,324	8,324	311
1.85%	5/31/2017	8,478	8,478	156
<u>Total Installment Purchase Contract</u>		<u>\$ 16,802</u>	<u>\$ 24,975</u>	<u>\$ 467</u>

Installment Purchase Contract Payable
Equipment: 2000 Sterling Vector Truck

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
3.16%	5/2/2015	\$ -	\$ 18,377	\$ -
3.16%	5/2/2016	18,955	18,955	3,236
3.16%	5/2/2017	19,569	19,569	2,622
3.16%	5/2/2018	20,194	20,194	1,997
3.16%	5/2/2019	20,839	20,839	1,352
3.16%	5/2/2020	21,502	21,502	689
<u>Total Installment Purchase Contract</u>		<u>\$ 101,059</u>	<u>\$ 119,436</u>	<u>\$ 9,896</u>

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

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

Interest Rate	Date of Maturity	Principal Outstanding June 30,		Remaining Annual Interest Payable
		2015	2014	
2.50%	10/16/2014	\$ -	\$ 10,000	\$ -
2.75%	10/16/2015	10,000	31,014	853
2.95%	10/16/2016	10,000	-	620
2.95%	10/16/2017	11,014	-	325
<u>Total Installment Purchase Contract</u>		<u>\$ 31,014</u>	<u>\$ 41,014</u>	<u>\$ 1,798</u>

Village of Almont
Other Supplemental Information
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June 30, 2015

Tri County Bank
Cherry Street Bridge

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
2.750%	10/5/2014	\$ -	\$ 15,080	-
2.750%	10/5/2015	15,521	15,521	3,294
2.750%	10/5/2016	15,946	15,946	2,870
2.750%	10/5/2017	16,398	16,398	2,417
2.750%	10/5/2018	16,855	16,855	1,960
2.750%	10/5/2019	17,325	17,325	1,490
2.750%	10/5/2020	17,806	17,806	1,010
2.750%	10/5/2021	18,301	18,301	510
<u>Total Cherry Street Bridge</u>		<u>\$ 118,152</u>	<u>\$ 133,232</u>	<u>\$ 13,551</u>

Tri County Bank
Equipment - Dump Truck

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
2.200%	9/7/2014	\$ -	\$ 13,201	\$ -
<u>Total Dump Truck</u>		<u>\$ -</u>	<u>\$ 13,201</u>	<u>\$ -</u>

Tri County Bank
Fiber Optic Equipment

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
0.000%	12/10/2014	\$ -	\$ 4,508	\$ -
1.000%	12/10/2015	4,508	4,508	137
1.000%	12/10/2016	4,553	4,553	92
1.000%	12/10/2017	4,463	4,463	46
<u>Total Fiber Optic Equipment</u>		<u>\$ 13,524</u>	<u>\$ 18,032</u>	<u>\$ 275</u>

Installment Contract
DDA: Pocket Park Construction

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

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
3.75%	11/22/2014	\$ -	\$ 18,715	\$ -
<u>Total Pocket Park Construction</u>		<u>\$ -</u>	<u>\$ 18,715</u>	<u>\$ -</u>

Village of Almont
Other Supplemental Information
Schedule of Indebtedness
June 30, 2015

Tri County Bank

Dated: February 13, 2014

Equipment - 2014 GMC 2500 HD Truck

Original Issue: \$29,366

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2015</u>	<u>2014</u>	
2.85%	2/13/2015	\$ -	\$ 5,548	\$ -
2.85%	2/13/2016	5,706	5,706	679
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>\$ 23,818</u>	<u>\$ 29,366</u>	<u>\$ 1,721</u>

Tri County Bank

Dated: 8/11/2014

Equipment - Gehl Skid Steer

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>2015</u>	<u>2014</u>	
2.85%	7/24/2015	\$ 6,432	\$ -	\$ 970
2.85%	7/24/2016	6,615	-	787
2.85%	7/24/2017	6,804	-	598
2.85%	7/24/2018	6,998	-	405
2.85%	7/24/2019	7,196	-	205
<u>Total Installment Purchase</u>		<u>\$ 34,045</u>	<u>\$ -</u>	<u>\$ 2,965</u>

Tri County Bank

Dated: February 12, 2015

Police Vehicle: 2015 Dodge Charger

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>2015</u>	<u>2014</u>	
2.13%	2/13/2015	\$ 7,226	\$ -	\$ 691
2.13%	2/13/2017	7,432	-	484
2.13%	2/13/2018	7,590	-	326
2.13%	2/13/2019	7,752	-	164
<u>Total Installment Purchase</u>		<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 1,665</u>

<u>Total Governmental Activities Long-Term Debt</u>	<u>\$ 383,169</u>	<u>\$ 419,914</u>	<u>\$ 32,750</u>
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August 17, 2015

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, 2015, and have issued our report thereon dated August 17, 2015. 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, 2015. 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.

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Audit Adjustments (Corrected and Uncorrected Misstatements)

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 17, 2015.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Sincerely,

Lehn King

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August 17, 2015

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, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the **Village of Almont's** internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the governmental unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the governmental unit's internal control.

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

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

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

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

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

Sincerely,

Lehn King

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