

**OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN**

**FINANCIAL REPORT WITH
SUPPLEMENTARY INFORMATION**

YEAR ENDED 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 Owosso Charter Township	County Shiawassee
Fiscal Year End March 31, 2007	Opinion Date August 24, 2007	Date Audit Report Submitted to State Nov 19, 2007	

We affirm that:

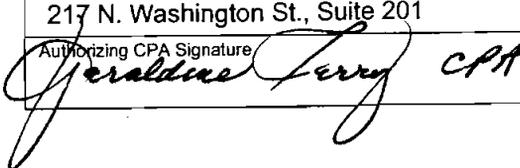
We are certified public accountants licensed to practice in Michigan.

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) Demis and Wenzlick, PC		Telephone Number 989-723-8227		
Street Address 217 N. Washington St., Suite 201		City Owosso	State MI	Zip 48867
Authorizing CPA Signature  CPA		Printed Name Geraldine Terry, C.P.A.		License Number 1101026880

**OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN**

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**OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN**

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OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
MARCH 31, 2007

BOARD OF TRUSTEES AND ADMINISTRATION

Richard Gute	Supervisor
Judy Gute	Clerk
June Cudney	Treasurer
Diane Krajcovic	Trustee
Danny Miller	Trustee
Gary Schultz	Trustee
Jayne Campbell	Trustee



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Pabst Building, Suite 201
Owosso, MI 48867

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James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
Lori S. Chant, C.P.A.
Geraldine Terry, C.P.A.

Tracy Bublitz
Vicky Clayton
Carol Demis
Jeanette Gaitskill
Kathy Kimmerer
Erica Marks
Janis K. Mead
Tammy Pappas
David Pullen
Vicki E. Schuler
Joyce M. Simmons
Barbara Wenzlick

INDEPENDENT AUDITOR'S REPORT

August 24, 2007

Members of the Township Council
Owosso Charter Township
Shiawassee County, Michigan

We have audited the accompanying financial statements of the governmental activities, business type activities and major funds of Owosso Charter Township, Shiawassee County, Michigan 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 Owosso Charter 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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, business type activities and each major fund of Owosso Charter Township, Shiawassee County, Michigan as of March 31, 2007, and the respective changes in financial position and cash flows where applicable, of these activities and funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2007 on our consideration of Owosso Charter Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Township's basic financial statements. The other supporting information described in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dennis and Delaney, PC

Certified Public Accountants

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2007

The Management's Discussion and Analysis Report of Owosso Charter Township covers the Township's financial performance during the year ended March 31, 2007.

FINANCIAL HIGHLIGHTS

Our financial status remains stable over the last year. Net assets at March 31, 2007, totaled \$3,438,361 for governmental activities. \$5,961,378 for business-type activities and (\$109,033) for component unit activities.

Overall revenues were \$1,395,208 (\$1,098,232 from governmental activities, \$277,627 from business-type activities and \$19,349 from component unit activities). Governmental activities had a \$560,265 increase in net assets. Business-type activities had \$91,655 decrease in net assets. Component unit activities had an \$18,090 increase in net assets.

Taxable value increased by approximately \$11,975,024.

We did not incur any new debt.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township and the notes to the financial statements.

The first two statements are entity-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental, business-type and component unit activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2007

ENTITY-WIDE FINANCIAL STATEMENTS

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

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

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

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

All of the activities of the Township are reported as governmental activities, business-type activities and component unit activities. These include the General Fund, the ½ Mill Fire Fund, the Fire Fund, the Cemetery Fund, the Ambulance Fund, the Revolving and Improvement Fund, Water Fund, the Sewer Fund and Brownfield Redevelopment Fund.

FUND FINANCIAL STATEMENTS

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

The Township has the following types of funds:

Governmental Funds – Some of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's entity-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them. The Township's governmental funds include the General Fund, the ½ Mill Fire Fund, the Fire Fund, the Cemetery Fund, the Ambulance Fund, and the Revolving and Improvement Fund.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2007

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

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

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

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

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

The General Fund had an increase in fund balance of \$189,029. The ½ Mill Fire Fund had an increase in fund balance of \$64,317. The Fire Fund had a decrease in fund balance of \$54,410. The Cemetery Fund had an increase in fund balance of \$2,523. The Ambulance Fund had a decrease in fund balance of \$11,128. The Revolving and Improvement Fund had a decrease in fund balance of \$191,510. The Water Fund had a decrease in net assets of \$56,001. The Sewer Fund had a decrease in net assets of \$35,654.

The Brownfield Redevelopment Authority had an increase in fund balance of \$12,411.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Township's governmental activities invested \$671,033 in capital assets.
The Township's business-type activities invested \$16,695 in capital assets.
The Township's component unit activities invested \$-0- in capital assets.
The Township's governmental activities paid \$-0- of principal on long-term debt.
The Township's business-type activities paid \$5,526 of principal on long-term debt.
The Township's component unit activities paid \$5,679 of principal on long-term debt.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

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

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is intended to provide our taxpayers, creditors, investors, and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report, please contact the Township Clerk or Township Treasurer at (989) 723-2187.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
MARCH 31, 2007

	Governmental Activities	<u>Primary Government</u> Business-Type Activities	<u>Total</u>	<u>Component Unit</u>
ASSETS:				
CURRENT ASSETS:				
Cash & Cash Equivalents	\$1,131,107	\$ 251,854	\$1,382,961	\$ 14,377
Investments	702,220	949,720	1,651,940	
Accounts Receivable		9,508	9,508	
Due from Component Unit	5,130	68,000	73,130	
Due from Other Gov't Units	31,445		31,445	
Due from Other Funds	20,159		20,159	
Property Taxes Rec.	<u>8,832</u>	<u>20,291</u>	<u>29,123</u>	
TOTAL CURRENT ASSETS	<u>\$1,898,893</u>	<u>\$1,299,373</u>	<u>\$3,198,266</u>	<u>\$ 14,377</u>
RESTRICTED ASSETS:				
Cash & Cash Equivalents	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL RESTRICTED ASSETS	\$ _____	\$ _____	\$ _____	\$ _____
NON-CURRENT ASSETS:				
CAPITAL ASSETS:				
Land	\$ 25,001	\$ 397,680	\$ 422,681	\$ _____
Other Capital Assets, Net of Accum. Deprec.	<u>1,530,323</u>	<u>116,495</u>	<u>1,646,818</u>	_____
TOTAL NON-CURRENT ASSETS	<u>\$1,555,324</u>	<u>\$ 514,175</u>	<u>\$2,069,499</u>	\$ _____
OTHER ASSETS:				
Investment in Subsidiary	\$ _____	\$4,374,699	\$4,374,699	\$ _____
TOTAL OTHER ASSETS	\$ _____	<u>\$4,374,699</u>	<u>\$4,374,699</u>	\$ _____
TOTAL ASSETS	<u>\$3,454,217</u>	<u>\$6,188,247</u>	<u>\$9,642,464</u>	<u>\$ 14,377</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 MARCH 31, 2007

