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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Webberville as of and for the year ended March 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Webberville's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Webberville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Webberville's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

MATERIAL WEAKNESS

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

SIGNIFICANT DEFICIENCIES

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

PREPARATION OF FINANCIAL STATEMENTS

Statement on Auditing Standards No. 115 titled Communicating Internal Control Related Matters Identified in an Audit requires us to communicate when a client requires assistance in the preparation of financial statements and the related footnotes that are required in accordance with accounting principles generally accepted in the United States of America. Throughout the year the Village prepares monthly financial reporting at the fund level. The staff at the Village of Webberville does understand substantially all of the information included in the financial statements, and as such are able to take responsibility for the content. However, the presentation of financial statements in accordance with generally accepted accounting principles also includes the preparation of government-wide financial statements and note disclosures. Currently the government-wide financial statements and note disclosures are prepared during the audit process. We are communicating these circumstances as required by professional standards, and do not see a need for any change in the situation at this time. This condition was noted.

OTHER MATTERS

During Our audit, we also became aware of deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal control and operating efficiency.

BUDGETS

The State Revenue Sharing Distribution: Law, P.A. 176 of 1980, includes a compliance requirement in budgeting. It is required under this act that expenditures do not exceed the budget. Expenditures include accounts payable at march 31, 2013. Total expenditures cannot exceed total budgeted revenues plus beginning fund balance. Expenditure should be reviewed periodically and the budget amended before incurring any expense which would exceed the budgeted amounts.

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

Demis and Wenzlick, P.C.

Certified Public Accountants

September 6, 2013

**VILLAGE OF WEBBERVILLE
INGHAM COUNTY, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required supplementary and
additional information)**

YEAR ENDED MARCH 31, 2013

**VILLAGE OF WEBBERVILLE
LIST OF COUNCIL MEMBERS
MARCH 31, 2013**

VILLAGE COUNCIL

Brad Hitchcock	President
Robert R. Ackerman	President Pro-Tem
Dennis Kelly	Trustee
Dan Horton	Trustee
Mel Lewis	Trustee

ADMINISTRATIVE OFFICERS

Rachel Piner	Clerk/Treasurer
Jaymee Hord	Deputy Clerk/Deputy Treasurer

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INDEPENDENT AUDITORS' REPORT

To the President and Members of the Village Council
Village of Webberville
Webberville, Michigan

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the Village of Webberville, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Webberville, as of March 31, 2013, and the respective changes in financial position and cash flows, where applicable 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 3-6 and 33-36 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.

Demis and Wenzlick, P.C.
Certified Public Accountants

Owosso, Michigan
September 6, 2013

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

VILLAGE OF WEBBERVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
INGHAM COUNTY, MICHIGAN
MARCH 31, 2013

The following is a discussion and analysis of the Village of Webberville's (the Village's) financial performance and position, providing an overview of the activities for the year ended March 31, 2013. This analysis should be read in conjunction with the Independent Auditor's Report and with the Village's financial statements, which follows this section.

Using this Annual Report

This annual report consists of series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village of Webberville as a whole and represent a longer-term view of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Village of Webberville in more detail than the government-wide financial statements by providing information about the Village's most significant funds.

Financial Results

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2013:

- The Village's total net position were \$4,899,669
- The Village's over-all unrestricted net position were \$587,124.
- Component unit net position was \$920,260.
- Component unit unrestricted net position were \$180,471.

VILLAGE OF WEBBERVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
INGHAM COUNTY, MICHIGAN
MARCH 31, 2013

Village as a Whole

The following table shows, in a condensed format, the net position of the current date compared to the prior year:

	<u>2013</u>	<u>2012</u>
Current Assets	\$ 1,315,532	\$ 1,361,451
Capital Assets (Net of Depreciation)	4,565,168	4,203,456
Total Assets	<u>5,880,700</u>	<u>5,564,907</u>
Current Liabilities	106,031	98,286
Non-Current Liabilities/Long-Term	875,000	815,000
Total Liabilities	<u>981,031</u>	<u>913,286</u>
Net Position	<u>\$ 4,899,669</u>	<u>\$ 4,651,621</u>

The following table shows the change in net position for the year ended March 31, 2013:

	<u>2013</u>	<u>2012</u>
Program Revenues:		
Charges for Services – Governmental Activities	\$ 66,330	\$ 63,730
Charges for Services – Business-Type Activities	537,054	507,687
General Revenues:		
State Shared Revenues/Metro Act Fund	204,780	208,506
Property Tax Revenue (Net of Refunds)	546,085	561,603
Investment Income	4,585	5,027
Other General Revenues	60,247	47,866
Total Revenues	<u>1,419,081</u>	<u>1,394,419</u>
Program Expenses:		
General Government	67,621	202,066
Public Safety (Police)	235,041	229,677
Public Works	423,880	330,066
Recreation and Culture	613	1,486
Interest on Long-Term Debt	-	211
Community and Economic Development	-	-
Water and Sewer	418,240	478,223
Total Expenses before Net Transfers	<u>1,145,395</u>	<u>1,241,729</u>
Net Transfers between General Government and Component Unit	25,638	26,026
Total Expenses including Net Transfers	<u>1,171,033</u>	<u>1,267,755</u>
Change in Net Position	<u>\$ 248,048</u>	<u>\$ 126,664</u>

VILLAGE OF WEBBERVILLE
MANAGEMENT'S DISCUSSION AND ANALYSIS
INGHAM COUNTY, MICHIGAN
MARCH 31, 2013

Entity-Wide Financial Statements

The entity-wide statements report information about the Village as a whole using accounting methods used by private companies. The statement of net assets includes all of the Village's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net position and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time increases/decreases in the entity's net position are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the entity, you may also have to consider additional factors such as tax base changes, facility conditions and personnel changes.

All of the activities of the Village are reported as governmental activities, business-type activities and component unit activities. Governmental activities include the General Fund, Special Revenue Funds, Capital Project Funds, New Equipment Funds and all Internal Service Funds. Business activities include Sewer Enterprise and Water Enterprise Funds. The Village also has a discretely presented component unit that is presented in a separate column.

Fund Financial Statements

The fund financial statements provide more detailed information about the Village's funds, focusing on significant (major) funds not the Village as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Village Council also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The Village has the following types of funds:

Governmental Funds – Some of the Village's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Village's entity-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Village's funds include General, Municipal Street, Local Street, Major Street, Building Authority.

VILLAGE OF WEBBERVILLE
INGHAM COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2013

Business-Type Funds: The Village has a Water Fund and a Sewer Fund which includes the activities of providing water and sewer to Village residents.

Discretely Presented Component Unit: The Village has a Downtown Development Authority. The Authority's function is to promote the revitalization within the Village. The fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Village's entity-wide statement and the fund statement are disclosed in reconciling statements to explain the differences between them.

Financial Analysis of the Village as a Whole

Our cash position in both the governmental and business-type activities remains strong.

General Fund Budgetary Highlights

During the course of the year, the Village amended the budget to take into account events during the year. General Fund expenditures originally were budgeted at \$698,700 (not including interfund transfers). The budget was amended to \$733,600 for expenditures. Actual expenditures were \$673,357.

Financial Analysis of the Village's Funds

General Fund decrease in fund balance (Net of interfund transfers)	\$ (90,407)
Major Street increase in fund balance	104,219
Local Street increase in fund balance	56,700
Municipal Street increase in fund balance	22,233
Building Authority decrease in fund balance	3
The Downtown Development Authority had a decrease in fund balance of:	(6,156)

Capital Asset and Long-Term Debt Activity

The Village's component unit activities paid \$59,722 of principal on long-term debt.

