FAITHORN TOWNSHIP

Financial Report
with Supplemental Information
Prepared in Accordance with GASB-34

For the Year Ended
March 31, 2007

Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☒Twp ☐Village ☐Other	FAITHORN	MENOMINEE

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
3-31-07	06-29-2007	JULY 20, 2007

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	**Check each applicable box below.** (See instructions for further detail.)
1.	☒	☐	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.	☒	☐	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.	☒	☐	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.	☒	☐	The local unit has adopted a budget for all required funds.
5.	☒	☐	A public hearing on the budget was held in accordance with State statute.
6.	☒	☐	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.	☒	☐	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.	☒	☐	The local unit only holds deposits/investments that comply with statutory requirements.
9.	☒	☐	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan,* as revised (see Appendix H of Bulletin).
10.	☒	☐	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.	☒	☐	The local unit is free of repeated comments from previous years.
12.	☒	☐	The audit opinion is UNQUALIFIED.
13.	☒	☐	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.	☒	☐	The board or council approves all invoices prior to payment as required by charter or statute.
15.	☒	☐	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	X	
The letter of Comments and Recommendations	☐	NONE
Other (Describe)	☐	

Certified Public Accountant (Firm Name)	Telephone Number		
CARL R. SORENSEN, CPA	(715) 535-9021		
Street Address	**City**	**State**	**Zip**
844 PIERCE AVE	MARINETTE	WI	54143
Authorizing CPA Signature	**Printed Name**	**License Number**	
Carl R. Sorensen	CARL R. SORENSEN	12650	

Faithorn Township

Table of Contents
March 31, 2007

Report Letter . . . . . Page 1

Management's Discussion and Analysis . . . . . 2 - 4

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Assets 5

Statement of Activities 6

Fund Financial Statements:

Governmental Funds:

Balance Sheet 7

Reconciliation of Balance Sheet of Governmental Funds to Net Assets 8

Statement of Revenues, Expenditures and Changes in Fund Balances 9

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Government Funds to the Statement of Activities 10

Fiduciary Fund - Statement of Fiduciary Net Assets 11

Notes to Financial Statements . . . . . 12 - 16

Required Supplemental Information

Budget Comparison Schedule - General Fund 17

Other Supplemental Information

Non-Major Governmental Funds Combining Balance Sheet 18

Non-Major Government Funds Combining Statement of Revenue, Expenditures and Changes in Fund Balances 19

Detail Schedule of General Fund Revenues 20

Detail Schedule of General Fund Expenditures 21

Carl R. Sorensen

Certified Public Accountant

844 Pierce Avenue
"In The Northern Building"
P.O. Box 225

Marinette, Wisconsin 54143
Phone 715-735-9021
Fax 715-735-7116

INDEPENDENT AUDITOR'S REPORT

Town Board
Faithorn Township
Menominee County, Michigan

I have audited the accompanying general purpose financial statements of the Governmental Activities, each Major Fund and the Aggregate Remaining Fund Information of Faithorn Township, Menominee County, Michigan, for the year ended March 31, 2007, as listed in the table of contents. These general purpose financial statements are the responsibility of the Township's board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, each major fund and the aggregate remaining fund information of Faithorn Township, Menominee County, Michigan, as of March 31, 2007, and the respective changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplemental Information
The Management's discussion and analysis and budgetary comparison information on pages 2 through 4 and page 17 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

Other Supplemental Information
My audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying information identified in the table of contents as supplemental information is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements of the Faithorn Township and in my opinion is fairly stated in all material respects in relation to the financial statements taken as a whole.

Carl R. Sorensen
June 29, 2007

Member: Wisconsin Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants
American Institute of Certified Public Accountants

Faithorn Township

Management's Discussion and Analysis
for the Year Ended March 31, 2007

This section of Faithorn Township's annual financial report presents our discussion and analysis of the Township's financial performance during the year ended March 31, 2007. It is to be read in conjunction with the Township's financial statements, which immediately follow. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB-34) *Basic Financial Statements and Managements Discussion and Analysis for State and Local Governments* and is intended to provide the financial results for the fiscal year ending March 31, 2007.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Faithorn Township financially as a whole. The *Government-Wide Financial Statements* provide information about the activities of the whole Township, presenting both an aggregate view of the Township's finances and a longer term view of those finances. The fund financial statements provide the next level of detail. For Governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the Township's operations in more detail than the Township wide financial statements by providing information about the Township's most significant funds - the General Fund, File Fund and Cemetery Perpetual Care Fund. The remaining statement, the statement of fiduciary net assets presents financial information about activities for which the Township acts solely as an agent for tax collection.