	<u>Primary Government</u>			
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Component Unit</u>
	<u>Activities</u>	<u>Activities</u>		
LIABILITIES & NET ASSETS:				
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts Payable	\$ 10,069	\$ 3,538	\$ 13,607	\$
Due to Other Funds	600		600	73,130
Pension Payable	5,187		5,187	
Accrued Interest Payable		60,982	60,982	
Note Payable – Current		<u>5,896</u>	<u>5,896</u>	<u>5,807</u>
TOTAL CURRENT LIAB.	<u>\$ 15,856</u>	<u>\$ 70,416</u>	<u>\$ 86,272</u>	<u>\$ 78,937</u>
NON-CURRENT LIAB:				
Loan Payable – State of MI	\$	\$	\$	\$ 44,473
Loan Payable – Land	<u> </u>	<u>156,453</u>	<u>156,453</u>	<u> </u>
TOTAL NON-CURRENT				
LIABILITIES	<u>\$</u>	<u>\$ 156,453</u>	<u>\$ 156,453</u>	<u>\$ 44,473</u>
TOTAL LIABILITIES	<u>\$ 15,856</u>	<u>\$ 226,869</u>	<u>\$ 242,725</u>	<u>\$ 123,410</u>
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt Restricted for Improvements & Maintenance				
Unrestricted	<u>\$3,438,361</u>	<u>\$5,961,378</u>	<u>\$9,399,739</u>	<u>\$(109,033)</u>
TOTAL NET ASSETS	<u>\$3,438,361</u>	<u>\$5,961,378</u>	<u>\$9,399,739</u>	<u>\$(109,033)</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$3,454,217</u>	<u>\$6,188,247</u>	<u>\$9,642,464</u>	<u>\$ 14,377</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges For Services</u>	Net (Expense) <u>Revenue</u>
FUNCTIONS/PROGRAMS			
PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES:			
General Government	\$321,143	\$ 28,656	\$(292,487)
Public Safety	276,280	152,951	(123,329)
Streets	<u>45,448</u>	<u> </u>	<u>(45,448)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$642,871</u>	<u>\$181,607</u>	<u>\$(461,264)</u>
BUSINESS-TYPE ACTIVITIES:			
Water & Sewer	\$264,282	\$222,035	\$ (42,247)
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$264,282</u>	<u>\$222,035</u>	<u>\$ (42,247)</u>
TOTAL PRIMARY GOV'T	<u>\$907,153</u>	<u>\$403,642</u>	<u>\$(503,511)</u>
COMPONENT UNITS:			
Brownfield Redevelopment Authority	\$ 1,259	\$ <u> </u>	\$ (1,259)
TOTAL COMPONENT UNITS	<u>\$ 1,259</u>	<u>\$ <u> </u></u>	<u>\$ (1,259)</u>

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
CHANGE IN NET ASSETS:				
NET (EXPENSE) REVENUE	\$ <u>(461,264)</u>	\$ <u>(42,247)</u>	\$ <u>(503,511)</u>	\$ <u>(1,259)</u>
GENERAL REVENUES:				
Property Taxes	\$ 426,488	\$	\$ 426,488	\$ 19,345
State Revenue Sharing	330,373		330,373	
Franchise Fees	34,044		34,044	
Other Income	53,563		53,563	
Interest	72,155	55,592	127,747	4
Transfers	<u>104,906</u>	<u>(105,000)</u>	<u>(94)</u>	<u> </u>
TOTAL GENERAL REVENUES AND TRANSFERS	\$ <u>1,021,529</u>	\$ <u>(49,408)</u>	\$ <u>972,121</u>	\$ <u>19,349</u>
CHANGE IN NET ASETS	\$ 560,265	\$ (91,655)	\$ 468,610	\$ 18,090
Net Assets, Beginning of Year	<u>2,878,096</u>	<u>6,053,033</u>	<u>8,931,129</u>	<u>(127,123)</u>
NET ASSETS, END OF YEAR	<u>\$3,438,361</u>	<u>\$5,961,378</u>	<u>\$9,399,739</u>	<u>\$(109,033)</u>

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	<u>General</u>	<u>½ Mill Fire</u>	<u>Fire</u>	<u>Cemetery</u>	<u>Ambulance</u>	<u>Revolving & Improve.</u>	<u>Total</u>
ASSETS:							
CURRENT ASSETS:							
Cash & Cash Equiv.	\$492,521	\$154,954	\$287,471	\$ 4,025	\$136,508	\$55,628	\$1,131,107
Investments	270,509		431,711				702,220
Due from Component Unit	5,130						5,130
Due from Other Gov't Units	10,140	4,897	10,243		6,165		31,445
Due from Other Funds	15,068		3,651		1,440		20,159
Property Taxes Rec.	<u>1,402</u>	<u>792</u>	<u>6,638</u>	—	—	—	<u>8,832</u>
TOTAL CURRENT ASSETS	\$794,770	\$160,643	\$739,714	\$ 4,025	\$144,113	\$55,628	\$1,898,893
RESTRICTED ASSETS:							
Cash & Cash Equiv.	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL RESTRICTED ASSETS	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL ASSETS	<u>\$794,770</u>	<u>\$160,643</u>	<u>\$739,714</u>	<u>\$ 4,025</u>	<u>\$144,113</u>	<u>\$55,628</u>	<u>\$1,898,893</u>
LIABILITIES AND FUND BALANCES:							
LIABILITIES:							
Accounts Payable	\$ 7,803	\$ _____	\$ 2,259	\$ 7	\$ _____	\$ _____	\$ 10,069
Due to Other Funds	501		99				600
Pension Payable	<u>5,187</u>						<u>5,187</u>
TOTAL LIAB.	\$ 13,491	\$ _____	\$ 2,358	\$ 7	\$ _____	\$ _____	\$ 15,856
FUND BALANCES:							
Restricted	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Unreserved	<u>781,279</u>	<u>160,643</u>	<u>737,356</u>	<u>4,018</u>	<u>144,113</u>	<u>55,628</u>	<u>1,883,037</u>
TOTAL FUND BALANCES	<u>\$781,279</u>	<u>\$160,643</u>	<u>\$737,356</u>	<u>\$ 4,018</u>	<u>\$144,113</u>	<u>\$ 55,628</u>	<u>\$1,883,037</u>
TOTAL LIABILITIES & FUND BAL.	<u>\$794,770</u>	<u>\$160,643</u>	<u>\$739,714</u>	<u>\$ 4,025</u>	<u>\$144,113</u>	<u>\$ 55,628</u>	<u>\$1,898,893</u>

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

OWOSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2007

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS \$1,883,037

Total Net Assets Reported for Governmental Activities in the
Statement of Net Assets are Different Because –

Capital Assets used in Governmental Activities are not
Financial Resources and therefore are not reported in the
Governmental Funds Balance Sheet:

Capital Assets at Cost	3,464,287
Accumulated Depreciation	<u>(1,908,963)</u>

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES \$3,438,361

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	<u>General</u>	<u>½ Mill Fire</u>	<u>Fire</u>	<u>Cemetery</u>	<u>Ambulance</u>	<u>Revolving & Improve.</u>	<u>Total</u>
REVENUES:							
Property Taxes	\$147,811	\$ 66,224	\$ 137,308	\$	\$ 75,145	\$	\$ 426,488
State Rev. Sharing	330,373						330,373
Charges for Serv.			109,021	10,700	33,230		152,951
Trailer Taxes	2,118						2,118
Permits & Licenses	28,656						28,656
Service Agreement	6,000						6,000
Admin. Fees	5,860						5,860
Metro Act	6,354						6,354
Penalties	5,717		152				5,869
Franchise Fees	34,044						34,044
Int/Dividends	25,535	1,456	33,996	27	2,651	8,490	72,155
Other Income	<u>11,699</u>	<u>200</u>	<u>11,980</u>		<u>3,485</u>		<u>27,364</u>
TOTAL REV.	<u>\$604,167</u>	<u>\$ 67,880</u>	<u>\$ 292,457</u>	<u>\$ 10,727</u>	<u>\$114,511</u>	<u>\$ 8,490</u>	<u>\$1,098,232</u>
EXPENDITURES:							
General Govt.	\$239,969	\$	\$	\$	\$	\$	\$ 239,969
Public Safety		2,168	130,311		112,605		245,084
Streets	159,861						159,861
Capital Outlay	267,545	1,395	271,556				540,496
Other	<u>5,797</u>			<u>13,204</u>			<u>19,001</u>
TOTAL EXPEND.	<u>\$673,172</u>	<u>\$ 3,563</u>	<u>\$ 401,867</u>	<u>\$ 13,204</u>	<u>\$112,605</u>	<u>\$</u>	<u>\$1,204,411</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	<u>\$ (69,005)</u>	<u>\$ 64,317</u>	<u>\$ (109,410)</u>	<u>\$ (2,477)</u>	<u>\$ 1,906</u>	<u>\$ 8,490</u>	<u>\$ (106,179)</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONTINUED)
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>General</u>	<u>½ Mill Fire</u>	<u>Fire</u>	<u>Cemetery</u>	<u>Ambulance</u>	<u>Revolv. & Improve.</u>	<u>Total</u>
OTHER SOURCES OF FUNDS:							
Transfers In	\$263,034	\$	\$ 55,000	\$ 5,000	\$	\$	\$ 323,034
Transfers Out	<u>(5,000)</u>	_____	_____	_____	<u>(13,034)</u>	<u>(200,000)</u>	<u>(218,034)</u>
TOTAL OTHER SOURCES OF FUNDS	<u>\$258,034</u>	<u>\$ _____</u>	<u>\$ 55,000</u>	<u>\$ 5,000</u>	<u>\$(13,034)</u>	<u>\$(200,000)</u>	<u>\$ 105,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES & OTHER SOURCES OF FUNDS							
	\$189,029	\$ 64,317	\$ (54,410)	\$ 2,523	\$ (11,128)	\$(191,510)	\$ (1,179)
Fund Balance April 1, 2006	<u>592,250</u>	<u>96,326</u>	<u>791,766</u>	<u>1,495</u>	<u>155,241</u>	<u>247,138</u>	<u>1,884,216</u>
FUND BALANCE AT MARCH 31, 2007	<u>\$781,279</u>	<u>\$160,643</u>	<u>\$737,356</u>	<u>\$ 4,018</u>	<u>\$144,113</u>	<u>\$ 55,628</u>	<u>\$1,883,037</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2007