The Village constructed a new DPW building at a cost of \$292,000.

The Village issued the 2012 Capital Improvement Bonds principal of \$228,000.

Known Factors Affecting the Future Operations

The future of state revenue sharing is very clouded and it represents a significant portion of our income.

VILLAGE OF WEBBERVILLE
INGHAM COUNTY, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2013

Contacting the Village's Management

This financial report is intended to provide our taxpayers, creditors, investors, and customers with a general overview of the Village's finances and to demonstrate the Village's accountability for the revenues it receives. If you have any questions concerning this report, please contact the Village Clerk/Treasurer at (517) 521-3984.

BASIC FINANCIAL STATEMENTS

VILLAGE OF WEBBERVILLE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
MARCH 31, 2013

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
ASSETS				
Cash & Cash Equivalents	\$ 759,890	\$ 450,134	\$ 1,210,024	\$ 169,571
Receivables	7,488	48,665	56,153	-
Due from Other Funds	11,405	3,952	15,357	-
Due from Other Government Units	33,998	-	33,998	13,079
Other Assets	-	42,901	42,901	-
Capital Assets (Net)	676,569	3,845,698	4,522,267	806,583
TOTAL ASSETS	<u>1,489,350</u>	<u>4,391,350</u>	<u>5,880,700</u>	<u>989,233</u>
LIABILITIES				
Accounts Payable	71,633	9,682	81,315	1,180
Accrued & Other Liabilities	11,143	13,573	24,716	999
Noncurrent Liabilities:				
Due within one year	-	194,000	194,000	66,794
Due in more than one year	-	681,000	681,000	-
TOTAL LIABILITIES	<u>82,776</u>	<u>898,255</u>	<u>981,031</u>	<u>68,973</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	676,569	2,970,698	3,647,267	739,789
Restricted for:				
Sewer and Water	-	212,490	212,490	-
Major/Local/Municipal Streets	449,499	-	449,499	-
Committed:				
Non-Major Funds	3,289	-	3,289	-
Unreserved	277,217	309,907	581,124	180,471
TOTAL NET POSITION	<u>\$ 1,406,574</u>	<u>\$ 3,493,095</u>	<u>\$ 4,899,669</u>	<u>\$ 920,260</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position		Component Unit
			Governmental Activities	Business Type Activities	
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	\$ 67,621	\$ 14,114	\$ (53,507)	\$ -	\$ (231,149)
Public Safety	235,041	-	(235,041)	-	-
Public Works	423,880	52,216	(371,664)	-	-
Recreation & Culture	613	-	(613)	-	-
Interest on LT Debt	-	-	-	-	(2,605)
TOTAL GOVERNMENTAL ACTIVITIES	<u>727,155</u>	<u>66,330</u>	<u>(660,825)</u>	<u>-</u>	<u>(233,754)</u>
Business-Type Activities:					
Sewer	217,364	291,588	-	74,224	-
Water	200,876	245,466	-	44,590	-
TOTAL BUSINESS-TYPE ACTIVITIES	<u>418,240</u>	<u>537,054</u>	<u>-</u>	<u>118,814</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,145,395</u>	<u>\$ 603,384</u>	<u>(660,825)</u>	<u>118,814</u>	<u>542,011</u>
General Revenues:					
Property Taxes			546,085	-	258,748
State Shared Revenue/Metro Act			204,780	-	-
Unrestricted Investment Earnings			2,530	2,055	76
Miscellaneous Other Revenue			60,247	-	-
Transfers - Net			(105,887)	80,249	25,638
TOTAL GENERAL REVENUES & TRANSFERS			<u>707,755</u>	<u>82,304</u>	<u>284,462</u>
Change in Net Position			46,930	201,118	50,708
Net Position - Beginning			1,359,644	3,291,977	869,552
NET POSITION- ENDING			<u>\$ 1,406,574</u>	<u>\$ 3,493,095</u>	<u>\$ 920,260</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2013

ASSETS	General	Major Street	Local Street	Municipal Street	Non-Major Government Funds	Total Government Funds
Cash & Cash Equivalents	\$ 156,869	\$ 411,866	\$ 132,051	\$ 27,047	\$ 3,289	\$ 731,122
Receivables	7,398	-	-	90	-	7,488
Due from Other Funds	5,019	2,544	3,842	-	-	11,405
Due from State of Michigan	17,629	12,273	4,096	-	-	33,998
TOTAL ASSETS	\$ 186,915	\$ 426,683	\$ 139,989	\$ 27,137	\$ 3,289	\$ 784,013
LIABILITIES & FUND BALANCE						
LIABILITIES						
Accounts Payable	\$ 70,866	-	-	-	-	\$ 70,866
Due to Other Funds	5,126	1,923	-	-	-	7,049
Payroll Taxes Payable	2,224	1,106	764	-	-	4,094
TOTAL LIABILITIES	78,216	3,029	764	-	-	82,009
FUND BALANCE						
Restricted – Streets	-	339,344	83,019	27,137	-	449,499
Assigned – Refuse	6,741	-	-	-	-	6,741
Committed: Non-Major Funds	-	-	-	-	3,289	3,289
Unassigned	101,958	84,310	56,207	-	-	242,475
TOTAL FUND BALANCE	108,699	423,654	139,225	27,137	3,289	702,004
TOTAL LIABILITIES & FUND BALANCE	\$ 186,915	\$ 426,683	\$ 139,989	\$ 27,137	\$ 3,289	\$ 784,013

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
 RECONCILIATION OF THE BALANCE SHEET
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 MARCH 31, 2013

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 702,004

Total Net Position Reported for Governmental Activities in the
 Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not Financial
 Resources and are not reported in the Funds

The Cost of Capital Assets	\$ 1,369,365	
Accumulated Depreciation	(744,071)	
Capital Assets, Net		625,294

An internal service fund is used by management to charge the
 costs of certain equipment usage to individual funds. A portion
 of the assets and liabilities of the internal service fund are
 included in governmental activities in the statement of net assets.

79,276

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,406,574

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED MARCH 31, 2013

	General	Major Street	Local Street	Municipal Street	Non-Major Government Funds	Total Government Funds
REVENUES						
Taxes	\$ 481,251	\$ -	\$ -	\$ 64,834	\$ -	\$ 546,085
Licenses & Permits	856	-	-	-	-	856
State Shared Revenues/Highway Funds	111,070	67,065	22,383	-	-	200,518
Metro Act	-	4,262	-	-	-	4,262
Charges for Services	52,216	-	-	-	-	52,216
Fines & Forfeitures & Other Fees	6,649	-	-	-	-	6,649
Interest & Rentals	1,941	925	190	96	428	3,580
Other Revenue/Reimbursements	20,275	-	-	-	-	20,275
TOTAL REVENUES	674,258	72,252	22,573	64,930	428	834,441
EXPENDITURES						
Current						
General Government	133,553	-	-	-	-	133,553
Public Safety	235,041	-	-	-	-	235,041
Public Works	304,150	52,343	22,080	-	-	378,573
Recreation & Culture	613	-	-	-	-	613
Drains	-	-	-	28,118	-	28,118
TOTAL EXPENDITURES	673,357	52,343	22,080	28,118	-	775,898
EXCESS OF REVENUES OVER EXPENDITURES	901	19,909	493	36,812	428	58,543
OTHER FINANCING SOURCES (USES)						
Transfers In	15,000	84,310	56,207	-	-	155,517
Transfers Out	(106,308)	-	-	(14,579)	(140,517)	(261,404)
TOTAL FINANCING SOURCES & USES	(91,308)	84,310	56,207	(14,579)	(140,517)	(105,887)
Net Change in Fund Balance	(90,407)	104,219	56,700	22,233	(140,089)	(47,344)
Fund Balance - Beginning	199,106	319,435	82,525	4,904	143,378	749,348
FUND BALANCE - ENDING	\$ 108,699	\$ 423,654	\$ 139,225	\$ 27,137	\$ 3,289	\$ 702,004

