

**VILLAGE OF CLINTON, MICHIGAN**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2015**  
**WITH**  
**INDEPENDENT AUDITORS' REPORT**

**VILLAGE OF CLINTON, MICHIGAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED MARCH 31, 2015**

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**VILLAGE OF CLINTON, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Year Ended March 31, 2015**

As management of the Village of Clinton, Michigan, we offer readers of the Village of Clinton, Michigan's financial statements this narrative overview and analysis of the financial activities of the Village of Clinton, Michigan for the fiscal year ended March 31, 2015. We encourage readers to consider the information presented here.

**Financial Highlights**

- ◆ The assets of the Village of Clinton, Michigan exceeded its liabilities at the close of the most recent fiscal year \$14,135,884 (*net position*). Of this amount, \$1,911,228 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net position increased \$104,248.
- ◆ As of the close of the current year, the Village of Clinton, Michigan's governmental funds reported combined ending fund balances of \$4,649,761, an increase of \$190,743; \$(150,214) in comparison with the prior year.
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$591,590, or 60% percent of total general fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village of Clinton, Michigan's basic financial statements. The Village of Clinton, Michigan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Clinton, Michigan's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Village of Clinton, Michigan's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Clinton, Michigan is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the Village of Clinton, Michigan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Village of Clinton, Michigan include general government, public safety, highways and streets, sanitation, and culture and recreation. The business-type activities of the Village of Clinton, Michigan include the utility systems.

The government-wide financial statements include not only the Village of Clinton, Michigan itself (known as the *primary government*), but also a legally separate Downtown Development Authority (DDA) for which the Village of Clinton, Michigan is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 3 – 4 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Clinton, Michigan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Clinton, Michigan can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village of Clinton, Michigan maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects fund, and permanent funds, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Village of Clinton, Michigan adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for all governmental funds (except the permanent funds) to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 5 - 10 of this report.

*Proprietary funds.* The Village of Clinton, Michigan maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village of Clinton, Michigan uses enterprise funds to account for its electric, water, and sewer funds. The *Internal service fund* is an accounting device used to accumulate and allocate costs internally among the Village of Clinton, Michigan's various functions. The Village of Clinton, Michigan uses an internal service fund to account for equipment and charge out expense (Equipment Fund). Because this service predominantly benefits governmental rather than a business-type function it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Sewer Funds, which are considered to be major funds of the Village of Clinton, Michigan. The internal service fund (Equipment Fund) is in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 11 - 14 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 15 - 36 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following notes to the financing statements. Combining statements and individual fund schedules can be found on pages 38 - 42 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Clinton, Michigan, assets exceeded liabilities by \$14,135,884 at the close of the most recent fiscal year.

By far the largest portion of the Village of Clinton, Michigan's net position (38 percent) reflects its investment in capital assets (e.g., land, buildings, equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Clinton, Michigan uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Village of Clinton, Michigan's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## VILLAGE OF CLINTON, MICHIGAN'S NET POSITION

	Governmental Activities	Business-type Activities	2015	2014
<b>Assets:</b>				
Current and other assets	\$ 4,749,479	\$ 3,989,465	\$ 8,738,944	\$ 8,268,138
Capital Assets	2,454,218	5,736,978	8,191,196	8,834,289
<b>Total Assets</b>	<b>7,203,697</b>	<b>9,726,443</b>	<b>16,930,140</b>	<b>17,102,427</b>
<b>Liabilities:</b>				
Long term liabilities outstanding	234,740	2,457,460	2,692,200	2,932,801
Other liabilities	40,174	61,882	102,056	137,990
<b>Total Liabilities</b>	<b>274,914</b>	<b>2,519,342</b>	<b>2,794,256</b>	<b>3,070,791</b>
<b>Net Position:</b>				
Invested in capital assets, net of related debt	2,289,218	3,034,201	5,323,419	5,707,192
Restricted	4,045,922	2,855,315	6,901,237	6,385,706
Unrestricted	593,643	1,317,585	1,911,228	1,938,738
<b>Total Net Position</b>	<b>\$ 6,928,783</b>	<b>\$ 7,207,101</b>	<b>\$ 14,135,884</b>	<b>\$ 14,031,636</b>

## VILLAGE OF CLINTON, MICHIGAN'S CHANGE OF NET POSITION

	Governmental Activities	Business-type Activities	2015	2014
<b>Revenues:</b>				
Program revenues:				
Charges in Services	\$ 340,807	\$ 3,881,097	\$ 4,221,904	\$ 4,171,827
Operating Grants	19,128	-	19,128	-
<b>General Revenues:</b>				
Property taxes	623,044	-	623,044	556,433
Intergovernmental	361,766	-	361,766	371,075
License fees and fines	62,478	-	62,478	64,321
Investment earnings	186,019	2,122	188,141	(19,507)
Miscellaneous revenue	60,556	365,716	426,272	(118,862)
<b>Total revenues</b>	<b>\$ 1,653,798</b>	<b>4,248,935</b>	<b>5,902,733</b>	<b>5,025,287</b>
<b>Expenses:</b>				
General government	279,033	-	279,033	329510
Public safety	744,133	-	744,133	768558
Culture and recreation	206,360	-	206,360	182418
Sanitation	111,456	-	111,456	109003
Highways and streets	356,823	-	356,823	388479
Interest on long-term debt	22,581	-	22,581	10683
Electric	-	3,171,686	3,171,686	3050784
Water	-	224,156	224,156	197650
Sewer	-	666,007	666,007	662278
<b>Total expenses</b>	<b>1,720,386</b>	<b>4,061,849</b>	<b>5,782,235</b>	<b>5,699,363</b>
Increase (decrease) in Net Position before transfers	(66,588)	187,086	120,498	(674,076)
Transfer (to) from Component Units	(16,250)	-	(16,250)	(16,250)
Transfers	55,300	(55,300)	-	-
<b>Change in Net Position</b>	<b>(27,538)</b>	<b>131,786</b>	<b>104,248</b>	<b>(690,326)</b>
Net Position - beginning of year	6,956,321	7,075,315	14,031,636	14,721,962
<b>Net Position - end of year</b>	<b>\$ 6,928,783</b>	<b>\$ 7,207,101</b>	<b>\$ 14,135,884</b>	<b>\$ 14,031,636</b>

An additional portion of the Village of Clinton, Michigan's net position (49 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$1,911,228) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village of Clinton, Michigan is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

### **Financial Analysis of the Government's Funds**

As noted earlier, the Village of Clinton, Michigan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Village of Clinton, Michigan's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Village of Clinton, Michigan's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

As of the end of the current fiscal year, the Village of Clinton, Michigan's governmental funds reported combined ending fund balances of \$4,649,761, an increase of \$190,743 in comparison with the prior year. Restricted fund balance \$(4,038,045) is not available for new spending since it already is committed. Permanent (Trusts) fund money \$(3,613,431) represents most of the restricted fund balance.

The general fund is the chief operating fund of the Village of Clinton, Michigan. At the end of the current fiscal year, unassigned fund balance of the general fund was \$591,590.

The fund balance of the Village of Clinton, Michigan's general fund increased by \$40,928 during the current fiscal year.

**Proprietary fund** - The Village of Clinton, Michigan's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the utility funds at the end of the year amounted to \$1,317,585. The total increase in net position for the funds was \$131,786.

### **Budgetary Highlights**

- Amendments were made to the General Fund budget to cover additional expenditures. One of the largest changes was an additional transfer of \$35,000 to the Sewer Fund. The Village also transferred \$13,850 to the DDA to help fund the Veteran's Memorial Park Improvements.
- Major roads spent an additional \$13,500 on road maintenance, and \$6,000 on snow removal because of the harsh winter. Those expenditures were funded with State Shared Revenue and from reserves.
- Local streets spent an additional \$17,000 on road maintenance and \$5,000 on snow removal because of the harsh winter. Those expenditures were funded with State Shared Revenue and from reserves.

- The DDA spent \$30,000 on construction of the Veteran's Memorial Park project and \$41,600 on the purchase of property for additional parking for the Church Street Parking Lot.
- The Sewer Fund costs were up \$18,000 for repairs, administrative costs and contractual services.

### Capital Asset and Debt Administration

**Capital assets.** The Village of Clinton, Michigan's investment in capital assets for its governmental and business-type activities as of March 31, 2015, amounts to \$8,191,196 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, machinery and equipment, roads, and other infrastructure. The net decrease in the Village of Clinton, Michigan's investment in capital assets for the current fiscal year was \$643,093. Major capital assets purchased during the current fiscal year were:

Land Improvements	\$	27,362
Equipment	\$	12,629

### VILLAGE OF CLINTON, MICHIGAN'S CAPITAL ASSETS

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Capital Assets:</b>			
Land	\$ 285,152	\$ 30,645	\$ 315,797
Land Improvements	290,989	-	290,989
Buildings	399,923	-	399,923
Equipment and furnishings	260,371	-	260,371
Infrastructure	1,217,783	-	1,217,783
Utility Systems	-	5,706,333	5,706,333
Total	<u>\$ 2,454,218</u>	<u>\$ 5,736,978</u>	<u>\$ 8,191,196</u>

Additional information on the Village of Clinton's capital assets can be found in Note 3. C.on pages 24-26.

**Long-term debt.** At the end of the current fiscal year, the Village of Clinton, Michigan had total bonded and note debt outstanding of \$2,536,000.