Net Changes in Fund Balances – Total Government Funds	\$ (1,179)
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, these costs are allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation Expense	(109,587)
Capital Outlay	<u>671,031</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$560,265</u>

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS:			
CURRENT ASSETS:			
Cash & Cash Equivalents	\$185,753	\$ 66,101	\$ 251,854
Investments		949,720	949,720
Customer Receivables	9,508		9,508
Due from Component Unit		68,000	68,000
Accounts Receivable – Special Assmts.		15,173	15,173
Accounts Receivable – County Delinq.		<u>5,118</u>	<u>5,118</u>
TOTAL CURRENT ASSETS	<u>\$195,261</u>	<u>\$1,104,112</u>	<u>\$1,299,373</u>
RESTRICTED ASSETS:			
Cash & Cash Equivalents	\$ _____	\$ _____	\$ _____
TOTAL RESTRICTED ASSETS	\$ _____	\$ _____	\$ _____
NON-CURRENT ASSETS:			
Capital Assets:			
Land	\$ _____	\$ 397,680	\$ 397,680
Other Capital Assets	222,030	885,855	1,107,885
Less: Accumulated Depreciation	<u>(111,841)</u>	<u>(879,549)</u>	<u>(991,390)</u>
TOTAL NON-CURRENT ASSETS	<u>\$110,189</u>	<u>\$ 403,986</u>	<u>\$ 514,175</u>
OTHER ASSETS:			
Investment in Subsidiary	\$ _____	\$4,374,699	\$4,374,699
TOTAL OTHER ASSETS	\$ _____	<u>\$4,374,699</u>	<u>\$4,374,699</u>
TOTAL ASSETS	<u>\$305,450</u>	<u>\$5,882,797</u>	<u>\$6,188,247</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF NET ASSETS (CONTINUED)
 PROPRIETARY FUNDS
 MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
LIABILITIES & NET ASSETS:			
CURRENT LIABILITIES:			
Accounts Payable	\$ 3,538	\$	\$ 3,538
Accrued Interest Payable		60,982	60,982
Note Payable – Current		<u>5,896</u>	<u>5,896</u>
TOTAL CURRENT LIABILITIES	<u>\$ 3,538</u>	<u>\$ 66,878</u>	<u>\$ 70,416</u>
LONG-TERM LIABILITIES:	<u>\$</u>	<u>\$ 156,453</u>	<u>\$ 156,453</u>
NET ASSETS:			
Retained Earnings:			
Invested in Capital Assets, Net of Related Debt			
Restricted			
Unrestricted	\$301,912	\$5,659,466	\$5,961,378
TOTAL NET ASSETS	<u>\$301,912</u>	<u>\$5,659,466</u>	<u>\$5,961,378</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$305,450</u>	<u>\$5,882,797</u>	<u>\$6,188,247</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES:			
Water Sales	\$ 22,298	\$	\$ 22,298
Sewer Disposal Services		167,193	167,193
Tap-In Fees		<u>32,544</u>	<u>32,544</u>
TOTAL OPERATING REVENUES	<u>\$ 22,298</u>	<u>\$ 199,737</u>	<u>\$ 222,035</u>
OPERATING EXPENSES:			
Interest Expense	\$	\$ 16,457	\$ 16,457
Supplies	128		128
Operating Supplies/Maintenance	1,766	154,246	156,012
Contractual Services	4,000		4,000
Insurance	2,181		2,181
Utilities	2,006	152	2,158
Repairs & Maintenance	16,583		16,583
Professional Fees	2,357		2,357
Depreciation	<u>4,802</u>	<u>6,304</u>	<u>11,106</u>
TOTAL OPERATING EXPENSES	<u>\$ 33,823</u>	<u>\$ 177,159</u>	<u>\$ 210,982</u>
OPERATING INCOME (LOSS)	<u>\$ (11,525)</u>	<u>\$ 22,578</u>	<u>\$ 11,053</u>
NON-OPERATING REVENUES:			
Interest	\$ 5,524	\$ 47,183	\$ 52,707
Dividends		<u>2,885</u>	<u>2,885</u>
TOTAL NON-OPERATING REVENUES	<u>\$ 5,524</u>	<u>\$ 50,068</u>	<u>\$ 55,592</u>
OTHER USES OF FUNDS:			
Transfer In	\$	\$	\$
Transfer Out	<u>(50,000)</u>	<u>(55,000)</u>	<u>(105,000)</u>
TOTAL OTHER USES OF FUNDS	<u>\$ (50,000)</u>	<u>\$ (55,000)</u>	<u>\$ (105,000)</u>
CHANGE IN NET ASSETS	\$ (56,001)	\$ 17,646	\$ (38,355)
Net Assets, Beginning of Year	357,913	5,695,120	6,053,033
Decrease in Value of Subsidiary		<u>(53,300)</u>	<u>(53,300)</u>
NET ASSETS, END OF YEAR	<u>\$ 301,912</u>	<u>\$ 5,659,466</u>	<u>\$ 5,961,378</u>

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 20,874	\$ 222,730	\$ 243,604
Cash Received from Component Unit		14,000	14,000
Cash Payments to Suppliers for Goods & Services	(21,856)	(217,173)	(239,029)
Cash Payments to Employees for Serv.	<u>(4,000)</u>	<u> </u>	<u>(4,000)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (4,982)</u>	<u>\$ 19,557</u>	<u>\$ 14,575</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers Out	<u>\$ (50,000)</u>	<u>\$ (55,000)</u>	<u>\$ (105,000)</u>
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCIAL ACTIVITIES	<u>\$ (50,000)</u>	<u>\$ (55,000)</u>	<u>\$ (105,000)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:			
Acquisition & Construction of Capital Assets	<u>\$ (16,695)</u>	<u>\$ </u>	<u>\$ (16,695)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends	\$	\$ 2,885	\$ 2,885
Interest Income	<u>5,524</u>	<u>47,183</u>	<u>52,707</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$ 5,524</u>	<u>\$ 50,068</u>	<u>\$ 55,592</u>
NET INCREASE (DECREASE) IN CASH	\$ (66,153)	\$ 14,625	\$ (51,528)
Balances – Beginning of Year	<u>251,906</u>	<u>1,001,196</u>	<u>1,253,102</u>
BALANCES – END OF YEAR	<u>\$185,753</u>	<u>\$1,015,821</u>	<u>\$1,201,574</u>
Cash, Including Time Deposits	<u>\$185,753</u>	<u>\$1,015,821</u>	<u>\$1,201,574</u>
TOTAL CASH & CASH EQUIVALENTS END OF YEAR	<u>\$185,753</u>	<u>\$1,015,821</u>	<u>\$1,201,574</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Income (Loss) from Operations	\$(11,525)	\$ 22,578	\$ 11,053
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,802	6,304	11,106
(Increase) Decrease in Receivables	(1,425)	36,993	35,568
(Increase) in Accrued Interest Payables		(6,508)	6,508
Increase (Decrease) in Payables	<u>3,166</u>	<u>(52,826)</u>	<u>(49,660)</u>
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	<u>\$ (4,982)</u>	<u>\$ 19,557</u>	<u>\$ 14,575</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BALANCE SHEET
 FIDUCIARY FUNDS
 MARCH 31, 2007

