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INDEPENDENT AUDITOR'S REPORT

To the Village Council  
Village of Jonesville  
Jonesville, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Jonesville, as of and for the year ended June 30, 2014, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Jonesville, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows 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 information on pages 3 through 8 and pages 33 through 36 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 of Jonesville's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor 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 the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2014, on our consideration of the Village of Jonesville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Jonesville's internal control over financial reporting and compliance.

*Bailey, Hodshire & Company, P.C.*

Jonesville, Michigan  
November 6, 2014

Village of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2014

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**Introduction**

This section of the annual financial report presents management's discussion and analysis of the Village's financial performance during the year ended June 30, 2014. Please read it in conjunction with the Village's financial statements, which immediately follow this section.

**Financial Highlights**

- The Village's assets exceeded its liabilities by \$11,789,849 (net position) at the close of this fiscal year. Net position at the beginning of the fiscal year totaled \$11,815,889, showing a decrease of \$26,040 during the current year.
- The Village's governmental funds reported total ending fund balance of \$1,279,905 of which \$725,151 is unassigned and unrestricted, and available for spending at the Village's discretion. This compares to the prior year ending fund balance of \$1,331,364 showing a decrease of \$51,459 during the current year.
- At the end of the current year, fund balance for the General Fund was \$752,579, or 81.2% of General Fund expenditures, net of capital outlay totaling \$16,692. This is an increase of \$55,376 from last year's ending fund balance.

**Overview of the Financial Statements**

This MD&A is intended to serve as an introduction to the Village's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Village also includes in this report additional information to supplement the basic financial statements.

**Government-wide Financial Statements**

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

*Statement of Net Position*- This statement presents information of all of the Village's assets and liabilities, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the Village's financial condition as a whole is improving or deteriorating.

*Statement of Activities* - This reports how the Village's net position changed during the fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of this statement is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the taxpayers.

Both of the above statements distinguish governmental activities from business-type activities. Governmental activities include general government, public safety, public services, zoning, and recreation, and are principally supported by property taxes and revenues from other governments. Business-type activities include water and sewer, and are intended to recover all or a significant portion of their costs through user fees and charges.

Village of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2014

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**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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, these statements report short-term fiscal accountability focusing on the use of expendable resources during the year and balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-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 short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included as required supplementary information for the general fund and major special revenue funds. These statements and schedules demonstrate compliance with the Village's adopted and final revised budget.

*Proprietary Funds* generally report services for which the Village charges customers a fee. There are two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report functions presented as business-type activities, while Internal Service Funds primarily service the governmental unit and are included with governmental activities. The Water and Sewer Funds are Enterprise Funds, and the Motor Vehicle Pool is an Internal Service Fund.

*Fiduciary Funds* such as the Imprest Payroll fund are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Village Programs.

*Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*Required Supplementary Information* can be found immediately following the notes to the financial statements. This information includes budgetary comparison statements for all major funds.

*Other Supplementary Information* includes statements for non-major governmental funds.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. The Village's assets exceeded its liabilities by \$11,789,849 (net position) at the close of this fiscal year. Net position at the beginning of the fiscal year totaled \$11,815,889, showing a decrease of \$26,040 over the prior year.

Village of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2014

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The following table provides a summary of the Village's net position:

NET POSITION

	Governmental		Business-type		Total	
	Activities		Activities		Primary	
	2013	2014	2013	2014	2013	2014
Current Assets	\$ 1,825,989	\$ 1,880,098	\$ 1,513,096	\$ 1,406,179	\$ 3,339,085	\$ 3,286,277
Non-current Assets	<u>5,587,971</u>	<u>5,550,899</u>	<u>8,251,489</u>	<u>7,924,054</u>	<u>13,839,460</u>	<u>13,474,953</u>
Total Assets	<u>\$ 7,413,960</u>	<u>\$ 7,430,997</u>	<u>\$ 9,764,585</u>	<u>\$ 9,330,233</u>	<u>\$17,178,545</u>	<u>\$16,761,230</u>
Current Liabilities	\$ 158,484	\$ 179,043	\$ 195,623	\$ 180,859	\$ 354,107	\$ 359,902
Non-current Liabilities	<u>1,286,477</u>	<u>1,154,083</u>	<u>3,722,072</u>	<u>3,457,396</u>	<u>5,008,549</u>	<u>4,611,479</u>
Total Liabilities	<u>\$ 1,444,961</u>	<u>\$ 1,333,126</u>	<u>\$ 3,917,695</u>	<u>\$ 3,638,255</u>	<u>\$ 5,362,656</u>	<u>\$ 4,971,381</u>
Net Position:						
Invested in Capital Assets, Net of Related Debt	\$ 4,296,498	\$ 4,363,027	\$ 4,411,747	\$ 4,350,530	\$ 8,708,245	\$ 8,713,557
Restricted	0	527,326	1,047,852	51,446	1,047,852	578,772
Unrestricted	<u>1,672,501</u>	<u>1,207,518</u>	<u>387,291</u>	<u>1,290,002</u>	<u>2,059,792</u>	<u>2,497,520</u>
Total Net Position	<u>\$ 5,968,999</u>	<u>\$ 6,097,871</u>	<u>\$ 5,846,890</u>	<u>\$ 5,691,978</u>	<u>\$11,815,889</u>	<u>\$11,789,849</u>

The Village reported positive net position for governmental and business-type activities. Net position increased \$128,872 for governmental activities and decreased \$154,912 for business-type activities; therefore, the Village's overall financial position decreased during fiscal year 2014.

Village of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2014

The following table reflects the change in net position of the Village's governmental and business-type activities:

**CHANGES IN NET POSITION**

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>Primary</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Program Revenue						
Charges for Services	\$ 88,451	\$ 83,552	\$ 981,531	\$ 985,963	\$ 1,069,982	\$ 1,069,515
Operating Grants and Contributions	473,983	396,167	0	0	473,983	396,167
Capital Grants and Contributions	2,690	191,262	0	0	2,690	191,262
General Revenue						
Property Taxes	719,023	661,236	0	0	719,023	661,236
State Shared Revenue	239,914	209,324	0	0	239,914	209,324
Unrestricted Investment Income	1,780	708	2,281	766	4,061	1,474
Other	<u>28,277</u>	<u>21,453</u>	<u>24,421</u>	<u>23,087</u>	<u>52,698</u>	<u>44,540</u>
Total Revenue	<u>\$ 1,554,118</u>	<u>\$ 1,563,702</u>	<u>\$ 1,008,233</u>	<u>\$ 1,009,816</u>	<u>\$ 2,562,351</u>	<u>\$ 2,573,518</u>
Expenses						
General Government	\$ 415,662	\$ 371,561	\$ 0	\$ 0	\$ 415,662	\$ 371,561
Public Safety	534,201	509,678	0	0	534,201	509,678
Economic & Community Development	5,959	3,438	0	0	5,959	3,438
Public Works	86,801	78,577	0	0	86,801	78,577
Streets, Highways, Drains	300,281	350,561	0	0	300,281	350,561
Sanitation	4,057	5,244	0	0	4,057	5,244
Culture & Recreation	63,791	64,742	0	0	63,791	64,742
Interest on Long-Term Debt	59,133	49,805	0	0	59,133	49,805
Depreciation - Unallocated	45,842	48,378	0	0	45,842	48,378
Water Utility	0	0	296,377	310,073	296,377	310,073
Sewer Utility	<u>0</u>	<u>0</u>	<u>752,130</u>	<u>807,501</u>	<u>752,130</u>	<u>807,501</u>
Total Expenses	<u>\$ 1,515,727</u>	<u>\$ 1,481,984</u>	<u>\$ 1,048,507</u>	<u>\$ 1,117,574</u>	<u>\$ 2,564,234</u>	<u>\$ 2,599,558</u>
Excess (deficiency)	\$ 38,391	\$ 81,718	\$ (40,274)	\$ (107,758)	\$ (1,883)	\$ (26,040)
Transfers	<u>47,154</u>	<u>47,154</u>	<u>(47,154)</u>	<u>(47,154)</u>	<u>0</u>	<u>0</u>
CHANGE IN NET POSITION	<u>\$ 85,545</u>	<u>\$ 128,872</u>	<u>\$ (87,428)</u>	<u>\$ (154,912)</u>	<u>\$ (1,883)</u>	<u>\$ (26,040)</u>

*Governmental Activities* increased the Village's net position by \$128,872. This represents an increase from last year's change in net position.

Revenues from governmental activities totaled \$1,563,702. Property tax revenue represented the largest portion of those revenues (42.3%), operating grants and contributions was 25.3%, state shared revenue was 13.4%, and capital grants and contributions was 12.2% of the total.

The largest components of governmental activities' expenses were public safety (34.4%), general government (25.1%), and streets, highways, and drains (23.7%). General government consists of Village Council, Administration, Motor Vehicle Pool, etc. Public safety includes police and fire.