### VILLAGE OF CLINTON, MICHIGAN'S OUTSTANDING DEBT GENERAL OBLIGATION BONDS

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Obligation Bonds	\$ 165,000	\$ -	\$ 165,000
Revenue Bonds	-	2,360,000	2,360,000
Installment Purchase Loans	11,000	-	11,000
Total	<u>\$ 176,000</u>	<u>\$ 2,360,000</u>	<u>\$ 2,536,000</u>

Additional information on the Village of Clinton, Michigan's long-term debt can be found in Note 3. E.on pages 27 - 29 of this report.



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

The Village is still concerned about the slow economic recovery in the State of Michigan and the possible negative ramifications on the 2015-16 budget. The Water and Sewer sales are down again and make it hard to generate adequate revenue to fund the operation and maintenance of those utilities. To compound matters the state adopted legislation to systematically eliminate personal property taxes. Over time that could reduce tax revenue by up to \$42,000.

## **Requests for Information**

This financial report is designed to provide a general overview of the Village of Clinton, Michigan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Clinton, 119 East Michigan Avenue, P.O. Box Drawer E, Clinton, Michigan 49236.



Village Council  
Village of Clinton  
Clinton, Michigan

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, Michigan, as of and for the year ended March 31, 2015, and the related notes to the financial statements, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

Village Council  
Village of Clinton  
Clinton, Michigan

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Clinton, as of March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Pension funding information on pages i – vii and 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who 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 supplementary 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 Clinton's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and derived from and relate 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Baker, Eaton & Owen

June 25, 2015

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF NET POSITION**  
**MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR MARCH 31, 2014**

	Governmental Activities	Business-Type Activities	Total		Component Unit
			2015	2014	Downtown Development Authority
<b>ASSETS:</b>					
Cash	\$ 648,785	\$ 314,520	\$ 963,305	\$ 1,065,678	\$ 93,112
Investments	3,344,424	993,449	4,337,873	4,215,192	
<b>Receivables (net of allowance for uncollectibles)</b>					
Accounts	33,584	286,976	320,560	313,273	17
Prepaid expenses	20,126	17,728	37,854	38,462	-
Internal balances	304,930	(304,930)	-	-	-
Internal balances - advances	342,778	(342,778)	-	-	-
Due from component unit	(1,588)	-	(1,588)	(1,588)	1,588
Advance from Component Units	40,802	-	40,802	-	-
Due from governmental units	15,638	-	15,638	23,875	-
Prepaid supplies	-	128,956	128,956	81,062	-
<b>Restricted assets:</b>					
Cash	-	40,228	40,228	42,586	-
Investments in joint venture	-	2,855,315	2,855,315	2,489,599	-
<b>Capital assets:</b>					
Land	285,152	30,645	315,797	315,797	-
Land improvements	290,989	-	290,989	285,779	344,732
Machinery; equipment; and furnishings	260,371	-	260,371	367,456	-
Buildings	399,923	-	399,923	427,376	-
Infrastructure	1,217,783	-	1,217,783	1,385,758	-
Utility Systems	-	5,706,334	5,706,334	6,052,122	-
Total assets	\$ 7,203,697	\$ 9,726,443	\$ 16,930,140	\$ 17,102,427	\$ 439,449
<b>LIABILITIES:</b>					
Accounts payable	\$ 6,530	\$ 4,768	\$ 11,298	\$ 17,210	-
Accrued liabilities	3,379	16,886	20,265	17,383	-
Deferred revenue	-	-	-	19,128	-
Liabilities payable from restricted assets	-	40,228	40,228	42,586	-
Interest payable	-	-	-	8,472	-
Accrued sick and vacation pay - current	30,265	-	30,265	33,211	-
Advance to Primary Government	-	-	-	-	40,802
<b>Noncurrent liabilities:</b>					
Due within one year	41,000	195,000	236,000	236,000	-
Due in more than one year	193,740	2,262,460	2,456,200	2,696,801	-
Total liabilities	274,914	2,519,342	2,794,256	3,070,791	40,802
<b>NET POSITION:</b>					
Invested in capital assets, net of related debt	2,289,218	3,034,201	5,323,419	5,707,192	344,732
<b>Restricted for:</b>					
Investment in joint venture (note 7)	-	2,855,315	2,855,315	2,489,599	-
Highways and streets	143,325	-	143,325	131,073	-
Public safety	214,733	-	214,733	189,108	-
Culture and recreation	73,602	-	73,602	68,091	-
Debt service	831	-	831	813	-
<b>Permanent funds:</b>					
Expendable	-	-	-	-	-
Nonexpendable	3,613,431	-	3,613,431	3,507,022	-
Unrestricted	593,643	1,317,585	1,911,228	1,938,738	53,915
Total net position	6,928,783	7,207,101	14,135,884	14,031,636	398,647

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

Functions/programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Unit
	Expenses	Charges for Services	Operating Grants	Capital Grants	Primary Government		Total		Downtown
					Governmental Activities	Business-Type Activities	2015	2014	Development Authority
<b>Governmental activities:</b>									
General government	\$ 279,033	\$ -	\$ 19,128	\$ -	\$ (259,905)	\$ -	\$ (259,905)	\$ (329,510)	\$ -
Public safety	744,133	210,100	-	-	(534,033)	-	(534,033)	(557,273)	-
Culture and recreation	206,360	12,639	-	-	(193,721)	-	(193,721)	(172,408)	-
Sanitation	111,456	118,068	-	-	6,612	-	6,612	4,412	-
Highways and streets	356,823	-	-	-	(356,823)	-	(356,823)	(388,479)	-
Interest on long term debt	22,581	-	-	-	(22,581)	-	(22,581)	(10,683)	-
Total governmental activities	1,720,386	340,807	19,128	-	(1,360,451)	-	(1,360,451)	(1,453,941)	-
<b>Business-type activities:</b>									
Electric Fund	3,171,686	3,164,896	-	-	-	(6,790)	(6,790)	70,237	-
Water Fund	224,156	193,615	-	-	-	(30,541)	(30,541)	9,693	-
Sewer Fund	666,007	522,586	-	-	-	(143,421)	(143,421)	(153,525)	-
Total business-type activities	4,061,849	3,881,097	-	-	-	(180,752)	(180,752)	(73,595)	-
Total government	\$ 5,782,235	\$ 4,221,904	\$ 19,128	\$ -	\$ (1,360,451)	\$ (180,752)	\$ (1,541,203)	\$ (1,527,536)	\$ -
<b>Component Unit:</b>									
Downtown development authority	-	-	-	-	-	-	-	-	(32,213)
Total component unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,213)
<b>General revenues:</b>									
Property taxes					\$ 623,044	\$ -	\$ 623,044	\$ 556,433	\$ 49,414
Intergovernmental					361,766	-	361,766	371,075	-
Licenses, fees, and fines					62,478	-	62,478	64,321	-
Investment earnings					186,019	2,122	188,141	(19,507)	-
Miscellaneous revenues					60,556	365,716	426,272	(118,862)	3,212
Transfers to component unit					(25,000)	-	(25,000)	(16,250)	-
Transfer from Downtown Development Authority					8,750	-	8,750	-	(8,750)
Transfers					55,300	(55,300)	-	-	-
Total general revenues and transfers					1,332,913	312,538	1,645,451	837,210	43,876
Change in net position					(27,538)	131,786	104,248	(690,326)	11,663
Total net position - beginning of year					6,956,321	7,075,315	14,031,636	14,721,962	386,984
Total net position - end of year					\$ 6,928,783	\$ 7,207,101	\$ 14,135,884	\$ 14,031,636	\$ 398,647

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2015  
WITH COMPARATIVE TOTALS FOR MARCH 31, 2014**