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2013

Net Change in Fund Balances – Total Governmental Funds \$ (47,344)

Total Change in Net Position Reported for Governmental Activities
in the Statement of Activities is different because:

Governmental Funds report Capital Outlays as Expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Depreciation Expense	\$ (35,857)	
Capital Outlay	<u>124,431</u>	88,574

An internal service fund is used by management to charge the costs of certain equipment usage to individual governmental funds. A portion of the net revenue (expense) is reported with governmental activities.

5,700

**CHANGE IN NET POSITION OF GOVERNMENTAL
ACTIVITIES**

\$ 46,930

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
MARCH 31, 2013

	Business-Type Activities			Internal Service Funds Motor Pool
	Enterprise Funds			
	Sewer	Water	Total	
ASSETS				
Current Assets:				
Cash & Cash Equivalents	\$ 122,039	\$ 115,605	\$ 237,644	\$ 28,768
Receivables/Due from Other Funds	28,544	24,073	52,617	-
TOTAL CURRENT ASSETS	<u>150,583</u>	<u>139,678</u>	<u>290,261</u>	<u>28,768</u>
Capital Assets	3,281,030	3,121,884	6,402,914	197,696
Less: Accumulated Depreciation	(1,332,868)	(1,224,348)	(2,557,216)	(146,421)
NET PROPERTY, PLANT & EQUIPMENT	<u>1,948,162</u>	<u>1,897,536</u>	<u>3,845,698</u>	<u>51,275</u>
Restricted Assets				
Cash/Bond & Interest Redemption	112,638	99,852	212,490	-
Restricted Assets				
Unamortized Bond Discount & Financing Costs	27,239	15,662	42,901	-
TOTAL ASSETS	<u>2,238,622</u>	<u>2,152,728</u>	<u>4,391,350</u>	<u>80,043</u>
LIABILITIES				
Current Liabilities				
Accounts Payable/Due to Other Funds/Deposits	3,762	5,920	9,682	767
Current Portion of Non-Current Liabilities	117,700	76,300	194,000	-
Accrued Interest Payable	8,335	5,238	13,573	-
TOTAL CURRENT LIABILITIES	<u>129,797</u>	<u>87,458</u>	<u>217,255</u>	<u>767</u>
Non-Current Liabilities				
Bonds, Notes & Loans Payable	453,300	227,700	681,000	-
TOTAL LIABILITIES	<u>453,300</u>	<u>227,700</u>	<u>681,000</u>	<u>-</u>
NET POSITION				
Invested in Capital Assets, Net of Related Debt	1,377,162	1,593,536	2,970,698	51,275
Reserved for Restricted Assets	112,638	99,852	212,490	-
Other Unrestricted	165,725	144,182	309,907	28,001
TOTAL NET POSITION	<u>\$ 1,655,525</u>	<u>\$ 1,837,570</u>	<u>\$ 3,493,095</u>	<u>\$ 79,276</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2013

	Business-Type Activities			Internal Service Funds Motor Pool
	Enterprise Funds			
	Sewer	Water	Total	
OPERATING REVENUES:				
Charges for Services	\$ 283,824	\$ 236,348	\$ 520,172	\$ 44,862
Connection & Tap Charges	-	3,206	3,206	-
Penalties	7,506	5,777	13,283	-
Other Income	258	135	393	599
TOTAL OPERATING REVENUES	291,588	245,466	537,054	45,461
OPERATING EXPENSES:				
Salaries & Benefits	87,168	84,407	171,575	-
Supplies/Rentals	13,871	15,121	28,992	-
Other Services & Charges	32,713	10,057	42,770	3,663
Repairs ,Maintenance & Other	5,636	17,577	23,213	21,803
Depreciation/Amortization	58,453	58,944	117,397	13,804
TOTAL OPERATING EXPENSES	197,841	186,106	383,947	39,270
OPERATING INCOME (LOSS)	93,747	59,360	153,107	6,191
NON-OPERATING REVENUES (EXPENSES)				
Interest & Investment Revenues	1,081	974	2,055	70
Interest & Investment Expenses	(19,523)	(14,770)	(34,293)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(18,442)	(13,796)	(32,238)	70
INCOME (LOSS) BEFORE TRANSFERS	75,305	45,564	120,869	6,261
Transfers In-Other Funds	-	-	-	-
Transfers In-Component	27,637	52,612	80,249	-
TOTAL TRANSFERS	27,637	52,612	80,249	-
Change in Net Assets	102,942	98,176	201,118	6,261
Net Assets – Beginning of Year	1,552,583	1,739,394	3,291,977	73,577
NET POSITION – END OF YEAR	\$ 1,655,525	\$ 1,837,570	\$ 3,493,095	\$ 79,276

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2013

	Business-Type Activities			Internal Service Funds Motor Pool
	Enterprise Funds			
	Sewer	Water	Total	
Cash Flows from Operating Activities:				
Receipt from Customer	\$ 292,045	\$ 246,250	\$ 538,295	\$ -
Payments to Suppliers	(72,299)	(53,290)	(125,589)	(27,819)
Payments to Employees	(54,093)	(52,539)	(106,632)	-
Other Receipts (Payments)	13,467	31,593	45,060	45,460
Net Cash Provided by Operating Activities	179,120	172,014	351,134	17,641
Cash Flows from Capital & Related Financing Activities::				
Issuance of New Debt	228,000	-	228,000	-
Retirement of Debt	(97,200)	(70,800)	(168,000)	-
Interest & Fiscal Charges Paid	(29,573)	(14,770)	(44,343)	-
Investment in Capital Assets	(277,688)	(83,901)	(361,589)	(32,700)
Net Cash Used for Capital & Related Financing Activities	(176,461)	(169,471)	(345,932)	(32,700)
Cash Flows from Investing Activities:				
Interest Revenue – Net of Early Withdrawal Penalties	1,081	974	2,055	70
Net Increase (Decrease) in Cash & Cash Equivalents	3,740	3,517	7,257	(14,989)
Cash & Cash Equivalents Beginning of Year	230,937	211,940	442,877	43,757
CASH & CASH EQUIVALENTS END OF YEAR	\$ 234,677	\$ 215,457	\$ 450,134	\$ 28,768

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2013

	Business-Type Activities			Internal Service Funds Motor Pool
	Enterprise Funds			
	Sewer	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 121,384	\$ 111,972	\$ 233,356	\$ 5,629
Adjustments to Reconcile Operating Income to Net Cash				
Provided by Operating Activities:				
Depreciation	53,862	56,052	109,914	13,804
Amortization	4,591	2,892	7,483	-
Change in Assets & Liabilities:				
Receivables/Prepays	507	784	1,291	-
Accounts Payable	(1,224)	314	(910)	(1,792)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 179,120	\$ 172,014	\$ 351,134	\$ 17,641

See accompanying notes to financial statements.