*Business-type Activities* decreased the Village's net position by \$154,912. Net position will be used to repay debt on the sewer and water improvements, as well as to plan for future improvements in the water and sewer systems. The decrease in net position is due to Sewer Fund debt refinancing.

Village of Jonesville, Michigan  
Management's Discussion and Analysis (MD&A)  
For the year ended June 30, 2014

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*Governmental Funds* - The focus of the Village's governmental funds is to provide information on short-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2014, the Village's governmental funds reported combined ending fund balances of \$1,279,905. Of this total, approximately 56.7% was unrestricted and unassigned, indicating availability for continuing Village service requirements. Although a substantial amount is unrestricted, future plans include rail-trail development, downtown streetscape rehabilitation, and other projects.

The General Fund is the primary operating fund of the Village. At the end of the current fiscal year, the General Fund showed a healthy fund balance of \$752,579, representing an increase of \$55,376. Other Major Governmental Funds include Major and Local Streets. Non-major governmental funds include the State Highway and Debt Service funds. The Major Street Fund experienced a decrease of \$35,029 in fund balance. The Local Street Fund experienced a decrease of \$71,717 in fund balance.

*Proprietary Funds* - The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The Village's proprietary funds consist of the Water Fund, Sewer Fund, and the Motor Vehicle Pool. Total net position of the Water and Sewer Funds was \$5,691,978 at June 30, 2014, a decrease of \$154,912 from the previous fiscal year, due to sewer bond refunding. The Motor Vehicle Pool's net position at the end of this fiscal year was \$819,235, an increase of \$53,858 from the previous fiscal year.

**Major Governmental Funds Budgeting and Operating Highlights**

*General Fund* - The difference between the original and final amended budget for General Fund revenues was \$38,080, with the original budget being \$849,817, and the final budget being \$887,897. The difference between the two numbers includes an increase in Property Tax Revenue and Contributions from Component Units. The increase in the Component Unit contributions is due to parking lot maintenance and repair. The difference between the appropriations originally budgeted and the final appropriations budget was \$22,470 (\$975,065 vs. \$997,535). Data Processing expenditures increased by \$6,200; Village Hall increased by \$1,850; Public Works increased by \$8,550 (parking lot); Culture and Recreation increased by \$1,500; and Capital Outlay increased by \$3,750. Capital expenditures include: police and fire safety equipment, flooring at the police building, and an electric car charging station in the North Downtown Parking Lot.

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**Capital Asset and Debt Administration**

Capital assets at year-end were as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Primary Government</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Land	\$ 194,995	\$ 194,995	\$ 2,061	\$ 2,061	\$ 197,056	\$ 197,056
Land Improvements	116,243	116,243	0	0	116,243	116,243
Buildings and Improvements	867,317	872,922	0	0	867,317	872,922
Facilities and Mains	0	0	14,198,140	14,198,140	14,198,140	14,198,140
Furniture and Equipment	773,958	782,039	543,221	560,241	1,317,179	1,342,280
Vehicles	1,147,381	1,163,481	0	0	1,147,381	1,163,481
Infrastructure	5,358,915	5,633,837	0	0	5,358,915	5,633,837
Less: Acc. Depreciation	<u>(2,870,838)</u>	<u>(3,212,618)</u>	<u>(6,491,933)</u>	<u>(6,836,387)</u>	<u>(9,362,771)</u>	<u>(10,049,005)</u>
Total Capital Assets, Net Of Depreciation	<u>\$ 5,587,971</u>	<u>\$ 5,550,899</u>	<u>\$ 8,251,489</u>	<u>\$ 7,924,055</u>	<u>\$13,839,460</u>	<u>\$13,474,954</u>

Bonds and contracts outstanding at year-end were as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Primary Government</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
General Government	\$ 1,283,000	\$ 1,180,000	\$ 0	\$ 0	\$ 1,283,000	\$ 1,180,000
Revenue Bonds	0	0	3,758,000	3,585,000	3,758,000	3,585,000
County Contract	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Long-Term Debt	<u>\$ 1,283,000</u>	<u>\$ 1,180,000</u>	<u>\$ 3,758,000</u>	<u>\$ 3,585,000</u>	<u>\$ 5,041,000</u>	<u>\$ 4,765,000</u>

**Factors Bearing on the Village's Future**

National and state economic conditions have resulted in reduced revenues, requiring a reduction in expenditures while maintaining quality services. We must be mindful of potential impacts resulting from personal property tax reform. These economic conditions have acted as a catalyst for us to focus on planning for our future. This has been accomplished by reviewing and revising the Village's strategic plans, including the Joint Recreation and Master Plans, the Downtown Development Authority Plan, and the Local Development Finance Authority Plan. We continue to depend on state constitutional revenue sharing, and are in compliance with the State of Michigan's Economic Vitality Incentive Program (EVIP). EVIP dollars are being used solely for capital expenditures. Regional collaboration continues to be actively pursued with other area public and private entities. Economic development activities must be realized through an open-system environment.

The 2014/15 focus will be city incorporation, following the outcome of the election on August 5th. We will continue the high level of service that our residents expect, including new statutory responsibilities that come with cityhood. We strive to maintain and expand public/private partnerships and promote small business development. These ideas allow us to build a better community for the 21<sup>st</sup> century.

**Contacting the Village's Financial Management**

This report is designed to provide a general overview of the Village of Jonesville's finances. Questions or comments concerning any of the information provided in this report should be addressed to Jeff Gray, Village Manager, or Lenore Spahr, Finance Director/Treasurer, Village of Jonesville, 265 East Chicago Street, Jonesville, Michigan 49250.



**VILLAGE OF JONESVILLE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 119,617	\$ 110,330	\$ 229,947	\$ 7,458
Investments	1,645,717	1,248,016	2,893,733	648,775
Accounts Receivable	12,863	31,749	44,612	140,479
Internal Balances	187	(187)	0	0
Due from Other Governmental Units	73,582	0	73,582	0
Inventory	2,692	4,305	6,997	0
Prepaid Expense	25,440	11,966	37,406	25
Total Current Assets	<u>\$ 1,880,098</u>	<u>\$ 1,406,179</u>	<u>\$ 3,286,277</u>	<u>\$ 796,737</u>
<b>Noncurrent Assets</b>				
Capital Assets - Not Depreciated	\$ 194,995	\$ 2,061	\$ 197,056	\$ 97,544
Other Capital Assets - Net of Depreciation	5,355,904	7,921,993	13,277,897	0
Total Noncurrent Assets	<u>\$ 5,550,899</u>	<u>\$ 7,924,054</u>	<u>\$13,474,953</u>	<u>\$ 97,544</u>
Total Assets	<u>\$ 7,430,997</u>	<u>\$ 9,330,233</u>	<u>\$16,761,230</u>	<u>\$ 894,281</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 37,318	\$ 11,463	\$ 48,781	\$ 17,962
Accrued Payroll	18,853	8,796	27,649	0
Customer Deposits	0	600	600	0
Interest Payable	7,872	0	7,872	0
Current Portion of Long-Term Debt	115,000	160,000	275,000	0
Total Current Liabilities	<u>\$ 179,043</u>	<u>\$ 180,859</u>	<u>\$ 359,902</u>	<u>\$ 17,962</u>
<b>Noncurrent Liabilities</b>				
Bonds Payable (net of discount)	\$ 1,065,000	\$ 3,413,524	\$ 4,478,524	\$ 0
Compensated Absences	89,083	43,872	132,955	0
Total Noncurrent Liabilities	<u>\$ 1,154,083</u>	<u>\$ 3,457,396</u>	<u>\$ 4,611,479</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 1,333,126</u>	<u>\$ 3,638,255</u>	<u>\$ 4,971,381</u>	<u>\$ 17,962</u>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	\$ 4,363,027	\$ 4,350,530	\$ 8,713,557	\$ 97,544
Restricted for: Streets	527,326	0	527,326	0
General Purpose - Sewer	0	16,360	16,360	0
Debt Service - Sewer	0	35,086	35,086	0
Unrestricted	1,207,518	1,290,002	2,497,520	778,775
Total Net Position	<u>\$ 6,097,871</u>	<u>\$ 5,691,978</u>	<u>\$11,789,849</u>	<u>\$ 876,319</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF JONESVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 371,561	\$ 17,491	\$ 143,289	\$ 0	\$ (210,781)
Public Safety	509,678	46,726	0	0	(462,952)
Economic & Community Development	3,438	1,100	0	0	(2,338)
Public Works	78,577	0	0	0	(78,577)
Streets, Highways, and Drains	350,561	0	228,732	191,262	69,433
Sanitation	5,244	0	0	0	(5,244)
Culture and Recreation	64,742	18,235	24,146	0	(22,361)
Interest on Long-Term Debt	49,805	0	0	0	(49,805)
Depreciation - Unallocated <sup>1</sup>	48,378	0	0	0	(48,378)
Total Governmental Activities	<u>\$ 1,481,984</u>	<u>\$ 83,552</u>	<u>\$ 396,167</u>	<u>\$ 191,262</u>	<u>\$ (811,003)</u>
Business-type Activities:					
Water	\$ 310,073	\$ 298,280	\$ 0	\$ 0	\$ (11,793)
Sewer	807,501	687,683	0	0	(119,818)
Total Business-type Activities	<u>\$ 1,117,574</u>	<u>\$ 985,963</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (131,611)</u>
Total Primary Government	<u>\$ 2,599,558</u>	<u>\$ 1,069,515</u>	<u>\$ 396,167</u>	<u>\$ 191,262</u>	<u>\$ (942,614)</u>
<b>Component Units:</b>					
Downtown Development Authority	\$ 173,062	\$ 0	\$ 27,480	\$ 0	\$ (145,582)
Local Development Finance Authority	60,290	0	0	0	(60,290)
Total Component Units	<u>\$ 233,352</u>	<u>\$ 0</u>	<u>\$ 27,480</u>	<u>\$ 0</u>	<u>\$ (205,872)</u>
<b>Primary Government</b>					
		<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Change in Net Position:					
Net (Expense) Revenue		\$ (811,003)	\$ (131,611)	\$ (942,614)	\$ (205,872)
<b>General Revenue:</b>					
Property Taxes Levied for General Purposes		\$ 473,708	\$ 0	\$ 473,708	\$ 0
Property Taxes Levied for Local Streets		187,528	0	187,528	0
Property Taxes Captured		0	0	0	417,376
State Shared Revenue		209,324	0	209,324	0
Unrestricted Investment Income		708	766	1,474	354
Miscellaneous		21,453	23,087	44,540	14,513
Total General Revenue		<u>\$ 892,721</u>	<u>\$ 23,853</u>	<u>\$ 916,574</u>	<u>\$ 432,243</u>
Excess (deficiency)		\$ 81,718	\$ (107,758)	\$ (26,040)	\$ 226,371
Transfers		47,154	(47,154)	0	0
Change in Net Position		\$ 128,872	\$ (154,912)	\$ (26,040)	\$ 226,371
Net Position – Beginning		<u>5,968,999</u>	<u>5,846,890</u>	<u>11,815,889</u>	<u>649,948</u>
Net Position – Ending		<u>\$ 6,097,871</u>	<u>\$ 5,691,978</u>	<u>\$ 11,789,849</u>	<u>\$ 876,319</u>