	Permanent Funds					Other Governmental Funds	Total Governmental Funds	
	General	Fire Fund	Major Street	Robison Trust	Capital Improvement Tate Park		2015	2014
<b>ASSETS:</b>								
Cash	\$ 317,112	\$ 122,648	\$ 72,975	\$ -	\$ -	\$ 70,651	\$ 583,386	\$ 569,542
Investments	295,586	86,779	-	1,400,307	1,561,752	-	3,344,424	3,223,403
<b>Receivables:</b>								
Accounts	30,944	-	-	-	-	2,200	33,144	26,415
Due from other funds	-	-	301,322	-	-	21,177	322,499	324,399
Due from other governmental units	-	-	11,356	-	-	4,282	15,638	23,875
Due from component unit	1,375	-	-	-	-	-	1,375	1,375
Advance to other funds	-	-	-	342,778	267,792	-	610,570	649,226
Advance from component unit	-	-	-	40,802	-	-	40,802	-
Accrued interest	29	296	15	-	-	97	437	437
Prepaid expense	12,249	5,864	126	-	-	1,887	20,126	20,819
<b>Total assets</b>	<b>\$ 657,295</b>	<b>\$ 215,587</b>	<b>\$ 385,794</b>	<b>\$ 1,783,887</b>	<b>\$ 1,829,544</b>	<b>\$ 100,294</b>	<b>\$ 4,972,401</b>	<b>\$ 4,839,491</b>
<b>LIABILITIES:</b>								
Accounts payable	\$ 3,068	\$ 854	\$ -	\$ -	\$ -	\$ 136	\$ 4,058	\$ 11,556
Accrued expenditures	3,169	-	-	-	-	210	3,379	1,916
Deferred revenue	-	-	-	-	-	-	-	19,128
Due to other funds	17,377	-	-	-	-	192	17,569	17,569
Due to component unit	2,963	-	-	-	-	-	2,963	2,963
Advance from other funds	-	-	267,792	-	-	-	267,792	294,130
Accrued sick and vacation pay	26,879	-	-	-	-	-	26,879	33,211
<b>Total liabilities</b>	<b>\$ 53,456</b>	<b>\$ 854</b>	<b>\$ 267,792</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 538</b>	<b>\$ 322,640</b>	<b>\$ 380,473</b>
<b>FUND BALANCES:</b>								
Nonspendable	\$ 12,249	\$ 5,864	\$ 126	\$ -	\$ -	\$ 1,887	\$ 20,126	\$ 20,819
Restricted	-	208,869	117,876	1,783,887	1,829,544	97,869	4,038,045	3,887,537
Committed	-	-	-	-	-	-	-	-
Unassigned	591,590	-	-	-	-	-	591,590	550,662
<b>Total fund balance</b>	<b>603,839</b>	<b>214,733</b>	<b>118,002</b>	<b>1,783,887</b>	<b>1,829,544</b>	<b>99,756</b>	<b>4,649,761</b>	<b>4,459,018</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 657,295</b>	<b>\$ 215,587</b>	<b>\$ 385,794</b>	<b>\$ 1,783,887</b>	<b>\$ 1,829,544</b>	<b>\$ 100,294</b>	<b>\$ 4,972,401</b>	<b>\$ 4,839,491</b>
							<b>2015</b>	<b>2014</b>
Total governmental fund balances							\$ 4,649,761	\$ 4,459,018
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds:							2,454,218	2,751,520
Accrued interest payable on long term debt is recognized in governmental funds when paid and not when accrued.							(10,366)	(10,664)
Long-term portion of accrued sick and vacation pay liability are not due and payable in the current period and, therefore, are not reported in the governmental funds.							(48,374)	(53,193)
Loan indebtedness are recognized in the governmental funds when paid and not when accrued.							(176,000)	(217,000)
Internal Service Fund (Equipment Fund) is used by the Village to charge for equipment rental to individual funds. The assets and liabilities of the Equipment Fund are included in governmental activities in the statement of net position. <b>Note:</b> The net capital assets (\$212,046) of the Equipment fund are included in the capital asset figure above (\$2,454,218), and not in this adjustment.							59,544	26,640
Net differences							2,279,022	2,497,303
Total net position of governmental activities							<u>\$ 6,928,783</u>	<u>\$ 6,956,321</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	Permanent Funds						Total	
	General	Fire Fund	Major Street	Robison Trust	Tate Park Capital Improvement	Other Governmental Funds	Governmental Funds 2015	2014
<b>REVENUES:</b>								
Property taxes	\$ 576,621	\$ -	\$ -	\$ -	\$ -	\$ 46,423	\$ 623,044	\$ 556,433
Intergovernmental revenues	206,872	-	110,619	-	-	44,275	361,766	355,203
Farmers Market Grant	19,128	-	-	-	-	-	19,128	15,872
Licenses, fees and charges for services	193,185	-	-	-	-	-	193,185	187,746
Rentals	11,437	-	-	-	-	6,765	18,202	18,887
Interest	888	678	-	47,985	50,762	63	100,376	102,262
Other	17,939	24,078	-	230	-	107	42,354	44,841
Townships	-	210,100	-	-	-	-	210,100	211,285
Realized gain (loss) on investment	-	-	-	(4,475)	(2,671)	-	(7,146)	(11,891)
Unrealized gain (loss) on investment	-	-	-	52,302	40,487	-	92,789	(111,506)
Total revenues	<u>1,026,070</u>	<u>234,856</u>	<u>110,619</u>	<u>96,042</u>	<u>88,578</u>	<u>97,633</u>	<u>1,653,798</u>	<u>1,369,132</u>
<b>EXPENDITURES:</b>								
<b>Current:</b>								
General government	271,830	-	-	4,840	4,922	-	281,592	270,961
Public safety	479,489	209,231	-	-	-	-	688,720	713,311
Culture and recreation	113,259	-	-	-	-	47,847	161,106	179,754
Sanitation	111,456	-	-	-	-	-	111,456	109,003
Highways and streets	-	-	113,896	-	-	81,754	195,650	129,594
<b>Debt service:</b>								
Principal	11,000	-	-	-	-	30,000	41,000	40,000
Interest	1,337	-	13,662	-	-	7,582	22,581	10,683
Total expenditures	<u>988,371</u>	<u>209,231</u>	<u>127,558</u>	<u>4,840</u>	<u>4,922</u>	<u>167,183</u>	<u>1,502,105</u>	<u>1,453,306</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>37,699</u>	<u>25,625</u>	<u>(16,939)</u>	<u>91,202</u>	<u>83,656</u>	<u>(69,550)</u>	<u>151,693</u>	<u>(84,174)</u>
<b>Other financing sources (uses):</b>								
Transfers in	170,449	-	40,000	-	-	64,270	274,719	212,501
Transfers out	(167,220)	-	-	(40,000)	(28,449)	-	(235,669)	(278,541)
Total other financing sources (uses)	<u>3,229</u>	<u>-</u>	<u>40,000</u>	<u>(40,000)</u>	<u>(28,449)</u>	<u>64,270</u>	<u>39,050</u>	<u>(66,040)</u>
Change in fund balances	40,928	25,625	23,061	51,202	55,207	(5,280)	190,743	(150,214)
Total fund balances - beginning of year	<u>562,911</u>	<u>189,108</u>	<u>94,941</u>	<u>1,732,685</u>	<u>1,774,337</u>	<u>105,036</u>	<u>4,459,018</u>	<u>4,609,232</u>
Total fund balances - end of year	<u>\$ 603,839</u>	<u>\$ 214,733</u>	<u>\$ 118,002</u>	<u>\$ 1,783,887</u>	<u>\$ 1,829,544</u>	<u>\$ 99,756</u>	<u>\$ 4,649,761</u>	<u>\$ 4,459,018</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**RECONCILIATION OF THE STATEMENT REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	2015	2014
Change in fund balances total governmental funds	\$ 190,743	\$ (150,214)
Amounts reported for governmental activities in the statement of activities are different because Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount of depreciation is more than capital outlay in the current period. (Total capital outlay \$31,231 less total depreciation \$(328,534).	(297,303)	(260,157)
This issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these assets. This amount is the net effect of these differences in the treatment of long-term debt.		
Debt incurred during current year		
Less: principal repayment	41,000	40,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental		
Accrued interest - net	298	(3,741)
Accrued long-term sick and vacation pay - net effect	4,819	(856)
Internal Service Fund (Equipment Fund) is used by the Village to charge equipment rental to individual funds. The net income (loss) of this activity is reported with governmental activities, adjusted for depreciation and capital outlay.	32,905	16,304
Change in net position of governmental activities	\$ (27,538)	\$ (358,664)

The notes to the financial statements are an integral part of this statement.



**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 512,000	\$ 518,300	\$ 576,621	\$ 58,321
Intergovernmental revenue	202,500	202,500	206,872	4,372
Farmers Market Grant	35,000	35,000	19,128	(15,872)
Licenses, fees and charges for services	188,300	192,350	193,185	835
Rentals	10,000	10,000	11,437	1,437
Interest	1,000	1,000	888	(112)
Other	13,000	13,000	17,939	4,939
Total revenues	<u>961,800</u>	<u>972,150</u>	<u>1,026,070</u>	<u>53,920</u>
<b>EXPENDITURES:</b>				
<b>General government:</b>				
Council	14,220	14,220	12,318	1,902
Administration	67,750	67,750	68,460	(710)
Buildings and grounds	158,150	158,150	153,246	4,904
Planning Commission	3,370	3,370	3,135	235
Professional service	11,000	20,000	20,219	(219)
Insurance	16,000	16,000	14,452	1,548
Total general government	<u>270,490</u>	<u>279,490</u>	<u>271,830</u>	<u>7,660</u>
<b>Public safety:</b>				
Police department	473,150	483,150	468,383	14,767
Building and zoning inspection	13,600	13,600	11,106	2,494
Total public safety	<u>486,750</u>	<u>496,750</u>	<u>479,489</u>	<u>17,261</u>
<b>Sanitation:</b>				
Waste collection and disposal	112,000	119,600	111,456	8,144
<b>Culture - recreation</b>				
Farmers Market	35,000	35,000	27,743	7,257
Parks	91,150	91,150	85,516	5,634
Total culture-recreation	<u>126,150</u>	<u>126,150</u>	<u>113,259</u>	<u>12,891</u>
<b>Debt Service:</b>				
Principal	11,000	11,000	11,000	-
Interest	1,330	1,330	1,337	(7)
Total debt service	<u>12,330</u>	<u>12,330</u>	<u>12,337</u>	<u>(7)</u>
Total expenditures	<u>1,007,720</u>	<u>1,034,320</u>	<u>988,371</u>	<u>45,949</u>
Excess (deficiency) of revenues (under) expenditures	<u>(45,920)</u>	<u>(62,170)</u>	<u>37,699</u>	<u>99,869</u>
<b>Other financing sources (uses):</b>				
Transfers in	113,000	180,000	170,449	(9,551)
Transfers out	(116,670)	(167,420)	(167,220)	200
Total other financing sources (uses)	<u>(3,670)</u>	<u>12,580</u>	<u>3,229</u>	<u>(9,351)</u>
Change in fund balance	(49,590)	(49,590)	40,928	90,518
Total fund balances - beginning of year			<u>562,911</u>	
Total fund balances - end of year			<u>\$ 603,839</u>	

