

**Village of Ortonville
Oakland County, Michigan**

FINANCIAL STATEMENTS

June 30, 2015

Village of Ortonville

TABLE OF CONTENTS

June 30, 2015

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	i-ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	iii-v
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4
Statement of Revenues, Expenditures, and Changes in Fund Balances	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	6
Notes to Financial Statements	7-16
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund	
Budgetary Comparison Schedule	17-18
Major Street Fund	
Budgetary Comparison Schedule	19
Local Street Fund	
Budgetary Comparison Schedule	20
Note to Required Supplementary Information	21
OTHER SUPPLEMENTARY INFORMATION	
Component Unit Fund	
Downtown Development Authority	
Balance Sheet	22
Statement of Revenues, Expenditures, and Changes in Fund Balance	23

Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



2601 Cambridge Court
Suite 201
Auburn Hills, MI 48326
(248) 844-2550
FAX: (248) 844-2551

INDEPENDENT AUDITOR'S REPORT

To the Honorable President and
Members of the Village Council
Village of Ortonville, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and each major fund of the Village of Ortonville, Michigan (the Village), as of and for the year ended June 30, 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 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of the Village of Ortonville, Michigan, as of June 30, 2015, and the respective changes in financial position thereof for the year then 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 budgetary comparison schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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's basic financial statements. The component unit fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The component unit fund financial statements are the responsibility of management and were 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 component unit fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

October 16, 2015

Village of Ortonville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Our discussion and analysis of the Village of Ortonville's (the Village) financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Village's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlight for the year ended June 30, 2015:

- Property tax revenues are the General Fund's largest revenue source. Property tax revenue for the year ended June 30, 2015, was approximately \$240,000. The Village's millage rate of 8.0000 was the same as the prior year rate.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services. The Fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds.

Governmental Activities

The following tables show, in a condensed format, the current year's net position and changes in net position compared to the prior year:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Assets		
Current and other assets	\$ 601,089	\$ 540,828
Capital assets	<u>1,881,333</u>	<u>1,861,126</u>
Total Assets	2,482,422	2,401,954
Liabilities		
Current liabilities	29,139	25,715
Net Position		
Investment in capital assets	1,881,333	1,861,126
Restricted	15,000	138,277
Unrestricted	<u>556,950</u>	<u>376,836</u>
Total Net Position	<u>\$ 2,453,283</u>	<u>\$ 2,376,239</u>

Village of Ortonville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

Governmental Activities - continued

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Revenues		
Program Revenues		
Charges for Services	\$ 28,449	\$ 5,031
Operating Grants and Contributions	5,000	112,142
General Revenues		
Property Taxes	343,023	239,726
State Shared Revenue	210,508	110,282
Investment Earnings	5,507	3,111
Miscellaneous	41,302	24,151
	<u>633,789</u>	<u>494,443</u>
Expenses		
General Government	409,796	198,980
Public Safety	2,384	6,589
Public Works	233,101	300,683
Community and Economic Development	2,001	1,811
Recreation and Culture	6,834	23,635
	<u>654,116</u>	<u>531,698</u>
Total Expenses	<u>654,116</u>	<u>531,698</u>
Change in Net Position	<u>\$ (20,327)</u>	<u>\$ (37,255)</u>

The Village's governmental net position decreased 2.94 percent from a year ago, decreasing from approximately \$2.45 million to \$2.38 million.

Total governmental revenues decreased approximately \$139,346 or 21.97 percent. Decreases in charges for services, property taxes, and state shared revenue primarily account for this decrease. Charges for services decreased because less building permits were issued because of a decrease in construction in the community. Property taxes decreased because taxable values decreased.

The Village's total governmental expenses decreased approximately \$122,418 or 18.72 percent from the prior year. The decrease can be attributed to a decrease in general government costs. General government decreased due to road construction and increased costs related to the record winter (plowing, salt, & overtime, for example).

