

GRANT 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 Grant Township	County Newaygo
Fiscal Year End March 31, 2007	Opinion Date June 22, 2007	Date Audit Report Submitted to State July 18, 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.)
- 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.
 - 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.
 - The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - The local unit has adopted a budget for all required funds.
 - A public hearing on the budget was held in accordance with State statute.
 - 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.
 - The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - The local unit only holds deposits/investments that comply with statutory requirements.
 - 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).
 - 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.
 - The local unit is free of repeated comments from previous years.
 - The audit opinion is UNQUALIFIED.
 - The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - The board or council approves all invoices prior to payment as required by charter or statute.
 - 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 18035

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CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

To the Township Board
Grant Township, Newaygo County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grant Township, Newaygo County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise Grant Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Grant 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 Grant 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 Grant 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, 2005. 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 Grant 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.

 Terry Kirkpatrick, CPA, P.C.

Big Rapids, Michigan
June 22, 2007

BASIC FINANCIAL STATEMENTS

Grant Township – Newaygo County, Michigan
 Government Wide Statement of Net Assets
 March 31, 2007
 With Comparative Amounts at March 31, 2006

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and Cash Equivalents	\$ 544,093	\$ 407,871
Tax Receivable	43,464	40,640
Due from Grant Public Schools	20,238	0
Due from Officials	0	2,016
Due from Current Tax Fund	28,955	15,035
Capital Assets (Net)	202,903	211,017
	<hr/>	<hr/>
Total assets	\$ 839,653	\$ 676,579
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Accounts Payable	\$ 3,250	\$ 0
Due to Fire District	8,754	8,179
Deferred Revenue	1,414	4,876
	<hr/>	<hr/>
Total liabilities	13,418	13,055
	<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		
Invested in capital assets, net of related debt	202,903	211,017
Unrestricted	623,332	452,507
	<hr/>	<hr/>
Total net assets	826,235	663,524
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and net assets	\$ 839,653	\$ 676,579
	<hr/> <hr/>	<hr/> <hr/>

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

Grant Township – Newaygo County, Michigan
 Government Wide Statement of Activities
 For the Year Ended March 31, 2007
 With Comparative Totals for the Year Ended March 31, 2006

	March 31,	
	2007	2006
	Governmental	
	Activities	
	Net (Expense)	
	Revenue and Changes	
	in Net Assets	
	2007	2006
PRIMARY GOVERNMENT		
General Government	\$ 129,976	\$ 145,184
Public Safety	124,962	(140,411)
Public Works	143,679	(262,755)
Other Functions	23,197	(19,902)
Depreciation (unallocated)	8,114	(8,114)
	\$ 429,928	\$ (576,366)
Total primary government	\$ 0	\$ (576,366)
General Revenues		
Tax	317,667	301,934
State Grants	240,472	239,432
Charges for Services	13,933	30,688
Interest Earnings	12,017	4,672
Other Revenue	8,550	6,697
Total general revenues	592,639	583,423
Change in Net Assets	162,711	7,057
Net assets - Beginning of year	663,524	656,467
Net assets - End of year	\$ 826,235	\$ 663,524

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Grant Township – Newaygo County, Michigan
 Governmental Fund Balance Sheet
 March 31, 2007
 With Comparative Totals at March 31, 2006

	General Fund	Street Improvement Fund	Non-Major Governmental Funds	2007 Totals	March 31, 2006 Totals
ASSETS					
Cash and Cash Equivalents	\$ 345,236	\$ 198,857	\$ 0	\$ 544,093	\$ 407,871
Taxes Receivable	9,495	25,486	8,483	43,464	40,640
Due from Officials	0	0	0	0	2,016
Due from Grant Public Schools	20,238	0	0	20,238	0
Due from Current Tax Funds	27,755	929	271	28,955	15,035
Total assets	\$ 402,724	\$ 225,272	\$ 8,754	\$ 636,750	\$ 465,562
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 3,250	\$ 0	\$ 0	\$ 3,250	\$ 0
Deferred Revenue - Escrow	1,414	0	0	1,414	4,876
Due to Ashland Grant Fire District	0	0	8,754	8,754	8,179
Fund Balance- Unreserved and Undesignated	398,060	225,272	0	623,332	452,507
Total liabilities and fund equity	\$ 402,724	\$ 225,272	\$ 8,754	\$ 636,750	\$ 465,562

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

Total Governmental Fund Balances	\$ 623,332	\$ 452,507
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		
Net assets of governmental activities	202,903	211,017
	\$ 826,235	\$ 663,524

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

Grant Township – Newaygo County, Michigan
 Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Year Ended March 31, 2007
 With Comparative Totals for the Year Ended March 31, 2006