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE FUND      SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Miscellaneous	\$ 1,000	\$ 1,000	\$ 24,078	\$ 23,078
Township contributions	205,200	207,250	210,100	2,850
Interest	300	300	678	378
Total revenues	206,500	208,550	234,856	26,306
<b>EXPENDITURES:</b>				
Wages	80,000	82,050	86,404	(4,354)
Benefits	12,220	12,220	13,566	(1,346)
Supplies	17,500	17,500	16,651	849
Professional fees	700	700	664	36
Communications	6,000	6,000	7,244	(1,244)
Workshops	12,000	12,000	11,567	433
Gas and oil	4,000	4,000	3,768	232
Insurance	12,500	12,500	14,757	(2,257)
Utilities	6,000	6,000	9,119	(3,119)
Equipment maintenance	6,000	6,000	5,534	466
Truck maintenance	16,000	16,000	25,577	(9,577)
Building maintenance	4,000	4,000	845	3,155
Capital outlay	16,000	16,000	13,535	2,465
Total expenditures	192,920	194,970	209,231	(14,261)
Excess (deficiency) of revenues (under) expenditures	13,580	13,580	25,625	12,045
Total fund balances - beginning of year			189,108	
Total fund balances - end of year			\$ 214,733	

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**MAJOR STREET SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
<b>Intergovernmental</b>				
State gas weight tax	\$ 97,000	\$ 105,300	\$ 110,619	\$ 5,319
Grant	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
	<hr/>			
Total revenues	97,000	105,300	110,619	5,319
	<hr/>			
<b>EXPENDITURES:</b>				
Routine maintenance	76,600	90,100	89,967	133
Traffic service	4,870	4,870	3,651	1,219
Winter maintenance	12,950	18,950	18,112	838
Administrative	2,580	2,580	2,166	414
	<hr/>			
Total expenditures	97,000	116,500	113,896	2,604
	<hr/>			
Excess (deficiency) of revenues over (under) expenditures	-	(11,200)	(3,277)	7,923
	<hr/>			
<b>Other financing sources:</b>				
Debt service	(53,700)	(53,700)	(13,662)	40,038
Transfers in	53,700	53,700	40,000	(13,700)
	<hr/>			
Net change in fund balance	-	(11,200)	23,061	34,261
	<hr/>			
Total fund balances - beginning of year			94,941	
	<hr/>			
Total fund balances - end of year			<u>\$ 118,002</u>	

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR MARCH 31, 2014**

	Business-type Activities - Enterprise Funds			Total Proprietary Funds		Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	2015	2014	Internal Service Fund
<b>ASSETS:</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 204,767	\$ 93,842	\$ 15,911	\$ 314,520	\$ 462,990	\$ 65,399
Investments	801,700	67,274	124,475	993,449	991,789	-
<b>Receivables</b>						
Accounts	233,224	10,506	42,774	286,504	285,946	-
Accrued interest	111	39	322	472	472	3
Prepaid expenses and other assets	10,379	3,901	3,448	17,728	17,643	-
Prepaid supplies	128,956	-	-	128,956	81,062	-
Total current assets	<u>1,379,137</u>	<u>175,562</u>	<u>186,930</u>	<u>1,741,629</u>	<u>1,839,902</u>	<u>65,402</u>
<b>Noncurrent assets:</b>						
<b>Restricted assets:</b>						
Cash	\$ 40,228	-	-	\$ 40,228	\$ 42,586	-
Investment in joint venture	2,855,315	-	-	2,855,315	2,489,599	-
<b>Capital assets:</b>						
Land	17,496	3,000	10,149	30,645	30,645	-
Buildings	548,388	73,715	5,839,908	6,462,011	6,453,251	-
Utility systems	1,718,129	1,393,312	757,102	3,868,543	3,868,543	-
Equipment/trucks	1,064,492	130,367	127,021	1,321,880	1,321,879	1,023,988
Less: accumulated depreciation	<u>(2,865,307)</u>	<u>(708,925)</u>	<u>(2,371,868)</u>	<u>(5,946,100)</u>	<u>(5,591,550)</u>	<u>(811,942)</u>
Total capital assets - net	<u>483,198</u>	<u>891,469</u>	<u>4,362,312</u>	<u>5,736,979</u>	<u>6,082,768</u>	<u>212,046</u>
Total, noncurrent assets	<u>3,378,741</u>	<u>891,469</u>	<u>4,362,312</u>	<u>8,632,522</u>	<u>8,614,953</u>	<u>212,046</u>
Total assets	<u>\$ 4,757,878</u>	<u>\$ 1,067,031</u>	<u>\$ 4,549,242</u>	<u>\$ 10,374,151</u>	<u>\$ 10,454,855</u>	<u>\$ 277,448</u>
<b>LIABILITIES:</b>						
<b>Current Liabilities:</b>						
Accounts payable	\$ 3,835	\$ 605	\$ 328	\$ 4,768	\$ 2,531	\$ 2,472
Accrued expenses	15,468	405	1,013	16,886	15,467	-
Due to other funds	299,530	5,400	-	304,930	306,830	-
Advance payable to other funds	-	342,778	-	342,778	355,096	-
SRF loan payable	-	-	195,000	195,000	195,000	-
Total current liabilities	<u>318,833</u>	<u>349,188</u>	<u>196,341</u>	<u>864,362</u>	<u>874,924</u>	<u>2,472</u>
<b>Current liabilities payable from restricted</b>						
Customer deposits	40,228	-	-	40,228	42,586	-
<b>Noncurrent liabilities:</b>						
Accrued leave	56,255	6,133	35,072	97,460	102,030	3,386
SRF loan payable	-	-	2,165,000	2,165,000	2,360,000	-
Total liabilities	<u>415,316</u>	<u>355,321</u>	<u>2,396,413</u>	<u>3,167,050</u>	<u>3,379,540</u>	<u>5,858</u>
<b>NET POSITION:</b>						
Invested in capital assets, net of related debt	483,198	548,691	2,002,312	3,034,201	3,172,672	212,046
Restricted in joint venture	2,855,315	-	-	2,855,315	2,489,599	-
Unrestricted	<u>1,004,049</u>	<u>163,019</u>	<u>150,517</u>	<u>1,317,585</u>	<u>1,413,044</u>	<u>59,544</u>
Total net position	<u>\$ 4,342,562</u>	<u>\$ 711,710</u>	<u>\$ 2,152,829</u>	<u>\$ 7,207,101</u>	<u>\$ 7,075,315</u>	<u>\$ 271,590</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	Business-type Activities - Enterprise Funds			Total Proprietary Funds		Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	2015	2014	Internal Service Fund
<b>Operating revenue:</b>						
Metered sales	\$ 3,116,955	\$ 184,696	\$ 511,452	\$ 3,813,103	\$ 3,717,175	\$ -
Penalties and service charges	32,759	1,975	8,663	43,397	98,570	-
Miscellaneous	9,017	6,944	2,471	18,432	15,304	2,097
Rentals	6,165	-	-	6,165	6,068	98,627
<b>Total operating revenues</b>	<b>3,164,896</b>	<b>193,615</b>	<b>522,586</b>	<b>3,881,097</b>	<b>3,837,117</b>	<b>100,724</b>
<b>Operating expenses:</b>						
Light plant	78,327	-	-	78,327	79,442	-
Purchased power	2,290,265	-	-	2,290,265	2,309,479	-
Administrative	280,817	49,955	26,491	357,263	320,034	-
Electric distribution system	442,328	-	-	442,328	329,472	-
Water distribution	-	136,156	-	136,156	121,100	-
Collection system	-	-	25,340	25,340	11,886	-
Sewer treatment plant	-	-	310,414	310,414	315,942	-
Depreciation	59,570	35,462	259,518	354,550	351,264	43,426
Professional services	20,379	2,583	2,725	25,687	27,487	-
Equipment operation and maintenance	-	-	-	-	-	53,070
<b>Total operating expenses</b>	<b>3,171,686</b>	<b>224,156</b>	<b>624,488</b>	<b>4,020,330</b>	<b>3,866,106</b>	<b>96,496</b>
<b>Operating income (loss)</b>	<b>(6,790)</b>	<b>(30,541)</b>	<b>(101,902)</b>	<b>(139,233)</b>	<b>(28,989)</b>	<b>4,228</b>
<b>Nonoperating revenues (expenses):</b>						
Income from joint venture	365,716	-	-	365,716	(272,485)	-
Interest income	1,107	357	658	2,122	1,628	-
Interest expense	-	-	(41,519)	(41,519)	(44,606)	-
<b>Total nonoperating revenues (expenses)</b>	<b>366,823</b>	<b>357</b>	<b>(40,861)</b>	<b>326,319</b>	<b>(315,463)</b>	<b>-</b>
<b>Net income (loss) before transfers</b>	<b>360,033</b>	<b>(30,184)</b>	<b>(142,763)</b>	<b>187,086</b>	<b>(344,452)</b>	<b>4,228</b>
Transfers out	(142,000)	-	-	(142,000)	(75,000)	-
Transfers in	-	-	86,700	86,700	87,790	25,000
<b>Change in net position</b>	<b>218,033</b>	<b>(30,184)</b>	<b>(56,063)</b>	<b>131,786</b>	<b>(331,662)</b>	<b>29,228</b>
<b>Total net position - beginning of year</b>	<b>4,124,529</b>	<b>741,894</b>	<b>2,208,892</b>	<b>7,075,315</b>	<b>7,406,977</b>	<b>242,362</b>
<b>Total net position - end of year</b>	<b>\$ 4,342,562</b>	<b>\$ 711,710</b>	<b>\$ 2,152,829</b>	<b>\$ 7,207,101</b>	<b>\$ 7,075,315</b>	<b>\$ 271,590</b>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>		<u>Governmental</u>
	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Proprietary Funds</u>		<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>2015</u>	<u>2014</u>	<u>Service Fund</u>
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 3,163,093	\$ 194,748	\$ 520,340	\$ 3,878,181	\$ 3,837,421	\$ 100,724
Cash paid to suppliers and employees	<u>(3,153,356)</u>	<u>(195,878)</u>	<u>(367,339)</u>	<u>(3,716,573)</u>	<u>(3,602,086)</u>	<u>(53,721)</u>
Net cash provided by (used in) operating activities	<u>9,737</u>	<u>(1,130)</u>	<u>153,001</u>	<u>161,608</u>	<u>235,335</u>	<u>47,003</u>
<b>Cash flows from noncapital financing activities:</b>						
SRF loan proceeds (payment)	-	-	(195,000)	(195,000)	(190,000)	-
Transfer from/to Other Funds	(142,000)	-	86,700	(55,300)	87,790	25,000
Payment on advances	-	(12,318)	-	(12,318)	(322,129)	-
Advance Received	-	-	-	-	355,096	-
Net cash provided by (used in) noncapital financing activities	<u>(142,000)</u>	<u>(12,318)</u>	<u>(108,300)</u>	<u>(262,618)</u>	<u>(69,243)</u>	<u>25,000</u>
<b>Cash flows from investing activities:</b>						
Capital expenditures	(8,761)	-	-	(8,761)	(21,607)	(39,750)
Interest received	1,107	357	658	2,122	1,628	-
Interest expense	-	-	(41,519)	(41,519)	(44,606)	-
Net cash provided by (used in) investing activities	<u>(7,654)</u>	<u>357</u>	<u>(40,861)</u>	<u>(48,158)</u>	<u>(64,585)</u>	<u>(39,750)</u>
Net increase (decrease) in cash and cash equivalents	(139,917)	(13,091)	3,840	(149,168)	101,508	32,253
Cash and cash equivalents at beginning of year	<u>1,186,612</u>	<u>174,207</u>	<u>136,546</u>	<u>1,497,365</u>	<u>1,395,857</u>	<u>33,146</u>
Cash and cash equivalents at end of year	<u>\$ 1,046,695</u>	<u>\$ 161,116</u>	<u>\$ 140,386</u>	<u>\$ 1,348,197</u>	<u>\$ 1,497,365</u>	<u>\$ 65,399</u>