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principle and interest on long term obligations are recorded as expenditures. Future years' debt obligations are not recorded.

Government-Wide Financial Statements

The Government-Wide financial statements are full accrual basis statements. They report all of the Township's assets and liabilities, both short and long term, regardless if they are "currently available" or not. Capital assets and long term obligations of the Township are reported in the Statement of Net Assets of the Government-Wide financial statements.

The Township as Trustee - Reporting the Township's Fiduciary Responsibilities

The Township is the trustee or fiduciary for its tax collection fund. All of the Township's fiduciary activities are reported in separate statements of fiduciary net assets. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Summary of Net Assets
The following summarizes the net assets at fiscal year ended March 31, 2007.

	Governmental Activities
Assets	
Current assets	$ 73,836
Capital assets - net of accumulated depreciation	47,011
Total Assets	$ 120,847
Liabilities	
Current liabilities	$ -
Long term liabilities	36,935
Total Liabilities	36,935
Net Assets	
Net Assets Invested in capital assets, net of related debt	10,076
Unrestricted	73,836
Total Net Assets	83,912
Total Liabilities and Net Assets	$ 120,847

Analysis of Financial Position
The assets of the Faithorn Township exceeded its liabilities as of March 31, 2007 by $83,912 *(net assets)*. Of this amount, $73,836 *(unrestricted net assets)* may be used to meet the Township's ongoing obligations to citizens and creditors. The total Township's net assets include infrastructure of the Townships funds installed for April 1, 2004 to the present.

The Faithorn Township's total net assets increased by a net amount of $1,063.

As of March 31, 2007, the Township's Governmental Funds reported combined ending fund balances of $ 73,836, an increase of $5,529 in comparison with the prior year. Approximately 88% or $73,836 is available for spending at the Township's discretion *(unrestricted fund balance)*.

Results of Operations

For the fiscal year ended March 31, 2007, the Township results of operations is as follows:

	March 31, 2007
Revenue	
Property taxes levied for general operations	$ 26,424
Property taxes levied for fire services	8,454
State of Michigan aid	16,474
Other general revenues	8,230
Total Revenue	59,582
Expenses	
General Government	41,842
Public safety	13,370
Public works	2,274
Recreation and culture	1,033
Total Expenses	58,519
Increase in Net Assets	1,063
Beginning Net Assets	82,849
Ending Net Assets	$ 83,912

Original vs. Final Budget

An original General Fund was prepared on April 10, 2006, and amended on March 17, 2007. The amended changes were made to line items in the General Fund Government Expenses. A budget for the Fire Fund and Cemetery Perpetual Care were not prepared.

Actual results were better than expected as taxes and state grants exceeded budgeted amounts.

Capital Assets and Debt Administration

The Township's investment in capital assets decreased $5,466. This can be summarized as follows:

	Balance April 1, 2006	Additions	Disposals	Balance March 31, 2007
Land	$ 20,000	$ –	$ –	$ 20,000
Buildings	158,814	–	–	158,814
Equipment	76,298	–	–	76,298
	255,112	–	–	255,112
Less: Accumulated Depr.	(202,635)	(5,466)	–	(208,101)
Net Assets	$ 52,477	$(5,466)	$ –	$ 47,011

The Township Debt Activity is summarized as follows:

	Balance April 1, 2006	Additions	Deductions	Balance March 31, 2007
Road commission	$ 37,935	$ 650	$ 1,650	$ 36,935

Contacting the Township's Financial Management

This financial report is designed to provide our citizens and taxpayers with a general overview of the Township's finances. If you have questions about this report or need additional information, contact the Town Hall.