**VILLAGE OF WEBBERVILLE
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
MARCH 31, 2013**

	<u>Tax Account</u>	<u>Water/Sewer Deposit Account</u>	<u>Combined Agency Funds</u>
Assets:			
Cash	\$ 5,019	\$ 3,288	\$ 8,307
	<u>\$ 5,019</u>	<u>3,288</u>	<u>8,307</u>
Liabilities:			
Customer Deposits	\$ -	\$ 2,750	\$ 2,750
Due to Other funds	5,019	538	5,557
Total Liabilities	<u>\$ 5,019</u>	<u>\$ 3,288</u>	<u>\$ 8,307</u>

See accompanying notes to financial statements.

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Webberville conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies used by the Village.

COMPONENT UNITS

The accompanying financial statements present the Village's primary government and component units over which the Village exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Village to finance any deficits that may occur or receipt of significant subsidies from the Village. Component units that do not meet the criteria for blending are reported discretely.

Component units that are reported in the Village's Government-Wide Financial statements are shown in the following table:

Blended Component Units Reported with the Primary Government	Brief Description and Relationship to the Village	Reporting Funds
Webberville Building Authority (WBA)	Charged with responsibility of building and financing repairs and major Authority Fund improvements to the Village Hall and Library. Village Council members serve as Trustees.	Webberville Building Authority Fund
Discretely Reported Component Units	Brief Description of Activities Relationship to the Village	
Downtown Development Authority	Used for the administration of the Authority and planning of improvements in the downtown district. Financing for DDA Operations was provided by the General Fund. Village Council members serve as Trustees.	

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, normally supported by taxes and inter-governmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, or privilege provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter excluded from the governmental-wide financial statements. Major individual governmental funds and the major enterprise funds are reported in separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net asset are available, restricted resources are applied first.

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

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes (state shared revenue) collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits, and other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Street Fund – Major Street Fund is used to receive all Major Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Major Street.

Local Street Fund – Local Street Fund is used to receive all Local Street monies paid to the Village by the state, to account for monies received from special tax levies for street improvement purposes, to account for monies received from General Fund contributions and to account for construction, maintenance and other authorized operations to all streets classified as Local Street.

Municipal Street Fund – The Municipal Street Fund is used to account for taxes segregated for street oriented operations.

The government reports the following major proprietary funds:

Water and Sewer Fund – To account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, (utility director), operations, maintenance, financing and related debt service, and billing and collection.

In addition, the government reports the following non-major governmental funds:

Sidewalk Fund – The Sidewalk Fund is used to segregate monies set aside to finance the Village's portion of sidewalk construction. The Sidewalk Fund was closed out and moved to Local and Major during the year. All sidewalk projects are complete and nothing new is planned at this time.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Additionally, the government reports the following fund types:

Internal Service Funds – The Internal Service Fund accounts for the financing of goods or services by one department or agency to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis.

Agency Funds – The Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

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

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary funds, related to charges to customers for water sales and services and sewage disposal charges. The Water and Sewer Fund also recognizes tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. Connection fees intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of water, sewage disposal, operations and maintenance, general and administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reporting as non-operating revenue and expenses.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments – The Village has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of 3 months or less when acquired.

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other fund" activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for bond reserve. These amounts have been classified as restricted investments.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Village began recording governmental infrastructure constructed on or after July 1, 2003 as followed by GASB 34.

Property, Plant and Equipment is depreciated using the straight line method over the following useful lives.

Land Improvements	10 to 20 years
Building and Building Improvements	25 to 40 years
Utility Systems	25 to 40 years
Roads	25 years
Other Infrastructure	20 to 40 years
Vehicles	5 to 10 years
Machinery and Equipment	5 to 10 years

Long-term obligation – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

Government-Wide Net Assets – Government-wide net assets are divided into three components:

Invested in Capital Assets, Net of Related Debt – This category consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted Net Assets – Net assets are considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws:

Unrestricted – All other net assets are reported in this category.

Governmental Fund Balances- In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact;

Restricted – Amounts constrained to specific purposes by their providers through constitutional provisions, or by enabling legislation;

Committed – Amounts constrained to a specific purpose by the government itself, determined by a formal action by Village Council ordinance or resolution;

Assigned – Amounts the Village Council intends to use for a specific purpose but are neither restricted nor committed;

Unassigned – All amounts not included in other spendable classifications.

For the classification of Governmental Fund balances, the Village considers an expenditure to be made from the most restrictive first when more than one classification is available.

USE OF ESTIMATES

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

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA

Comparative data is not included in the Village's financial statements.

BUDGETS AND BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the clerk submits to the Village Council a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Village to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of an ordinance.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Village Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise and Internal Service Funds and the discretely presented component unit.
6. Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds and the discretely presented component unit are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The DDA budget is based upon a fiscal year which matches the Village's fiscal year.

PROPERTY TAXES

Property taxes attach an enforceable lien on property by the county. Taxes are levied on July 1, and payable on September 14. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village is permitted by the Municipal Finance Law of the State to levy taxes up to 15 mills total. The Village Council has allocated 10.6081 mills for governmental services and 1.5919 mills for the Municipal Street Fund.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YERA ENDED MARCH 31, 2013

NOTE B – CHANGES IN GENERAL FIXED ASSETS

A summary of proprietary fund type property, plant and equipment at March 31, 2013, is as follows:

	Enterprise	Internal Service
Utility Plant	\$ 6,402,914	\$ -
DPW Equipment	-	197,696
	<u>6,402,914</u>	<u>197,696</u>
Less: Accumulated Depreciation	(2,557,216)	(146,421)
NET	<u>\$ 3,845,698</u>	<u>\$ 51,275</u>

Depreciation expense for the year ended March 31, 2013 is \$123,718

Property, Plant and Equipment are recorded in the Village's records at cost. Depreciation is computed by the straight-line method using lives of 25 to 75 years.

NOTE C – DEPOSITS

Michigan Compiled Laws, Section 129.91 authorizes the Village to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency of instrumentality of the United States; United States government or federal agency obligations; repurchase agreements, bankers acceptance of United States Banks, commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase, obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Village of Webberville's deposits and investment policy are in accordance with statutory authority.

At year end the carrying amount of the Village's deposits with financial institutions including \$27 of petty cash was \$1,210,024 and the bank balance was \$1,221,658. Of the bank balance \$988,155 was covered by federal depository insurance and \$221,844 was uninsured and uncollateralized.

The DDA's deposits at March 31, 2013 were \$169,571 of which all was insured. The bank balance for the DDA was \$170,571.

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2013

NOTE C – DEPOSITS (CONTINUED)

The Dodd-Frank Wall Street Reform and Consumer Protection Act provides unlimited insurance coverage for non interest bearing transaction accounts. Beginning December 31, 2010 through December 31, 2013 all non interest bearing transaction accounts are fully insured. Money market deposit accounts and negotiable order of withdrawal accounts are not eligible for this unlimited insurance coverage regardless of the interest rate, even if no interest is paid. As part of the Act signed into law, the current maximum coverage amount is permanently raised to \$250,000.

