

ASHLAND TOWNSHIP
NEWAYGO COUNTY, MICHIGAN
AUDIT REPORT
MARCH 31, 2007

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 checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name ASHLAND TOWNSHIP	County NEWAYGO
Fiscal Year End MARCH 31, 2007	Opinion Date MAY 31, 2007	Date Audit Report Submitted to State JUNE 27, 2007	

We affirm that:

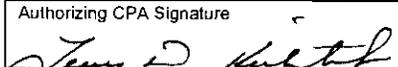
We are certified public accountants licensed to practice in Michigan.

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	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) TERRY KIRKPATRICK, CPA, P.C.		Telephone Number 231-796-3332	
Street Address 211 MAPLE STREET		City BIG RAPIDS	State Zip MI 49307
Authorizing CPA Signature 	Printed Name TERRY D. KIRKPATRICK		License Number 1101018035

CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	2
Statement of Activities	3
Governmental Fund Financial Statements	
Balance Sheet	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	6
Fiduciary Fund	
Statement of Net Assets	7
Notes to Financial Statements	8-11
Required Supplemental Information	
Budgetary Comparison Schedule – General Fund	12
Budgetary Comparison Schedule – Road Fund	13
Other Supplemental Information	
Combining Balance Sheet – Non-Major Governmental Funds	14
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	15

TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

211 MAPLE STREET
P O BOX 817
BIG RAPIDS, MICHIGAN 49307-0817
(231) 796-3332
FAX (231) 796-5554

Independent Auditor's Report

To the Township Board
Ashland Township, Newaygo County

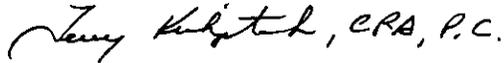
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ashland Township, Newaygo County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise Ashland Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Ashland Township, Newaygo County, Michigan. 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ashland Township, Newaygo County, Michigan, as of March 31, 2007, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Ashland Township has implemented a new financial reporting model, as required by provisions of GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis- for State and Local Governments*, as of March 31, 2007. Management has elected not to present the Management's Discussion and Analysis portion of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ashland Township, Newaygo County, Michigan basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Big Rapids, Michigan
May 31, 2007

BASIC FINANCIAL STATEMENTS

Ashland Township – Newaygo County, Michigan
Government Wide Statement of Net Assets
March 31, 2007

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 560,156
Receivables	33,901
Capital Assets (Net)	<u>159,769</u>
Total assets	<u>\$ 753,826</u>
LIABILITIES	
Accounts Payable	\$ 96,145
NET ASSETS	
Invested in capital assets, net of related debt	159,769
Unrestricted	<u>497,912</u>
Total net assets	<u>657,681</u>
Total liabilities and net assets	<u>\$ 753,826</u>

The "Notes to Financial Statements" are an integral part of these statements.

Ashland Township – Newaygo County, Michigan
Government Wide Statement of Activities
For the Year Ended March 31, 2007

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Operating Grants</u>	<u>Governmental Activities Net (Expense) Revenue and Changes in Net Assets</u>
PRIMARY GOVERNMENT				
General Government	\$ 180,742 \$	0 \$	6,792 \$	(173,950)
Public Safety	120,250	62,549	0	(57,701)
Public Works	139,592	185,239	0	45,647
Cultural and Recreation	8,795	11,976	0	3,181
Other Functions	6,659	0	0	(6,659)
Depreciation (unallocated)	10,969	0	0	(10,969)
Total primary government	\$ 467,007 \$	259,764 \$	6,792 \$	(200,451)
General Revenues				
Tax				85,604
State Grants				191,879
Charges for Services				10,398
Interest Earnings				1,483
Other Revenue				12,326
Total general revenues				<u>301,690</u>
Change in Net Assets				101,239
Net assets - Beginning of year				556,442
Net assets - End of year				<u>\$ 657,681</u>

The "Notes to Financial Statements" are an integral part of these statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Ashland Township – Newaygo County, Michigan
 Governmental Fund Balance Sheet
 March 31, 2007