The Village's Funds

Our analysis of the Village's major funds begins on page 3, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. The Village Council creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax mileages. The Village had three (3) major governmental funds for the current year, the General Fund, Major Street Fund, and Local Street Fund.

Village of Ortonville

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

The General Fund pays for most of the Village's governmental services. However, the most significant governmental service is general government, which incurred expenditures of approximately \$165,401 in 2015, which was a decrease of approximately \$170,000, or 51 percent, from 2014 due to a change in allocation of expenses. Total General Fund revenues decreased from a year ago by approximately \$48,000, due to a decrease in tax and other revenues. Total General Fund revenues for 2015 were less than expenditures and other financing uses resulting in a decrease in fund balance of \$34,299. Ending fund balance was \$397,532 of which all was unassigned.

The Major Street Fund pays for most of the repairs and maintenance to the Village's major streets. The Major Street Fund incurred expenditures of approximately \$46,000 in 2015, which was a decrease of approximately \$2,000, or 4 percent, from 2014. Total Major Street Fund revenues decreased from a year ago by approximately \$1,000, due to a decrease in intergovernmental revenues. Total Major Street Fund revenues for 2015 were more than expenditures resulting in an increase in fund balance of \$29,244. Ending fund balance was \$107,657 of which all was restricted.

The Local Street Fund pays for most of the repairs and maintenance to the Village's Local streets. The Local Street Fund incurred expenditures of approximately \$62,000 in 2015, which was a decrease of approximately \$34,000, or 35 percent, from 2014 due to less construction and ice control materials. Total Local Street Fund revenues increased from a year ago by approximately \$6,000, due to an increase in intergovernmental revenues. Total Local Street Fund revenues and other financing sources for 2015 were more than expenditures resulting in an increase in fund balance of \$11,169. Ending fund balance was \$9,924 of which all was restricted.

General Fund Budgetary Highlights

Over the course of the year, the Village amended the budget to take into account events during the year. Budget amendments were made as a result of changes in estimates for tax revenues. Overall, revenues were less than the amended budget by \$15,483 and expenditures were also less than the amended budget by \$17,751. Public works and general government actual expenditures were \$18,427 and \$4,153, respectively, less than the amended budget. This can be attributed to a variety of cost saving techniques used by the Village in 2015.

The General Fund budget was amended to show an increase in revenue of \$19,694. Of this amount \$16,734 was added to tax revenues budget due to higher than anticipated tax revenues in 2015. General Fund expenditures were amended by \$7,594 to recognize potential additional expenditures. In particular, the general government budgeted expenditures were increased by approximately \$5,500 to represent increased legal costs and increased contractual services in the Clerk and Planning.

Capital Asset Administration

The Village's investment in capital assets for its governmental activities as of June 30, 2015, amounted to \$1,861,126, net of accumulated depreciation. This investment in capital assets includes land, buildings, leasehold improvements, furniture and equipment, vehicles, and infrastructure. Current year additions to capital assets included bridge and road work. More detailed information concerning capital assets can be found within the Note D to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

There are several economic factors that will challenge the Village in the next several years. These include state revenue sharing cuts and declining assessed property tax values. These factors were considered in the preparation of the Village's fiscal year 2015-2016 budget. In addition, the Village Council is currently monitoring, and will evaluate and respond as necessary, to various upcoming State legislation.

Contacting the Village's Management

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

BASIC FINANCIAL STATEMENTS

Village of Ortonville
STATEMENT OF NET POSITION
June 30, 2015

	Primary Governmental Activities	Component Unit (DDA)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 156,524	\$ 68,286
Investments	315,031	-
Receivables	5,397	-
Due from other governmental units	63,876	-
Total current assets	540,828	68,286
Noncurrent assets		
Capital assets not being depreciated	749,277	-
Capital assets, net of accumulated depreciation	1,111,849	-
Total noncurrent assets	1,861,126	-0-
TOTAL ASSETS	2,401,954	68,286
LIABILITIES		
Current liabilities		
Accounts payable	11,957	3,000
Accrued liabilities	8,361	-
Due to other governmental units	5,397	15,100
Due to others	-	5,910
TOTAL LIABILITIES	25,715	24,010
NET POSITION		
Investment in capital assets	1,861,126	-
Restricted for public safety	20,696	-
Restricted for streets and highways	117,581	-
Unrestricted	376,836	44,276
TOTAL NET POSITION	\$ 2,376,239	\$ 44,276

See accompanying notes to financial statements.

