

# 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 <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

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	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature <i>Hennrich A. Berthiaume</i>		Printed Name		License Number

# **EVERGREEN TOWNSHIP**

Montcalm County, Michigan

## **FINANCIAL STATEMENTS**

March 31, 2007

# EVERGREEN TOWNSHIP

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BERTHIAUME  
& COMPANY

Certified Public Accountants



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## INDEPENDENT AUDITORS' REPORT

To the Township Board  
Evergreen Township, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Evergreen Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Evergreen Township's management. Our responsibility is to express an opinion 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Evergreen Township, as of March 31, 2007, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Evergreen Township's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

*Berthiaume & Co.*

July 11, 2007

***BASIC FINANCIAL STATEMENTS***

# EVERGREEN TOWNSHIP

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## STATEMENT OF NET ASSETS

March 31, 2007

**Assets:**

Cash and cash equivalents	\$ 155,684
Receivables	56,336
Capital assets:	
Nondepreciable capital assets	14,001
Depreciable capital assets, net	<u>65,467</u>
Total assets	<u>291,488</u>

**Liabilities:**

Accounts payable and accrued expenses	<u>8,624</u>
Total liabilities	<u>8,624</u>

**Net assets:**

Invested in capital assets, net of related debt	79,468
Unrestricted	<u>203,396</u>
Total net assets	<u>\$ 282,864</u>

*The accompanying notes are an integral part of these financial statements.*

# EVERGREEN TOWNSHIP

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## STATEMENT OF ACTIVITIES

Year Ended March 31, 2007

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
General government	\$ 115,071	\$ 16,381	\$ 4,978	\$ 13,584	\$ (80,128)	
Public safety	54,450	-	-	-	(54,450)	
Public works	100,475	28,525	4,145	-	(67,805)	
Health and welfare	2,500	-	-	-	(2,500)	
Total governmental activities	<u>272,496</u>	<u>44,906</u>	<u>9,123</u>	<u>13,584</u>	<u>(204,883)</u>	
General revenues:						
Taxes:						
Property taxes, levied for general purpose						58,751
Grants and contributions not restricted to specific programs						162,725
Unrestricted investment earnings						<u>702</u>
Total general revenues						<u>222,178</u>
Change in net assets						17,295
Net assets, beginning of year						<u>265,569</u>
Net assets, end of year						<u>\$ 282,864</u>

The accompanying notes are an integral part of these financial statements.

# EVERGREEN TOWNSHIP

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## GOVERNMENTAL FUND

### BALANCE SHEET

March 31, 2007

	<u>General Fund</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 155,684
Taxes receivable	8,927
Accounts receivable	20,693
Due from other governmental units	<u>26,716</u>
Total assets	<u>\$ 212,020</u>
<b>Liabilities and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 8,051
Accrued expenses	<u>573</u>
Total liabilities	<u>8,624</u>
<b>Fund balances:</b>	
Unreserved:	
General fund	<u>203,396</u>
Total fund balances	<u>203,396</u>
Total liabilities and fund balances	<u>\$ 212,020</u>

*The accompanying notes are an integral part of these financial statements.*

# EVERGREEN TOWNSHIP

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## RECONCILIATION OF FUND BALANCE OF GOVERNMENTAL FUND TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

March 31, 2007

<b>Fund balance for governmental fund</b>			\$ 203,396
Total net assets reported for governmental activities in the statement of of net assets is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Governmental capital assets		114,358	
Less accumulated depreciation		<u>(34,890)</u>	<u>79,468</u>
<b>Net assets of governmental activities</b>			<u>\$ 282,864</u>

*The accompanying notes are an integral part of these financial statements.*

# EVERGREEN TOWNSHIP

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## GOVERNMENTAL FUND

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE

Year Ended March 31, 2007

	<i>General Fund</i>
<b>Revenues:</b>	
Property taxes	\$ 58,751
State grants	185,432
Charges for services	35,796
Interest and rents	702
Other revenue	9,110
	<hr/>
Total revenues	289,791
	<hr/>
<b>Expenditures:</b>	
Current	
General government	100,545
Public safety	54,450
Public works	99,968
Health and welfare	2,500
Other	10,591
Capital outlay	13,584
	<hr/>
Total expenditures	281,638
	<hr/>
Net change in fund balance	8,153
Fund balance, beginning of year	195,243
	<hr/>
Fund balance, end of year	\$ 203,396

*The accompanying notes are an integral part of these financial statements.*

# EVERGREEN TOWNSHIP

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## RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES

Year Ended March 31, 2007

<b>Net change in fund balance - governmental fund</b>			\$ 8,153
Total change in net assets 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 is depreciated over their estimated useful lives and reported as depreciation expense.			
Capital outlay		13,584	
Less depreciation expense		<u>(4,442)</u>	<u>9,142</u>
<b>Change in net assets of governmental activities</b>			<u>\$ 17,295</u>

*The accompanying notes are an integral part of these financial statements.*

# EVERGREEN TOWNSHIP

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*FIDUCIARY FUND*  
**STATEMENT OF NET ASSETS**  
March 31, 2007

	<i>Agency Fund</i>
<b>Assets:</b>	
Cash and cash equivalents	\$ <u>20,693</u>
Total assets	<u>20,693</u>
<b>Liabilities:</b>	
Accounts payable	<u>20,693</u>
Total liabilities	<u>20,693</u>
<b>Net Assets:</b>	
Unrestricted	<u><u>\$ -</u></u>

*The accompanying notes are an integral part of these financial statements.*

***NOTES TO FINANCIAL STATEMENTS***

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of Evergreen Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

#### **Reporting Entity:**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Township and its component units, if any. In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Township may be financially accountable and, as such, should be included within the Township's financial statements. The Township (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the Township. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units included in the Township's reporting entity.

**Joint Venture** – The Township is a member of an intergovernmental agreement to operate a joint fire association with the City of Stanton, Douglas Township, and Sidney Township. The Township appoints one member to the joint association's governing board. The operating and capital budgets are funded with equal contributions from each government.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation:**

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### ***Government-wide Financial Statements:***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government. These statements distinguish between activities that are governmental and those that are business-type activities. There are no business-type activities.

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in three parts (1) invested in capital assets and (2) unrestricted net assets. The Township first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the Township's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The Township does not allocate indirect costs. In creating the government-wide financial statements the Township has eliminated interfund transactions, if any.

The government-wide focus is on the sustainability of the Township as an entity and the change in the Township's net assets resulting from current year activities.

### ***Fund Financial Statements:***

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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds are accounted for on a spending or economic resources measurement focus and the accrual basis of accounting.

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

The Township reports the following major governmental fund:

The **General Fund** is the primary operating fund of the Township. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

### Assets, Liabilities and Equity:

**Deposits and Investments** – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short term investments with a maturity of three months or less when acquired. Investments, if any, are stated at fair value.

**Inventories and Prepaid Items** – Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets** – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Township defines capital assets as assets with an initial individual cost in excess of \$500. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. Public domain (infrastructure) assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are capitalized if acquired after April 1, 2004. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	7-50 years
Furniture and equipment	5-20 years
Site improvements	20 years

**Compensated Absences** – It is the Township's policy to not permit employees to accumulate earned but unused sick and vacation days. Therefore, no liability is recorded in the government-wide financial statements.

**Long-term Obligations** – In the government-wide financial statements, long-term debt, if any, is reported as liabilities in the governmental activities.

**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.

### Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

### **Property Taxes:**

Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with a final collection date of February 28 before they are added to the County tax rolls.

The 2006 taxable valuation of the Township totaled \$56,939,630, on which ad valorem taxes levied consisted of .7793 mills for the Township's operating purposes.

The delinquent real property taxes of the Township are purchased by Montcalm County. The delinquent real property taxes are received soon enough after year end to be recorded as revenue in the current year.

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## **NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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### **Budgetary Information:**

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

1. The Township Supervisor submits a proposed operating budget by fund for each year to the Township Board. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted by adoption of the Township Board.
4. Any revision that alters the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the General Fund budget as originally adopted and amended by the Township Board is included in the required supplemental information.
7. All annual appropriations lapse at fiscal year end.

### **Excess of Expenditures over Appropriations in Budgeted Funds:**

During the year, the Township did not incur expenditures that were in excess of the amounts budgeted.

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

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### NOTE 3: DEPOSITS AND INVESTMENTS

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Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency of instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Township Board is in accordance with Public Act 196 of 1997. The Township's deposits and investments have been made in accordance with statutory authority.

The Township's deposits and investments are subject to risk, which is examined in more detail below:

#### **Custodial Credit Risk of Bank Deposits:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$144,236 of bank deposits (certificates of deposit, checking, and savings accounts), of which \$141,669 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits, and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with acceptable estimated risk level are used as depositories.

The Township had no investments at March 31, 2007.