Faithorn Township

Statement of Net Assets
for the Year Ended March 31, 2007

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 48,585
Due from other Governmental units	2,091
Due from fiduciary funds	23,160
Total Current Assets	73,836
Non-Current Assets	
Capital assets	255,112
Less accumulated depreciation	208,101
Total Non-Current Assets	47,011
Total Assets	$ 120,847
LIABILITIES	
Current Liabilities	
Accounts payable	$ –
Non-current liabilities	36,935
Total Current Liabilities	36,935
Net Assets	
Net assets invested in capital assets, net of related debt	10,076
Unrestricted	73,836
Total Net Assets	83,912
Total Liabilities and Net Assets	$ 120,847

Faithorn Township

Statement Activities
for the Year Ended March 31, 2007

	Expense	Program Revenue: Charges for Service	Program Revenue: Operating Grants	Governmental Activities: Net (expense) Revenue and Change in Net Assets
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	$(41,842)	$ 1,441	$ 16,474	$(23,927)
Public safety	(13,370)	–	–	(13,370)
Public works	(2,274)	–	–	(2,274)
Recreation and culture	(1,033)	–	–	(1,033)
Total Governmental Activities	$(58,519)	$ 1,441	$ 16,474	(40,604)

GENERAL REVENUES	
Taxes	
Property taxes, levied for general operations	26,424
Property taxes, levied for fire service	8,454
Interest and investment earnings	1,182
Miscellaneous	5,607
Total General Revenue	41,667
Changes in Net Assets	1,063
Net Assets:	
Beginning of Year	82,849
End of Year	$ 83,912

Faithorn Township
Balance Sheet
Governmental Funds
for the Year Ended March 31, 2007

	General	Fire	Cemetery Perpetual Care	Other Governmental Units	Total
ASSETS					
Cash and cash equivalents	$ 14,692	$ 4,546	$ 27,662	$ 1,685	$ 48,585
Due from other Governmental units	1,362	729	–	–	2,091
Due from other funds	15,436	7,724	–	–	23,160
Total Assets	$ 31,490	$ 12,999	$ 27,662	$ 1,685	$ 73,836
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ –	$ –	$ –	$ –	$ –
Total Liabilities	–	–	–	–	–
FUND BALANCES					
Designated park	1,162	–	–	–	1,162
Undesignated	30,328	12,999	27,662	1,685	72,674
Total Fund Balance	31,490	12,999	27,662	1,685	73,836
TOTAL LIABILITIES AND FUND BALANCES	$ 31,490	$ 12,999	$ 27,662	$ 1,685	$ 73,836

See Accompanying Notes to Financial Statements

Faithorn Township
Governmental Funds
Reconciliation of Balance Sheet of Governmental Funds to Net Assets
March 31, 2007

Total Fund Balances - Governmental Funds	$ 73,836
Amounts reported for Governmental activities in the statement of net assets are different because:	
Capital assets used in Governmental activities are not financial resources and are not reported In the funds.	
The cost of the capital assets is	255,112
Accumulated depreciation is	(208,101)
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	
Road commission	(36,935)
Net Assets of Governmental Activities	$ 83,912

Faithorn Township
Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund
for the Year Ended March 31, 2007

	General	Fire	Cemetery Perpetual Care	Other Governmental Units	Total
REVENUE					
Taxes	$ 26,424	$ 8,454	$ –	$ –	$ 34,878
Grants	16,075	–	–	399	16,474
Interest and rents	306	–	339	537	1,182
Local unit contributors	1,441	–	–	–	1,441
Other revenue	366	1,643	199	3,399	5,607
Total Revenues	44,612	10,097	538	4,335	59,582
EXPENDITURES					
General Government	36,778	–	–	3,044	39,822
Public safety	–	9,924	–	–	9,924
Public works	1,624	–	–	–	1,624
Recreation and culture	1,033	–	–	–	1,033
Capital outlay	–	–	–	–	–
Debt service	1,650	–	–	–	1,650
Total Expenditures	41,085	9,924	–	3,044	54,053
Excess of Revenues Over (Under) Expenditures	3,527	173	538	1,291	5,529
OTHER FINANCING SOURCES (USES)					
Operating transfers in	–	–	–	–	–
Operating transfers out	–	–	–	–	–
Total Other Finance Uses	–	–	–	–	–
Net Changes in Fund Balance	3,527	173	538	1,291	5,529
Fund Balances April 1	27,963	12,826	27,124	394	68,307
Fund Balances March 31	$ 31,490	$ 12,999	$ 27,662	$ 1,685	$ 73,836