At year end, the Village's deposits were reported in the basic financial statements in the following categories:

	Governmental Activities	Business- Type Activities	Total	Component Unit
Cash & Cash Equivalents	\$ 759,890	\$ 237,644	\$ 997,534	\$ 169,571
Restricted Cash	-	212,490	212,490	-
	<u>\$ 759,890</u>	<u>\$ 450,134</u>	<u>\$ 1,210,024</u>	<u>\$ 169,571</u>

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

Credit Risk

State Law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of March 31, 2013, the Village did not have any investments that would be subject to rating. At this time, the Village does not have a policy covering credit risk. All deposits are "cash type" bank deposits.

Interest Rate Risk

The Village will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designing its portfolio with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. At this time the Village does not have a policy for interest rate risk.

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE C – DEPOSITS (CONTINUED)

Concentration Credit Risk

The Village will minimize concentration of credit, which is the risk of loss attributed to the magnitude of the Village's investment in a single issuer, by diversifying its investments by security type and institution to ensure potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. At this time, the Village does not have a written policy for concentration of credit risk.

Custodial Credit Risk

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

NOTE D – WATER AND SEWER NOTES

Financing costs on bonds issued are being amortized over the period bonds are outstanding on a straight-line basis.

Village Ordinance requires certain fund requirements for the Water System. Due to the length of these requirements, they are not all listed in these financial statements; however, at March 31, all fund requirements have been fulfilled.

WASTE AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 2011

The Village issued the 2011 Water Supply and Wastewater Treatment Revenue Refunding Bonds in the amount of \$870,000. These bonds bear interest at 4.135%, payable May 1 and November 1 of each year commencing November 1, 2011. Bonds are payable through November 1, 2018

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2013

NOTE D – WATER AND SEWER NOTES (CONTINUED)

Outstanding balances at March 31, 2013:

WATER AND WASTEWATER REVENUE AND REFUNDING BONDS, SERIES 2011

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
05-01-13	\$ 84,000	\$ 13,666	\$ 97,666
11-01-13	82,000	11,929	93,929
05-01-14	46,000	10,234	56,234
11-01-14	46,000	9,283	55,283
05-01-15	47,000	8,332	55,332
11-01-15	47,000	7,360	54,360
05-01-16	49,000	6,389	55,389
11-01-16	48,000	5,376	53,376
05-01-17	53,000	4,383	57,383
11-01-17	52,000	3,287	55,287
05-01-18	54,000	2,212	56,212
11-01-18	53,000	1,096	54,096
	<u>\$ 661,000</u>	<u>\$ 83,547</u>	<u>\$ 744,547</u>

2012 CAPITAL IMPROVEMENT BONDS

The Village issued \$228,000 of Capital Improvement Bonds for the purpose of paying all or part of the cost of acquiring and constructing certain improvements to the Sanitary Sewer System. The bonds will be payable from funds lawfully available for such purposes. The source of the payments is expected to be from sewer rates and charges.

The bonds bear interest at 2.45% with principal and interest payments due May 1, and November 1, starting November 1, 2012 and ending November 1, 2019.

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2012

NOTE D – WATER AND SEWER NOTES (CONTINUED)

Outstanding balances as of March 31, 2013

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
05-01-13	\$ 14,000	\$ 2,621	\$ 16,621
11-01-13	14,000	2,450	16,450
05-01-14	14,000	2,278	16,278
11-01-14	14,000	2,107	16,107
05-01-15	15,000	1,935	16,935
11-01-15	15,000	1,751	16,751
05-01-16	15,000	1,568	16,568
11-01-16	15,000	1,384	16,384
05-01-17	16,000	1,200	17,200
11-01-17	16,000	1,004	17,004
05-01-18	16,000	808	16,808
11-02-18	16,000	612	16,612
05-01-19	17,000	416	17,416
11-01-19	17,000	208	17,208
	<u>\$ 214,000</u>	<u>\$ 20,342</u>	<u>\$ 234,342</u>

NOTE E - CHANGES IN LONG-TERM LIABILITIES

During the fiscal year ended March 31, 2004, the Village of Webberville Downtown Development Authority issued the Downtown Development Bonds, Series 2003 in the amount of \$1,075,000. The bonds were issued for the purpose of paying the balance of the Hawley and Mason properties and other capital improvements projects.

The bond is a draw bond with principal to be drawn not later than December 30, 2005. The aggregate amount of draws shall not exceed \$1,075,000. Interest is payable each November 1 and May 1, each year. Principal repayments in the amount of \$59,722 shall commence May 1, 2006. The interest rate is determined by subsequent determination of the principal stated by bond holder. The rate for the taxable interest is based on the Wall Street Journal Prime rate plus ½ percentage point and the interest rate for non-taxable interest is 4.09%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 59,722	\$ 1,867	\$ 61,589
Thereafter	7,072	178	7,250
	<u>\$ 66,794</u>	<u>\$ 2,045</u>	<u>\$ 68,839</u>

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2013

NOTE F – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

Public Act 2 of 1968, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget.

During the year, the Village incurred expenditures in certain funds, which were in excess of the amounts appropriated, as follows:

<u>Fund, Function and Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess Expenditures</u>
General Fund:			
Legal & Professional	\$ 21,500	\$ 24,611	\$ 3,111

NOTE G – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds, and the internal service and fiduciary funds in the aggregate are as follows:

	<u>General</u>	<u>Sewer</u>	<u>Water</u>	<u>Internal Service & Other Government</u>	<u>Total</u>
Accounts Receivable - Billings	\$ 6,741	28,275	\$ 23,140	\$ -	\$ 58,156
Personal Delinquents	657	-	-	90	747
GROSS RECEIVABLES	<u>\$ 7,398</u>	<u>\$ 28,275</u>	<u>\$ 23,140</u>	<u>\$ 90</u>	<u>\$ 58,903</u>
Due within one year	<u>\$ 7,398</u>	<u>\$ 28,275</u>	<u>\$ 23,140</u>	<u>\$ 90</u>	<u>\$ 58,903</u>

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

NOTE H – CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Balance 3-31-12	Increases	Decreases	Balance 3-31-13
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 70,208	\$ -	\$ -	\$ 70,208
Capital Assets being Depreciated:				
Buildings	593,188	124,432	-	717,620
Office Equipment	54,320	-	-	54,320
Infrastructure	324,399	-	-	324,399
Motor Pool Equipment	164,996	32,700	-	197,696
General - DPW Equipment	173,732	-	-	173,732
Sidewalk Project	29,085	-	-	29,085
Capital Assets Being Depreciated	\$ 1,339,720	\$ 157,132	\$ -	\$ 1,496,852
Less Accumulated Depreciation for:				
Buildings	\$ 368,525	\$ 18,615	\$ -	\$ 387,140
Office Equipment	54,244	54	-	54,298
Infrastructure	104,104	16,220	-	120,324
Motor Pool Equipment	132,617	13,804	-	146,421
General - DPW Equipment	173,732	-	-	173,732
Sidewalk Project	7,607	969	-	8,576
Accumulated Depreciation	840,829	49,662	-	890,491
Net Capital Assets being Depreciated	498,891	107,470	-	606,361
Governmental Activities Capital Assets, Net	\$ 569,099	\$ 107,470	\$ -	\$ 676,569