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

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### NOTE 4: CAPITAL ASSETS

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Governmental activities capital asset activity for the year ended March 31, 2007 was as follows:

	<u>April 1,</u> <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>March 31,</u> <u>2007</u>
Nondepreciable capital assets:				
Land	\$ 14,001	\$ -	\$ -	\$ 14,001
Depreciable capital assets:				
Buildings and improvements	53,280	-	-	53,280
Furniture and equipment	19,180	13,584	-	32,764
Site improvements	14,313	-	-	14,313
Total nondepreciable capital assets	86,773	13,584	-	100,357
Accumulated depreciation	(30,448)	(4,442)	-	(34,890)
Depreciable capital assets, net	56,325	9,142	-	65,467
Governmental activities, capital assets, net	<u>\$ 70,326</u>	<u>\$ 9,142</u>	<u>\$ -</u>	<u>\$ 79,468</u>

Depreciation expense was charged to functions as follows:

General government	<u>\$ 4,442</u>
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### NOTE 5: DEFERRED REVENUE

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Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At year end, the Township had no deferred revenue.

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### NOTE 6: LONG-TERM LIABILITIES

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The Township may issue bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. At year end, the Township had no long-term liabilities.

# EVERGREEN TOWNSHIP

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## NOTES TO FINANCIAL STATEMENTS

March 31, 2007

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### NOTE 7: DISAGGREGATED RECEIVABLE AND PAYABLE BALANCES

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Receivables and payables as of year end for the Township's governmental activities in the aggregate are as follows:

<b>Receivables:</b>	
Property taxes	\$ 8,927
Accounts	20,693
Intergovernmental	<u>26,716</u>
Total receivables	<u>\$ 56,336</u>
<b>Accounts payable and accrued expenses:</b>	
Accounts	\$ 8,051
Payroll liabilities	<u>573</u>
Total accounts payable and accrued expenses	<u>\$ 8,624</u>

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### NOTE 8: RISK MANAGEMENT

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The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), and natural disasters. The Township has purchased commercial insurance to cover these risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

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### NOTE 9: EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

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#### **Pension Plan:**

The Township offers no pension plan.

#### **Post Employment Benefits:**

The Township offers no post employment benefits.

#### **Deferred Compensation Plan:**

The Township offers no deferred compensation plan.

***REQUIRED SUPPLEMENTAL INFORMATION***

# EVERGREEN TOWNSHIP

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## GENERAL FUND

### BUDGETARY COMPARISON SCHEDULE

Year Ended March 31, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Actual</i>
	<i>Original</i>	<i>Final</i>		<i>Over (Under)</i>
				<i>Final Budget</i>
<b>Revenues:</b>				
Property taxes	\$ 53,150	\$ 53,150	\$ 58,751	\$ 5,601
State grants	165,000	178,584	185,432	6,848
Charges for services	31,000	31,000	35,796	4,796
Interest and rents	3,000	3,000	702	(2,298)
Other revenue	150	150	9,110	8,960
	<u>252,300</u>	<u>265,884</u>	<u>289,791</u>	<u>23,907</u>
Total revenues				
<b>Expenditures:</b>				
Current				
General government	130,300	130,300	100,545	(29,755)
Public safety	60,000	60,000	54,450	(5,550)
Public works	197,500	197,500	99,968	(97,532)
Health and welfare	2,500	2,500	2,500	-
Other	15,434	15,434	10,591	(4,843)
Capital outlay	-	13,584	13,584	-
	<u>405,734</u>	<u>419,318</u>	<u>281,638</u>	<u>(137,680)</u>
Total expenditures				
Net change in fund balance	(153,434)	(153,434)	8,153	161,587
Fund balance, beginning of year	195,243	195,243	195,243	-
Fund balance, end of year	<u>\$ 41,809</u>	<u>\$ 41,809</u>	<u>\$ 203,396</u>	<u>\$ 161,587</u>

***OTHER SUPPLEMENTAL INFORMATION***

# EVERGREEN TOWNSHIP

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## GENERAL FUND

### DETAILED SCHEDULE OF REVENUES

Year Ended March 31, 2007

***Current Taxes:***

Property taxes	\$ 45,862
Penalties and interest on taxes	51
Administration fees	12,838
	<u>58,751</u>

***State Grants:***

Summer tax collection reimbursement	4,978
State revenue sharing - sales tax	162,725
Election equipment	13,584
Metro Act - right-of-way	4,145
	<u>185,432</u>

***Charges for services:***

Refuse collection fees	28,525
Cemetery fees	5,900
Copies	321
Other	1,050
	<u>35,796</u>

***Interest and rents:***

Interest	<u>702</u>
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***Other Revenue:***

Cemetery lots/perpetual care	3,700
Refunds and rebates	855
Other	4,555
	<u>9,110</u>

Total revenues	<u>\$ 289,791</u>
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# EVERGREEN TOWNSHIP