See Accompanying Notes to Financial Statements

Faithorn Township
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
for the Year Ended March 31, 2007

Net change in fund balances - total Governmental funds	$ 5,529
Amounts reported for Governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlay as expenditures; in the statement of activities. These costs are allocated over their estimated useful lives as depreciation.	
Depreciation expense	(5,466)
Capital outlay	–
Repayment of bonds and debt is an expenditure in the Governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,000
Change in net assets of Governmental Activities	$ 1,063

Faithorn Township
Statement of Fiduciary Net Assets
Fiduciary Funds
for the Year Ended March 31, 2007

	Agency Fund Tax Collection
ASSETS	
Cash and cash equivalents	25,305
Total Assets	$ 25,305
LIABILITIES	
Due to other funds	23,160
Due to other Governmental units	2,145
Total Liabilities	$ 25,305

See Accompanying Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Faithorn Township is incorporated under the laws of the State of Michigan. The Township operates under an elected board. The Township provides the services of Fire Protection and General Administrative Services. The accounting policies of Faithorn Township conform to generally accepted accounting principles as applicable to governmental units.

A. Government-Wide and Fund Financial Statements

The Government-Wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary Government. For the most part, the effect of Interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely to a significant extent on fees and charges for support. All the Town's Government-wide activities are considered Governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the intergovernmental payments and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for Governmental funds and fiduciary funds even though the latter are excluded from the Government-wide financial statements. Major individual Governmental funds are reported as separate columns in the fund financial statements.

GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all financial transactions not accounted for in another fund, including the general operation expenditures of the local unit. Revenues are derived primarily from Property Taxes, State Grants and Other Intergovernmental Revenues.

Special Revenue Funds

These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

FIDUCIARY FUND

Trust and Agency Funds

The fiduciary fund is used to account for assets held as an agent for others.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Statements

The Town's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation
Government-Wide Statements (continued)
Accounts reported as program revenue include (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and State aid.

Fund Based Statements
Governmental fund financial statements are reported using the current financial 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

Property taxes, State aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Government.

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

C. Cash and Investments
Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Township. State statutes authorize the governing body of a Township to invest surplus funds in direct obligations of the United States Treasury, in deposit and savings accounts of any Federally insured bank, savings and loan or credit union, commercial paper, United States repurchase agreements, bankers' acceptance of U.S. banks, in certain mutual funds and in investment pools.

Investments are reported at fair value which is determined using select basis. Short-term investments are reported at cost which approximates fair value; securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amounts which reasonably estimate fair value.

D. Inventories
Inventories of supplies are considered to be immaterial and are not recorded.

E. Fund Balance Designations
The Township classifies its Fund Balances as follows:

1.) Designations of fund balance represent tentative plans by the Township for financial resource utilization in a future period as documented in the minutes or budgeting process for a succeeding year.

2.) Undesignated fund balance indicates that portion of fund balance which is available for use in future periods.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budget Basis of Accounting

Budgets are annually adopted on the modified accrual basis of accounting. The original budgets were amended March, 17, 2007 and is presented in the accompanying financial statements.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1.) Prior to March 1, the Clerk submits to the 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 to obtain taxpayers comments.

3.) Prior to April 1, the budget is legally enacted.

4.) The Township Board may authorize transfer budget amounts between departments within any fund and any revisions that alter the total expenditures of any fund.

5.) Formal budgetary integration is employed as management control device during the year for the General Fund.

G. Capital Assets

Capital assets which include land, buildings, equipment and vehicles are reported in the applicable Governmental column in the Government-wide financial statements. Capital assets are defined by the Government as assets with an initial individual cost of more than $2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extended asset life are not capitalized.