Change in investment in joint venture \$(276,822) is a noncash transaction and does not affect cash flow in Electric Fund.

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING  
ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2015  
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Total</b>		<b>Governmental</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Proprietary Funds 2015</b>	<b>2014</b>	<b>Internal Service Fund</b>
Net operating (loss) income	\$ (6,790)	\$ (30,541)	\$ (101,902)	\$ (139,233)	\$ (103,989)	\$ 4,228
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities</b>						
Depreciation	59,570	35,462	259,518	354,550	351,264	43,426
<b>(Increase) decrease in:</b>						
Receivables	555	1,133	(2,246)	(558)	305	-
Prepaid expenses	(447)	(531)	893	(85)	794	-
Prepaid supplies	(47,894)	-	-	(47,894)	(3,302)	-
<b>Increase (decrease) in:</b>						
Accrued expenses and other liabilities	7,180	(2,845)	(679)	3,656	(16,126)	(651)
Accrued leave	1,821	(3,808)	(2,583)	(4,570)	7,165	-
Customer deposits	(2,358)	-	-	(2,358)	(775)	-
Due to other funds	(1,900)	-	-	(1,900)	-	-
Net cash provided by (used in) operating activities	<u>\$ 9,737</u>	<u>\$ (1,130)</u>	<u>\$ 153,001</u>	<u>\$ 161,608</u>	<u>\$ 235,336</u>	<u>\$ 47,003</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Village of Clinton, Michigan (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units

Effective April 1, 2004, the Village of Clinton, Michigan implemented the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Significant changes in the statement include the following:

- ◆ A Management’s Discussion and Analysis (MD&A) section providing an analysis of the Village’s overall financial position and results of operations has been included with the financial statements.
- ◆ Financial statements prepared using full accrual accounting for all of the Village’s activities.
- ◆ A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village of Clinton, Michigan has elected to implement the general provisions of the statement.

**A. Reporting Entity**

The Village of Clinton is a Michigan Municipal Village governed by the Village Council. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

**Discretely presented component unit.**

Downtown Development Authority (DDA) was created as a separate legal entity under Public Act 197 of 1975 of the State of Michigan. The purpose of the DDA is to plan and develop the downtown area of the Village and to attract new businesses and residents. The governing body of DDA is appointed by the Village Council for a fixed term. The Village approves the annual budget and any capital projects of DDA. Prior approval by the Village is needed on any taxation by DDA. And, the Village’s approval is needed for any borrowing done by DDA. The Downtown Development Authority is presented as a governmental fund type.

Separate financial statements for the component unit are not available.



**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are 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 the legally separate *component unit* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and permanent funds. Major individual governmental funds and major individual utility funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting and financial statement presentation**

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. Revenues are 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 revenues 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 as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**The government reports the following major governmental funds:**

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

Special Revenue- The Fire Fund & Major Street Fund are used to account for specific revenue that are legally restricted to expenditures for particular purposes.

*Permanent Funds* – The *Village of Clinton Robison Trust Fund* is a Nonexpendable Trust Fund in which the principal may not be expended. The *John f. Robison Tate Park Trust Fund* is a Trust Fund in which the principal may not be expended and interest, may only be expended for Park Improvement. See Notes 8 and 9 for further details on these Trusts.

**The government reports the following major proprietary funds:**

The *Electric Fund* accounts for the activities of the Village's electric distribution operations.

The *Water Fund* accounts for the acquisition, operation, and maintenance of the Village's water system.

The *Sewer Fund* accounts for the acquisition, operation, and maintenance of the Village's sewer system.

**Additionally, the government reports the following fund types:**

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

*Special Revenue Funds* (Local Street, and Community Center Fund) are again used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The *Internal Service Fund* (Equipment Fund) is used to account for equipment acquisition, maintenance and operation, and provides equipment rental to other funds or departments of the Village.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments of utility charges between the Village's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various function concerned.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Amounts reported as *program revenues* included 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds are charges to customers for sales and services. Operating expenses for the funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Assets, liabilities, and net assets or equity.**

**1. Cash and investments**

Cash and cash equivalents includes amounts in cash on hand, demand deposits, except those deposits noted as investments (see below), as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments include money market and certificates of deposit where the intent is to hold funds long-term, as well as investments with maturity dates over three months of the date acquired by the government.

State statutes authorize the government to invest in Obligations of the U.S. Treasury, Federal Agencies, commercial paper, corporate bonds, repurchase agreements, and State approved Investment Pools.

Investments are stated at cost or amortized cost. The Village Council will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Village had advances from the Village of Clinton Robison Trust to the Water Fund. The Tate Park Capital Improvement Fund advanced money to Major Street Fund and, Robison Trust advanced to Downtown Development Authority.

Personal property taxes receivable is shown net of an allowance for uncollectibles.

Property taxes are levied as of July 1 on property values assessed as of the prior December 1. The billing is mailed on July 1 and is considered due upon receipt by the taxpayer; however, the actual due date is September 14. A lien on property occurs when property taxes are levied (July 1). On September 14, the bill becomes delinquent and penalties and interest may be assessed by the government.

The Village had a general tax millage of 8.800 for 2014. The Village's maximum allowable millage is 12.5 mills. It also levied .780 mills for the Smith-Kimball Community Center.

Delinquent real property taxes are turned over to the County and reimbursed through a revolving fund.

**3. Prepaid items**

Prepaid supplies are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Capital Assets**

Capital assets, which include property, building, equipment, and infrastructure assets (e.g., road, storm sewers and utility systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, buildings, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Land improvements	30
Buildings	15 – 16
Machinery, equipment, and furnishings	10 – 20
Utility systems	20 – 60
Infrastructure	20 – 30

**5. Compensated absences**

The current portion of the liability for accumulated sick, personal, vacation, and compensated time vested is shown in the relative governmental funds. The total (current and long-term portions) are shown in the Proprietary Funds and in the government-wide statements.

**6. Long-term obligations**

In the governmental-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 type statement of net assets.

In the fund financial statements, governmental fund types recognize any 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**7. Fund Balance Classification Policies and Procedures**

Fund balance classifications shown in the governmental fund financial statements are nonspendable, restricted, committed, assigned and unassigned.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the Village Council.

Amounts in the assigned fund balance classification are constrained by the Village Council's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the Village itself or a delegated body (for example a budget or finance committee) or an official to which the Village Council has delegated the authority to assign accounts to be used for specific purposes.

Unassigned fund balance is the residual classification usually for the Village's General Fund and includes all spendable amounts not contained in the other classifications.

Under Village policy, when both restricted and unrestricted (committed, assigned or unassigned) amounts are available for a purpose, the Village considers using the restricted funds first and then the unrestricted when an expenditure is incurred. Within the unrestricted fund balance amounts, the Village considers the committed first used, then unassigned for an applicable expenditure.

For determination of classification the Village first determines the nonspendable then the restricted, committed, assigned, and unassigned, in that order. If a deficit occurs for a certain purpose in a fund, assigned amounts for other purposes would be used to offset the deficit if possible.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary information**

The accounting basis used by the Village for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Village follows the budgetary procedures outlined by the State of Michigan including public hearings and proper adoption. All funds of the Village have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

**B. Excess of expenditures over appropriations in budgetary funds**

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Village's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Village for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2015, the Village incurred expenditures in the governmental funds which were in excess of the amounts appropriated, as follows:

	Actual	Budget	Variance
<b>General Fund:</b>			
Administration	\$ 68,460	\$ 67,750	\$ 710
Professional Services	20,219	20,000	219
Interest	1,337	1,330	7
<b>Fire:</b>			
Wages	86,404	82,050	4,354
Benefits	13,566	12,220	1,346
Communications	7,244	6,000	1,244
Insurance	14,757	12,500	2,257
Utilities	9,119	6,000	3,119
Truck Maintenance	25,577	16,000	9,577

These additional expenditures were funded by greater than anticipated revenues.