	<u>Tax Account</u>	<u>Trust & Agency</u>	<u>Total</u>
ASSETS:			
Cash in Bank	\$20,160	\$	\$20,160
Due from Other Funds		<u>600</u>	<u>600</u>
TOTAL ASSETS	<u>\$20,160</u>	<u>\$ 600</u>	<u>\$20,760</u>
LIABILITIES AND FUND BALANCES:			
Due to Other Governments	\$	\$ 506	\$ 506
Due to General Fund	15,068	94	15,162
Due to Fire Fund	3,652		3,652
Due to Ambulance Fund	<u>1,440</u>		<u>1,440</u>
TOTAL LIABILITIES	<u>\$20,160</u>	<u>\$ 600</u>	<u>\$20,760</u>
FUND BALANCE	\$ _____	\$ _____	\$ _____
TOTAL LIABILITIES AND FUND BALANCES	<u>\$20,760</u>	<u>\$ 600</u>	<u>\$20,760</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF CHANGES IN NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

RECEIPTS:	
Current Property Taxes	\$3,743,440
Delinquent Taxes & Penalties	88,410
Dog Licenses	210
Interest Income	1,640
Overpaid Taxes	11,700
Penalties	<u>82</u>
TOTAL RECEIPTS	\$3,845,482
DISBURSEMENTS:	
Shiawassee County	\$2,240,505
State of Michigan	85,044
Shiawassee Library	157,556
RESD	533
Owosso Schools	1,015,061
Ovid/Elsie Schools	14,419
Clinton County	6,867
General Fund	282,222
Fire Fund	244,648
Fire Fund – ½ Mill	120,305
Ambulance Fund	144,590
Sewer Fund	39,992
Brownfield Fund	32,440
Refund Overpaid Taxes	<u>11,700</u>
TOTAL DISBURSEMENTS	\$4,395,882
EXCESS RECEIPTS OVER DISBURSREMENTS	\$ (550,400)
Beginning Cash Balance	<u>570,560</u>
ENDING CASH BALANCE	\$ <u>20,160</u>

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF CHANGES IN NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED MARCH 31, 2007

Trust &
Agency Account

RECEIPTS:

Trailer Tax Income	\$12,708
Payroll Taxes	<u>38,307</u>
TOTAL RECEIPTS	<u>\$51,015</u>

DISBURSEMENTS:

Trailer Taxes to County/State	\$11,483
Trailer Taxes to General Fund	2,118
Payroll Taxes	<u>38,307</u>
TOTAL DISBURSEMENTS	<u>\$51,908</u>

EXCESS RECEIPTS OVER DISBURSEMENTS \$ (893)

Beginning Cash Balance 893

ENDING CASH BALANCE \$ 0

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
BALANCE SHEET
COMPONENT UNIT
MARCH 31, 2007

Brownfield
Redevelopment Authority

ASSETS:

Cash in Bank	\$ <u>14,377</u>
TOTAL ASSETS	\$ <u>14,377</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES:

Due to Sewer Fund	\$ 68,000
Due to General Fund	<u>5,130</u>
TOTAL CURRENT LIABILITIES	\$ 73,130

FUND BALANCE:

Unreserved	\$ (58,753)
TOTAL FUND BALANCE	\$ <u>14,377</u>

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF BALANCE SHEET OF COMPONENT UNIT
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2007

TOTAL FUND BALANCE – COMPONENT UNIT \$ (58,753)

Total Net Assets Reported for Component Unit Activities in the
Statement of Net Assets are different because:

Long-Term Liabilities are not Due and Payable in the Current
Period and are not Reported in the Component Units
Balance Sheet (50,280)

TOTAL NET ASSETS – COMPONENT UNIT ACTIVITIES \$(109,033)

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

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 COMPONENT UNIT
 FOR THE YEAR ENDED MARCH 31, 2007

Brownfield
 Redevelopment Authority

REVENUES:

Property Taxes	\$ 19,345
Interest	<u>4</u>
TOTAL REVENUES	\$ <u>19,349</u>

EXPENDITURES:

Long-Term Debt Payment:	
Interest	\$ 1,259
Principal	<u>5,679</u>
TOTAL EXPENDITURES	\$ <u>6,938</u>

EXCESS OF REVENUES OVER EXPENDITURES \$ 12,411

OTHER USES OF FUNDS:

Transfer to Primary Government	\$ <u> </u>
TOTAL OTHER USES OF FUNDS	\$ <u> </u>

EXCESS (DEFIENCY) OF REVENUES OVER
 EXPENDITURES AND OTHER USES OF FUNDS \$ 12,411

Fund Balance at April 1, 2006 (71,164)

FUND BALANCE AT MARCH 31, 2007 \$ (58,753)

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

OWOSSO CHARTER TOWNSHIP
SHLAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF COMPONENT UNITS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007

Net Changes in Fund Balance – Component Unit	\$12,411
Total Change in Net Assts Reported for Component Unit Activities in the Statement of Activities is different because:	
Component Unit Funds report repayment of loan principal as an Expenditure, but not in the Statement of Activities (where it reduces long-term debt)	
Loan Principal Repayment – State of Michigan	<u>5,679</u>
CHANGE IN NET ASSETS OF COMPONENT UNIT ACTIVITIES	<u>\$18,090</u>

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Owosso Charter Township, Shiawassee County, Michigan, conform to accounting principles 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 the Owosso Charter Township.

1 – REPORTING ENTITY

Owosso Charter Township is governed by a seven member Board. The accompanying financial statements present the government and its component unit, entities for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

JOINT VENTURES

Owosso Township entered into a joint venture with Caledonia Township for the creation of a Utility Authority. Owosso Township owns 50% of the authority's equity. MCGA Statement 7 requires that this investment be shown on Owosso Township's financial records (Sewer Usage Fund) an Enterprise Fund, using the equity method of accounting. The Utility Authority has 6 board members. Each Township appoints 3 individuals to the board. The Utility Authority budgets and finances are governed entirely by this 6 person board. Following is a summary of the Utility Authority (all amounts shown are as of December 31, 2006, the year end for the Utility Authority).

Total Assets	<u>\$8,751,892</u>
Total Liabilities	<u>\$ 2,494</u>
Total Equity – General Fund Contribution Capital	\$8,384,164
- Retained Earnings	<u>365,234</u>
	<u>\$8,749,398</u>
 Total Revenue	 <u>\$ 530,528</u>
Total Expenditures – General Fund	\$ 637,127
(Depreciation on Assets Acquired by Grants)	<u>(171,126)</u>
	<u>\$ 466,001</u>
 Net Income from Operations	 <u>\$ 64,527</u>

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1 – REPORTING ENTITY (CONTINUED)

OWOSSO-CALEDONIA UTILITY AUTHORITY

Owosso Township is responsible for 50% of all liabilities. The assets ownership corresponds to the liability percentage.