Buildings and equipment are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 60 years
Vehicles and other equipment	05 - 10 years

Prior to April 2003, Governmental Funds Capital Assets were accounted for in the General Fixed Assets account group and were not recorded directly as a part of any individual funds financial statements. Infrastructure of Governmental Funds was not previously capitalized. Upon implementing GASB 34 Governmental units are required to account for all capital assets including infrastructure in the Government-wide statements prospectively from the date of implementation.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

NOTE 2 CASH AND INVESTMENTS

At year end the Township's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash and cash equivalents	$ 48,585	$ 25,305	$ 73,890
Investments	–	–	–
	$ 48,585	$ 25,305	$ 73,890

The breakdown between deposits and investments for the Township is as follows:

Deposits	$ 73,890
Investments in securities	–
Petty cash and cash on hand	–
	$ 73,890

As required by Governmental Accounting Standards Board Statement No. 40, *Deposits and Investment Risk Disclosures* the following represents a summary of deposits as of March 15, 2007.

Fully insured deposits	$ 63,854
Collateralized with securities held by the pledging financial institution in the school name	–
Collateralized with securities held by the pledging financial institutions trust department	–
Uncollateralized	–
	$ 63,854

State statutes and the Township's investment policy authorize the Unit to make deposits in the accounts of federally insured banks, credit unions and savings and loan associations which have an office in Michigan; the District is allowed to invest in U.S. Treasury or Agency obligation, U.S. Government repurchases agreements, bankers' acceptances, commercial paper rated prime at the time of purchases which mature not more than 270 days after the date of purchases, mutual funds and investment pools that are composed of authorized investment vehicles. The Township's deposits are in accordance with statutory authority.

The Township had no investments at March 31, 2007.

NOTE 3 PROPERTY TAXES

The Township's annual property tax on real and personal property within the Township is levied on December 1, and is based on assessed valuation of property as of the preceding December 31 of $9,560,073 and mileage of 2.1564. Assessed valuation, which is required by law to be 50% of current market value, is established by the Township and is subject to possible equalization by the State. In addition to collecting their own taxes, the Township also acts as collection agent for all overlapping governments in the Township, which includes school districts and the County.

NOTE 4 CAPITAL ASSETS

The changes in capital assets are as follows:

	Balance April 1, 2006	Additions	Disposals	Balance March 31, 2007
Land	$ 20,000	$ –	$ –	$ 20,000
Buildings	158,814	–	–	158,814
Equipment	76,298	–	–	76,298
	255,112	–	–	255,112
Less: Accumulated Depreciation	(202,635)	(5,466)	–	(208,101)
Net Assets	$ 52,477	$(5,466)	$ –	$ 47,011

Depreciation expenses were charged to funds as follows:

General	$ 2,020
Fire	3,446
	$ 5,466

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES

The amounts of Interfund receivables and payables are as follows:

Fund	Interfund Receivable	Fund	Interfund Payable
General	$ 15,436	Tax Collection	$ 23,160
Fire	7,724		
	$ 23,160		

NOTE 6 LONG-TERM OBLIGATIONS

A summary of Long-Term debt on road improvements is as follows:

Menominee County - *no interest rate*

Balance 4/01/06	Additions	Deductions	Balance 3/31/07
$ 37,935	$ 650	$ 1,650	$ 36,935

NOTE 7 RISK MANAGEMENT

The Townships Risk Management activities are recorded in the General Fund. Significant losses are covered by commercial insurance. For these insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the three prior years.

NOTE 8 TOTAL - MEMORANDUM ONLY

The combined financial statements of fund types present total columns for the year ended March 31, 2007, which aggregate the columnar statements by fund type. These columns are presented only for comparative purposes and should not be construed as presenting consolidated financial information.