**NOTE 3. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

The Village limits its exposure to interest rate risk keeping certificate of deposits at short term maturation, as noted below. However, in the managed accounts at Old National Bank 80% of the investments are fixed income securities, which are subject to interest rate risk.

The Village is subject to credit risk having a large portion of cash and investments which are uninsured.

The Village is also subject to custodial credit risk having 74% of investments with Old National Bank, 7% of investments with TLC Community Credit Union, 6% with First Federal Bank of Midwest, 3% with Key Bank and 10% with Comerica Bank. All demand deposits are with Comerica Bank.

The Village does not have policies covering interest rate risk, credit risks or custodial risk.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Primary Government**

At year end, bank deposits amounted to \$1,109,319. Of this amount \$250,000 was covered by Federal Depository Insurance and \$859,319 was uninsured and uncollateralized. At certain times of the year, especially when property taxes are being collected, the Village's uncollateralized deposits increase significantly; as a result, the amounts of uncollateralized deposits at those times were higher. All deposits are with banks located in Michigan as required by statutes.

**A. Deposits and investments**

At year end, bank balances, net of checks written but not cleared, as recorded in the financial statements were \$1,003,533. Of that amount, \$173,105 was in cash and checking and money market accounts; and \$830,428 in the 'J Fund' account. Such accounts are authorized by statutes.

**Component Unit**

**Deposits.** The component unit had deposits with a carrying value and bank balance of \$93,112 at year end. This account is part of the J Fund with Comerica Bank with balance of \$93,112.

**Primary Government**

The Village had investments with carrying value and bank balance of \$4,337,873 at year end of which \$1,135,090 is covered by Federal Depository Insurance. Investments consist of:

<u>Certificates of Deposit</u>	<u>Balance MARCH 31, 2015</u>	
General Fund	\$ 144,649	
Electric Fund	234,100	
Electric Fund	258,943	
Fire Fund	36,499	
Sewer Fund	124,475	
Water Fund	67,274	
Electric Fund	244,995	
Electric Fund	63,662	
General Fund	150,937	
Fire Fund	50,280	
<u>Managed Accounts at Old National Bank</u>	<u>Current Yield</u>	<u>Balance March 31, 2015</u>
Village of Clinton Robison Trust	2.76	1,400,307
John F. Robison Tate Park	2.83	1,561,752
		\$ 4,337,873

Bond securities in the managed accounts are quality rated AA.



**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of year end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Major Streets	Local Streets	Community Center	Fire Fund	Electric Fund	Water Fund	Sewer Fund	Equipment Fund	Total
<b>Receivables:</b>										
Taxes	\$ 24,635	\$ -	\$ -	\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,835
Accounts	6,309	-	-	-	-	233,224	10,506	42,774	-	292,813
Intergovernmental	-	11,356	4,282	-	-	-	-	-	-	15,638
Accrued Interest	-	15	-	97	296	111	39	322	3	883
Gross receivables	30,944	11,371	4,282	2,297	296	233,335	10,545	43,096	3	336,169
Less: allowance for uncollectibles	-	-	-	-	-	-	-	-	-	-
Net total receivables	\$ 30,944	\$ 11,371	\$ 4,282	\$ 2,297	\$ 296	\$ 233,335	\$ 10,545	\$ 43,096	\$ 3	\$ 336,169

**C. Capital assets**

Capital asset activity for the year ended March 31, 2015 was as follows:

**Primary Government**

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Governmental activities:</b>				
Assets not being depreciated-land	\$ 285,152	\$ -	\$ -	\$ 285,152
Capital assets, being depreciated:				
Land improvements	646,309	27,362	-	673,671
Buildings	1,372,640	-	-	1,372,640
Equipment, machinery and furnishings	2,213,277	3,869	-	2,217,146
Infrastructure	5,207,221	-	-	5,207,221
Depreciable capital assets	9,439,447	31,231	-	9,470,678
<b>Less accumulated depreciation for:</b>				
Land improvements	(360,530)	(22,152)	-	(382,682)
Buildings	(945,264)	(27,453)	-	(972,717)
Equipment, machinery and furnishings	(1,845,821)	(110,954)	-	(1,956,775)
Infrastructure	(3,821,463)	(167,975)	-	(3,989,438)
Total accumulated depreciation	(6,973,078)	(328,534)	-	(7,301,612)
Total net capital assets being depreciated	2,466,369	(297,303)	-	2,169,066
Governmental activities net capital assets	\$ 2,751,521	\$ (297,303)	\$ -	\$ 2,454,218

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Assets not being depreciated-land	\$ 30,645	\$ -	\$ -	\$ 30,645
Total capital assets, not being depreciated	<u>30,645</u>	<u>-</u>	<u>-</u>	<u>30,645</u>
Capital assets, being depreciated:				
Utility systems	11,643,673	8,760		11,652,433
Depreciable capital assets	<u>11,643,673</u>	<u>8,760</u>	<u>-</u>	<u>11,652,433</u>
<b>Less accumulated depreciation for:</b>				
Utility systems	(5,591,550)	(354,550)	-	(5,946,100)
Total accumulated depreciation	<u>(5,591,550)</u>	<u>(354,550)</u>	<u>-</u>	<u>(5,946,100)</u>
Total net capital assets being depreciated	<u>6,052,123</u>	<u>(345,790)</u>	<u>-</u>	<u>5,706,333</u>
Business-type activities net capital assets	<u>\$ 6,082,768</u>	<u>\$ (345,790)</u>	<u>\$ -</u>	<u>\$ 5,736,978</u>

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

<b>Governmental activities:</b>	
General government	\$ 25,101
Public safety	55,413
Culture and recreation	49,123
Highways and streets	198,897
Total depreciation - governmental activities	<u>\$ 328,534</u>
<b>Business-type activities:</b>	
Utility	\$ 354,550
Total depreciation - business-type activities	<u>\$ 354,550</u>

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Discretely presented component unit:**

Capital asset activity for the Downtown Development Authority (DDA) for the year ended March 31, 2015 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets, being depreciated:				
Land improvements	\$ 503,365	\$ 61,966	\$ -	\$ 565,331
<b>Less accumulated depreciation for:</b>				
Land improvements	(203,820)	(16,779)	-	(220,599)
DDA net capital assets	\$ 299,545	\$ 45,187	\$ -	\$ 344,732

**D. Interfund receivables, payables, and transfers**

**Primary Government**

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Fund</b>	<b>Interfund Payable</b>
Local Street	\$ 2,377	General	\$ 2,377
Community Center	11,000	General	11,000
Major Street	4,000	General	4,000
Major Street	1,500	Water	1,500
Major Street	295,630	Electric	295,630
Local Street	3,900	Water	3,900
Local Street	3,900	Electric	3,900
Major Street	192	Local Street	192
Total	\$ 322,499	Total	\$ 322,499

**Advance to/from other funds:**

Robison Trust	\$ 342,778	Water Fund	\$ 342,778
Tate Park Trust	267,792	Major Street	267,792
Robison Trust	40,802	Downtown Development Authority	40,802
Total	\$ 651,372	Total	\$ 651,372

Purpose of due to and from are mainly for reimbursing expenses between funds.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**Due to/from Primary Government and Component Unit:**

	Receivable Entity		Payable Entity					
	Downtown Development Authority (Component Unit)	\$ 1,588	General Fund (Primary Government)	\$ 1,588				
<b>Interfund transfers:</b>								
	<b>Transfers In</b>							
<b>Transfers out:</b>	<b>General</b>	<b>Major Street</b>	<b>Local Street</b>	<b>Sewer Fund</b>	<b>Equipment Fund</b>	<b>Debt Retirement</b>	<b>Downtown Development Authority</b>	<b>Total</b>
General	\$ -	\$ -	\$ 26,670	\$ 86,700	\$ 25,000	\$ -	\$ 28,850	\$ 167,220
Downtown Development Authority	-	-	-	-	-	37,600	-	37,600
Tate Park Capital Investment	28,449	-	-	-	-	-	-	28,449
Robison Trust	-	40,000	-	-	-	-	-	40,000
Electric	142,000	-	-	-	-	-	-	142,000
<b>Total</b>	<b>\$ 170,449</b>	<b>\$ 40,000</b>	<b>\$ 26,670</b>	<b>\$ 86,700</b>	<b>\$ 25,000</b>	<b>\$ 37,600</b>	<b>\$ 28,850</b>	<b>\$ 415,269</b>

Due to and due from are for cash flow needs between funds or to meet payable or receivable obligations between funds.

**E. Long-term debt**

**Debt related to governmental activities**

The Village has a general obligation debt (2003 General Obligation Limited Bond issue) which funded capital improvements. The original bond issue was \$410,000 with an interest rate at 7% and final maturity at May 1, 2019. Outstanding balance at March 31, 2015 was \$165,000.

Also the Village has an installment purchase loan of \$95,000 to provide funds for the purchase property at 114 Jackson St., Clinton for future expansion of the Fire Department. This loan has an interest rate of 6.025% and final maturity is November 1, 2015. Outstanding balance at March 31, 2015 was \$11,000.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

Annual debt service requirements to maturity for these debt obligations are as follows.

Year Ending March 31,	Principal	Interest
2016	41,000	7,060
2017	30,000	5,183
2018	35,000	3,832
2019	35,000	2,336
2020	35,000	788
	\$ 176,000	\$ 19,199

**E. Long term debt**

**Debt related to business-type activities**

The Village of Clinton has issued bonds (Village of Clinton Sewage Disposal System Revenue Bond, Series 2008) 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, 2014 was \$2,360,000.