Owosso Townships share of the Utility Authority is as follows:

Assets	\$4,375,946
Liabilities	1,247
Equity	4,374,699
Change in Equity	(53,300)

Owosso Township's share of the joint venture debt is disclosed in other footnotes. It is shown as a debt on the Sewer Usage Fund.

All income of the Sewer Usage Fund come from the Utility Authority (shown as an expense of the Utility Authority).

DISCRETELY PRESENTED COMPONENT UNIT

The Brownfield Redevelopment Authority was established to promote the revitalization of environmentally distressed area within the Township. Board members are appointed by the Board. The Brownfield Authority is fiscally dependent upon the Township, because the Board approves its budget, levies taxes and must approve any debt issuance. The Redevelopment Authority is presented as a governmental type fund.

2 – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements, (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 and its component unit. For the most part, the effect of interfund 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2 – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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

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

3 – MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected with 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.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Fines, permits, and other license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS

General Funds – This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

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

PROPRIETARY FUNDS

ENTERPRISE FUNDS

These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that period determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Enterprise Funds are charged to customers for services. The Enterprise Funds also recognize as operating revenues the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Enterprise Fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

FIDUCIARY FUNDS

Trust Funds – These funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4 – ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

CASH AND CASH EQUIVALENTS

Cash and cash equivalents investments include cash on hand, demand deposits and certificates of deposit with a maturity of three months or less when acquired. They are stated at fair value.

RECEIVABLES AND PAYABLES

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "due to/from other funds." Outstanding balances between the primary government and the discretely presented component units are reported as "due to/from primary government and due to/from component unit."

INVENTORIES AND PREPAID ITEMS

Inventories of supplies are considered to be immaterial and are not recorded. Certain payments to vendors reflect costs applicable to future fiscal years, however, the amount was immaterial, and therefore no prepaid items are reported.

PROPERTY TAXES

Taxes levied on December 1, are payable on February 14. The county bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

The Township is permitted by the Municipal Finance Law of the State to levy taxes up to 1 mill for general governmental services. 1.4865 mill is levied to pay for fire services and .9485 mill is levied for the general fund.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES (CONTINUED)

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The County intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. This took place in April 2007. These taxes have been recorded as revenue for the current year.

The taxable value is \$130,402,654.

ENCUMBRANCES

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$300 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 donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings & Additions	50 years
Building Improvements	20 years
Furniture, Fixtures and Equipment	3 to 7 years
Infrastructure	15 to 20 years
Water Towers	50 years
Wells	20 years

COMPENSATED ABSENCES (VACATION AND SICK PAY)

The Township does not pay sick or vacation time for its employees.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

POST-EMPLOYMENT BENEFITS – COBRA BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) the Township makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. There are no participants in this program as of March 31, 2007.

LONG-TERM OBLIGATIONS

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

FUND EQUITY

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

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 the reported amounts assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

COMPARATIVE DATA

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

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year by a majority vote of the Township Board. The Township Clerk is authorized to transfer budgeted amounts between classifications within any fund. These adjustments must be approved by the Township Board at the next meeting.
7. The adopted budgets are used as a management control device, during the year, for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.
10. The Brownfield Authority, a discretely presented component unit, follows the same procedures as the Township in establishing their budget.

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

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

<u>Budgeted Item</u>	<u>Budget Appropriation</u>	<u>Actual Expenditure</u>
General – Township Board – Payroll Taxes	\$ 575	\$ 1,076
General – Township Hall – Operating Supplies/Maint.	2,200	2,207
General – Township Hall – Gas & Oil	400	1,760
General – Zoning – Telephone	1,500	1,537
General – Other – Airport	3,500	5,643
Fire – Pension	1,000	2,168
Cemetery – Repairs & Maintenance	2,300	2,444
Ambulance – Payroll Taxes		6,092
Sewer – Interest Expense		16,457
Water – Supplies	100	128
Water – Repairs & Maintenance	13,300	16,583
Brownfield – Contractual		6,938

NOTE C – DEPOSITS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States government or federal agency obligations; repurchase agreements; banker's acceptance of the 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. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE C – DEPOSITS (CONTINUED)

The Township Board has designated three banks for the deposit of Township funds. The investment policy adopted by the council in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

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

The Government Accounting Standards Board Statement No. 3, risk disclosure for the cash deposits are as follows:

	<u>Carrying Amounts</u>	
	<u>Primary Government</u>	<u>Component Unit</u>
FDIC Insured	\$ 500,000	\$ 14,377
Uninsured/Uncollateralized	<u>903,021</u>	
Total Deposits	<u>\$1,403,021</u>	<u>\$ 14,377</u>

Amounts in the bank balances are without considering deposit in transit or uncleared checks.

	<u>Bank Balances</u>	
	<u>Primary Government</u>	<u>Component Unit</u>
	<u>\$1,388,065</u>	<u>\$ 14,377</u>

Cash and cash equivalents caption on the government-wide statement of net assets includes \$100 in imprest cash.

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund transfers is as follows:

<u>Transfers In</u>		<u>Transfers Out</u>	
Primary Government		Primary Government	
General Fund	\$263,034	Revolving & Improve. Fund	\$200,000
Fire Fund	55,000	Sewer Fund	55,000
Cemetery Fund	<u>5,000</u>	Water Fund	50,000
		Ambulance Fund	13,034
		General Fund	<u>5,000</u>
	<u>\$323,034</u>		<u>\$323,034</u>

The composition of interfund receivables/payables is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due from Component</u>	
General	\$15,068	\$ 5,130	Tax Revenues & Reimbursements for clean-up.
Fire	3,651		Tax Revenues
Ambulance	1,440		Tax Revenues
Trust & Agency	600		Tax Revenues
Sewer	<u> </u>	<u>68,000</u>	Reimburse for monies borrowed for clean-up
	<u>\$20,759</u>	<u>\$73,130</u>	

<u>Fund</u>	<u>Due to Other Funds</u>	<u>Due to Primary</u>
General	\$ 501	\$ 5,130
Fire	99	
Sewer		68,000
Tax Brownfield	<u>20,159</u>	
	<u>\$20,759</u>	<u>\$73,130</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE E – CAPITAL ASSETS

Capital asset activity of the Township's Governmental and Proprietary activities for the current year was as follows:

	<u>Balance</u> <u>3-31-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3-31-07</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ <u>25,001</u>	\$ _____	\$ _____	\$ <u>25,001</u>
Capital Assets being Depreciated:				
Land Improvements	\$ 233,860	\$ _____	\$ _____	\$ 233,860
Buildings	519,176	531,118		1,050,294
Infrastructures	385,361	114,412		499,773
Machinery & Equipment	458,880	9,181		468,061
Office Equipment & Furn.	103,944	16,321		120,265
Vehicles	<u>1,067,033</u>	_____	_____	<u>1,067,033</u>
TOTAL	\$2,768,254	\$671,032	\$ _____	\$ 3,439,286
Accumulated Depreciation	<u>(1,799,376)</u>	<u>(109,587)</u>	_____	<u>\$(1,908,963)</u>
Net Capital Assets being Depreciation	<u>968,878</u>	<u>561,445</u>	_____	<u>\$ 1,530,323</u>
NET GOVERNMENTAL CAPITAL ASSETS	\$ <u>993,879</u>	<u>\$561,445</u>	\$ _____	<u>\$ 1,555,324</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE E – CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>3-31-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3-31-07</u>
BUSINESS-TYPE ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ <u>397,680</u>	\$ _____	\$ _____	\$ <u>397,860</u>
Capital Assets being Depreciated:				
Buildings	\$ _____	\$ _____	\$ _____	\$ _____
Equipment				
Sewer System	885,855			885,855
Water Towers/Wells	<u>205,335</u>	<u>16,695</u>	_____	<u>222,030</u>
TOTAL	\$1,091,190	\$16,695	\$ _____	\$1,107,885
Accumulated Depreciation	<u>(980,284)</u>	<u>(11,106)</u>	_____	<u>(991,390)</u>
Net Capital Assets being Depreciated	<u>110,906</u>	<u>5,589</u>	_____	<u>116,495</u>
NET BUSINESS-TYPE CAPITAL ASSETS	\$ <u>508,586</u>	\$ <u>5,589</u>	\$ _____	\$ <u>514,175</u>