<sup>1</sup>This amount does not include depreciation that is reported in the direct expenses of the various programs.

See accompanying notes to the basic financial statements.

VILLAGE OF JONESVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 31,576	\$ 25,986	\$ 15,125	\$ 2,379	\$ 75,066
Investments	684,174	301	459,875	0	1,144,350
Accounts Receivable	11,850	0	0	0	11,850
Due from Other Funds	387	0	0	0	387
Due from Other Governmental Units	39,760	21,996	8,280	3,546	73,582
Inventory	2,692	0	0	0	2,692
Prepaid Expenditures	<u>24,736</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,736</u>
Total Assets	<u>\$ 795,175</u>	<u>\$ 48,283</u>	<u>\$ 483,280</u>	<u>\$ 5,925</u>	<u>\$ 1,332,663</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 24,454	\$ 7,898	\$ 313	\$ 0	\$ 32,665
Due to Other Funds	1,151	42	76	424	1,693
Salaries Payable	<u>16,991</u>	<u>445</u>	<u>485</u>	<u>479</u>	<u>18,400</u>
Total Liabilities	<u>\$ 42,596</u>	<u>\$ 8,385</u>	<u>\$ 874</u>	<u>\$ 903</u>	<u>\$ 52,758</u>
<b>FUND BALANCES</b>					
Nonspendable	\$ 27,428	\$ 0	\$ 0	\$ 0	\$ 27,428
Restricted	0	39,898	482,406	5,022	527,326
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	<u>725,151</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>725,151</u>
Total Fund Balances	<u>\$ 752,579</u>	<u>\$ 39,898</u>	<u>\$ 482,406</u>	<u>\$ 5,022</u>	<u>\$ 1,279,905</u>
Total Liabilities and Fund Balances	<u>\$ 795,175</u>	<u>\$ 48,283</u>	<u>\$ 483,280</u>	<u>\$ 5,925</u>	<u>\$ 1,332,663</u>

The accompanying notes are an integral part of this statement.

**VILLAGE OF JONESVILLE**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Position of**  
**Governmental Activities on the Statement of Net Position**  
**June 30, 2014**

Fund Balances - total governmental funds	\$ 1,279,905
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Amounts reported for governmental activities in the statement of net position are different because:

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

Add: Capital assets	8,763,517
Deduct: Accumulated depreciation	(3,212,618)

An Internal Service Fund is used by management to charge the cost of equipment and vehicle usage to individual funds. Assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.

Add: Internal Service Fund assets	548,816
Deduct: Internal Service Fund liabilities	(4,794)

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct: Bonds and notes payable	(1,180,000)
Deduct: Accrued interest on bonds and notes payable	(7,872)
Deduct: Compensated absences	<u>(89,083)</u>

Net position of governmental activities	\$ <u>6,097,871</u>
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The accompanying notes are an integral part of this statement.

**VILLAGE OF JONESVILLE**  
**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUE</b>					
Property Taxes	\$ 483,101	\$ 0	\$ 187,528	\$ 0	\$ 670,629
Licenses and Permits	1,205	0	0	0	1,205
State Shared Revenue	209,324	147,851	46,223	0	403,398
Charges and Fees	54,719	0	0	0	54,719
State Highway Contract	0	0	0	32,517	32,517
Recreation	42,381	0	0	0	42,381
Rents and Royalties	13,162	0	0	0	13,162
Contributions	5,353	0	2,141	0	7,494
Grants	0	191,262	0	0	191,262
Interest	416	7	284	1	708
Contributions from Component Units	81,784	0	0	56,151	137,935
Miscellaneous	6,706	29	1,557	0	8,292
<b>Total Revenue</b>	<u>\$ 898,151</u>	<u>\$ 339,149</u>	<u>\$ 237,733</u>	<u>\$ 88,669</u>	<u>\$ 1,563,702</u>
<b>EXPENDITURES</b>					
General Government	\$ 376,402	\$ 0	\$ 0	\$ 0	\$ 376,402
Public Safety	416,873	0	0	0	416,873
Economic & Community Development	3,438	0	0	0	3,438
Public Works	41,211	0	0	0	41,211
Streets, Highways, and Drains	31,383	379,775	128,741	29,413	569,312
Sanitation	5,244	0	0	0	5,244
Culture and Recreation	51,605	0	0	0	51,605
Capital Outlay	16,692	0	0	0	16,692
Debt Service – Principal	0	0	0	103,000	103,000
- Interest	0	0	0	50,406	50,406
<b>Total Expenditures</b>	<u>\$ 942,848</u>	<u>\$ 379,775</u>	<u>\$ 128,741</u>	<u>\$ 182,819</u>	<u>\$ 1,634,183</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ (44,697)</u>	<u>\$ (40,626)</u>	<u>\$ 108,992</u>	<u>\$ (94,150)</u>	<u>\$ (70,481)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In	\$ 123,205	\$ 53,000	\$ 0	\$ 97,255	\$ 273,460
Operating Transfers Out	(23,132)	(47,403)	(180,709)	(3,194)	(254,438)
<b>Total Other Financing Sources (Uses)</b>	<u>\$ 100,073</u>	<u>\$ 5,597</u>	<u>\$ (180,709)</u>	<u>\$ 94,061</u>	<u>\$ 19,022</u>
<b>NET CHANGE IN FUND BALANCES</b>	\$ 55,376	\$ (35,029)	\$ (71,717)	\$ (89)	\$ (51,459)
<b>FUND BALANCES – Beginning</b>	<u>697,203</u>	<u>74,927</u>	<u>554,123</u>	<u>5,111</u>	<u>1,331,364</u>
<b>FUND BALANCES – Ending</b>	<u>\$ 752,579</u>	<u>\$ 39,898</u>	<u>\$ 482,406</u>	<u>\$ 5,022</u>	<u>\$ 1,279,905</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF JONESVILLE  
 Reconciliation of Statement of Revenue, Expenditures  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2014

Net changes in fund balances - total governmental funds \$ (51,459)

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.

Add: Capital outlay	287,877
Deduct: Depreciation expense	(359,133)

An Internal Service Fund is used by management to charge the cost of equipment and vehicle usage to individual funds. Net revenue of the Internal Service Fund of (before depreciation) is reported with governmental activities in the statement of net position.

130,592

Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add: Principal payments on long-term debt	103,000
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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 the funds.