	General Fund	Road Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 315,675	\$ 214,942	\$ 22,460	\$ 553,077
Taxes Receivable	8,970	22,483	7,583	39,036
Due from Current Tax Fund	1,061	59	20	1,140
Special Assessments Receivable	0	0	804	804
Total assets	\$ 325,706	\$ 237,484	\$ 30,867	\$ 594,057
LIABILITIES AND FUND EQUITY				
Accounts Payable	\$ 11,000	\$ 77,542	\$ 7,603	\$ 96,145
Fund Balance - Unreserved and Undesignated	314,706	159,942	23,264	497,912
Total liabilities and fund equity	\$ 325,706	\$ 237,484	\$ 30,867	\$ 594,057

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

Total Governmental Fund Balances	\$	497,912
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.		
Cost of capital assets, net of depreciation		159,769
Net assets of governmental activities	\$	657,681

The "Notes to Financial Statements" are an integral part of these statements.

Ashland Township – Newaygo County, Michigan
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2007

	General Fund	Road Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 85,604	\$ 185,239	\$ 62,549	\$ 333,392
State Grants	198,671	0	0	198,671
Charges for Services	10,398	0	0	10,398
Interest and Rents	1,074	291	118	1,483
Special Assessments	0	0	11,976	11,976
Other Revenue	4,826	7,500	0	12,326
Total revenues	<u>300,573</u>	<u>193,030</u>	<u>74,643</u>	<u>568,246</u>
EXPENDITURES				
General Government	180,742	0	0	180,742
Public Safety	57,701	0	62,549	120,250
Public Works	5,957	133,635	0	139,592
Cultural and Recreation	0	0	8,795	8,795
Capital Outlay	20,597	0	0	20,597
Other Functions	6,659	0	0	6,659
Total expenditures	<u>271,656</u>	<u>133,635</u>	<u>71,344</u>	<u>476,635</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	28,917	59,395	3,299	91,611
Fund Balance - April 1, 2006	285,789	100,547	19,965	406,301
Fund Balance - March 31, 2007	<u>\$ 314,706</u>	<u>\$ 159,942</u>	<u>\$ 23,264</u>	<u>\$ 497,912</u>

The "Notes to Financial Statements" are an integral part of these statements.

Ashland Township – Newaygo County, Michigan

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2007

Net Change in Fund Balances - Total Government Funds	\$	91,611
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation. This is capital outlay for the year.		20,597
Depreciation expense		<u>(10,969)</u>
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>101,239</u>

The "Notes to Financial Statements" are an integral part of these statements.

Ashland Township – Newaygo County, Michigan
Fiduciary Fund
Statement of Net Assets
March 31, 2007

	<u>Agency Fund Type</u> <u>Property Tax Collection Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 1,140</u>
LIABILITIES	
Due to General Fund	\$ 1,061
Due to Road Fund	59
Due to Fire Equipment Fund	20
Total liabilities	<u>\$ 1,140</u>

The "Notes to Financial Statements" are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

Ashland Township – Newaygo County, Michigan

Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Township is governed by an elected, five-member, Board. The accompanying financial statements present the government and its component units; entities for which the government is considered to be financially accountable. Based on the application of the criteria, the Township does not contain any component units.

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 non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally 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.

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 or segment. Program revenue includes: (1a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges 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 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Statements - The government-wide 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.

Fund Based Statements - 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 are recorded only when payment is due.

Property taxes – Ashland Township's property tax is levied on each December 1st on the taxable valuation of property located within Ashland Township as of the preceding December 31st.

Ashland Township – Newaygo County, Michigan

Notes to Financial Statements - Continued
For the Year Ended March 31, 2007

Although the Ashland Township 2006 ad valorem tax is levied and collectible on December 1, 2006, it is Ashland Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations.

The 2006 taxable valuation of Ashland Township totaled approximately \$65,192,000, on which ad valorem taxes levied consisted of .8763 mills for the Township operating purposes and an additional 2.8415 mills for roads, .4863 mills for fire protection and .4734 mills for fire equipment. These amounts are recognized in the respective General and Special Revenue Fund financial statements as Due from Newaygo County and/or as a tax revenue.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted-for in another fund.