NOTE F – INVESTMENTS

Investing is performed in accordance with the investment policy of Owosso Charter Township. Any investments must be made in compliance with Public Act 20 of 1943, as amended. Edward Jones handles the investment activity for Owosso Charter Township and understands the investment policy and Public Act 20 of 1943, as amended. The Township's investments at March 31, 2007, are composed as follows:

<u>Fund</u>	<u>Total</u>	<u>Cash/</u> <u>Money Market</u>	<u>Unit Trusts</u>	<u>Bonds</u>
General	\$ 270,509	\$ 34,859	\$ _____	\$235,650
Sewer	949,720	63,758	467,441	418,521
Fire	<u>431,711</u>	<u>169,701</u>	_____	<u>262,010</u>
	<u>\$1,651,940</u>	<u>\$268,318</u>	<u>\$467,441</u>	<u>\$916,181</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE G – PENSION

The Township established a pension for certain employees, effective August 1, 1991. The Township contributes 7.65% of the employee's salary. Voluntary contributions up to 10% of compensation are permissible by the employee. The Township contributed \$7,802 for the year ended March 31, 2007 for pension expense.

NOTE H – BROWNFIELD FUND DEFICIT

The Brownfield Fund has a deficit. A fund deficit is impermissible under P.A. 275 of 1980. A deficit elimination plan has been submitted to the Michigan Department of Treasury. The Brownfield Fund deficit at March 31, 2007 is \$58,753.

NOTE I – LONG-TERM DEBT – COMPONENT UNIT AND PROPRIETARY FUNDS

The Township established a Brownfield Redevelopment Authority to clean up contaminated sites. To fund the cleanup, the Authority borrowed \$70,000 from the State of Michigan. The loan is payable with interest at 2 ¼% per annum, commencing June 30, 2004. The loan is secured by state shared revenues and the full faith and credit of the township.

A summary of changes in long-term debt follows:

	<u>Balance</u> <u>4-01-06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-07</u>
Component Unit				
State of Michigan Payment	\$ <u>55,958</u>	\$ _____	\$ <u>5,679</u>	\$ <u>50,279</u>
Proprietary Funds				
Sewer Fund-Land Payment	\$ <u>167,875</u>	\$ _____	\$ <u>5,526</u>	\$ <u>162,349</u>

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE I – LONG-TERM DEBT – COMPONENT UNIT AND PROPRIETARY FUNDS (CONTINUED)

Annual debt service requirements to maturity for the above obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Component Unit			
2007	\$ 5,679	\$ 1,259	\$ 6,938
2008	5,807	1,131	6,938
2009	5,937	1,001	6,938
2010	6,071	867	6,938
2011	6,208	730	6,938
2012	6,347	591	6,938
After	<u>19,910</u>	<u>900</u>	<u>20,812</u>
	<u>\$ 55,959</u>	<u>\$ 6,479</u>	<u>\$ 62,438</u>
Proprietary Funds – Sewer			
2007	\$ 5,526	\$ 9,949	\$ 15,475
2008	5,896	9,579	15,475
2009	6,260	9,215	15,475
2010	6,646	8,829	15,475
2011	7,020	8,454	15,475
2012	7,454	8,021	15,475
After	<u>129,613</u>	<u>51,126</u>	<u>180,739</u>
	<u>\$168,416</u>	<u>\$105,173</u>	<u>\$273,589</u>

NOTE J – RISK MANAGEMENT

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

NOTE K - BUILDING PERMITS

As of March 31, 2007, the Township had building permit revenues of \$28,656 and building permit expenses of \$22,324.

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 MARCH 31, 2007

NOTE L – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Township maintains two Enterprise Funds which provide sewer and water services. Segment information for the year ended March 31, 2007, is as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>
Operating Revenues	\$ 199,737	\$ 22,298
Depreciation Expense	6,304	4,802
Net Income (Loss)	(35,654)	(56,001)
Net Working Capital	5,659,466	301,912
Net Assets	5,882,797	305,450

NOTE M – MUNICIPAL FUND SERVICE CONTRACT

Owosso Charter Township has entered into a Municipal Fund Service Contract for the years 2004 through 2039 with a residential apartment complex. This contract pays Owosso Charter Township ambulance fees in lieu of property taxes. All fees are due by February 14, each year as follows:

<u>Year</u>	<u>Amount</u>
2004 – 2010	\$ 5,500
2011 – 2015	6,000
2016 – 2020	6,500
2021 – 2026	7,000
2027 – 2032	7,500
2033 – 2039	8,000

Ambulance fees are paid in addition to the above schedule. In addition, the complex pays 4% of gross revenues to the Township.

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2007

NOTE N – DEFERRED COMPENSATION

The Township does not have a deferred compensation plan.

NOTE O – MOBILE MEDICAL RESPONSE, INC.

Owosso Township Rescue entered into an agreement with Mobile Medical Response, Inc., of Saginaw on August 24, 2005. The agreement states that MMR will assume the responsibility of providing ambulance service to the citizens of Owosso Township and of paying for the required insurances, maintenance and utility costs. MMR has also entered into a lease for the current vehicles and buildings for one dollar per year per item. Owosso Charter Township agrees to pay a minimum of \$102,000 annually based on an annual charge of \$30 per household for the service.

NOTE P – NEW FIRE STATION

In February of 2006, Owosso Charter Township accepted a bid from Berthum Builders to build a new fire station on North M-52 for \$564,085. As of March 31, 2007, \$282,442 has been paid from General Fund and \$271,555 from the Fire Fund.

Dedication of the new station is set for May 2007.