Add: Decrease in interest payable on long-term liabilities	601
Add: Decrease in accrual for compensated absences	<u>17,394</u>

Change in net position of governmental activities	<u>\$ 128,872</u>
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The accompanying notes are an integral part of this statement.

**VILLAGE OF JONESVILLE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<u>Enterprise Funds</u>		Total Enterprise Funds	Internal Service Funds
	<u>Water</u>	<u>Sewer</u>		
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$ 84,357	\$ 59,616	\$ 143,973	\$ 44,239
Investments	253,139	909,788	1,162,927	501,367
Accounts Receivable	9,046	22,703	31,749	1,013
Due from Other Funds	1,069	309	1,378	1,493
Inventory	1,621	2,684	4,305	0
Prepaid Expense	175	11,791	11,966	704
Total Current Assets	<u>\$ 349,407</u>	<u>\$ 1,006,891</u>	<u>\$ 1,356,298</u>	<u>\$ 548,816</u>
<b>Restricted Assets</b>				
General Purpose	\$ 0	\$ 16,360	\$ 16,360	\$ 0
Bond Reserve	0	35,086	35,086	0
Total Restricted Assets	<u>\$ 0</u>	<u>\$ 51,446</u>	<u>\$ 51,446</u>	<u>\$ 0</u>
<b>Noncurrent Assets</b>				
Capital Assets - Not Depreciated	\$ 2,061	\$ 0	\$ 2,061	\$ 0
Other Capital Assets, Net of Accumulated Depreciation	1,493,667	6,428,326	7,921,993	275,213
Total Noncurrent Assets	<u>\$ 1,495,728</u>	<u>\$ 6,428,326</u>	<u>\$ 7,924,054</u>	<u>\$ 275,213</u>
Total Assets	<u>\$ 1,845,135</u>	<u>\$ 7,486,663</u>	<u>\$ 9,331,798</u>	<u>\$ 824,029</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 4,378	\$ 7,085	\$ 11,463	\$ 4,341
Accrued Payroll	2,376	6,420	8,796	453
Due to Other Funds	436	1,129	1,565	0
Customer Deposits	300	300	600	0
Total Current Liabilities	<u>\$ 7,490</u>	<u>\$ 14,934</u>	<u>\$ 22,424</u>	<u>\$ 4,794</u>
<b>Liabilities Payable from Restricted Assets</b>				
Accrued Interest Payable	\$ 0	\$ 0	\$ 0	\$ 0
Revenue Bonds - Current	0	160,000	160,000	0
Total Liabilities Payable from Restricted Assets	<u>\$ 0</u>	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 0</u>
<b>Noncurrent Liabilities</b>				
General Obligation Bonds	\$ 0	\$ 3,350,000	\$ 3,350,000	\$ 0
Bond Discount	0	(11,476)	(11,476)	0
Revenue Bonds	0	75,000	75,000	0
Compensated Absences	17,888	25,984	43,872	0
Total Noncurrent Liabilities	<u>\$ 17,888</u>	<u>\$ 3,439,508</u>	<u>\$ 3,457,396</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 25,378</u>	<u>\$ 3,614,442</u>	<u>\$ 3,639,820</u>	<u>\$ 4,794</u>
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt	\$ 1,495,728	\$ 2,854,802	\$ 4,350,530	\$ 275,213
Restricted by Bond Covenants	0	51,446	51,446	0
Unrestricted	324,029	965,973	1,290,002	544,022
Total Net Position	<u>\$ 1,819,757</u>	<u>\$ 3,872,221</u>	<u>\$ 5,691,978</u>	<u>\$ 819,235</u>

See accompanying notes to the basic financial statements.

**VILLAGE OF JONESVILLE**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Enterprise Funds</u>		<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>		
<b>OPERATING REVENUE</b>				
Sales	\$ 293,730	\$ 687,683	\$ 981,413	\$ 0
Connections Fees	100	0	100	0
Equipment Rental	4,450	0	4,450	114,351
Other	<u>12,493</u>	<u>10,594</u>	<u>23,087</u>	<u>50,953</u>
Total Operating Revenue	<u>\$ 310,773</u>	<u>\$ 698,277</u>	<u>\$ 1,009,050</u>	<u>\$ 165,304</u>
<b>OPERATING EXPENSES</b>				
Sewage Disposal	\$ 0	\$ 385,829	\$ 385,829	\$ 0
Water Plant Operation	183,963	0	183,963	0
Water Distribution Expenses	41,398	0	41,398	0
Depreciation	84,712	259,743	344,455	76,734
Motor Vehicle Expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>76,862</u>
Total Operating Expenses	<u>\$ 310,073</u>	<u>\$ 645,572</u>	<u>\$ 955,645</u>	<u>\$ 153,596</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 700</u>	<u>\$ 52,705</u>	<u>\$ 53,405</u>	<u>\$ 11,708</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>				
Interest Income	\$ 140	\$ 626	\$ 766	\$ 250
Interest Expense	<u>0</u>	<u>(161,929)</u>	<u>(161,929)</u>	<u>0</u>
Total Non-operating Revenue (Expense)	<u>\$ 140</u>	<u>\$ (161,303)</u>	<u>\$ (161,163)</u>	<u>\$ 250</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 840</u>	<u>\$ (108,598)</u>	<u>\$ (107,758)</u>	<u>\$ 11,958</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Contributions from Other Governments	\$ 0	\$ 0	\$ 0	\$ 13,768
Transfers From Other Funds	0	0	0	28,132
Transfers To Other Funds	<u>(22,077)</u>	<u>(25,077)</u>	<u>(47,154)</u>	<u>0</u>
Total Contributions and Transfers	<u>\$ (22,077)</u>	<u>\$ (25,077)</u>	<u>\$ (47,154)</u>	<u>\$ 41,900</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (21,237)</u>	<u>\$ (133,675)</u>	<u>\$ (154,912)</u>	<u>\$ 53,858</u>
<b>NET POSITION – Beginning</b>	<u>1,840,994</u>	<u>4,005,896</u>	<u>5,846,890</u>	<u>765,377</u>
<b>NET POSITION – Ending</b>	<u>\$ 1,819,757</u>	<u>\$ 3,872,221</u>	<u>\$ 5,691,978</u>	<u>\$ 819,235</u>

See accompanying notes to the basic financial statements.



**VILLAGE OF JONESVILLE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Water</u>	<u>Sewer</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 297,438	\$ 687,114	\$ 984,552	\$ 0
Cash received from interfund services provided	0	0	0	113,963
Cash payments to suppliers for goods and services	(162,342)	(237,196)	(399,538)	(53,906)
Cash payments to employees and professional contractors for services	(63,225)	(174,015)	(237,240)	(21,487)
Other operating receipts	<u>12,493</u>	<u>10,594</u>	<u>23,087</u>	<u>50,953</u>
Net cash provided (used) by operating activities	<u>\$ 84,364</u>	<u>\$ 286,497</u>	<u>\$ 370,861</u>	<u>\$ 89,523</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Contributions from other governments	\$ 0	\$ 0	\$ 0	\$ 13,768
Transfers from other funds	0	0	0	28,132
Transfers to other funds	<u>(22,077)</u>	<u>(25,077)</u>	<u>(47,154)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities	<u>\$ (22,077)</u>	<u>\$ (25,077)</u>	<u>\$ (47,154)</u>	<u>\$ 41,900</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	\$ (14,800)	\$ (2,220)	\$ (17,020)	\$ (34,184)
Bond proceeds	0	3,485,000	3,485,000	0
Principal paid on bonds and loans	0	(3,658,000)	(3,658,000)	0
Interest paid on bonds and loans	<u>0</u>	<u>(252,945)</u>	<u>(252,945)</u>	<u>0</u>
Net cash provided (used) by capital and related financing activities	<u>\$ (14,800)</u>	<u>\$ (428,165)</u>	<u>\$ (442,965)</u>	<u>\$ (34,184)</u>
<b>CASH FLOWS FORM INVESTING ACTIVITIES</b>				
Investment income	<u>\$ 140</u>	<u>\$ 626</u>	<u>\$ 766</u>	<u>\$ 250</u>
Net cash provided (used) by investment activities	<u>\$ 140</u>	<u>\$ 626</u>	<u>\$ 766</u>	<u>\$ 250</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 47,627</b>	<b>\$ (166,119)</b>	<b>\$ (118,492)</b>	<b>\$ 97,489</b>
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<u>289,869</u>	<u>1,186,969</u>	<u>1,476,838</u>	<u>448,117</u>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<u>\$ 337,496</u>	<u>\$ 1,020,850</u>	<u>\$ 1,358,346</u>	<u>\$ 545,606</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 700	\$ 52,705	\$ 53,405	\$ 11,708
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	84,712	259,743	344,455	76,734
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	227	(587)	(360)	(826)
(Increase) decrease in due from other funds	(1,069)	18	(1,051)	438
(Increase) decrease in inventories	729	(1,063)	(334)	0
(Increase) decrease in prepaid expense	(10)	(10,983)	(10,993)	(28)
Increase (decrease) in accounts payable	(751)	(15,492)	(16,243)	1,351
Increase (decrease) in wages and benefits payable	1,622	4,599	6,221	146
Increase (decrease) in due to other funds	62	(1,101)	(1,039)	0
Increase (decrease) in customer deposits	0	0	0	0
Increase (decrease) in compensated absences	<u>(1,858)</u>	<u>(1,342)</u>	<u>(3,200)</u>	<u>0</u>
Net cash provided (used) by operating activities	<u>\$ 84,364</u>	<u>\$ 286,497</u>	<u>\$ 370,861</u>	<u>\$ 89,523</u>

See accompanying notes to the basic financial statements.