The Road Fund is used to record property tax and interest for expenditures for roads.

Additionally, the Township reports the following fund types:

The Township reports a Fiduciary Fund (Agency Fund). This fund accounts for taxes and special assessments collected by the Township as an agent for other taxing units. Fiduciary Fund net assets and results of operations are not included in the government-wide financial statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Township reports three non-major special revenue funds for a fire fund, fire equipment fund, and algae control fund. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds". 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".

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st and are considered delinquent on March 1st of the following year, at which time interest and penalties are assessed.

Capital Assets – Capital assets, which include property, plant and equipment assets are reported in the applicable governmental 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 two years. 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 the donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	40 years
Building Improvements	15 to 30 years
Equipment	5 to 10 years
Computer Equipment	3 to 7 years

Ashland Township – Newaygo County, Michigan

Notes to Financial Statements - Continued

For the Year Ended March 31, 2007

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.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental units. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the Township have its budget in place by April 1st. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits a township to amend its budgets during the year.

NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit 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 Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township has designated two banks for the deposit of Township Funds. The investment policy adopted by the Township Board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

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

	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 553,077

The bank balance of the primary government's deposits is \$560,156, of which \$122,460 is covered by federal depository insurance.

NOTE D – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds are as follows:

	General	Road	Non-Major	Total
Taxes receivable	\$ 8,970	\$ 22,483	\$ 7,583	\$ 39,036

Ashland Township – Newaygo County, Michigan

Notes to Financial Statements - Continued

For the Year Ended March 31, 2007

NOTE E – CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Buildings	\$ 203,903	\$ 0	\$ 0	\$ 203,903
Equipment	50,767	20,597	0	71,364
Less: accumulated depreciation for Capital assets	(104,529)	(10,969)	0	(115,498)
Net capital assets	<u>\$ 150,141</u>	<u>\$ 9,628</u>	<u>\$ 0</u>	<u>\$ 159,769</u>

Depreciation expense was not charged to activities as the Township considers its assets to impact multiple activities and allocation is not practical.

NOTE G – RISK MANAGEMENT

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

REQUIRED SUPPLEMENTAL INFORMATION

Ashland Township – Newaygo County, Michigan
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended March 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
BEGINNING OF YEAR FUND BALANCE	\$ 285,789	\$ 285,789	\$ 285,789	\$ 0
Resources (inflows)				
Property Tax	70,500	70,500	85,604	15,104
State Grants	195,000	195,000	198,671	3,671
Charges for Services	7,900	7,900	10,398	2,498
Interest and Rents	600	600	1,074	474
Other Revenue	12,500	12,500	4,826	(7,674)
Amounts Available for Appropriation	572,289	572,289	586,362	14,073
Charges to Appropriations (outflows)				
General Government				
Township board	83,045	83,045	51,325	31,720
Supervisor	19,031	19,031	18,090	941
Elections	10,000	10,000	6,615	3,385
Assessor	44,000	44,000	26,435	17,565
Clerk	21,731	21,731	20,010	1,721
Board of review	1,500	1,500	1,050	450
Treasurer	22,831	22,831	21,261	1,570
Townhall	12,000	12,000	11,092	908
Cemetery	27,250	27,250	24,864	2,386
Capital outlay	13,805	13,805	20,597	(6,792)
Public Safety				
Fire protection	18,400	18,400	14,094	4,306
Police protection	33,000	33,000	24,964	8,036
Planning and zoning	23,500	23,500	18,643	4,857
Public Works				
Sanitation	4,000	4,000	2,862	1,138
Drains- Public Benefit	3,100	3,100	3,095	5
Other Functions				
Social security/ medicare tax	9,000	9,000	6,659	2,341
Transfer to Road Fund	93,318	93,318	0	93,318
Total Charges to Appropriations	439,511	439,511	271,656	167,855
Budgetary Fund Balance - March 31, 2007	\$ 132,778	\$ 132,778	\$ 314,706	\$ 181,928