Village of Ortonville

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
				Governmental Activities	Component Unit (DDA)
Primary government					
Governmental activities					
General government	\$ 198,980	\$ 5,031	\$ -	\$ (193,949)	\$ -
Public safety	6,589	-	-	(6,589)	-
Public works	300,683	-	112,142	(188,541)	-
Community and economic development	1,811	-	-	(1,811)	-
Recreation and culture	23,635	-	-	(23,635)	-
Total primary government	<u>\$ 531,698</u>	<u>\$ 5,031</u>	<u>\$ 112,142</u>	(414,525)	-0-
Component unit					
Downtown Development Authority	<u>\$ 92,171</u>	<u>\$ -</u>	<u>\$ 3,459</u>	-	(88,712)
General revenues					
Property taxes				239,726	80,410
State shared revenue				110,282	-
Investment earnings				3,111	62
Miscellaneous				24,151	6,124
Total general revenues				<u>377,270</u>	<u>86,596</u>
Change in net position				(37,255)	(2,116)
Restated net position, beginning of the year				<u>2,413,494</u>	<u>46,392</u>
Net position, end of the year				<u>\$ 2,376,239</u>	<u>\$ 44,276</u>

See accompanying notes to financial statements.

Village of Ortonville

Governmental Funds

BALANCE SHEET

June 30, 2015

	General	Major Street	Local Street	Total
ASSETS				
Cash and cash equivalents	\$ 55,182	\$ 96,021	\$ 5,321	\$ 156,524
Investments	315,031	-	-	315,031
Accounts receivable	5,397	-	-	5,397
Due from other governmental units	45,690	12,057	6,129	63,876
TOTAL ASSETS	\$ 421,300	\$ 108,078	\$ 11,450	\$ 540,828
LIABILITIES				
Account payable	\$ 10,010	\$ 421	\$ 1,526	\$ 11,957
Accrued liabilities	8,361	-	-	8,361
Due to other governmental units	5,397	-	-	5,397
TOTAL LIABILITIES	23,768	421	1,526	25,715
FUND BALANCES				
Restricted				
Public safety	20,696	-	-	20,696
Streets	-	107,657	9,924	117,581
Unassigned	376,836	-	-	376,836
TOTAL FUND BALANCES	397,532	107,657	9,924	515,113
TOTAL LIABILITIES AND FUND BALANCES	\$ 421,300	\$ 108,078	\$ 11,450	\$ 540,828

See accompanying notes to financial statements.

Village of Ortonville

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2015

Total fund balances - governmental funds \$ 515,113

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 3,281,753	
Accumulated depreciation is	<u>(1,420,627)</u>	
Capital assets, net		<u>1,861,126</u>
Net position of governmental activities		<u><u>\$ 2,376,239</u></u>

Village of Ortonville

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2015

	General	Major Street	Local Street	Total
REVENUES				
Taxes	\$ 239,726	\$ -	\$ -	\$ 239,726
Licenses and permits	3,911	-	-	3,911
Intergovernmental	113,862	75,219	33,343	222,424
Charges for services	445	-	-	445
Interest and rents	3,670	72	44	3,786
Other	24,151	-	-	24,151
TOTAL REVENUES	385,765	75,291	33,387	494,443
EXPENDITURES				
Current				
General government	165,401	-	-	165,401
Public safety	6,058	-	-	6,058
Public works	149,315	46,047	62,074	257,436
Community and economic development	1,665	-	-	1,665
Recreation and culture	18,410	-	-	18,410
Other	39,359	-	-	39,359
TOTAL EXPENDITURES	380,208	46,047	62,074	488,329
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,557	29,244	(28,687)	6,114
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	39,856	39,856
Transfers out	(39,856)	-	-	(39,856)
TOTAL OTHER FINANCING SOURCES (USES)	(39,856)	-0-	39,856	-0-
NET CHANGE IN FUND BALANCES	(34,299)	29,244	11,169	6,114
Fund balances, beginning of year	432,560	72,112	19,857	524,529
Prior period adjustment	(729)	6,301	(21,102)	(15,530)
Fund balances, end of year	<u>\$ 397,532</u>	<u>\$ 107,657</u>	<u>\$ 9,924</u>	<u>\$ 515,113</u>

