VILLAGE OF CLINTON, MICHIGAN
DEBT SERVICE REPORT
March 31, 2014

DEBT SUMMARY.

	General	Major Street	Water Fund	Sewer Fund
Downtown Streetscape	$195,000	$ 0	$ 0	$ 0
Fire Department land	$ 22,000	$ 0	$ 0	$ 0
New Sewer Plant	$ 0	$ 0	$ 0	$2,745,000
Tecumseh Road	$ 0	$294,130	$ 0	$ 0
Well Five	$ 0	$ 0	$348,998	$ 0
Totals	$217,000	$294,130	$348,998	$2,745,000

NOTE: * Electric Fund debt notes shown below regarding MSCPA and AMP.

DOWNTOWN STREETSCAPE IMPROVEMENTS. The Village has a general obligation debt (2003 General Obligation Limited Bond issue) which funded capital improvements for the downtown streetscape. The original bond was issued in May 2003 for $410,000 with an interest rate at 7 percent and final maturity at May 1, 2019. The Downtown Development Authority's (DDA) Tax Increment Financing (TIF) revenue is paying the debt service. Outstanding balance at March 31, 2013 was $195,000.

Year Ending March 31	Principal	Interest
2014	30,000	7,583
2015	30,000	6,398
2016	30,000	5,183
2017	35,000	3,833
2018	35,000	2,337
2019	35,000	788
	195,000	26,122

FIRE DEPARTMENT LAND. The Village has a general fund obligation for an installment purchase loan of $95,000 in June 2005 to provide funds for the purchase of the property at 114 Jackson Street for future expansion of the Fire Department. The loan has an interest rate of 6.025% and final maturity is November 1, 2015. Outstanding balance at March 31, 2013 was $22,000. The General Fund tax revenues are used to make the debt service payments.

Year Ending March 31	Principal	Interest
2014	11,000	1,326
2015	11,000	663
	22,000	1,989

NEW SEWER PLANT. The Village issued bonds on June 23, 2005 (Village of Clinton Sewage Disposal System Revenue Bond) for the purpose of funding a new sewer plant. The amount of the issue is $4,000,000 at an interest rate of 1.625%. Under a purchase contract, the Michigan Municipal Bond Authority has acquired all the bonds, and is paying the

bond proceeds through the State Water Pollution Control Revolving Fund, commonly known as State Revolving Fund (SRF). Funds are disbursed from the State on a construction cost reimbursement basis. The outstanding debt balance at March 31, 2013 was $2,745,000. Annual Debt Service requirements are funded with sewer revenue and are projected as follows:

Year Ending March 31	Principal	Interest
2014	190,000	43,063
2015	195,000	39,934
2016	200,000	36,725
2017	200,000	33,475
2018	205,000	30,184
2019	205,000	26,853
2020	210,000	23,482
2021	215,000	20,028
2022	220,000	16,493
2023	220,000	12,919
2024	225,000	9,304
2025	230,000	5,607
2026	230,000	1,869
	2,745,000	299,936

TECUMSEH ROAD IMPROVEMENTS. In November 2012 the Tate Park Trust Fund loaned $294,130 at 4.75 percent interest to the Major Street Fund for the Tecumseh Road construction project. The loan is to be paid back over ten years with interest earnings from the Robison Trust Fund. The annual debt service requirements are as follows:

Year Ending March 31	Principal	Interest
2014	26,338	13,662
2015	27,604	12,396
2016	28,931	11,089
2017	30,321	9,679
2018	31,778	8,222
2019	33,306	6,694
2020	34,907	5,093
2021	36,584	3,415
2022	44,361	1,658
	294,130	85,859

WELL FIVE. The Water Fund has a revenue obligation of $357,095 from June 2012 for the construction of a new well. The Robison Trust loaned money through a promissory note for twenty years at 4 percent. Annual Debt Service requirements are funded with water revenue and are projected as follows:

Payment Date	Beginning Balance	Payment Amount	Interest Payment	Principal Payment	Ending Balance
5/1/2014	355,096.28	$13,200.00	7,101.93	$ 6,098.07	348,998.21
11/1/2014	348,998.21	$13,200.00	6,979.96	$ 6,220.04	342,778.17
5/1/2015	342,778.17	$13,200.00	6,855.56	$ 6,344.44	336,433.73
11/1/2015	336,433.73	$13,200.00	6,728.67	$ 6,471.33	329,962.41
5/1/2016	329,962.41	$13,200.00	6,599.25	$ 6,600.75	323,361.66
11/1/2016	323,361.66	$13,200.00	6,467.23	$ 6,732.77	316,628.89
5/1/2017	316,628.89	$13,200.00	6,332.58	$ 6,867.42	309,761.47
11/1/2017	309,761.47	$13,200.00	6,195.23	$ 7,004.77	302,756.70

5/1/2018	302,756.70	$13,200.00	6,055.13	$ 7,144.87	295,611.83
11/1/2018	295,611.83	$13,200.00	5,912.24	$ 7,287.76	288,324.07
5/1/2019	288,324.07	$13,200.00	5,766.48	$ 7,433.52	280,890.55
11/1/2019	280,890.55	$13,200.00	5,617.81	$ 7,582.19	273,308.36
5/1/2020	273,308.36	$13,200.00	5,466.17	$ 7,733.83	265,574.53
11/1/2020	265,574.53	$13,200.00	5,311.49	$ 7,888.51	257,686.02
5/1/2021	257,686.02	$13,200.00	5,153.72	$ 8,046.28	249,639.74
11/1/2021	249,639.74	$13,200.00	4,992.79	$ 8,207.21	241,432.53
5/1/2022	241,432.53	$13,200.00	4,828.65	$ 8,371.35	233,061.18
11/1/2022	233,061.18	$13,200.00	4,661.22	$ 8,538.78	224,522.41
5/1/2023	224,522.41	$13,200.00	4,490.45	$ 8,709.55	215,812.86
11/1/2023	215,812.86	$13,200.00	4,316.26	$ 8,883.74	206,929.11
5/1/2024	206,929.11	$13,200.00	4,138.58	$ 9,061.42	197,867.69
11/1/2024	197,867.69	$13,200.00	3,957.35	$ 9,242.65	188,625.05
5/1/2025	188,625.05	$13,200.00	3,772.50	$ 9,427.50	179,197.55
11/1/2025	179,197.55	$13,200.00	3,583.95	$ 9,616.05	169,581.50
5/1/2026	169,581.50	$13,200.00	3,391.63	$ 9,808.37	159,773.13
11/1/2026	159,773.13	$13,200.00	3,195.46	$10,004.54	149,768.59
5/1/2027	149,768.59	$13,200.00	2,995.37	$10,204.63	139,563.96
11/1/2027	139,563.96	$13,200.00	2,791.28	$10,408.72	129,155.24
5/1/2028	129,155.24	$13,200.00	2,583.10	$10,616.90	118,538.35
11/1/2028	118,538.35	$13,200.00	2,370.77	$10,829.23	107,709.12
5/1/2029	107,709.12	$13,200.00	2,154.18	$11,045.82	96,663.30
11/1/2029	96,663.30	$13,200.00	1,933.27	$11,266.73	85,396.56
5/1/2030	85,396.56	$13,200.00	1,707.93	$11,492.07	73,904.50
11/1/2030	73,904.50	$13,200.00	1,478.09	$11,721.91	62,182.59
5/1/2031	62,182.59	$13,200.00	1,243.65	$11,956.35	50,226.24
11/1/2031	50,226.24	$13,200.00	1,004.52	$12,195.48	38,030.76
5/1/2032	38,030.76	$13,200.00	760.62	$12,439.38	25,591.38
11/1/2032	25,591.38	$13,200.00	511.83	$12,688.17	12,903.20
5/1/2033	12,903.20	$13,161.27	258.06	$12,903.21	(0.00)