VILLAGE OF WEBBERVILLE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2013

	Balance 3-31-12	Increases	Decreases	Balance 3-31-13
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 71,629	\$ -	\$ -	\$ 71,629
Capital Assets being Depreciated:				
Mains, Wells, Collection & Treatment Facilities	5,910,541	361,588	-	6,272,129
Machinery & Equipment	59,156	-	-	59,156
Capital Assets Being Depreciated	5,969,697	361,588	-	6,331,285
Less Accumulated Depreciation for::				
Mains, Wells, Collection & Treatment Facilities	2,408,121	107,618	-	2,515,739
Machinery & Equipment	39,181	2,296	-	41,477
Accumulated Depreciation	2,447,302	109,914	-	2,557,216
Net Capital Assets being Depreciated	3,522,395	251,674	-	3,774,069
BUSINESS TYPE CAPITAL ASSETS, NET	\$ 3,594,024	\$ 251,674	\$ -	\$ 3,845,698
Government Activities:				
General Government			\$ 19,638	
Internal Service			3,804	
Infrastructure			16,220	
TOTAL GOVERNMENT ACTIVITIES			\$ 49,662	
Business-Type Activities:				
Water			\$ 53,862	
Sewer			56,052	
TOTAL BUSINESS-TYPE ACTIVITIES			\$ 109,914	

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2013

NOTE I – INTER-FUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Fund</u>	<u>Due to Other Funds</u>	
General	\$ 5,019	General	\$ 5,126	Overpayment
Local Street	3,842	Major Street	1,923	Overpayment
Major Street	2,544	Tax	5,019	Bank Balance
Water Operations	663			
	<u>\$ 12,068</u>		<u>\$ 12,068</u>	

NOTE J – UPCOMING ACCOUNTING PRONOUNCEMENTS

In December 2010, the GASB issued Statement No. 62 Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This statement incorporated into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statement and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the Village's 2013 fiscal year.

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, deferred Inflows of Resources, and Net Position. The statement will be effective for the Village's March 31, 2013 fiscal year. The statement incorporated deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement will impact the format and reporting of the balance sheet at the governmental-wide level and also at the fund level.

NOTE K – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 6, 2013, the date which the financial statements were available to be issued. Based on our evaluation there is nothing to report.

VILLAGE OF WEBBERVILLE
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED MARCH 31, 2013

NOTE L – INTERFUND OPERATING TRANSFERS

	Transfer from Other Funds	Transfer from Component Units	Transfer from Primary Government
General	\$ -	\$ 15,000	\$ 106,308
Sewer Ops.	-	27,637	-
Water Ops.	-	52,612	-
Major Street	84,310	-	-
Local Street	56,207	-	-
Municipal	-	-	14,579
	<u>\$ 140,517</u>	<u>\$ 95,249</u>	<u>\$ 120,887</u>
		Transfer to Primary Government	Transfer to Component Units
General	\$ -	\$ 15,000	\$ 106,308
Municipal Street	-	-	14,579
Water	-	52,612	-
Sewer	-	27,637	-
Sidewalk	140,517	-	-
	<u>\$ 140,517</u>	<u>\$ 95,249</u>	<u>\$ 120,887</u>

NOTE M – RETIREMENT

As of April 1, 1995, the Village is a member of the Municipal Employees Retirement System (MERS). Full-time employees contribute, on a pre-tax basis, 5.5% of their gross wage. The actuary has determined the Village's contributions to be \$7,065 for the year ended March 31, 2013 at a rate of 4.63%. Each year the quarterly contribution is recalculated based on the actual wage paid to employees during the prior fiscal year. During the year, \$36,113 was paid to MERS including voluntary contributions by the Village in the amount of \$22,000. The pension covered \$159,234 of the Village's payroll. At March 31, 2013 \$3,328 was still due to MERS for March 2012, including an additional voluntary contribution of \$2,000 by the Village.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WEBBERVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes & Penalties	\$ 514,600	\$ 514,600	\$ 481,251	\$ (33,349)
Licenses & Permits	-	-	856	856
State Grants/Shared Revenues	108,000	108,000	111,070	3,070
Charges for Services – Refuse	64,000	64,000	52,216	(11,784)
Fines, Forfeitures & Other Fees	-	-	6,649	6,649
Interest & Rentals	1,000	1,000	1,941	941
Other Revenue	1,000	1,000	20,275	19,275
Total Revenues	<u>688,600</u>	<u>688,600</u>	<u>674,258</u>	<u>(14,342)</u>
Expenditures:				
Current:				
General Government	493,700	152,300	133,553	18,747
Public Safety	-	238,000	235,041	2,959
Public Works	204,000	342,300	304,150	38,150
Recreation & Cultures	1,000	1,000	613	387
Total Expenditures	<u>698,700</u>	<u>733,600</u>	<u>673,357</u>	<u>60,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,100)</u>	<u>(45,000)</u>	<u>901</u>	<u>45,901</u>
Other Financing Sources (Uses):				
Transfers In	25,400	25,400	15,000	(10,400)
Transfers Out	(112,000)	(109,100)	(106,308)	2,792
Total Other Financing Sources (Uses)	<u>(86,600)</u>	<u>(83,700)</u>	<u>(91,308)</u>	<u>(7,608)</u>
Net Change in Fund Balance	<u>(96,700)</u>	<u>(128,700)</u>	<u>(90,407)</u>	<u>38,293</u>
Fund Balance – Beginning	<u>199,106</u>	<u>199,106</u>	<u>199,106</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ 102,406</u>	<u>\$ 70,406</u>	<u>\$ 108,699</u>	<u>\$ 38,293</u>

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF WEBBERVILLE
 OTHER SUPPLEMENTARY INFORMATION
 COMPARATIVE BALANCE SHEET
 GENERAL FUND
 MARCH 31, 2013 AND 2012

	2013	2012
Assets:		
Cash & Cash Equivalents	\$ 156,869	\$ 245,094
Accounts Receivable – Trash Billings	6,741	6,039
Accounts Receivable – Personal Delinquents	657	214
Due from Other Funds	5,019	5,003
Due from State of Michigan	17,629	17,561
Total Assets	\$ 186,915	\$ 273,911
 LIABILITIES & FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 70,866	\$ 67,317
Payroll Liabilities Payable	2,224	2,362
Accrued Interest Payable	-	-
Bonds Payable – Current	-	-
Due to Other Funds	5,126	5,126
Total Liabilities	78,216	74,805
Fund Balance	108,699	199,106
TOTAL LIABILITIES & FUND BALANCE	\$ 186,915	\$ 273,911

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
GENERAL FUND
YEAR ENDED MARCH 31, 2013 AND 2012

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	<u>2012</u>
	<u>Final</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Current Tax Levy	\$ 514,600	\$ 481,251	\$ (33,349)	\$ 494,531
Licenses & Permits	-	856	856	1,501
Intergovernmental-State	108,000	111,070	3,070	117,365
Charges for Services - Refuse	64,000	52,216	(11,784)	51,389
Fines, Forfeitures & Other Fees	-	6,649	6,649	9,890
Interest & Rents	1,000	1,941	941	2,461
Other Revenues & Reimbursement	1,000	20,275	19,275	15,994
Total Revenues	<u>688,600</u>	<u>674,258</u>	<u>(14,342)</u>	<u>693,131</u>
General Government:				
General Administration	58,000	42,667	15,333	83,640
Salaries & Benefits	63,100	57,132	5,968	62,948
Legal & Professional	21,500	24,611	(3,111)	14,725
Insurance	7,200	7,123	77	7,260
Maintenance/Supplies	2,500	2,020	480	7,960
Total General Government	<u>152,300</u>	<u>133,553</u>	<u>18,747</u>	<u>176,533</u>
Public Safety:				
Police-Contract Services	238,000	235,041	2,959	229,677
Total Public Safety	<u>238,000</u>	<u>235,041</u>	<u>2,959</u>	<u>229,677</u>
Public Works:				
Dept. of Public Works	17,100	15,918	1,182	14,416
Drains	58,000	52,500	5,500	50,751
Street Lights	84,000	74,017	9,983	59,555
Refuse Collection	39,700	37,283	2,417	37,404
Capital Outlay	143,500	124,432	19,068	-
Total Public Works	<u>342,300</u>	<u>304,150</u>	<u>38,150</u>	<u>162,126</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE COMPARED TO BUDGET (CONTINUED)
GENERAL FUND
YEAR ENDED MARCH 31, 2013 AND 2012