See accompanying notes to financial statements.

Village of Ortonville

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ 6,114

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 40,542	
Depreciation expense	<u>(83,911)</u>	
Excess of depreciation expense over capital outlay		<u>(43,369)</u>

Change in net position of governmental activities \$ (37,255)

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Located in Oakland County, Michigan, the Village of Ortonville (the Village) is incorporated as a general law village in which citizens elect the council members. The Village is not included in any other governmental "reporting entity", as defined by the *Government Accounting Standards Board* (GASB), since council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Village provides the following services to residents: general government and highways and streets.

The financial statements of the Village have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's more significant accounting policies are described below.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the Village of Ortonville (primary government) and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Village.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of the Village of Ortonville contain all the funds controlled by the Village Council.

2. Discretely Presented Component Unit

This component unit is reported in a separate column to emphasize that, while legally separate, the Village remains financially accountable for this entity or the nature and significance of the relationship between the entity and the Village is such that exclusion of the entity would render the financial statements misleading or incomplete. The financial statements contain the following discretely presented component unit:

Downtown Development Authority (DDA) - The members of the governing board of the DDA are appointed by the Village Council and the Council has the ability to exercise oversight responsibility, specifically in the area of designation of management. The DDA is included in the Village's audited financial statements and is not audited separately.

3. Jointly Governed Organization

Brandon Fire Department - The Village is a member of Brandon Fire Department, which provides fire and ambulance services to the residents of the Village of Ortonville and the Charter Township of Brandon. The Fire Department is funded primarily from property taxes. The Village is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Village Manager serves as a member of the Fire Authority Board. The Village appoints one additional member to the Fire Authority Board. The Village Council and Township Board approve the Fire Department's annual budget. The Village has no defined equity interest in the Fire Authority. Taxes are levied on Township property to fund annual operations. Complete financial statements for the Charter Township of Brandon, which includes the Brandon Fire Department, can be obtained from the Township offices.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component unit as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). Interfund activity has been eliminated in the preparation of these statements.

The statement of activities presents the direct functional expenses of the primary government and its component unit and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients for goods or services that are restricted to meeting the operational requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes taxes, interest, unrestricted state revenue sharing payments, and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the Village's individual major funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

- a. The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Major Street Fund is a Special Revenue Fund used to account for restricted financial resources (primarily Act 51 revenues) that are used for repairs and maintenance of the Village's major streets.
- c. The Local Street Fund is a Special Revenue Fund used to account for restricted financial resources (primarily Act 51 revenues) that are used for repairs and maintenance of the Village's local streets.

5. Measurement Focus

The government-wide financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6. Basis of Accounting - continued

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

If/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.

7. Budgets and Budgetary Accounting

The budgets shown as required supplementary information were adopted on a basis consistent with the modified accrual basis used to reflect actual results in the fund financial statements. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The Village employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. The Village requires the Village Treasurer to submit an estimate of anticipated revenues and the Village Manager to submit an estimate of anticipated expenditures for the succeeding fiscal year in June of each year. Village Council approval is required for any budgetary changes that result in an increase to net appropriations.
- b. The budget is legally adopted at the functional level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.
- c. The Village does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- d. Budgetary amounts are reported as originally adopted or amended by the Village Council during the year. Individual amendments were appropriately approved by the Village Council as required.