Annual Debt Service requirements to maturity are projected as follows:

<b>Business-type Activities</b>	
Year Ending March 31,	Principal
2016	200,000
2017	200,000
2018	205,000
2019	205,000
2020	210,000
2021 - 2025	1,110,000
2026	230,000
	\$ 2,360,000

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Long Term Debt**

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2015:

	Governmental Activities		Business-type Activity		Total	Due in One Year
	Installment Purchase	Primary Government Bond Issue	Bond Issue	Accrued Employee Benefits		
Long-term debt at March 31, 2014	\$ 22,000	\$ 195,000	\$ 2,555,000	\$ 193,342	\$ 2,965,342	
Principal payment	(11,000)	(30,000)	(195,000)	-	(236,000)	
Decrease in accrued employee benefits	-	-	-	(20,629)	(20,629)	
Long-term debt at March 31, 2015	<u>\$ 11,000</u>	<u>\$ 165,000</u>	<u>\$ 2,360,000</u>	<u>\$ 172,713</u>	<u>\$ 2,708,713</u>	<u>\$ 241,000</u>

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Advance (loan) to other funds**

The Capital Improvement Tate Park Fund has loaned money to the Major Street Fund of \$294,130 for road construction. This loan is to be paid back over ten years, due 11/1/2022 at an interest rate of 4.75%. The annual debt service requirements are as follows:

Year Ending March 31	Principal	Interest
2016	27,604	12,396
2017	28,931	11,069
2018	30,321	9,679
2019	31,778	8,222
2020	33,306	6,694
2021	34,907	5,093
2022	36,584	3,415
2023	44,361	1,658
	<u>267,792</u>	<u>58,226</u>

The Clinton Robison Trust has loaned the Downtown Development Authority \$40,802 to purchase property (108 Tecumseh Road). The loan is to be paid over 5 years at an interest rate of 3.00%. the annual debt service requirements are as follows:

Payment Date	Interest Payment	Principal Payment
11/1/2015	623.51	3,884.57
5/1/2016	565.24	3,942.83
11/1/2016	506.09	4,001.98
5/1/2017	446.06	4,062.01
11/1/2017	385.13	4,122.94
5/1/2018	323.29	4,184.78
11/1/2018	260.52	4,247.55
5/1/2019	196.81	4,311.27
11/1/2019	132.14	4,375.94
5/1/2020	66.50	4,433.17
	3,505.29	41,567.04

(includes accrued interest of \$765.04)

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 3. DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Advance (loan) to other funds (Continued)**

The Village has constructed a well (Well No. 5) financed from an advance from the Village of Clinton Robison Trust. As of March 31, 2015, the advance balance was \$342,778.

The loan is to be paid back over twenty years, due 5/1/2033 at an interest rate of 4.00%. The annual debt service requirements are as follows.

<u>Payment Dates</u>	<u>Principal</u>	<u>Interest</u>
5/1/2015	6,344.44	6,855.56
11/1/2015	6,471.33	6,728.67
5/1/2016	6,600.75	6,599.25
11/1/2016	6,732.77	6,467.23
5/1/2017	6,867.42	6,332.58
11/1/2017	7,004.77	6,195.23
5/1/2018	7,144.87	6,055.13
11/1/2018	7,287.76	5,912.24
5/1/2019	7,433.52	5,766.48
11/1/2019	7,582.19	5,617.81
5/1/2020	7,733.83	5,466.17
11/1/2020	7,888.51	5,311.49
5/1/2021	8,046.28	5,153.72
11/1/2021	8,207.21	4,992.79
5/1/2022	8,371.35	4,828.65
11/1/2022	8,538.78	4,661.22
5/1/2023	8,709.55	4,490.45
11/1/2023	8,883.74	4,316.26
5/1/2024	9,061.42	4,138.58
11/1/2024	9,242.65	3,957.35
5/1/2025	9,427.50	3,772.50
11/1/2025	9,616.05	3,583.95
5/1/2026	9,808.37	3,391.63
11/1/2026	10,004.54	3,195.46
5/1/2027	10,204.63	2,995.37
11/1/2027	10,408.72	2,791.28
5/1/2028	10,616.90	2,583.10
11/1/2028	10,829.23	2,370.77
5/1/2029	11,045.82	2,154.18
11/1/2029	11,266.73	1,933.27
5/1/2030	11,492.07	1,707.93
11/1/2030	11,721.91	1,478.09
5/1/2031	11,956.35	1,243.65
11/1/2031	12,195.48	1,004.52
5/1/2032	12,439.38	760.62
11/1/2032	12,688.17	511.83
5/1/2033	12,903.21	258.06
	<u>342,778.20</u>	<u>145,583.07</u>



**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 4. PROPERTY LIABILITY, UNEMPLOYMENT, AND WORKMEN'S COMPENSATION INSURANCE COVERAGE**

The Village is a member of the Michigan Municipal League Property and Liability Pool for insuring its properties and for general liability.

The Village is a member of the Municipal Unemployment Compensation Group Account under the Michigan Municipal League for unemployment coverage.

Workers' Compensation coverage is under the Michigan Municipal League Workers' Compensation Fund.

Any contingent liabilities under these arrangements are not known.

**NOTE 5. OTHER INFORMATION**

**Retirement Plan**

**A. Plan Description**

The Village contributes to the Michigan Municipal Employees' Retirement System (MERS), an agent multi-employer defined benefit pension plan, which provides retirement benefits to all full-time employees of the Village. MERS is administered by its Board of Trustees. The actuary for the System is MERS. The Municipal Employees' Retirement Act of 1984, as amended by 1996 Public Act 220 of the State of Michigan, assigns the authority to establish and amend the benefit provisions of the plans that participate in MERS to the respective employer entities; for the Village of Clinton, that authority rests with the Village. The Municipal Employees' Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917.

**B. Funding Policy**

Employees make contributions (4%) under the plan. The Village is required to contribute the actuarially determined amount each year.

**C. Annual Pension Cost**

For the year ended March 31, 2015, the Village's annual pension contribution was \$69,691. Employees contributed \$32,549. Covered payroll for the year was \$845,159. The required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included -

[a] 8.0% investment rate of return,

[b] projected salary increases will vary from 1% to 4.5% over the next five years depending on actuarial determination.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 5. OTHER INFORMATION** (Continued)

The actuarial value of MERS' assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a five year period.

**Actuarial Accrued Liability (as of 12/31/14)**

Retirees and beneficiaries currently receiving benefits	\$ 1,845,624
Terminated employees not yet receiving benefits	270,246
Non-vested terminated employees (pending refunds of accumulated member contributions)	-
Current employees	2,632,284
Total actuarial accrued liability	4,748,154
Net Assets available for benefits at actuarial value	5,156,854
(Market value is \$4,865,246)	
Unfunded (overfunded) actuarial accrued liability	\$ (408,700)

The actuarial value of assets is based on a 10 year smoothed value of assets.

**Three Year Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
March 31, 2013	42,817	100%	-0-
March 31, 2014	47,249	100%	-0-
March 31, 2015	69,691	100%	-0-

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 5. DEFERRED COMPENSATION PLAN**

The Village provides its employees a Deferred Compensation Plan, created in accordance with the Internal Revenue Code Section 457 that is administered by the CPI Qualified Plan Consultants. The Plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

Under the deferred compensation plan, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

**NOTE 6. 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:

<b>MUNICIPALITY</b>	<b>PERCENTAGE SHARE</b>
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.

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 6. JOINT VENTURE – MICHIGAN SOUTH CENTRAL POWER AGENCY** (Continued)

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, 2013.

A summary of financial information on Michigan South Central Power Agency at June 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Total assets	\$ 65,663,613	\$ 53,766,826
Total liabilities and deferred inflows	21,735,695	15,465,301
Net Position	43,927,918	38,301,525
Operating revenues	70,037,047	54,805,738
Operating expenses	64,389,944	53,896,853
Income from operations	5,647,103	908,885
Investment and miscellaneous income	72,368	290,193
Member Equity Refund	-	(5,090,860)
Other expense	(82,433)	(216,494)
Realized and unrealized gain (loss) on investments	(10,645)	(83,808)
Change in net position	5,626,393	(4,192,084)

**VILLAGE OF CLINTON, MICHIGAN**  
**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**NOTE 7. 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%.

**NOTE 8. VILLAGE OF CLINTON – ROBISON TRUST**

The Village has created a trust funded by unrestricted gifts from the Estate of John F. Robison (\$1,758,256). It is the intent of the Village that all gifts to this trust will be held as endowments with the principal invested permanently and the investment income to be used for the benefit of the Village of Clinton.

**NOTE 9. JOHN R. ROBISON TATE PARK TRUST**

This trust has been created by the Village to provide a legal entity for handling the restricted gifts from the Estate of John F. Robison (\$1,768,450). The donor has restricted the use of these gifts to the operation, improvement, and maintenance of Tate Park. It is the intent of the Village that all gifts to the trust will be held as endowments with the principal invested permanently and the investment income to be used for Tate Park.

**NOTE 10. SUBSEQUENT EVENTS**

There have been no material subsequent events to effect the financial condition of the Township since March 31, 2015 to June 25, 2015.