VILLAGE OF JONESVILLE  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2014

ASSETS

Cash

\$ 2,571

LIABILITIES

Payroll deductions withheld

\$ 2,571

See accompanying notes to the basic financial statements.

VILLAGE OF JONESVILLE  
 COMBINING STATEMENT OF NET POSITION  
 COMPONENT UNITS  
 JUNE 30, 2014

	<u>DDA</u>	<u>LDFA</u>	<u>Total Component Units</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 722	\$ 6,736	\$ 7,458
Investments	252,138	396,637	648,775
Accounts Receivable	41,783	98,696	140,479
Prepaid Expense	<u>25</u>	<u>0</u>	<u>25</u>
Total Current Assets	<u>\$ 294,668</u>	<u>\$ 502,069</u>	<u>\$ 796,737</u>
Noncurrent Assets			
Capital Assets			
Land	<u>\$ 0</u>	<u>\$ 97,544</u>	<u>\$ 97,544</u>
Total Noncurrent Assets	<u>\$ 0</u>	<u>\$ 97,544</u>	<u>\$ 97,544</u>
Total Assets	<u>\$ 294,668</u>	<u>\$ 599,613</u>	<u>\$ 894,281</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	<u>\$ 15,512</u>	<u>\$ 2,450</u>	<u>\$ 17,962</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	\$ 0	\$ 97,544	\$ 97,544
Unrestricted	<u>279,156</u>	<u>499,619</u>	<u>778,775</u>
Total Net Position	<u>\$ 279,156</u>	<u>\$ 597,163</u>	<u>\$ 876,319</u>

See accompanying notes to the basic financial statements.

VILLAGE OF JONESVILLE  
 COMBINING STATEMENT OF ACTIVITIES  
 COMPONENT UNITS  
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>DDA</u>	<u>LDFA</u>	<u>Total Component Units</u>
<b>EXPENSES</b>			
Downtown Development	\$ 65,882	\$ 0	\$ 65,882
Industrial Development	0	29,535	29,535
Contributions to Village activities	<u>107,180</u>	<u>30,755</u>	<u>137,935</u>
Total Expenses	<u>\$ 173,062</u>	<u>\$ 60,290</u>	<u>\$ 233,352</u>
<b>PROGRAM REVENUE</b>			
Charges for Services	\$ 0	\$ 0	\$ 0
Operating Grants and Contributions	27,480	0	27,480
Capital Grants and Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total Program Revenue	<u>\$ 27,480</u>	<u>\$ 0</u>	<u>\$ 27,480</u>
<b>NET (EXPENSE) REVENUE</b>	<u>\$(145,582)</u>	<u>\$ (60,290)</u>	<u>\$(205,872)</u>
<b>GENERAL REVENUE</b>			
Property Taxes Captured	\$ 126,647	\$ 290,729	\$ 417,376
Land Rent	0	14,513	14,513
Investment Income	<u>157</u>	<u>197</u>	<u>354</u>
Total General Revenue	<u>\$ 126,804</u>	<u>\$ 305,439</u>	<u>\$ 432,243</u>
<b>CHANGE IN NET POSITION</b>	\$ (18,778)	\$ 245,149	\$ 226,371
<b>NET POSITION – Beginning</b>	<u>297,934</u>	<u>352,014</u>	<u>649,948</u>
<b>NET POSITION - Ending</b>	<u>\$ 279,156</u>	<u>\$ 597,163</u>	<u>\$ 876,319</u>

See Note 1 for descriptions of component units shown in column headings

See accompanying notes to the basic financial statements.

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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

The Village of Jonesville comprises a population of approximately 2,258 residents in Hillsdale County, Michigan. It is governed by a seven-member council with a president as its head. As required by generally accepted accounting principles, these financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationship with the Village (as distinct from legal relationships).

The following component units are reported in the Village's financial statements:

- The Local Development Finance Authority (LDFA) was created under Public Act 281 of 1986 of the State of Michigan. The LDFA's purpose is to work towards the elimination of the causes of unemployment, underemployment and joblessness, and to promote economic growth in the Village of Jonesville.
- The Downtown Development Authority (DDA) was created under Public Act 197 of 1975 of the State of Michigan. The DDA's purpose is to eliminate the causes of deterioration of property values in the business district of the Village and to promote economic growth.

The Village appoints the majority of the Boards of Directors of the LDFA and DDA. The budgets of both entities require the Village's approval, and their main revenue source (tax increment financing) is a financial burden to the Village.

The accounting policies of the Village of Jonesville conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of significant accounting policies used by Village of Jonesville:

**Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements - The statement of net position and the statement of activities display financial information about the Village as a whole, excluding fiduciary activities. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by property taxes and Village general revenue, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, State Revenue Sharing, and other items not properly included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Village.

Fund Financial Statements - Fund financial statements report detailed information about the Village. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the Village are prepared in accordance with generally accepted accounting principles (GAAP) and all relevant pronouncements of the Governmental Accounting Standards Board (GASB).

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Village departments. Proprietary fund and component unit financial statements also report using this same focus and basis of accounting. Revenue is recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is to be collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Under the modified accrual basis, property taxes, State revenue sharing, interest, and grants are considered to be both measurable and available at fiscal year-end. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Operating income reported in proprietary fund financial statements includes revenue and expenses related to the primary, continuing operations of the fund. Principal operating revenue for proprietary funds is charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenue and expenses are classified as non-operating in the financial statements.

**Financial Statement Presentation**

The Village uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Village functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The Village reports the following major governmental funds:

General Fund - used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Michigan.

Special Revenue Funds - used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes (i.e. Major Streets and Local Streets).

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Village reports the following major enterprise funds:

Water Utilities Fund - accounts for the operating activities of the Village's water utilities services.

Sewer Utilities Fund - accounts for the operating activities of the Village's sewer utilities services.

Additionally, the Village reports the following non-major fund types:

Special Revenue Fund – State Highway Fund

Debt Retirement Fund - used to account for the accumulation of resources for and the payment of principal and interest on the Village's general obligation debt.

Internal Service Fund - accounts for the financing of goods and services provided by one department to other departments within the Village on a cost-reimbursement basis (i.e. equipment and vehicle usage). This is a proprietary fund reported with governmental activities in the government-wide statements.

Agency Fund - accounts for fiduciary assets held by the Village in a custodial capacity as an agent on behalf of others (i.e. employee payroll deductions).

**Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less. Investments in this account are stated at cost which equals market value.

Inventories - Inventories are stated at cost, which approximates market, using the first-in/first-out method.

Capital Assets - General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets paid for by component units are transferred to the primary government and are also reported in the government-wide statements. Proprietary Fund capital assets are reported in their respective fund financial statements. The Village has opted to report infrastructure prospectively (not retroactively) as allowed by GASB 34.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Village maintains a capitalization threshold of \$1,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	50 years
Furniture & Equipment	5 - 20 years
Vehicles	5 years
Infrastructure	20 – 30 years

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has no items that qualify for reporting in this category.

**Compensated Absences (Vacation and Sick Leave)** - It is the Village's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Vacation and sick leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation, retirement, or death.

**Interfund Balances** - On fund financial statements, receivables and payables resulting from short-term interfund loans are reported as "due to/from other funds." These amounts are eliminated on the government-wide statement of net position.

**Long-Term Obligations** - In the government-wide financial statements, all payables, accrued liabilities and long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as debt retirement expenditures.

**Fund Balance** - In accordance with Governmental Account Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, the fund financial statements report the following components of fund balance:

- **Nonspendable:** Amounts that are not in a spendable form or are legally or contractually required to be maintained intact.
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- **Committed:** Amounts that have been formally set aside by the Village Council for use for specific purposes. Commitments are made and can be rescinded only by a resolution of the Village Council.
- **Assigned:** Amounts that are intended to be spent on specific purposes, as expressed by the Village Council or by a committee or individual designated by the Village Council.
- **Unassigned:** Amounts that are available for day-to-day operations.

The Village considers restricted funds to be spent first when expenditures are incurred for which both restricted and unrestricted amounts are available.