8. Cash and Cash Equivalents

Cash consists of various checking and money market accounts. Cash equivalents consist of temporary investments in mutual funds. The cash equivalents are stated at fair value.

9. Investments

Investments consist of monies held in a pooled investment account, which is administered by a third party.

10. Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Receivables

Receivables consist of amounts due from businesses related to charges for services owed to the Village at year-end.

12. Property Tax

The Village of Ortonville bills and collects its own property taxes. The Village's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the Village of Ortonville on July 1 on the taxable valuation of property located in the Village as of the preceding December 31 (the lien date) and are payable without penalty through September 14. All real property taxes not paid to the Village by February 28 are turned over to the Oakland County Treasurer for collection. Delinquent personal property taxes receivable are remitted to the Village upon subsequent collection. Village property tax revenues are recognized as revenues in the fiscal year levied.

The Village is permitted to levy taxes up to 9.3789 mills (\$9.3789 per \$1,000 of taxable valuation) for general governmental services. For the year ended June 30, 2015, the Village levied 8.0000 mills per \$1,000 of assessed valuation for general governmental services. The total taxable value for the 2014 levy for property within the Village was \$33,464,050.

13. Interfund Transactions

During the course of normal operations, the Village has numerous transactions between funds, including expenditures and transfers of resources to provide services and construct assets. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

14. Capital Assets

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements. Capital assets are those with an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in the governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	20 - 40 years
Leasehold improvements	15 - 20 years
Furniture and equipment	5 years
Vehicles	5 years
Infrastructure	15 years

15. Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions that have been imposed by outside sources, which preclude a portion of net position from their use for unrestricted purposes.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE A: DESCRIPTION OF VILLAGE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

16. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the financial statements unduly complex and difficult to read.

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Village is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of the State or the United States, but only if the bank, savings and loan association, savings bank, or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Deposits

Deposits of the Village are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Village. There is a custodial credit risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. As of June 30, 2015, the carrying amounts of the Village's deposits were \$224,619 and the bank balance was \$236,283, which was fully covered by federal depository insurance. The primary government had \$191 of imprest cash on hand.

Due to significantly higher cash flow at certain periods during the year, the amount the Village held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

Investments

The Village participates in the Local Government Investment Pool of Oakland County (the pool). As of June 30, 2015, the carrying amount and fair value of the Village's investment in the pool was \$315,031. The investments have a weighted average maturity of 1.83 years. The pool is not subject to rating. The Village may withdraw amounts from the pool on demand.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of June 30, 2015, the Village did not hold any investments subject to rating.

Interest rate risk

The Village has not adopted a policy that indicates how the Village will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates.

Concentration of credit risk

The Village has not adopted a policy that indicates how the Village will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Village's investment in a single issuer.

Custodial credit risk

The Village has not adopted a policy that indicates how the Village will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer by diversifying its investments by security type and institution to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

The following summarizes the categorization of cash and cash equivalents as of June 30, 2015:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 156,524	\$ 68,286	\$ 224,810
Investments	315,031	-	315,031
	<u>\$ 471,555</u>	<u>\$ 68,286</u>	<u>\$ 539,841</u>

NOTE C: INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to Local Street Fund from:	
General Fund	<u>\$ 39,856</u>

Transfers from the General Fund to the Local Street Fund were to finance current year operations.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE D: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Restated Balance July 1, 2014	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2015
Governmental activities				
Capital assets not being depreciated				
Land	\$ 749,277	\$ -	\$ -	\$ 749,277
Construction in progress	23,162	40,542	(63,704)	-0-
Capital assets not being depreciated	772,439	40,542	(63,704)	749,277
Capital assets being depreciated				
Buildings	936,071	-	-	936,071
Leasehold improvements	926,233	-	-	926,233
Furniture and equipment	95,670	-	-	95,670
Vehicles	54,180	-	-	54,180
Infrastructure	456,618	63,704	-	520,322
Subtotal	2,468,772	63,704	-0-	2,532,476
Less accumulated depreciation for:				
Buildings	(286,548)	(24,338)	-	(310,886)
Leasehold improvements	(792,295)	(20,996)	-	(813,291)
Furniture and equipment	(89,170)	(1,300)	-	(90,470)
Vehicles	(40,508)	(6,836)	-	(47,344)
Infrastructure	(128,195)	(30,441)	-	(158,636)
Subtotal	(1,336,716)	(83,911)	-0-	(1,420,627)
Net capital assets being depreciated	1,132,056	(20,207)	-0-	1,111,849
Total net capital assets	\$ 1,904,495	\$ 20,335	\$ (63,704)	\$ 1,861,126