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	<u>2011</u>
	<u>Final</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
Recreation & Cultural:				
Parks & Recreation	1,000	613	387	1,486
Total Recreational & Cultural	<u>1,000</u>	<u>613</u>	<u>387</u>	<u>1,486</u>
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	211
Total Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>211</u>
TOTAL EXPENDITURES	<u>733,600</u>	<u>673,357</u>	<u>60,243</u>	<u>570,033</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(45,000)</u>	<u>901</u>	<u>45,901</u>	<u>123,098</u>
Other Financing Sources (Uses):				
Transfers In	25,400	15,000	(10,400)	30,000
Transfers Out	(109,100)	(106,308)	2,792	(110,933)
Total Financing Sources (Uses)	<u>(83,700)</u>	<u>(91,308)</u>	<u>(7,608)</u>	<u>(80,933)</u>
Net Change in Fund Balance	(128,700)	(90,407)	38,293	42,165
Fund Balance – April 1, 2012	<u>199,106</u>	<u>199,106</u>	<u>-</u>	<u>156,941</u>
FUND BALANCE – MARCH 31, 2013	<u>\$ 70,406</u>	<u>\$ 108,699</u>	<u>\$ 38,293</u>	<u>\$ 199,106</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
COMPARATIVE BALANCE SHEET
MAJOR STREET FUND
MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
ASSETS:		
Cash & Cash Equivalents	\$ 411,866	\$ 307,939
Due from Other Funds	2,544	2,544
Due from State of Michigan	12,273	11,982
Total Assets	<u>\$ 426,683</u>	<u>\$ 322,465</u>
 LIABILITIES & FUND EQUITY		
LIABILITIES:		
Due to Other Funds	\$ 1,923	\$ 1,919
Payroll Taxes Payable	1,106	1,111
Total Liabilities	<u>3,029</u>	<u>3,030</u>
 FUND BALANCE		
Restricted – Streets	339,344	319,435
Unrestricted – from Sidewalk Fund	84,310	-
Total Fund Equity	<u>423,654</u>	<u>319,435</u>
 TOTAL LIABILITIES & FUND EQUITY	 <u>\$ 426,683</u>	 <u>\$ 322,465</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
MAJOR STREET FUND
MARCH 31, 2013

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)	<u>2012</u>
	<u>Final</u>	<u>Actual</u>		<u>Actual</u>
REVENUES:				
State Highway Funds	\$ 68,000	\$ 67,065	\$ (935)	\$ 68,301
Interest	1,000	925	(75)	1,186
Other Revenue & Reimbursement	-	4,262	4,262	26
Total Revenues	<u>69,000</u>	<u>72,252</u>	<u>3,252</u>	<u>69,513</u>
EXPENDITURES:				
DPW/Admin. Wages/Benefits	30,600	28,970	1,630	29,224
Equipment Rentals	15,000	12,290	2,710	8,385
Supplies	5,300	4,951	349	2,036
Road Maintenance	6,000	3,855	2,145	9,325
Striping	-	-	-	1,131
Tree Trimming	-	-	-	737
Traffic Lights	-	-	-	956
Signs/Capital Outlay	-	-	-	3,109
Professional Fees	2,400	2,277	123	2,003
Total Expenditures	<u>59,300</u>	<u>52,343</u>	<u>6,957</u>	<u>56,906</u>
Excess of Revenues Over (Under) Expenditures	<u>9,700</u>	<u>19,909</u>	<u>10,209</u>	<u>12,607</u>
Operating Transfers In	-	84,310	84,310	7,550
Operating Transfers Out	-	-	-	-
Total Operating Transfers	<u>9,700</u>	<u>84,310</u>	<u>84,310</u>	<u>7,550</u>
Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses	<u>9,700</u>	<u>104,219</u>	<u>94,519</u>	<u>20,157</u>
Fund Balance - April 1, 2012	<u>319,435</u>	<u>319,435</u>	<u>-</u>	<u>299,278</u>
FUND BALANCE - March 31, 2013	<u>\$ 329,135</u>	<u>\$ 423,654</u>	<u>\$ 94,519</u>	<u>\$ 319,435</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
COMPARATIVE BALANCE SHEET
LOCAL STREET FUND
MARCH 31, 2013 AND 2012

	2013	2012
ASSETS:		
Cash & Cash Equivalents	\$ 132,051	\$ 75,460
Due from Other Funds	3,842	3,838
Due from State of Michigan	4,096	3,998
TOTAL ASSETS	\$ 139,989	\$ 83,296
 LIABILITIES & FUND EQUITY		
LIABILITIES:		
Payroll Taxes Payable	\$ 764	\$ 771
TOTAL LIABILITIES	764	771
 FUND BALANCE		
Restricted – Streets	83,018	82,525
Unrestricted – from Sidewalk Fund	56,207	-
TOTAL FUND EQUITY	139,225	82,525
 TOTAL LIABILITIES & FUND EQUITY	 \$ 139,989	 \$ 83,296

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
LOCAL STREET FUND
MARCH 31, 2013

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive Negative)	<u>2012</u>
	<u>Final</u>	<u>Actual</u>		<u>Actual</u>
REVENUES:				
State Highway Funds	\$ 23,000	\$ 22,383	\$ (617)	\$ 22,840
Interest	100	190	90	245
Other Revenue & Reimbursement	-	-	-	26
TOTAL REVENUES	<u>23,100</u>	<u>22,573</u>	<u>(527)</u>	<u>23,111</u>
EXPENDITURES:				
DPW/Admin. Wages/Benefits	14,900	13,221	1,679	12,303
Equipment Rentals	4,100	3,145	955	1,674
Supplies	3,800	3,568	232	2,037
Road Maintenance	500	-	500	193
Tree Trimming	-	-	-	737
Signs/Capital Outlay	-	-	-	2,325
Professional Fees	2,300	2,146	154	1,860
TOTAL EXPENDITURES	<u>25,600</u>	<u>22,080</u>	<u>3,520</u>	<u>21,129</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,500)</u>	<u>493</u>	<u>2,993</u>	<u>1,982</u>
Operating Transfers In	-	56,207	56,207	30,000
Operating Transfers Out	-	-	-	-
TOTAL OPERATING TRANSFERS	<u>-</u>	<u>56,207</u>	<u>56,207</u>	<u>30,000</u>
EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	<u>(2,500)</u>	<u>56,700</u>	<u>59,200</u>	<u>31,982</u>
Fund Balance - April 1, 2012	<u>82,525</u>	<u>82,525</u>	-	<u>50,543</u>
FUND BALANCE - March 31, 2013	<u>\$ 80,025</u>	<u>\$ 139,225</u>	<u>\$ 59,200</u>	<u>\$ 82,525</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
COMPARATIVE BALANCE SHEET
MUNICIPAL STREET FUND
MARCH 31, 2013 AND 2012