**VILLAGE OF CLINTON, MICHIGAN  
MERS RETIREMENT PLAN  
SCHEDULE OF FUNDING PROGRESS  
MARCH 31, 2015**

Actuarial Valuation Date	Actuarial Value of Assets [a]	Actuarial Accrued Liability (AAL) Entry Age [b]	Unfunded AAL (UAAL) [b-a]	Funded Ratio [a/b]	Covered Payroll [c]	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	\$ 1,874,502	\$ 1,684,799	\$ (189,703)	111	\$ 621,918	-0-
12/31/02	1,976,140	1,836,659	(139,481)	108	698,097	-0-
12/31/03	2,200,887	2,280,159	79,272	97	727,524	11
12/31/04	2,444,704	2,491,190	46,486	98	751,753	6
12/31/05	2,701,214	2,717,445	16,231	99	802,735	2
12/31/06	3,045,405	2,855,725	(189,680)	107	835,228	-0-
12/31/07	3,424,992	3,229,550	(195,442)	106	899,771	-0-
12/31/08	3,688,290	3,395,948	(292,342)	109	775,062	-0-
12/31/09	4,008,693	3,485,024	(523,669)	115	752,395	-0-
12/31/10	4,343,588	3,601,630	(741,958)	121	720,502	-0-
12/31/11	4,601,814	3,847,963	(753,851)	120	766,179	-0-
12/31/12	4,760,371	4,187,555	(572,816)	114	738,270	-0-
12/31/13	4,952,961	4,453,303	(499,658)	111	772,884	-0-
12/31/14	5,156,854	4,748,154	(408,700)	109	845,159	-0-

See independent auditor's report.

**VILLAGE OF CLINTON, MICHIGAN  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2015  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	Debt Service	Local Street Fund	Community Center Fund	Total Nonmajor Governmental Funds	
				2015	2014
<b>ASSETS</b>					
Cash and cash equivalents	\$ 831	\$ 10,931	\$ 58,889	\$ 70,651	\$ 72,313
<b>Receivables (net of allowance for uncollectibles)</b>					
Property taxes	-	-	2,200	2,200	1,773
Due from other governmental units	-	4,282		4,282	9,730
Accrued interest	-	-	97	97	97
Due from other funds	-	10,177	11,000	21,177	21,177
Prepaid expenses and other assets	-	125	1,762	1,887	1,888
Total assets	<u>\$ 831</u>	<u>\$ 25,515</u>	<u>\$ 73,948</u>	<u>\$ 100,294</u>	<u>\$ 106,978</u>
<b>LIABILITIES &amp; FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 136	\$ 136	\$ 1,455
Accrued expenses	-	-	-	-	-
Consumer deposits	-	-	210	210	295
Due to other funds	-	192	-	192	192
Advance from other funds	-	-	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 192</u>	<u>\$ 346</u>	<u>\$ 538</u>	<u>\$ 1,942</u>
<b>Fund balances:</b>					
Nonspendable	\$ -	\$ 125	\$ 1,762	\$ 1,887	\$ 1,888
Restricted	831	25,198	71,840	97,869	103,148
Total fund balances	<u>831</u>	<u>25,323</u>	<u>73,602</u>	<u>99,756</u>	<u>105,036</u>
Total liabilities & fund balances	<u>\$ 831</u>	<u>\$ 25,515</u>	<u>\$ 73,948</u>	<u>\$ 100,294</u>	<u>\$ 106,978</u>

See independent auditor's report.

**VILLAGE OF CLINTON, MICHIGAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE**  
**NONMAJOR GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED MARCH 31, 2015**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2014**

	<b>Debt Service</b>	<b>Local Street Fund</b>	<b>Community Center Fund</b>	<b>Total Nonmajor Governmental Funds</b>	
				<b>2015</b>	<b>2014</b>
<b>REVENUES:</b>					
Property taxes	\$ -	\$ -	\$ 46,423	\$ 46,423	\$ 45,405
<b>Intergovernmental revenues:</b>					
State gas weight tax	-	44,275	-	44,275	44,423
Interest	-	-	63	63	60
<b>Licenses, fees &amp; charges for services</b>					
Rentals	-	-	6,765	6,765	7,450
Miscellaneous	-	-	107	107	85
Total revenues	<u>\$ -</u>	<u>\$ 44,275</u>	<u>\$ 53,358</u>	<u>\$ 97,633</u>	<u>\$ 97,423</u>
<b>EXPENDITURES:</b>					
Highways and streets	\$ -	\$ 81,754	\$ -	\$ 81,754	\$ 54,280
<b>Debt service:</b>					
Principal	30,000	-	-	30,000	30,000
Interest	7,582	-	-	7,582	8,738
<b>Culture and recreation:</b>					
Community center	-	-	47,847	47,847	44,267
Total expenditures	<u>\$ 37,582</u>	<u>\$ 81,754</u>	<u>\$ 47,847</u>	<u>\$ 167,183</u>	<u>\$ 137,285</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ (37,582)</u>	<u>\$ (37,479)</u>	<u>\$ 5,511</u>	<u>\$ (69,550)</u>	<u>\$ (39,862)</u>
<b>Other financing sources (uses):</b>					
Transfers in	37,600	26,670	-	64,270	58,750
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>37,600</u>	<u>26,670</u>	<u>-</u>	<u>64,270</u>	<u>58,750</u>
Net change in fund balances	18	(10,809)	5,511	(5,280)	18,888
Fund balances - beginning of year	<u>813</u>	<u>36,132</u>	<u>68,091</u>	<u>105,036</u>	<u>86,148</u>
Fund balances - end of year	<u>\$ 831</u>	<u>\$ 25,323</u>	<u>\$ 73,602</u>	<u>\$ 99,756</u>	<u>\$ 105,036</u>

See independent auditor's report.



**VILLAGE OF CLINTON, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
DEBT SERVICE FUND  
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
<b>Debt service:</b>				
Principal	30,000	30,000	30,000	-
Interest	7,600	7,600	7,582	18
Total expenditures	<u>37,600</u>	<u>37,600</u>	<u>37,582</u>	<u>18</u>
Deficiency of revenues under expenditures	(37,600)	(37,600)	(37,582)	18
<b>Other financing sources:</b>				
Transfers in	37,600	37,600	37,600	-
Net change in fund balance	-	-	18	18
Total fund balances - beginning of year			<u>813</u>	
Total fund balances - end of year			<u>\$ 831</u>	

See independent auditor's report.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**LOCAL STREET SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
<b>Intergovernmental</b>				
State gas weight tax	\$ 35,000	\$ 46,500	\$ 44,275	\$ (2,225)
Interest	10	10	-	(10)
Total revenues	<u>35,010</u>	<u>46,510</u>	<u>44,275</u>	<u>(2,235)</u>
<b>EXPENDITURES:</b>				
Construction Projects Expense		-		-
Routine maintenance	41,890	58,890	57,975	915
Traffic service	4,380	4,380	3,330	1,050
Winter maintenance	13,440	18,440	18,331	109
Administrative	1,970	2,470	2,118	352
Total expenditures	<u>61,680</u>	<u>84,180</u>	<u>81,754</u>	<u>2,426</u>
Excess (deficiency) of revenues over (under) expenditures	(26,670)	(37,670)	(37,479)	191
<b>Other financing sources:</b>				
Transfers in	26,670	26,670	26,670	-
Net change in fund balance	-	(11,000)	(10,809)	191
Total fund balances - beginning of year			<u>36,132</u>	
Total fund balances - end of year			<u>\$ 25,323</u>	

See independent auditor's report.

**VILLAGE OF CLINTON, MICHIGAN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**COMMUNITY CENTER FUND    SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>				
Property taxes	\$ 44,000	\$ 44,000	\$ 46,423	\$ 2,423
Miscellaneous	100	100	107	7
Rentals	6,400	6,400	6,765	365
Interest	90	90	63	(27)
Total revenues	<u>50,590</u>	<u>50,590</u>	<u>53,358</u>	<u>2,768</u>
<b>EXPENDITURES:</b>				
Debt service	-	-	-	-
Community Center expenses	50,590	50,590	47,847	2,743
Total expenditures	<u>50,590</u>	<u>50,590</u>	<u>47,847</u>	<u>2,743</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	5,511	5,511
<b>Other financing sources:</b>				
Transfers in	-	-	-	-
Net change in fund balance	-	-	5,511	5,511
Total fund balances - beginning of year			<u>68,091</u>	
Total fund balances - end of year			<u><u>\$ 73,602</u></u>	

See independent auditor's report.



June 25, 2015

Village Council  
Village of Clinton  
Clinton, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Village of Clinton as of and for the year ended March 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered Village of Clinton's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Village of Clinton's internal control. Accordingly, we do not express an opinion on the effectiveness of Village of Clinton'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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control 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.

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 deficiency on the following page in internal control to be significant deficiency:

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

Baker, Eaton & Owen  
Adrian, Michigan

**VILLAGE OF CLINTON**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**MARCH 31, 2015**

Finding considered a significant deficiency

Criteria:

In accordance with Statement on Auditing Standards No. #115 titled *Communicating Internal Control Related Matters Identified in an Audit* (issued May 2006), we are required to communicate in writing when a client needs assistance to prepare the footnotes in the annual audit report in accordance with accounting principles generally accepted in the United States of America.

Condition

Currently, the Village staff prepares the interim financial reports and assists the external auditor in the preparation of the annual audit report.

Cause

The staff of the Village does understand all information included in the annual financial statements; however, assistance of the external auditor was utilized in preparing the footnotes to the financial statements.

Effect

Utilization of the external auditor in preparing the footnotes to the financial statements assists management with the external financial reporting responsibility, to ensure their financial statements are accurate. However, there is no oversight of the auditor's work in this area.

Recommendation

At this time, we recommend no changes to this situation and communicate this as required by professional standards. The current process meets the definition of a significant deficiency as defined in Statement on Auditing Standards #115.

Client Response

We are aware of this deficiency and believe it is not cost beneficial in our situation to develop this expertise. We will continue to use our external auditors for this technical assistance. We would expect this situation to be ongoing in future years.