Depreciation expense was charged to the following governmental activities:

General government	\$ 19,079
Public works	61,221
Recreation and culture	3,611
Total depreciation expense	\$ 83,911

NOTE E: RISK MANAGEMENT

The Village participates in a pool, the Michigan Township Participating Plan, with other municipalities for auto, property, crime, general liability, boiler and machinery, employee benefits liability, public official liability, electronic data processing (EDP), law enforcement liability, and inland marine losses. The pool is organized under Public Act 138 of 1982, as amended. The Plan, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to the transfer of risk to U.S. Specialty Insurance Company ("USSIC") backing the Michigan Township Participating Plan under a master policy for the period July 1, 2011 to July 1, 2019. Due to the Master Policy purchase, there is no pooling of risk between members, but is instead considered commercial insurance. Settled claims relating to this insurance have not exceeded the amount of insurance coverage in any of the past three (3) years.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE E: RISK MANAGEMENT - CONTINUED

The Village also participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The Village has not been informed of any special assessments being required.

NOTE F: BUILDING CODE FEES

In accordance with Michigan Public Act 245 of 1999, the Village is required to maintain a separate accounting of revenues and expenditures related to the building department functions.

As required under provisions of the Act, the Village adopted this accounting treatment effective January 1, 2000. The following is a summary of the activity for the year ended June 30, 2015:

REVENUES	
Permits	\$ 3,911
EXPENDITURES	
Salaries and wages	5,956
Supplies and other	<u>102</u>
TOTAL EXPENDITURES	<u>6,058</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(2,147)
Cumulative excess at July 1, 2014	<u>22,843</u>
Cumulative excess at June 30, 2015	<u>\$ 20,696</u>

NOTE G: DETAILS OF FUND BALANCE CLASSIFICATIONS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance under this standard:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee, or a delegated municipality official.

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE G: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, the Village of Ortonville's highest level of decision-making authority is the Village Council. The formal action that is required to be taken to establish a fund balance commitment is a resolution of the Village Council. If a fund balance commitment is made, the commitment remains in effect until a resolution is made to remove it.

For assigned fund balance, the Village of Ortonville has not approved a policy indicating who is authorized to assign amounts to a specific purpose. In the absence of such a policy, the authority to assign fund balance remains with the Village Council.

The Village has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available which should be used first. In the absence of such a policy, resources with the highest level of restriction will be used first.

NOTE H: PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF BEGINNING NET POSITION

The following prior period adjustments were made during the period, which were the result of the correction of accounting errors. These adjustments were reported as changes to the beginning fund balance. The effect on operations and other affected balances for the current and prior periods are as follows:

	June 30,		Description
	2015	2014	
Primary Government			
General Fund			
Accrued liabilities	\$ -	\$ 7,064	To correct understated accrued liabilities
Change in fund balance	-	(7,064)	
Fund balance - beginning	(7,064)	-	
Due from other governmental units	-	6,335	To correct understated amount due from other governmental units
Change in fund balance	-	6,335	
Fund balance - beginning	6,335	-	
Major Street Fund			
Due from other governmental units	-	6,301	To correct understated amount due from other governmental units
Change in fund balance	-	6,301	
Fund balance - beginning	6,301	-	
Local Street Fund			
Due from other governmental units	-	2,060	To correct understated amount due from other governmental units
Change in fund balance	-	2,060	
Fund balance - beginning	2,060	-	
Accounts payable	-	(23,162)	To correct understated accounts payable
Change in fund balance	-	(23,162)	
Fund balance - beginning	(23,162)	-	