REQUIRED SUPPLEMENTAL INFORMATION

Faithorn Township
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended March 31, 2007

	Original Budget	Final Budget	Actual
REVENUES:			
Taxes	$ 19,830	$ 19,830	$ 26,424
Grants	14,000	14,000	16,075
Interest and rents	–	–	306
Local unit contributions	–	–	1,441
Other revenue	–	–	366
Total Revenues	33,830	33,830	44,612
EXPENDITURES:			
General government	40,502	40,502	36,778
Public works	3,450	3,450	1,624
Recreation and culture	–	–	1,033
Capital outlay	1,000	1,000	–
Debt service	1,500	1,500	1,650
Total Expenditures	46,452	46,452	41,085
Excess of Revenues Over (Under) Expenditures	(12,622)	(12,622)	3,527
OTHER FINANCING SOURCES (USES):			
Operating transfers in	–	–	–
Operating transfers out	–	–	–
Total other financing sources (uses)	–	–	–
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,622)	(12,622)	3,527
FUND BALANCES, April 1	27,963	27,963	27,963
FUND BALANCES, March 31	$ 15,341	$ 15,341	$ 31,490

See Accompanying Notes To Financial Statements

OTHER SUPPLEMENTAL INFORMATION

Faithorn Township
Combining Balance Sheet
Non-Major Governmental Funds
March 31, 2007

	Non-Major Special Revenue Funds		
	Liquor	Cemetery Maintenance	Total
ASSETS			
Cash	$ 78	$ 1,607	$ 1,685
Due from other Governmental units	–	–	–
Due from other funds	–	–	–
Total Assets	$ 78	$ 1,607	$ 1,685
LIABILITIES AND FUND BALANCES			
Liabilities	$ –	$ –	$ –
Fund Balances:			
Unreserved:			
Undesignated	78	1,607	1,685
Total Liabilities and Fund Balances	$ 78	$ 1,607	$ 1,685

Faithorn Township
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
March 31, 2007

	Non-Major Special Revenue Funds		
	Liquor	Cemetery Maintenance	Total
REVENUES			
State revenue	$ 399	$ –	$ 399
Burials	–	2,800	2,800
Other	–	1,136	1,136
Total Revenues	$ 399	$ 3,936	$ 4,335
EXPENDITURES			
Wages	$ 207	$ 311	$ 518
Burials	–	1,200	1,200
Utilities	–	181	181
Repairs and maintenance	–	704	704
Other	192	249	441
Total Expenditures	399	2,645	3,044
Excess (Deficiency) of Revenues Over Expenditures	–	1,291	1,291
Fund Balances April 1	78	316	394
Fund Balances March 31	$ 78	$ 1,607	$ 1,685

Faithorn Township

Detail Schedule of General Fund Revenues
for the Year Ended March 31, 2007

	Original Budget	Final Budget	Actual
Taxes			
Current	$ 11,848	$ 11,848	$ 15,016
Delinquent	–	–	1,240
Swamp and CFR	7,982	7,982	8,638
Collection fee	–	–	1,530
	19,830	19,830	26,424
Grants			
Revenue sharing	14,000	14,000	14,603
Labor and economic growth	–	–	1,472
	14,000	14,000	16,075
Interest and Rents			
Interest	–	–	106
Rental	–	–	200
	–	–	306
Local Unit Contributions			
Camping fees	–	–	1,441
Other Revenue			
Miscellaneous	–	–	366
	$ 33,830	$ 33,830	$ 44,612

Faithorn Township

Detail Schedule of General Fund Expenditures
for the Year Ended March 31, 2007

	Original Budget	Final Budget	Actual
General Government			
Wages	$ 12,000	$ 12,000	$ 12,000
Meetings and mileage	4,300	4,300	4,229
Payroll tax	1,250	1,270	1,260
Board of review	1,000	1,000	995
Utilities	2,150	2,150	1,806
Computer	420	420	420
Office supplies	1,400	1,400	1,979
Tax roll expense	700	1,700	986
Insurance	3,200	3,200	3,001
Assessor fees	6,000	6,260	6,250
Election	2,200	2,200	2,176
Maintenance	1,400	2,000	976
Other	4,482	2,602	700
	40,502	40,502	36,778
Public Works			
Roads and bridges	1,750	1,750	–
Street lights	1,700	1,700	1,624
	3,450	3,450	1,624
Recreation and Culture			
Parks	–	–	1,033
Capital Outlay			
Hall improvements	1,000	1,000	–
Debt Service			
Menominee County Road Commission	1,500	1,500	1,650
	$ 46,452	$ 46,452	$ 41,085