REQUIRED
SUPPLEMENTARY
INFORMATION

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$140,000	\$141,796	\$147,811	\$ 6,015
State Revenue Sharing	350,000	277,610	330,373	52,763
Trailer Taxes	2,000	1,942	2,118	176
Permits & Licenses	25,500	27,064	28,656	1,592
Service Agreements – Stoney Creek	30,000	4,000	6,000	2,000
Admin. Fees			5,860	5,860
Metro Act			6,354	6,354
Penalties	300	715	5,717	5,002
Franchise Fee		19,388	34,044	14,656
Interest	5,000	3,829	24,379	20,550
Dividends			1,156	1,156
Misc. Income	<u>3,000</u>	<u>8,851</u>	<u>11,699</u>	<u>2,848</u>
TOTAL REVENUES	<u>\$555,800</u>	<u>\$485,195</u>	<u>\$604,167</u>	<u>\$118,972</u>
EXPENDITURES:				
Township Board:				
Salaries	\$ 19,400	\$ 18,950	\$ 18,426	\$ (524)
Payroll Taxes	1,225	575	1,076	501
Pension	12,000	7,701	5,634	(2,067)
Supplies	1,000	1,000	273	(727)
Attorney Fees	20,000	20,000	6,538	(13,462)
Audit	6,000	6,000	3,960	(2,040)
Mileage	575	575	129	(446)
Printing & Publishing	1,200	1,400	1,234	(166)
Education & Training	5,000	5,700	5,643	(57)
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>46</u>	<u>(954)</u>
TOTAL BOARD	<u>\$ 67,400</u>	<u>\$ 62,901</u>	<u>\$ 42,959</u>	<u>\$ (19,942)</u>
Supervisor:				
Salaries	\$ 18,000	\$ 18,000	\$ 17,800	\$ (200)
Supplies	1,000	1,100	1,008	(92)
Mileage	600	600	126	(474)
Miscellaneous	<u>400</u>	<u>400</u>	<u>_____</u>	<u>(400)</u>
TOTAL SUPERVISOR	<u>\$ 20,000</u>	<u>\$ 20,100</u>	<u>\$ 18,934</u>	<u>\$ (1,166)</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Assessor:				
Salaries	\$ 21,000	\$ 21,000	\$ 20,250	\$ (750)
Payroll Taxes	300	300	294	(6)
Supplies	5,000	5,000	1,817	(3,183)
Computers/Software	<u> </u>	<u>1,400</u>	<u>1,360</u>	<u>(40)</u>
TOTAL ASSESSOR	<u>\$ 26,300</u>	<u>\$ 27,700</u>	<u>\$ 23,721</u>	<u>\$ (3,979)</u>
Elections:				
Salaries	\$ 15,000	\$ 15,000	\$ 4,353	\$ (10,647)
Payroll Taxes	1,000	1,000		(1,000)
Supplies	4,700	4,700	3,010	(1,690)
Printing & Publishing	800	1,400	1,392	(8)
Repairs & Maintenance	500	500	125	(375)
Rental	<u>1,000</u>	<u>1,000</u>	<u>315</u>	<u>(685)</u>
TOTAL ELECTIONS	<u>\$ 23,000</u>	<u>\$ 23,600</u>	<u>\$ 9,195</u>	<u>\$ (14,405)</u>
Clerk:				
Salaries	\$ 18,000	\$ 18,200	\$ 18,200	\$
Salaries – Deputy	3,500	3,500	2,802	(698)
Payroll Taxes	300	500	478	(22)
Supplies	2,500	2,500	1,023	(1,477)
Computers/Software	8,000	9,800	9,723	(77)
Mileage	600	600	333	(267)
Utilities	<u> </u>	<u>100</u>	<u>94</u>	<u>(6)</u>
TOTAL CLERK	<u>\$ 32,900</u>	<u>\$ 35,200</u>	<u>\$ 32,653</u>	<u>\$ (2,547)</u>
Board of Review:				
Salaries	\$ 1,200	\$ 1,200	\$ 950	\$ (250)
Payroll Taxes	100	100	73	(27)
Mileage	100	100		(100)
Printing & Publishing	<u>100</u>	<u>100</u>	<u>27</u>	<u>(73)</u>
TOTAL BOARD OF REVIEW	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,050</u>	<u>\$ (450)</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Treasurer:				
Salaries	\$ 18,200	\$ 18,200	\$ 18,000	\$ (200)
Salaries – Deputy	4,000	4,100	4,093	(7)
Payroll Taxes	300	600	574	(26)
Supplies	5,500	5,500	3,432	(2,068)
Tax Preparation	5,000	5,800	3,104	(2,696)
Computers/Software	<u>1,000</u>	<u>1,700</u>	<u>1,673</u>	<u>(27)</u>
TOTAL TREASURER	<u>\$ 34,000</u>	<u>\$ 35,900</u>	<u>\$ 30,876</u>	<u>\$ (5,024)</u>
Township Hall:				
Salaries	\$ 4,350	\$ 4,350	\$ 3,535	\$ (815)
Payroll Taxes	200	200	172	(28)
Supplies	500	500		(500)
Operating Supplies & Maint.		2,200	2,207	7
Gas & Oil	300	400	1,760	1,360
Trash Pickup	750	750		(750)
Telephone	1,200	1,700	222	(1,478)
Snowplowing	1,700	1,700	1,375	(325)
Insurance	26,000	26,000	17,642	(8,358)
Utilities	7,000	7,600	6,882	(718)
Repairs & Maint.	28,000	28,000	2,108	(25,892)
Capital Outlay	<u>509,200</u>	<u>488,500</u>	<u>267,545</u>	<u>(220,955)</u>
TOTAL TOWNSHIP HALL	<u>\$579,200</u>	<u>\$561,900</u>	<u>\$303,448</u>	<u>\$(258,452)</u>
Building Inspection:				
Salaries	\$ 19,000	\$ 19,000	\$ 12,447	\$ (6,553)
Payroll Taxes	1,500	1,500	952	(548)
Supplies	750	750	384	(366)
Contractual Services	15,000	15,000	7,000	(8,000)
Mileage		300	229	(71)
Printing & Publishing	750	750		(750)
Education & Training		600	547	(53)
Miscellaneous		<u>800</u>	<u>765</u>	<u>(35)</u>
TOTAL BUILDING INSPECT.	<u>\$ 37,000</u>	<u>\$ 38,700</u>	<u>\$ 22,324</u>	<u>\$ (16,376)</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Zoning:				
Salaries	\$ 5,000	\$ 11,100	\$ 10,100	\$ (1,000)
Payroll Taxes	400	700	649	(51)
Supplies	1,400	1,400	4	(1,396)
Attorney Fees				
Contractual Services	6,000	6,300	6,300	
Computers/Software		700	649	(51)
Telephone	1,000	1,500	1,537	37
Printing & Publishing	600	1,100	1,088	(12)
Utilities	2,600	2,600	1,757	(843)
Education & Training	<u>2,000</u>	<u>2,000</u>	<u>270</u>	<u>(1,730)</u>
TOTAL ZONING	\$ <u>19,000</u>	\$ <u>27,400</u>	\$ <u>22,354</u>	\$ <u>(5,046)</u>
Street Lights:				
Community Promotions	\$ 5,000	\$ 5,000	\$ 2,500	\$ (2,500)
Printing & Publishing	200	200		(200)
Weeds	8,000	8,000	5,599	(2,401)
Drains	24,800	24,800	1,857	(22,943)
Street Lights	15,000	15,000	14,774	(226)
Roads	<u>200,000</u>	<u>200,000</u>	<u>135,131</u>	<u>(64,869)</u>
TOTAL STREET LIGHTS	\$ <u>253,000</u>	\$ <u>253,000</u>	\$ <u>159,861</u>	\$ <u>(93,139)</u>
Other:				
Industrial Park	\$ 20,000	\$ 20,000	\$ 70	\$ (19,930)
Miscellaneous	55,000	55,000	84	(54,916)
Airport	<u>3,500</u>	<u>3,500</u>	<u>5,643</u>	<u>2,143</u>
TOTAL OTHER	\$ <u>78,500</u>	\$ <u>78,500</u>	\$ <u>5,797</u>	\$ <u>(72,703)</u>
TOTAL EXPENDITURES	\$ <u>1,171,800</u>	\$ <u>1,166,401</u>	\$ <u>673,172</u>	\$ <u>(493,229)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ <u>(616,000)</u>	\$ <u>(681,206)</u>	\$ <u>(69,005)</u>	\$ <u>612,201</u>

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
OTHER USES OF FUNDS:				
Transfers from other Funds	\$	\$	\$ 263,034	\$ 263,034
Transfers to other Funds	<u>(10,000)</u>	<u>(10,000)</u>	<u>(5,000)</u>	<u>5,000</u>
TOTAL OTHER USES OF FUNDS	\$ <u>(10,000)</u>	\$ <u>(10,000)</u>	\$ <u>258,034</u>	\$ <u>268,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES OF FUNDS	\$ <u>(626,000)</u>	\$ <u>(691,206)</u>	\$ 189,029	\$ <u>880,235</u>
Fund Balance at April 1, 2006			<u>592,250</u>	
FUND BALANCE AT MARCH 31, 2007			\$ <u>781,279</u>	

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 ½ MILL FIRE FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 59,000	\$ 60,765	\$ 66,224	\$ 5,459
Interest	500	676	1,456	780
Miscellaneous			<u>200</u>	<u>200</u>
TOTAL REVENUES	<u>\$ 59,500</u>	<u>\$ 61,441</u>	<u>\$ 67,880</u>	<u>\$ 6,439</u>
EXPENDITURES:				
Operating Supplies & Maint.	\$	\$ 2,200	\$ 2,168	\$ (32)
Repairs & Maintenance	96,000	92,400		(92,400)
Capital Outlay		<u>1,400</u>	<u>1,395</u>	<u>(5)</u>
TOTAL EXPENDITURES	<u>\$ 96,000</u>	<u>\$ 96,000</u>	<u>\$ 3,563</u>	<u>\$(92,437)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$(36,500)</u>	<u>\$(34,559)</u>	<u>\$ 64,317</u>	<u>\$ 98,876</u>
OTHER SOURCES OF FUNDS:				
Transfer In	\$	\$	\$	\$
Transfer Out				
TOTAL TRANSFERS	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES & OTHER SOURCES OF FUNDS	<u>\$(36,500)</u>	<u>\$(34,559)</u>	<u>\$ 64,317</u>	<u>\$ 98,876</u>
Fund Balance at April 1, 2006			<u>96,326</u>	
FUND BALANCE AT MARCH 31, 2007			<u>\$160,643</u>	