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## GENERAL FUND

### DETAILED SCHEDULE OF EXPENDITURES

Year Ended March 31, 2007

#### *General Government:*

##### *Board:*

Personnel	\$	2,600
Supplies		5,011
Contracted services		335
Dues and memberships		1,162
Printing and publications		2,132
Other		1,110
		<u>12,350</u>

##### *Supervisor:*

Personnel		7,000
Other		112
		<u>7,112</u>

##### *Clerk:*

Personnel		8,575
Supplies		87
Education and training		1,345
Printing and publications		15
		<u>10,022</u>

##### *Board of Review:*

Contracted services		1,125
Printing and publications		89
		<u>1,214</u>

##### *Treasurer:*

Personnel		14,030
Supplies		12
Contracted services		1,100
Education and training		1,345
Other		125
		<u>16,612</u>

##### *Assessor:*

Supplies		151
Contracted services		20,958
		<u>21,109</u>

##### *Elections:*

Personnel		656
Supplies		2,150
Contracted services		5,426
Education and training		240
		<u>8,472</u>

# EVERGREEN TOWNSHIP

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## GENERAL FUND

### DETAILED SCHEDULE OF EXPENDITURES, CONTINUED

Year Ended March 31, 2007

**General Government, continued:**

*Building and Grounds:*

Supplies	2,213
Contracted services	35
Telephone	1,316
Utilities	1,671
Repairs and maintenance	726
Other	4
	<hr/>
	5,965

*Cemetery:*

Personnel	11,596
Supplies	2,260
Contracted services	781
Utilities	395
Repairs and maintenance	1,316
Other	1,118
	<hr/>
	17,466

*Other:*

Personnel	147
Supplies	76
	<hr/>
	223

Total general government 

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 100,545

**Public Safety:**

*Fire:*

Contracted services	<hr/> 54,450
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**Public Works:**

*Drains:*

Contracted services	<hr/> 1,680
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*Road:*

Contracted services	<hr/> 65,601
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*Street Lights:*

Utilities	<hr/> 142
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*Transfer Station/Trash Collection:*

Personnel	6,625
Contracted services	25,920
	<hr/>
	32,545

Total public works 

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 99,968

# EVERGREEN TOWNSHIP

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## GENERAL FUND

### DETAILED SCHEDULE OF EXPENDITURES, CONTINUED

Year Ended March 31, 2007

***Health and Welfare:***

*Agency on Aging:*

Contracted services	<u>2,500</u>
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***Other:***

Insurance and bonds	6,170
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Payroll taxes	<u>4,421</u>
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	<u>10,591</u>
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***Capital Outlay:***

General government	<u>13,584</u>
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Total expenditures	<u>\$ 281,638</u>
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# EVERGREEN TOWNSHIP

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## FIDUCIARY FUND – AGENCY FUND

### STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

March 31, 2007

	<u>April 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>March 31, 2007</u>
<b><u>Tax Fund</u></b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 14,597	\$ 1,611,495	\$ 1,605,399	\$ 20,693
<b>Liabilities:</b>				
Accounts payable	\$ 14,597	\$ 54,932	\$ 48,836	\$ 20,693
Due to other governmental units	-	1,556,563	1,556,563	-
Total liabilities	\$ 14,597	\$ 1,611,495	\$ 1,605,399	\$ 20,693

BERTHIAUME  
& COMPANY

Certified Public Accountants



60 Harrow Lane  
Saginaw, Michigan 48638

(989) 791-1555  
Fax (989) 791-1992

## **REPORT ON INTERNAL CONTROL**

To The Township Board  
Evergreen Township

In planning and performing our audit of the financial statements of Evergreen Township as of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered Evergreen Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Municipality's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that misstatement of the Municipality's financial statements that is more than inconsequential will not be prevented or detected by the Municipality's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Municipality's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We identified deficiencies in internal control that we consider to be material weaknesses, as follows:

### **Bank Reconciliations**

The Township Treasurer has not been preparing the monthly bank reconciliations as necessary for good internal control. The prompt preparation of bank reconciliations each month is necessary to verify the accuracy of the recording of receipt and disbursement transactions and related cash balance.

We recommend that the Township Treasurer promptly prepare bank reconciliations each month and agree the balance with the Clerk's record.

### **Tax Account**

We found problems with the bookkeeping for the Treasurer's tax account. Some of the problems noted are: Deposits of currency were sometimes being made late, sometimes tax account checks to the general fund of the Township were not being deposited in the general fund on a timely basis and the tax account balance was not being maintained at the base amount.

We recommend that the tax account bookkeeping be improved so that transactions are done on a timely basis.

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

Sincerely,

*Berthiaume & Co.*

Berthiaume & Company  
Certified Public Accountants

July 11, 2007