Ashland Township – Newaygo County, Michigan
 Budgetary Comparison Schedule
 Road Fund
 For the Year Ended March 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
BEGINNING OF YEAR FUND BALANCE	\$ 100,547	\$ 100,547	\$ 100,547	\$ 0
Resources (inflows)				
Property Tax	180,000	180,000	185,239	5,239
Interest and Rents	100	100	291	191
Other Revenue	0	0	7,500	7,500
Transfer from Other Funds	93,318	93,318	0	(93,318)
Amounts Available for Appropriation	373,965	373,965	293,577	(80,388)
Charges to Appropriations (outflows)				
Public Works				
Highways and Streets	281,460	281,460	133,635	147,825
BUDGETARY FUND BALANCE - March 31, 2007	<u>\$ 92,505</u>	<u>\$ 92,505</u>	<u>\$ 159,942</u>	<u>\$ 67,437</u>

OTHER SUPPLEMENTAL INFORMATION

Ashland Township – Newaygo County, Michigan
 Combining Balance Sheet
 Non-Major Governmental Funds
 March 31, 2007

	<u>Fire Fund</u>	<u>Fire Equipment Fund</u>	<u>Algae Fund</u>	<u>Totals</u>
ASSETS				
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 22,460	\$ 22,460
Taxes Receivable	3,838	3,745	0	7,583
Due from Current Tax Fund	0	20	0	20
Special Assessments Receivable	0	0	804	804
Total assets	<u>\$ 3,838</u>	<u>\$ 3,765</u>	<u>\$ 23,264</u>	<u>\$ 30,867</u>
LIABILITIES AND FUND EQUITY				
Due to Fire District	\$ 3,838	\$ 3,765	\$ 0	\$ 7,603
Fund Balance	0	0	23,264	23,264
Total liabilities and fund equity	<u>\$ 3,838</u>	<u>\$ 3,765</u>	<u>\$ 23,264</u>	<u>\$ 30,867</u>

Ashland Township – Newaygo County, Michigan
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Non-Major Governmental Funds
 For the Year Ended March 31, 2007

	Fire Fund	Fire Equipment Fund	Algae Fund	Totals
REVENUES				
Current Property Tax	\$ 31,695	\$ 30,854	\$ 0	\$ 62,549
Interest and Rents	0	0	118	118
Special Assessments	0	0	11,976	11,976
Total revenues	31,695	30,854	12,094	74,643
EXPENDITURES				
Current				
Public safety	31,695	30,854	0	62,549
Recreation and cultural	0	0	8,795	8,795
Total expenditures	31,695	30,854	8,795	71,344
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	0	3,299	3,299
FUND BALANCE - April 1, 2006	0	0	19,965	19,965
FUND BALANCE - March 31, 2007	\$ 0	\$ 0	\$ 23,264	\$ 23,264

TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

211 MAPLE STREET
P O BOX 817
BIG RAPIDS, MICHIGAN 49307-0817
(231) 796-3332
FAX (231) 796-5554

May 31, 2007

Members of the Ashland Township Board
Ashland Township
Newaygo County, MI

We recently completed our audit of the basic financial statements of Ashland Township for the year ended March 31, 2007. During our audit, we had an opportunity to test internal controls and to observe the accounting and financial procedures and many of the general management practices of the Ashland Township. Based upon these tests and observations, there are several matters that we specifically want to call to your attention.

CLERK RECORDS IN VERY GOOD ORDER

The Township Clerk's financial records appeared to be maintained very well. Keep up the good work.

OTHER MATTERS

We have enjoyed working with your staff. Their competence and assistance were instrumental in our timely completion of the audit.

We have sent two copies of the audit report, the auditing procedures report, and this letter to the Michigan Department of Treasury, Local Audit Division.

If you have any questions regarding this letter or the audit, please do not hesitate to contact us.

Terry Kirkpatrick, CPA, P.C.