The Village considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.



VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Interfund Activity - Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

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

Budgetary Information - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The legal level of budgetary control has been established by the Village Council at the function level. Any budgetary modifications may only be made by resolution of the Village Council. All annual appropriations lapse at fiscal year end.

The Village follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements:

- 1) Prior to June 30, the Village Manager submits to the Village Council a proposed operating budget for the fiscal year commencing on July 1.
- 2) A public hearing is conducted during June to obtain taxpayer comments.
- 3) Prior to June 30, the budget is legally enacted through passage of a resolution.
- 4) For purposes of meeting emergency needs of the Village, transfer of appropriations may be made by the authorization of the Village Manager. Such transfers appropriations must be approved by the Village Council at its next regularly scheduled meeting.
- 5) The Village Manager is charged with general supervision of the budget and shall hold the department heads responsible for performance of their responsibilities.
- 6) During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

State of Michigan laws authorize the Village to invest in bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Village's investment policy puts no further limits on its investment choices.

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

Deposits

Following are the components of the Village’s bank deposits at June 30, 2014:

	Primary Government	Component Units
Cash on hand	\$ 450	\$ 0
Checking and savings accounts	215,708	7,458
Certificates of deposit	<u>16,360</u>	<u>0</u>
	<u>\$ 232,518</u>	<u>\$ 7,458</u>

Investments

Following are the components of the Village’s investments at June 30, 2014:

MBIA CLASS Investment Pool	<u>\$ 2,893,733</u>	<u>\$ 648,775</u>
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The Village’s deposits and investments are subject to several types of risk, which are examined in more detail as follows:

*Interest Rate Risk* - In accordance with its investment policy, the Village manages its exposure to declines in fair values due to changes in general interest rates by structuring the portfolio to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate securities at a loss prior to maturity.

*Credit Risk* – The Village minimizes credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the safest types of securities, pre-qualifying the financial institutions with which the Village will do business, and diversifying the portfolio so that potential losses on individual securities will be minimized. As of June 30, 2014, the Village’s investment in the MBIA CLASS Investment Pool was rated AAAM by Standard & Poors.

*Concentration of credit risk* – The Village minimizes the risk associated with placing a large portion of the portfolio with a single issuer by diversifying the portfolio so that the impact of potential losses from any one investment will be minimized.

*Custodial credit risk* – Custodial credit risk for deposits is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. At June 30, 2014, the carrying amount of the Village’s deposits was \$239,526 and the bank balance was \$264,324. The entire bank balance covered by federal depository insurance. The Village minimizes custodial credit risk by holding all investments in the Village’s name.

*Foreign currency risk* – The Village is not authorized to invest in investments which have this type of risk.

**NOTE 4 - RECEIVABLES**

Receivables at June 30, 2014, consist of State revenue sharing, State highway contract revenue, utility and other receivables. All receivables are considered collectible in full due to the ability to lien for the nonpayment of utility bills and the stable condition of State programs.

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 4 – RECEIVABLES (continued)**

A summary of the principal items of receivables follows:

	General Fund	Major Street	Local Street	Other Governmental Funds	Proprietary Funds	Total
State Revenue Sharing	\$ 35,871	\$ 21,996	\$ 6,877	\$ 0	\$ 0	\$ 64,744
Property Taxes	3,889	0	1,402	0	0	5,291
State Highway Contract	0	0	0	3,546	0	3,546
Utility customers	0	0	0	0	29,492	29,492
Other Receivables	<u>11,850</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,257</u>	<u>14,107</u>
Total	<u>\$ 51,610</u>	<u>\$ 21,996</u>	<u>\$ 8,279</u>	<u>\$ 3,546</u>	<u>\$ 31,749</u>	<u>\$ 117,180</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>PRIMARY GOVERNMENT</b>				
<u>Governmental Activities</u>				
Capital assets not being depreciated				
Land	\$ 194,995	\$ 0	\$ 0	\$ 194,995
Capital assets being depreciated				
Land Improvements	\$ 116,243	\$ 0	\$ 0	\$ 116,243
Buildings & Improvements	867,317	5,605	0	872,922
Furniture & Equipment	773,958	8,081	0	782,039
Vehicles	1,147,381	33,453	(17,353)	1,163,481
Infrastructure	5,358,915	274,922	0	5,633,837
Less accumulated depreciation	<u>(2,870,838)</u>	<u>(359,133)</u>	<u>17,353</u>	<u>(3,212,618)</u>
Total capital assets being depreciated, net	<u>\$ 5,392,976</u>	<u>\$ (37,072)</u>	<u>\$ 0</u>	<u>\$ 5,355,904</u>
Total capital assets, net	<u>\$ 5,587,971</u>	<u>\$ (37,072)</u>	<u>\$ 0</u>	<u>\$ 5,550,899</u>
<u>Business-Type Activities</u>				
Capital assets not being depreciated				
Land	\$ 2,061	\$ 0	\$ 0	\$ 2,061
Capital assets being depreciated				
Facilities & Mains	\$14,198,140	\$ 0	\$ 0	\$14,198,140
Machinery & Equipment	543,221	17,020	0	560,241
Less accumulated depreciation	<u>(6,491,933)</u>	<u>(344,454)</u>	<u>0</u>	<u>(6,836,387)</u>
Total capital assets being depreciated, net	<u>\$ 8,249,428</u>	<u>\$ (327,434)</u>	<u>\$ 0</u>	<u>\$ 7,921,994</u>
Total capital assets, net	<u>\$ 8,251,489</u>	<u>\$ (327,434)</u>	<u>\$ 0</u>	<u>\$ 7,924,055</u>
<b>PRIMARY GOVERNMENT</b>				
Total capital assets, net	<u>\$13,839,460</u>	<u>\$ (364,506)</u>	<u>\$ 0</u>	<u>\$13,474,954</u>
<b>COMPONENT UNITS</b>				
Capital assets not being depreciated				
Land	\$ 97,544	\$ 0	\$ 0	\$ 97,544

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 5 - CAPITAL ASSETS (continued)**

Depreciation expense was charged to activities of the Village as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 12,553	Water	\$ 84,711
Public Safety	92,805	Sewer	<u>259,743</u>
Public Improvements	37,366	Total	<u>\$ 344,454</u>
Streets, Highways and Drains	154,894		
Culture and Recreation	13,137		
Unallocated	<u>48,378</u>		
Total	<u>\$ 359,133</u>		

**NOTE 6 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances at June 30, 2014, is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$ 387	State Highway Fund	\$ 351
		Water Fund	36
Sewer Fund	309	Water Fund	309
Water Fund	1,069	Sewer Fund	1,069
Motor Vehicle Pool	1,493	General Fund	1,151
		Major Streets Fund	42
		Local Streets Fund	76
		State Highway Fund	73
		Sewer Fund	59
		Water Fund	<u>92</u>
	<u>\$ 3,258</u>		<u>\$ 3,258</u>

Interfund transfers during the year consisted of the following:

	<u>Transfer From</u>						<u>Total</u>
	<u>General Fund</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>State Highway</u>	<u>Sewer</u>	<u>Water</u>	
Transfer to:							
General Fund	\$ 0	\$ 13,431	\$ 64,426	\$ 3,194	\$ 21,077	\$ 21,077	\$123,205
Major Streets	0	0	53,000	0	0	0	53,000
Debt Service	0	33,972	63,283	0	0	0	97,255
Motor Vehicle Pool	<u>23,132</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>1,000</u>	<u>28,132</u>
Total	<u>\$ 23,132</u>	<u>\$ 47,403</u>	<u>\$180,709</u>	<u>\$ 3,194</u>	<u>\$ 25,077</u>	<u>\$ 22,077</u>	<u>\$301,592</u>

Transfers are used to (1) account for overhead services provided by the General Fund to other funds, (2) move resources for the payment of long-term debt, and (3) to provide for future acquisition of capital assets.

**VILLAGE OF JONESVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 7 - LONG-TERM DEBT**

The Village issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

North Parking Lot Bonds - During the year 2011-12, the Village issued bonds in the amount of \$550,000 for improvements to the parking lot on the north side of the downtown district. The bond payments are to be made from the tax increment revenues of the DDA; however, they are also backed by the full faith and credit of the Village.

East Street Bonds – During the year 2007-08, the Village issued bonds in the amount of \$700,000 for the reconstruction of East Street between Liberty Street and Adrian Street.

Murphy Street Bonds – During the year 2010-11, the Village issued bonds in the amount of \$300,000 for the reconstruction of Murphy Street between US-12 and the Village limits.

Revenue Bonds - The Village has a bond issue with GMAC Commercial Mortgage Corp. which funded a sewer project. This is a revenue bond, whereby revenue derived from the sewer system is used to pay the debt service.