	General Fund	Street Improvement Fund	Non-Major Governmental Funds		March 31, 2006	
			Street Improvement Fund	Non-Major Governmental Funds	2007 Totals	2006 Totals
REVENUES						
Taxes	\$ 75,355	\$ 181,756	\$ 60,556	\$ 317,667	\$ 301,934	
State Grants	240,472	0	0	240,472	239,432	
Charges for Services	13,933	0	0	13,933	30,688	
Interest and Rents	9,080	2,937	0	12,017	4,672	
Other Revenue	8,550	0	0	8,550	6,697	
Total revenues	347,390	184,693	60,556	592,639	583,423	
EXPENDITURES						
General Government	129,976	0	0	129,976	145,184	
Public Safety	64,406	0	60,556	124,962	140,411	
Public Works	1,917	141,762	0	143,679	262,755	
Other Functions	23,197	0	0	23,197	19,902	
Total expenditures	219,496	141,762	60,556	421,814	568,252	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	127,894	42,931	0	170,825	15,171	
OTHER FINANCING SOURCES (USES)						
Transfer from General Fund	0	0	0	0	80,000	
Transfer to Street Improvement Fund	0	0	0	0	(80,000)	
Total other financing sources	0	0	0	0	0	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	127,894	42,931	0	170,825	15,171	
Fund Balance - April 1,	270,166	182,341	0	452,507	437,336	
Fund Balance - March 31,	\$ 398,060	\$ 225,272	\$ 0	\$ 623,332	\$ 452,507	

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

Grant 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

With Comparative Amounts for the Year Ended March 31, 2006

	March 31,	
	<u>2007</u>	<u>2006</u>
Net Change in Fund Balances - Total Government Funds	\$ 170,825	\$ 15,171
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
	0	0
Depreciation expense	<u>(8,114)</u>	<u>(8,114)</u>
Change in Net Assets of Governmental Activities	<u>\$ 162,711</u>	<u>\$ 7,057</u>

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

Grant Township – Newaygo County, Michigan

Fiduciary Fund

Statement of Net Assets

March 31, 2007

With Comparative Amounts at March 31, 2006

	<u>Agency Fund Type</u>	
	<u>Property Tax Collection Fund</u>	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and Cash Equivalents	\$ 31,607	\$ 33,280
	<hr/>	<hr/>
LIABILITIES		
Due to General Fund	\$ 27,755	\$ 5,296
Due to Street Improvement Fund	929	411
Due to Fire Fund	119	38
Due to Fire Equipment Fund	152	71
Due to Other Units of Government	2,652	27,464
Total liabilities	\$ 31,607	\$ 33,280
	<hr/>	<hr/>

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

NOTES TO FINANCIAL STATEMENTS

Grant 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 Grant 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 Grant 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: (1) 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 – Grant Township's property tax is levied on each December 1st on the taxable valuation of property located within Grant Township as of the preceding December 31st.

Grant Township – Newaygo County, Michigan

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

Although the Grant Township 2006 ad valorem tax is levied and collectible on December 1, 2006, it is Grant 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 Grant Township totaled approximately \$62,930,000, on which ad valorem taxes levied consisted of .7495 mills for the Township operating purposes and an additional 2.8861 mills for roads, .4809 mills for fire equipment, and .4809 mills for fire protection. 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 Street Improvement 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 two non-major special revenue funds for a fire fund and a fire equipment 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 \$3,000 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

Grant 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 one bank 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	\$ 544,093

The bank balance of the primary government's deposits is \$639,953, of which \$200,000 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	Steet Improvement	Non-Major	Total
Taxes receivable	\$ 9,495	\$ 25,486	\$ 8,483	\$ 43,464

The General Fund reflects a receivable from Grant Public Schools in the amount of \$20,238. Industrial Facilities taxes for the years 1995 through 2001 were paid to Grant Public Schools, but should have been paid to the State of Michigan. This amount is being paid back to the Township and the Township has sent the same amount to the State of Michigan.

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	\$ 274,541	\$ 0	\$ 0	\$ 274,541
Equipment	6,250	0	0	6,250
Less Accumulated depreciation for Capital assets	<u>(69,774)</u>	<u>(8,114)</u>	<u>0</u>	<u>(77,888)</u>
Net capital assets	<u>\$ 211,017</u>	<u>\$ (8,114)</u>	<u>\$ 0</u>	<u>\$ 202,903</u>