Village of Ortonville

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

NOTE H: PRIOR PERIOD ADJUSTMENTS AND RESTATEMENT OF BEGINNING NET POSITION - CONTINUED

	June 30,		Description
	2015	2014	
Component Unit			
Downtown Development Authority			
Due to other governmental units	\$ -	\$ 1,029	To correct understated amount due to other governmental units
Change in fund balance	-	(1,029)	
Fund balance - beginning	(1,029)	-	

Beginning net position for the governmental activities and component unit were restated by \$(15,530) and \$(1,029), respectively, to reflect the corrections detailed above. Beginning net position for the governmental activities was also increased by \$23,162 to correct an understatement in capital assets, net of accumulated depreciation.

NOTE I: UPCOMING ACCOUNTING PRONOUNCEMENTS

In March 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Village is currently evaluating the impact this standard will have on the financial statements when adopted for the 2015-2016 fiscal year.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2015-2016 fiscal year.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. The statement improves financial reporting through the disclosure of information about the nature and magnitude of tax abatements that are not consistently or comprehensively reported to the public at present. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2016-2017 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

Village of Ortonville

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 236,066	\$ 252,800	\$ 239,726	\$ (13,074)
Licenses and permits	4,500	4,500	3,911	(589)
Intergovernmental	118,100	115,339	113,862	(1,477)
Charges for services	1,300	445	445	-0-
Interest and rents	3,088	4,013	3,670	(343)
Other	18,500	24,151	24,151	-0-
TOTAL REVENUES	381,554	401,248	385,765	(15,483)
EXPENDITURES				
Current				
General government				
Village Council	22,595	22,986	25,437	(2,451)
Village Manager	53,400	55,682	55,333	349
Professional services	12,500	12,730	12,080	650
Administration	52,000	52,377	51,383	994
Historic properties	7,600	9,111	7,427	1,684
Village office	12,450	13,168	10,950	2,218
Other	3,500	3,500	2,791	709
Total general government	164,045	169,554	165,401	4,153
Public safety				
Inspection services	3,700	6,982	6,058	924
Public works				
Department of public works	139,170	132,915	118,689	14,226
Sidewalks	10,000	10,000	7,681	2,319
Street lighting	23,500	24,827	22,945	1,882
Total public works	172,670	167,742	149,315	18,427
Community and economic development				
Planning Commission	3,250	3,250	1,665	1,585
Recreation and culture				
Parks and beautification	9,000	9,446	3,225	6,221
Library	-	-	15,185	(15,185)
Total recreation and culture	9,000	9,446	18,410	(8,964)

Village of Ortonville

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - CONTINUED				
Current - continued				
Other				
Payroll benefits	\$ 18,000	\$ 21,085	\$ 21,177	\$ (92)
Insurance	19,700	19,900	18,182	1,718
Total other	37,700	40,985	39,359	1,626
TOTAL EXPENDITURES	390,365	397,959	380,208	17,751
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,811)	3,289	5,557	2,268
OTHER FINANCING SOURCES (USES)				
Transfers in	12,100	-	-	-0-
Transfers out	(49,831)	(49,831)	(39,856)	9,975
TOTAL OTHER FINANCING SOURCES (USES)	(37,731)	(49,831)	(39,856)	9,975
NET CHANGE IN FUND BALANCE	(46,542)	(46,542)	(34,299)	12,243
Fund balance, beginning of year	432,560	432,560	432,560	-0-
Prior period adjustments	-	-	(729)	(729)
Fund balance, end of year	\$ 386,018	\$ 386,018	\$ 397,532	\$ 11,514