	2013	2012
ASSETS:		
Cash & Cash Equivalents	\$ 27,047	\$ 4,875
Taxes Receivable – Delinquents	90	29
TOTAL ASSETS	\$ 27,137	\$ 4,904
LIABILITIES & FUND EQUITY		
LIABILITIES:		
Due to Other Funds	\$ -	\$ -
TOTAL LIABILITIES	-	-
FUND BALANCE		
Restricted – Municipal Streets/Drains	27,137	4,904
TOTAL FUND EQUITY	27,137	4,904
TOTAL LIABILITIES & FUND EQUITY	\$ 27,137	\$ 4,904

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
MUNICIPAL STREET FUND
MARCH 31, 2013

	<u>Budgeted Amounts</u>		Variance with Final Budget Favorable (Unfavorable)	<u>2012</u>
	<u>Final</u>	<u>Actual</u>		<u>Actual</u>
REVENUES:				
Taxes & Special Assessments	\$ 68,000	\$ 64,834	\$ (3,166)	\$ 67,072
Interest/Miscellaneous Other	100	96	(4)	1,464
TOTAL REVENUES	<u>68,100</u>	<u>64,930</u>	<u>(3,170)</u>	<u>68,536</u>
EXPENDITURES:				
Tax Tribunal Refunds	-	-	-	10,070
Drains	35,000	28,118	6,882	28,621
TOTAL EXPENDITURES	<u>35,000</u>	<u>28,118</u>	<u>6,882</u>	<u>38,691</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,100</u>	<u>36,812</u>	<u>3,712</u>	<u>29,845</u>
Operating Transfers In	-	-	-	-
Operating Transfers Out – DDA	(15,000)	(14,579)	421	(52,763)
TOTAL OPERATING TRANSFERS	<u>(15,000)</u>	<u>(14,579)</u>	<u>421</u>	<u>(52,763)</u>
EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	18,100	22,233	4,133	(22,918)
Fund Balance - April 1, 2012	<u>4,904</u>	<u>4,904</u>	-	<u>27,822</u>
FUND BALANCE - March 31, 2013	<u>\$ 23,004</u>	<u>\$ 27,137</u>	<u>\$ 4,133</u>	<u>\$ 4,904</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2013

	<u>Capital Projects Funds</u>		<u>Other Government Funds</u>
	<u>Sidewalk Fund</u>	<u>Webberville Building Authority</u>	<u>Total Non-Major Government Funds</u>
ASSETS:			
Cash & Cash Equivalents	\$ -	\$ 3,289	\$ 3,289
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 3,289</u>	<u>\$ 3,289</u>
LIABILITIES & FUND EQUITY			
LIABILITIES:			
Due to Other Funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Unassigned	-	3,289	3,289
	<u>-</u>	<u>3,289</u>	<u>3,289</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ -</u>	<u>\$ 3,289</u>	<u>\$ 3,289</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2013

	<u>Capital Projects Funds</u>		<u>Other Government Funds</u>
	<u>Sidewalk Fund</u>	<u>Webberville Building Authority</u>	<u>Total Non-Major Government Funds</u>
REVENUES			
Interest & Other	\$ 425	\$ 3	\$ 428
TOTAL REVENUES	<u>425</u>	<u>3</u>	<u>428</u>
EXPENDITURES			
Repairs/Maintenance	-	-	-
Drains	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES & OTHER USES	425	3	428
OTHER SOURCES (USES)			
Operating Transfers Out	(140,517)	-	(140,517)
	<u>(140,517)</u>	<u>-</u>	<u>(140,517)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES & OTHER SOURCES (USES)	(140,092)	3	(140,089)
Fund Balance - April 1, 2012	<u>140,092</u>	<u>3,286</u>	<u>143,378</u>
FUND BALANCE - MARCH 31, 2013	<u>\$ -</u>	<u>\$ 3,289</u>	<u>\$ 3,289</u>

VILLAGE OF WEBBERVILLE
OTHER SUPPLEMENTARY INFORMATION
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
MARCH 31, 2013

	<u>Tax Collection</u>	<u>Agency Funds Water & Sewer Customer Deposits</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$ 5,019	\$ 3,288	\$ 8,307
TOTAL ASSETS	<u>\$ 5,019</u>	<u>\$ 3,288</u>	<u>\$ 8,307</u>
LIABILITIES:			
Due to Other Funds	\$ 5,019	\$ 3,288	\$ 8,307
TOTAL LIABILITIES	<u>\$ 5,019</u>	<u>\$ 3,288</u>	<u>\$ 8,307</u>

**VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
BALANCE SHEET – DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2013**

ASSETS:

Cash – Checking	\$ 169,571
Due from Other Governmental Units	13,079
TOTAL ASSETS	<u>\$ 182,650</u>

LIABILITIES AND FUND BALANCE:

Accounts Payable	\$ 1,180
Accrued Interest Payable	999
TOTAL LIABILITIES	<u>2,179</u>
Fund Balance – Unassigned	<u>180,471</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 182,650</u>

VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
OF NET ASSETS – DOWNTOWN DEVELOPMENT AUTHORITY
MARCH 31, 2013

Fund Balance – Governmental Fund		\$ 180,471
<p>Amounts reported for the governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets (land) used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>		
The cost of capital assets is	\$ 815,090	
Accumulated Depreciation	<u>(8,507)</u>	806,583
<p>Certain liabilities such as notes payable are not due and payable within the current period and therefore not reported in these funds</p>		
		<u>(66,794)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 920,260</u>

VILLAGE OF WEBBERVILLE
 COMPONENT UNIT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 DOWNTOWN DEVELOPMENT AUTHORITY
 MARCH 31, 2013

REVENUES:	
Interest	\$ 76
Other – T.I.F.A. Revenues	258,748
TOTAL REVENUES	<u>258,824</u>
 EXPENDITURES:	
Mowing/Landscaping	2,165
Contracted Services – EDC	20,086
Legal & Publishing	18,789
Office Expense	1,908
Banners/Signs/Other Maintenance	194
Long-Term Debt	59,722
Interest Expense	2,605
Drains	164,411
Engineering	-
Tax Tribunal/TIFA Reimbursements	7,504
Street Lights/Electric	12,334
Audit	900
TOTAL EXPENDITURES	<u>290,618</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (31,794)
 OTHER FINANCING SOURCES (USES):	
Transfers from Primary Government	120,887
Transfers to Primary Government	(95,249)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(95,249)</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES & TRANSFERS	 (6,156)
 Fund Balance at April 1, 2012	 <u>186,627</u>
 FUND BALANCE AT MARCH 31, 2013	 <u><u>\$ 180,471</u></u>

VILLAGE OF WEBBERVILLE
COMPONENT UNIT FUND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED MARCH 31, 2013

Net Change in Fund Balance	\$ (6,156)
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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 are allocated over their estimated useful lives and reported as depreciation expense.

Depreciation Expense	(2,858)
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Loans payable and subsequent payments are reported as expenditures in governmental funds, but the subsequent payments reduce loan balance

In the current year, these amounts consist of:

Loans Payable – Principal Payments	<u>59,722</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 50,708</u>
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