JOINT VENTURE -- MICHIGAN SOUTH CENTRAL POWER AGENCY. The Village is a member municipality of the Michigan South Central Power Agency. The Michigan South Central Power Agency (the "Agency") is a public body politic and corporate of the State of Michigan organized on March 21, 1978, under the authority of Michigan Public Act 448 of 1976 (the "Act"), to supply electricity to member municipalities in South Central Michigan. The Act provides that the Agency will establish rates and charges so as to produce revenues sufficient to cover its costs (excluding depreciation and amortization expense) including debt service, but it may not operate its projects for profit, except insofar as any such profit will inure to the benefit of the public. Each member municipality appoints one member to the Board of the Agency. The member municipalities and their percentage shares are as follows:

MUNICIPALITY	% SHARE
CLINTON	6.5%
COLDWATER	40.0%
HILLSDALE	25.5%
MARSHALL	24.0%
UNION CITY	4.0%
	100.00%

Each member is a municipal corporation, organized under the laws of the State of Michigan, which owns and operates a municipal electric system. The member municipalities presently supply their customers with power and energy generated from the Agency's Project I and from the municipalities' existing generating

facilities and also with power purchased from other utility companies.

Each of the member municipalities entered into (a) a Power Sales Contract with the Agency for the supply of power and energy from the Agency, and (b) a Substation Agreement with the Agency for services provided by the Agency to the member municipality with respect to substation facilities. Each member municipality also entered into an Economic Dispatch Agreement with the Agency providing for the dispatch by the Agency of power and energy from certain existing generating facilities of the member municipalities on an economic basis. The Power Sales Contracts between the Agency and the member municipalities require the Agency to provide, and the member municipalities to purchase from the Agency, all of the members' bulk power supply, as defined in the contracts. Each member is obligated to pay its share of the Agency's operating and debt service costs of Project I.

The Substation Agreements require the Agency to provide, and the municipalities to purchase, services of the municipalities' substation facilities for transmission, transformation, and delivery of electric power and energy from the Agency to the municipalities. Under the Economic Dispatch Agreement, the member municipalities are required to sell to the Agency power generated by their facilities, defined as dedicated capacity.

in March of 2011, the Agency used redemption and reserve funds on hand to defease the remaining $5,010,000 of outstanding 2000 bonds and the remaining $8,305,000 of outstanding 2004 bonds. The net resources of $14,055,799 were used to purchase U.S. government securities. Those securities were deposited in irrevocable trust with an escrow agent to provide for all future debt service on the 2000 and 2004 bonds. As a result the bonds are considered to be defeased and the liabilities for the bonds have been removed from the statement on net assets. The cash flow requirements on the bonds prior to the defeasance were $14,073,925 through 2012.

As a result, Michigan South Central Power Agency has no long term bond debt at June 30, 2011. A summary of financial information on Michigan South Central Power Agency at June 30, 2012 and 2011 follows:

	2012	2011
Total assets	$ 51,612,086	$ 49,351,850
Total liabilities	9,118,477	7,071,502
Net Position	42,493,609	42,280,348
Operating revenues	45,776,324	43,501,777
Operating expenses	45,347,738	40,748,520
Income from operations	428,586	2,753,257
Investment and miscellaneous income	209,442	202,714
Interest and amortization expense		(927,119)
Member Equity Refund		(247,384)
Other expense	(405,569)	(760,769)
Realized and unrealized gain (loss) on investments	(19,198)	(28,998)
Change in net position	213,261	991,701

JOINT VENTURE — AMERICAN MUNICIPAL POWER

The Village of Clinton as a means of obtaining supplemental electric power to the Village in addition to agreement with Michigan South Central Power Agency, has contracted with American Municipal Power. The Village has agreed to be a participant in the purchase of electrical power from the Fremont (Ohio) Energy Center owned by American Municipal Power.

Michigan South Central Power Agency will act as agent for the Village under this agreement. As a participant, the Village is required to obtain a certain percentage of the energy produced at the Fremont Energy Center to cover the Center's costs. The current percentage for the Village of Clinton is approximately 2%.