Village of Ortonville

Major Street Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Gas and weight	\$ 73,000	\$ 74,919	\$ 75,219	\$ 300
Interest	100	100	72	(28)
TOTAL REVENUES	73,100	75,019	75,291	272
EXPENDITURES				
Public works				
Department of public works	30,000	28,873	24,690	4,183
Maintenance	19,000	20,749	9,453	11,296
Construction	1,000	1,000	-	1,000
Ice control materials	10,000	11,297	11,297	-0-
Engineering fees	1,000	1,000	607	393
TOTAL EXPENDITURES	61,000	62,919	46,047	16,872
EXCESS OF REVENUES OVER EXPENDITURES	12,100	12,100	29,244	17,144
OTHER FINANCING USES				
Transfers out	12,100	12,100	-	12,100
NET CHANGE IN FUND BALANCE	24,200	24,200	29,244	5,044
Fund balance, beginning of year	72,112	72,112	72,112	-0-
Prior period adjustment	-	-	6,301	6,301
Fund balance, end of year	\$ 96,312	\$ 96,312	\$ 107,657	\$ 11,345

Village of Ortonville

Local Street Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental				
Gas and weight	\$ 25,809	\$ 31,048	\$ 24,592	\$ (6,456)
Other	-	-	8,751	8,751
Interest	100	100	44	(56)
TOTAL REVENUES	25,909	31,148	33,387	2,239
EXPENDITURES				
Public works				
Department of public works	8,000	8,000	8,000	-0-
Maintenance	8,740	5,233	4,532	701
Construction	50,000	63,705	40,542	23,163
Ice control materials	8,000	8,000	8,000	-0-
Engineering fees	1,000	1,000	1,000	-0-
TOTAL EXPENDITURES	75,740	85,938	62,074	23,864
EXCESS OF REVENUES (UNDER) EXPENDITURES	(49,831)	(54,790)	(28,687)	26,103
OTHER FINANCING SOURCES				
Transfer in	49,831	54,790	39,856	(14,934)
NET CHANGE IN FUND BALANCE	-0-	-0-	11,169	11,169
Fund balance, beginning of year	19,857	19,857	19,857	-0-
Prior period adjustment	-	-	(21,102)	(21,102)
Fund balance, end of year	\$ 19,857	\$ 19,857	\$ 9,924	\$ (9,933)

Village of Ortonville

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30, 2015

NOTE A: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local government unit not incur expenditures in excess of the amount appropriated.

The Village's budgeted expenditures in the General Fund have been shown at the functional classification level. The approved budgets of the Village have been adopted at the functional level for the General Fund and the total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2015, the Village incurred expenditures in the General Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Recreation and culture	\$ 9,446	\$ 18,410	\$ 8,964

OTHER SUPPLEMENTARY INFORMATION

Village of Ortonville

Component Unit Fund

BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY

June 30, 2015

ASSETS	
Cash and cash equivalents	<u>\$ 68,286</u>
LIABILITIES	
Accounts payable	\$ 3,000
Due to other governmental units	15,100
Due to others	<u>5,910</u>
TOTAL LIABILITIES	24,010
FUND BALANCE	
Unassigned	<u>44,276</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 68,286</u>

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for the component unit is not required as the fund balance was equal to net position as of June 30, 2015.

Village of Ortonville

Component Unit Fund

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
DOWNTOWN DEVELOPMENT AUTHORITY

Year Ended June 30, 2015

REVENUES	
Taxes	\$ 80,410
Interest and rents	122
Other	<u>9,523</u>
TOTAL REVENUES	90,055
EXPENDITURES	
Current	
Community and economic development	
Operating costs	57,949
Completed projects	6,325
Main street committee expense	25,670
Country market	1,727
Insurance	<u>500</u>
TOTAL EXPENDITURES	<u>92,171</u>
NET CHANGE IN FUND BALANCE	(2,116)
Fund balance, beginning of year	47,421
Prior period adjustment	<u>(1,029)</u>
Fund balance, end of year	<u><u>\$ 44,276</u></u>

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the component unit's governmental fund to the statement of activities is not required as the net change in fund balance was equal to the change in net position for the year ended June 30, 2015.