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

NOTE F – 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

Grant Township – Newaygo County, Michigan

Budgetary Comparison Schedule

General Fund

For the Year Ended March 31, 2007

With Comparative Actual Amounts For the Year Ended March 31, 2006

	Original Budget	Amended Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	March 31, 2006 Actual
BEGINNING OF YEAR FUND BALANCE	\$ 270,166	\$ 270,166	\$ 270,166	\$ 0	\$ 255,382
Resources (inflows)					
Property Tax	303,800	303,800	75,355	(228,445)	70,561
State Grants	180,000	180,000	240,472	60,472	239,432
Charges for Services	25,000	25,000	13,933	(11,067)	30,688
Interest and Rents	4,000	4,000	9,080	5,080	4,463
Other Revenue	13,000	13,000	8,550	(4,450)	6,697
Amounts Available for Appropriation	795,966	795,966	617,556	(178,410)	607,223
Charges to Appropriations (outflows)					
General Government					
Township board	56,300	56,300	22,343	33,957	39,835
Supervisor	18,900	18,900	15,963	2,937	15,009
Elections	7,500	7,500	4,972	2,528	1,768
Assessor	15,000	15,000	14,018	982	13,420
Clerk	21,200	21,200	20,255	945	20,039
Board of review	3,500	3,500	2,950	550	2,415
Treasurer	30,800	30,800	27,473	3,327	27,140
Townhall	13,100	13,100	9,660	3,440	11,452
Cemetery	19,000	19,000	12,342	6,658	14,106
Capital outlay	30,500	30,500	0	30,500	0
Public Safety					
Fire protection	72,000	72,000	10,569	61,431	12,411
Police protection	40,000	40,000	24,964	15,036	28,600
Planning and zoning	46,500	46,500	28,873	17,627	41,572
Public Works					
Drains- Public Benefit	5,000	5,000	1,917	3,083	9,388
Other Functions					
Insurance and Bonds	15,000	15,000	9,417	5,583	9,156
Retirement contributions	18,000	18,000	9,547	8,453	7,966
Social security/ medicare tax	25,000	25,000	4,233	20,767	2,780
Transfer to Street Improvement Fund	120,000	120,000	0	120,000	80,000
Total Charges to Appropriations	557,300	557,300	219,496	337,804	337,057
Budgetary Fund Balance - June 30,	\$ 238,666	\$ 238,666	\$ 398,060	\$ 159,394	\$ 270,166

Grant Township – Newaygo County, Michigan

Budgetary Comparison Schedule

Street Improvement Fund

For the Year Ended March 31, 2007

With Comparative Actual Amounts for the Year Ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)	March 31, 2006 <u>Actual</u>
BEGINNING OF YEAR FUND BALANCE	\$ 182,341	\$ 182,341	\$ 182,341	\$ 0	\$ 181,954
Resources (inflows)					
Property Tax	210,000	210,000	181,756	(28,244)	173,545
Interest and Rents	1,000	1,000	2,937	1,937	209
Transfer from General Fund	120,000	120,000	0	(120,000)	80,000
Amounts Available for Appropriation	513,341	513,341	367,034	(146,307)	435,708
Charges to Appropriations (outflows)					
Public Works					
Highways and Streets	400,000	400,000	141,762	258,238	253,367
BUDGETARY FUND BALANCE - March 31,	\$ 113,341	\$ 113,341	\$ 225,272	\$ 111,931	\$ 182,341

OTHER SUPPLEMENTAL INFORMATION

Grant Township – Newaygo County, Michigan

Combining Balance Sheet

Non-Major Governmental Funds

March 31, 2007

With Comparative Totals at March 31, 2006

	<u>Fire Fund</u>	<u>Fire Equipment Fund</u>	<u>Totals</u>	<u>2006 Totals</u>
ASSETS				
Due from County	\$ 4,210	\$ 4,210	\$ 8,420	\$ 7,888
Due from Current Tax Fund	119	152	271	237
Taxes Receivable - Personal	30	33	63	54
Total assets	<u>\$ 4,359</u>	<u>\$ 4,395</u>	<u>\$ 8,754</u>	<u>\$ 8,179</u>
LIABILITIES AND FUND EQUITY				
Due to Fire District	<u>\$ 4,359</u>	<u>\$ 4,395</u>	<u>\$ 8,754</u>	<u>\$ 8,179</u>

Grant 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
 With Comparative Totals for the Year Ended March 31, 2006

	Fire Fund	Fire Equipment Fund	Totals	2006 Totals
REVENUES				
Current Property Tax	\$ 30,278	\$ 30,278	\$ 60,556	\$ 57,828
EXPENDITURES				
Current				
Public Safety	30,278	30,278	60,556	57,828
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0
FUND BALANCE - April 1,	0	0	0	0
FUND BALANCE - March 31,	\$ 0	\$ 0	\$ 0	\$ 0

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

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June 22, 2007

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

We recently completed our audit of the basic financial statements of Grant 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 Grant Township. Based upon these tests and observations, there are several matters that we specifically want to call to your attention.

FORM 941

We have communicated to the Clerk that the Form 941 (Employer's Quarterly Federal Tax Return) may not have been filed for the first quarter of 2007. It is possible that you will receive a notice of tax, interest and/or penalty due. However, the amount will not likely be significant provided the form does get filed.

OUTSTANDING TAX ACCOUNT CHECKS

The tax collection checking account had two outstanding checks that still had not cleared the bank during the fieldwork phase of the audit. Both the Treasurer and Clerk should check into these two checks to make certain that the correct payee does in fact receive these payments. Check number 1526 was written to the Grant District Library on March 16, 2007 in the amount of \$8,728.56; and check number 1464 was written to Poplar Mortgage for \$ 1,696.70 on September 25, 2006. Neither check had cleared the bank as of May 31, 2007.

COMPARISON OF FORMS 941 AND FORMS W-2

There was a difference of approximately \$ 3,000 between the 2006 Forms W-2 and the 2006 Forms 941 that were filed. It is possible that within the next six months or so the Township will receive a notice from the Social Security Administration inquiring as to this difference. It is also possible that the amount is small enough that they will not inquire.

OTHER MATTERS

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

We have submitted 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 Kubitl, CPA, P.C.