Refunding Bonds - During the year 2005-06, the Village completed construction on a new sewage treatment plant, funded partially by a \$4,065,000 loan from the USDA Rural Development Office. In March, 2014, the Village issued \$3,485,000 in general obligations bonds to refund the USDA loan.

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>Primary Government</b>				
<b><i>Governmental Activities</i></b>				
North Parking Lot Bonds	\$ 513,000	0	(38,000)	475,000
East Street Bonds	520,000	0	(40,000)	480,000
Murphy Street Bonds	250,000	0	(25,000)	225,000
Compensated Absences	<u>106,477</u>	<u>0</u>	<u>(17,394)</u>	<u>89,083</u>
Total Governmental Activities	<u>\$ 1,389,477</u>	<u>\$ 0</u>	<u>\$ (120,394)</u>	<u>\$ 1,269,083</u>
<b><i>Business-type Activities</i></b>				
Revenue Bonds - Sewer Fund	\$ 125,000	\$ 0	\$ (25,000)	\$ 100,000
USDA Loan - Sewer Fund	3,633,000	0	(3,633,000)	0
Refunding Bonds – Sewer Fund	0	3,485,000	0	3,485,000
Compensated Absences	<u>47,072</u>	<u>0</u>	<u>(3,200)</u>	<u>43,872</u>
Total Business-type Activities	<u>\$ 3,805,072</u>	<u>\$ 3,485,000</u>	<u>\$(3,661,200)</u>	<u>\$ 3,628,872</u>
<b>Total Primary Government Long-Term Debt</b>	<u><b>\$ 5,194,549</b></u>	<u><b>\$ 3,485,000</b></u>	<u><b>\$(3,781,594)</b></u>	<u><b>\$ 4,897,955</b></u>

**VILLAGE OF JONESVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 7 - LONG-TERM DEBT (continued)**

Interest rates, maturity dates, and current portions for the above obligations are as follows:

	<u>Interest Rate(s)</u>	<u>Maturity Date</u>	<u>Current Portion</u>
North Parking Lot Bonds	2.9% - 4.0%	5/1/24	\$ 40,000
East Street Bonds	3.00% - 4.90%	5/1/23	45,000
Murphy Street Bonds	3.50% - 3.90%	11/1/20	30,000
Revenue Bonds - Sewer Fund	5.00%	1/1/18	25,000
Refunding Bonds – Sewer Fund	2.00% - 4.15%	1/1/38	<u>135,000</u>
			<u>\$ 275,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 115,000	\$ 46,674	\$ 160,000	69,151
2016	116,000	42,524	125,000	129,351
2017	123,000	38,189	125,000	126,101
2018	125,000	33,535	130,000	122,226
2019	136,000	28,568	110,000	119,501
2020-2024	565,000	62,279	585,000	553,456
2025-2029	0	0	690,000	436,656
2030-2034	0	0	845,000	285,884
2035-2038	<u>0</u>	<u>0</u>	<u>815,000</u>	<u>91,001</u>
Total	<u>\$ 1,180,000</u>	<u>\$ 251,769</u>	<u>\$ 3,585,000</u>	<u>\$ 1,933,327</u>

**NOTE 8 – COMPONENT UNIT CONTRIBUTIONS**

During the year, the Village's Local Development Finance Authority (LDFA) and Downtown Development Authority (DDA) contributed the following amounts to support the Village's operations:

<u>LDFA:</u>		<u>DDA:</u>	
<u>General Fund</u>		<u>General Fund</u>	
Salaries and wages	\$ 25,654	Salaries and wages	\$ 25,655
Street light electricity	5,100	Purchases/improvements	25,375
		<u>Debt Service Fund</u>	
		Bond payments	56,151
 TOTAL	 <u>\$ 30,754</u>		 <u>\$ 107,181</u>

**NOTE 9 - COMPENSATED ABSENCES**

Vested or accumulated vacation days and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The entire compensated absence liability is reported on the government-wide financial statements. Employees of the Village can accumulate vacation pay up to a maximum of 16 to 39 days depending on years of service, and employees have a vested right of 100% of allowable accumulated vacation pay upon termination. Accumulated sick time is vested based on years of service and the vested amount is payable upon termination.

VILLAGE OF JONESVILLE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2014

**NOTE 10 - PROPERTY TAXES**

Real estate and personal property taxes are recorded as revenue in amounts equal to the total taxes levied. The total levy for 2013 was 16.388 mills - 11.7057 mills allocated to General Fund, and 4.6823 mills allocated to Street Funds. The 2013 total state taxable value was approximately \$62,182,000 (\$52,396,000 ad valorem and \$9,786,000 industrial facilities tax). Village properties are assessed as of December 31 (the lien date) - taxes levied July 1 of the succeeding year and are due without interest to September 15. After the final collection date, unpaid real property taxes are added to the county delinquent tax rolls. Personal property taxes unpaid continue to be collected by the Village Treasurer.

**NOTE 11 - SEGMENT INFORMATION**

The Village issues separate revenue bonds to finance its water and sewer departments. The fund financial statements report major funds with revenue - supported debt for the water and sewer funds. Services provided by these funds are described in Note 1.

**NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN**

The Village of Jonesville provides pension benefits for all of its full-time employees through a defined contribution money purchase plan administered by the International City Managers Association Retirement Corporation (ICMA-RC). All full-time employees are eligible to participate in the plan after 6 months of full-time service. Participants are vested incrementally, with full vesting after four years of continuous full-time service. The Village is required to contribute 5 percent of covered payroll. If the employee makes a voluntary contribution of 5 percent, then the Village contributes an additional 2 percent. The activity in the plan for 2013-14 is as follows:

Asset Value - July 1, 2013	\$ 1,604,109
Employer Contributions	41,995
Employee Contributions	139,362
Investment Gain (Loss)	234,048
Distributions	<u>(34,028)</u>
Asset Value - June 30, 2014	<u>\$ 1,985,486</u>

**NOTE 13 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Village has purchased commercial insurance for each of these areas of risk and there have been no significant reduction in insurance coverages. Settled claims have not exceeded the amount of insurance coverage for the current or the three prior years.

**NOTE 14 - UNEMPLOYMENT TAXES**

The Village is a reimbursing employer to the Michigan Unemployment Insurance Agency and, as such, is responsible to pay the Agency for those benefits paid and charged to its account. As of June 30, appropriate liabilities have been recorded for all claims paid by the Agency. However, no provision has been made for future payments that might result from claims in process or not filed.

VILLAGE OF JONESVILLE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE 15 – FUND BALANCE CONSTRAINTS**

Fund balances have been constrained for the following purposes:

	<u>General Fund</u>	<u>Major Streets</u>	<u>Local Streets</u>	<u>State Highway</u>	<u>Debt Service</u>
Nonspendable:					
Inventory	2,692	0	0	0	0
Prepaid Expenditures	24,736	0	0	0	0
Restricted:					
Streets	0	39,898	482,406	5,022	0

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 6, 2014, the date on which the financial statements were available to be issued.

On August 5, 2014, the voters of the Village approved a new charter which changed Jonesville from a Village to a City. Pursuant to this change, the City of Jonesville received approximately 56% of the assets of Fayette Township (\$473,560).



**VILLAGE OF JONESVILLE**  
**SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Budget Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final Budget</u>
<b>REVENUE</b>				
Property Taxes	\$ 460,988	\$ 484,988	\$ 483,101	\$ (1,887)
Licenses and Permits	1,100	1,100	1,205	105
State Shared Revenue	204,872	204,872	209,324	4,452
Charges and Fees	61,300	54,100	54,719	619
Recreation	33,000	33,000	42,381	9,381
Rents and Royalties	11,500	11,500	13,162	1,662
Contributions	5,353	8,353	5,353	(3,000)
Interest	1,500	1,500	416	(1,084)
Contributions from Component Units	70,204	81,784	81,784	0
Miscellaneous	<u>0</u>	<u>6,700</u>	<u>6,706</u>	<u>6</u>
Total Revenue	<u>\$ 849,817</u>	<u>\$ 887,897</u>	<u>\$ 898,151</u>	<u>\$ 10,254</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Village Council	\$ 25,450	\$ 25,450	\$ 19,530	\$ (5,920)
Village Manager	87,530	87,530	87,175	(355)
Elections	2,000	2,000	710	(1,290)
General Office	201,490	201,490	197,147	(4,343)
Treasurer	2,400	2,400	1,005	(1,395)
Data Processing	5,225	11,425	11,207	(218)
Village Hall	11,532	13,382	13,309	(73)
Fringe Benefits	33,175	33,645	33,510	(135)
Insurance	14,500	14,500	12,689	(1,811)
Promotions	0	150	120	(30)
<b>Public Safety</b>				
Police	345,881	345,881	338,725	(7,156)
Fire	88,812	88,812	78,148	(10,664)
<b>Economic &amp; Community Development</b>				
Planning & Zoning	5,159	5,159	3,438	(1,721)
<b>Public Works</b>				
Parking Lots	13,795	22,345	22,169	(176)
Sidewalks	4,707	4,707	389	(4,318)
Other	18,820	18,820	18,653	(167)
<b>Streets, Highways, and Drains</b>				
Street Lighting	36,000	36,000	31,383	(4,617)
<b>Sanitation</b>				
Landfill	5,599	5,599	5,244	(355)
<b>Culture and Recreation</b>				
Recreation	38,565	40,065	39,939	(126)
Parks	16,100	16,100	11,666	(4,434)
<b>Capital Outlay</b>				
	<u>18,325</u>	<u>22,075</u>	<u>16,692</u>	<u>(5,383)</u>
Total Expenditures	<u>\$ 975,065</u>	<u>\$ 997,535</u>	<u>\$ 942,848</u>	<u>\$ (54,687)</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ (125,248)</u>	<u>\$ (109,638)</u>	<u>\$ (44,697)</u>	<u>\$ 64,941</u>

**VILLAGE OF JONESVILLE**  
**SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**  
 (continued)

	<u>Budget Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
OTHER FINANCING SOURCES (USES)				<u>Final Budget</u>
Operating Transfers In	\$ 121,511	\$ 121,511	\$ 123,205	\$ 1,694
Operating Transfers Out	<u>(23,700)</u>	<u>(23,700)</u>	<u>(23,132)</u>	<u>568</u>
Total Other Financing Sources (Uses)	<u>\$ 97,811</u>	<u>\$ 97,811</u>	<u>\$ 100,073</u>	<u>\$ 2,262</u>
NET CHANGE IN FUND BALANCES	\$ (27,437)	\$ (11,827)	\$ 55,376	\$ 67,203
FUND BALANCES - Beginning	<u>697,203</u>	<u>697,203</u>	<u>697,203</u>	<u>0</u>
FUND BALANCES - Ending	<u>\$ 669,766</u>	<u>\$ 685,376</u>	<u>\$ 752,579</u>	<u>\$ 67,203</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF JONESVILLE  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
MAJOR STREETS FUND  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<b>REVENUE</b>				
State Shared Revenue	\$ 136,000	\$ 136,000	\$ 147,851	\$ 11,851
Interest	20	20	7	(13)
Contributions from Component Units	0	0	0	0
Grants	200,000	200,000	191,262	(8,738)
Miscellaneous	<u>0</u>	<u>0</u>	<u>29</u>	<u>29</u>
Total Revenue	<u>\$ 336,020</u>	<u>\$ 336,020</u>	<u>\$ 339,149</u>	<u>\$ 3,129</u>
<b>EXPENDITURES</b>				
Street Construction	\$ 269,224	\$ 269,750	\$ 269,724	\$ (26)
Routine Maintenance	85,110	85,110	74,203	(10,907)
Traffic Control	5,565	5,565	3,886	(1,679)
Winter Maintenance	<u>21,410</u>	<u>32,000</u>	<u>31,962</u>	<u>(38)</u>
Total Expenditures	<u>\$ 381,309</u>	<u>\$ 392,425</u>	<u>\$ 379,775</u>	<u>\$ (12,650)</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ (45,289)</u>	<u>\$ (56,405)</u>	<u>\$ (40,626)</u>	<u>\$ 15,779</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 93,000	\$ 53,000	\$ 53,000	\$ 0
Transfers Out	<u>(47,404)</u>	<u>(47,404)</u>	<u>(47,403)</u>	<u>1</u>
Total Other Financing Sources (Uses)	<u>\$ 45,596</u>	<u>\$ 5,596</u>	<u>\$ 5,597</u>	<u>\$ 1</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 307</u>	<u>\$ (50,809)</u>	<u>\$ (35,029)</u>	<u>\$ 15,780</u>
<b>FUND BALANCES - Beginning</b>	<u>74,927</u>	<u>74,927</u>	<u>74,927</u>	<u>0</u>
<b>FUND BALANCES - Ending</b>	<u>\$ 75,234</u>	<u>\$ 24,118</u>	<u>\$ 39,898</u>	<u>\$ 15,780</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF JONESVILLE  
SCHEDULE OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
LOCAL STREETS FUND  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Actual</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
				<u>Final Budget</u>
REVENUE				
Property Taxes	\$ 177,272	\$ 177,272	\$ 187,528	\$ 10,256
State Shared Revenue	42,000	42,000	46,223	4,223
Contributions	2,140	2,140	2,141	1
Contributions from Component Units	0	0	0	0
Interest	500	500	284	(216)
Miscellaneous	<u>0</u>	<u>0</u>	<u>1,557</u>	<u>1,557</u>
Total Revenue	<u>\$ 221,912</u>	<u>\$ 221,912</u>	<u>\$ 237,733</u>	<u>\$ 15,821</u>
EXPENDITURES				
Street Construction	\$ 40,000	\$ 40,000	\$ 31,792	\$ (8,208)
Routine Maintenance	97,110	97,110	70,266	(26,844)
Traffic Control	3,473	3,473	923	(2,550)
Winter Maintenance	<u>16,700</u>	<u>25,950</u>	<u>25,760</u>	<u>(190)</u>
Total Expenditures	<u>\$ 157,283</u>	<u>\$ 166,533</u>	<u>\$ 128,741</u>	<u>\$ (37,792)</u>
REVENUE OVER (UNDER) EXPENDITURES	\$ 64,629	\$ 55,379	\$ 108,992	\$ 53,613
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(220,709)</u>	<u>(180,709)</u>	<u>(180,709)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	\$(156,080)	\$(125,330)	\$ (71,717)	\$ 53,613
FUND BALANCES - Beginning	<u>554,123</u>	<u>554,123</u>	<u>554,123</u>	<u>0</u>
FUND BALANCES - Ending	<u>\$ 398,043</u>	<u>\$ 428,793</u>	<u>\$ 482,406</u>	<u>\$ 53,613</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF JONESVILLE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

	Debt Service <u>Fund</u>	Special Revenue State Highway <u>Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 0	\$ 2,379	\$ 2,379
Due from Other Governmental Units	<u>0</u>	<u>3,546</u>	<u>3,546</u>
Total Assets	<u>\$ 0</u>	<u>\$ 5,925</u>	<u>\$ 5,925</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Due to Other Funds	0	424	424
Salaries Payable	<u>0</u>	<u>479</u>	<u>479</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 903</u>	<u>\$ 903</u>
<b>FUND BALANCE</b>			
Nonspendable	\$ 0	\$ 0	\$ 0
Restricted	0	5,022	5,022
Committed	0	0	0
Assigned	0	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>\$ 0</u>	<u>\$ 5,022</u>	<u>\$ 5,022</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 5,925</u>	<u>\$ 5,925</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF JONESVILLE  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Debt Service <u>Fund</u>	State Highway <u>Fund</u>	<u>Total</u>
REVENUE			
State Highway Contract	\$ 0	\$ 32,517	\$ 32,517
Contribution from Component Units	56,151	0	56,151
Interest Income	<u>0</u>	<u>1</u>	<u>1</u>
Total Revenue	<u>\$ 56,151</u>	<u>\$ 32,518</u>	<u>\$ 88,669</u>
EXPENDITURES			
Streets, Highways, Drains			
Routine Maintenance	\$ 0	\$ 9,547	\$ 9,547
Traffic Control	0	671	671
Winter Maintenance	0	19,195	19,195
Debt Service			
Principal	103,000	0	103,000
Interest	<u>50,406</u>	<u>0</u>	<u>50,406</u>
Total Expenditures	<u>\$ 153,406</u>	<u>\$ 29,413</u>	<u>\$ 182,819</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ (97,255)</u>	<u>\$ 3,105</u>	<u>\$ (94,150)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	\$ 97,255	\$ 0	\$ 97,255
Operating Transfers Out	<u>0</u>	<u>(3,194)</u>	<u>(3,194)</u>
Total Other Financing Sources (Uses)	<u>\$ 97,255</u>	<u>\$ (3,194)</u>	<u>\$ 94,061</u>
NET CHANGES IN FUND BALANCES	\$ 0	\$ (89)	\$ (89)
FUND BALANCES - Beginning	<u>0</u>	<u>5,111</u>	<u>5,111</u>
FUND BALANCES - Ending	<u>\$ 0</u>	<u>\$ 5,022</u>	<u>\$ 5,022</u>

The accompanying notes are an integral part of this statement.

Bailey, Hodshire  
& Company, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Village Council  
Village of Jonesville  
Jonesville, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Jonesville as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Jonesville's basic financial statements and have issued our report thereon dated November 6, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Jonesville's internal control over financial reporting (internal control) to determine the 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 the Village of Jonesville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Jonesville's internal control.

*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 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. *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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Jonesville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bailey, Hodshire & Company, P.C.*

Jonesville, Michigan

November 6, 2014