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$ 118,000	\$ 109,918	\$ 137,308	\$ 27,390
Charges for Services	93,000	112,967	109,021	(3,946)
Penalties		7,039	152	(6,887)
Interest	5,000	6,039	33,996	27,957
Miscellaneous	<u>500</u>	<u>1,539</u>	<u>10,441</u>	<u>8,902</u>
TOTAL REVENUES	\$ <u>216,500</u>	\$ <u>237,502</u>	\$ <u>290,918</u>	\$ <u>53,416</u>
EXPENDITURES:				
Salaries	\$ 95,000	\$ 95,000	\$ 58,655	\$ (36,345)
Payroll Taxes	7,500	7,500	3,707	(3,793)
Pension	1,000	1,000	2,168	1,168
Supplies	2,000	2,000	363	(1,637)
Operating Supplies/Maint.		7,000	2,773	(4,227)
Gas & Oil	6,000	6,000	2,635	(3,365)
Audit	2,000	2,000	1,400	(600)
Computers/Software	6,500	6,500	3,296	(3,204)
Communications	10,000	10,000	6,081	(3,919)
Community Promotions	2,000	2,000		(2,000)
Insurance	25,000	25,000	20,385	(4,615)
Utilities	12,000	12,000	11,114	(886)
Repairs & Maint.	40,000	33,000	10,177	(22,823)
Hydrant Rental	3,000	3,000	2,376	(624)
Professional Fees	5,000	5,000	2,100	(2,900)
Education & Training	5,000	5,000	1,542	(3,458)
Capital Outlay	<u>770,000</u>	<u>770,000</u>	<u>271,556</u>	<u>(498,444)</u>
TOTAL EXPENDITURES	\$ <u>992,000</u>	\$ <u>992,000</u>	\$ <u>400,328</u>	\$ <u>(591,672)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES				
	\$ <u>(775,500)</u>	\$ <u>(754,498)</u>	\$ <u>(109,410)</u>	\$ <u>645,088</u>
OTHER SOURCES OF FUNDS:				
Transfer In	\$	\$	\$ 55,000	\$ 55,000
Transfer Out	_____	_____	_____	_____
TOTAL OTHER SOURCES OF FUNDS	\$ _____	\$ _____	\$ <u>55,000</u>	\$ <u>55,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES & OTHER SOURCES OF FUNDS				
	\$ <u>(775,500)</u>	\$ <u>(754,498)</u>	\$ (54,410)	\$ <u>700,088</u>
Fund Balance at April 1, 2006			<u>791,766</u>	
FUND BALANCE AT MARCH 31, 2007			\$ <u>737,356</u>	

OWOSSO CHARTER TOWNSHIP
 SHLAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 CEMETERY FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Grave Opening/Close	\$ 5,000	\$ 5,000	\$ 5,350	\$ 350
Foundations	400	400	1,750	1,350
Cemetery Lots	1,000	1,000	3,600	2,600
Interest & Penalties	2,025	2,025	27	(1,998)
Miscellaneous	100	100		(100)
TOTAL REVENUES	<u>\$ 8,525</u>	<u>\$ 8,525</u>	<u>\$ 10,727</u>	<u>\$ 2,202</u>
EXPENDITURES:				
Salaries	\$ 7,500	\$ 7,500	\$ 7,440	\$ (60)
Payroll Taxes	575	575	569	(6)
Supplies	1,000	100	39	(61)
Operating Supplies/Maint.	3,000	1,500	1,475	(25)
Gas & Oil	700	700	597	(103)
Insurance	1,250	950	521	(429)
Utilities		200	119	(81)
Repairs & Maintenance		2,300	2,444	144
Professional Fees		200		(200)
TOTAL EXPENDITURES	<u>\$ 14,025</u>	<u>\$ 14,025</u>	<u>\$ 13,204</u>	<u>\$ (821)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ <u>(5,500)</u>	\$ <u>(5,500)</u>	\$ <u>(2,477)</u>	\$ <u>3,023</u>
OTHER SOURCES OF FUNDS:				
Transfer In	\$ 5,500	\$ 5,500	\$ 5,000	\$ (500)
Transfer Out	_____	_____	_____	_____
TOTAL OTHER SOURCES OF FUNDS	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 5,000</u>	<u>\$ (500)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES OF FUNDS				
	\$ _____	\$ _____	\$ 2,523	\$ <u>2,523</u>
Fund Balance at April 1, 2006			<u>1,495</u>	
FUND BALANCE AT MARCH 31, 2007			<u>\$ 4,018</u>	

OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN
BUDGETARY COMPARISON SCHEDULE
AMBULANCE FUND
FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Property Taxes	\$ 74,000	\$ 74,000	\$ 75,145	\$ 1,145
Charges for Services	102,000	102,000	33,230	(68,770)
Interest			2,651	2,651
Miscellaneous			<u>3,485</u>	<u>3,485</u>
TOTAL REVENUES	<u>\$176,000</u>	<u>\$176,000</u>	<u>\$114,511</u>	<u>\$ (61,489)</u>
EXPENDITURES:				
Salaries	\$	\$ 6,100	\$	\$ (6,100)
Supplies		200	7	(193)
Operating Supplies/Maintenance	72,000	43,000		(43,000)
Audit		2,600	2,600	
Communications		300	208	(92)
Insurance		1,300	1,233	(67)
Professional Fees	104,000			
Payroll Taxes			6,092	6,092
Refunds		500	465	(35)
Capital Outlay		<u>122,000</u>	<u>102,000</u>	<u>(20,000)</u>
TOTAL EXPENDITURES	<u>\$176,000</u>	<u>\$176,000</u>	<u>\$112,605</u>	<u>\$ (63,395)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ _____	\$ _____	\$ <u>1,906</u>	\$ <u>1,906</u>
OTHER SOURCES OF FUNDS:				
Transfer in	\$	\$	\$	\$
Transfer Out			<u>(13,034)</u>	<u>13,034</u>
TOTAL OTHER SOURCES OF FUNDS	\$ _____	\$ _____	\$ <u>(13,034)</u>	\$ <u>13,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES OF FUNDS				
	\$ _____	\$ _____	\$ <u>(11,128)</u>	\$ <u>(11,128)</u>
Fund Balance at April 1, 2006			<u>155,241</u>	
FUND BALANCE AT MARCH 31, 2007			<u>\$144,113</u>	

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 REVOLVING AND IMPROVEMENT FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		<u>Actual</u>	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>8,490</u>	\$ <u>7,490</u>
TOTAL REVENUES	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>8,490</u>	\$ <u>7,490</u>
EXPENDITURES:				
	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL EXPENDITURES	_____	_____	_____	_____
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ <u>1,000</u>	\$ <u>1,000</u>	\$ <u>8,490</u>	\$ <u>7,490</u>
OTHER SOURCES OF FUNDS:				
Transfer In	\$ _____	\$ _____	\$ _____	\$ _____
Transfer Out	_____	_____	<u>(200,000)</u>	<u>200,000</u>
TOTAL OTHER SOURCES OF FUNDS	\$ _____	\$ _____	\$ <u>(200,000)</u>	\$ <u>200,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES OF FUNDS				
	\$ <u>1,000</u>	\$ <u>1,000</u>	\$(191,510)	\$(<u>192,510</u>)
Fund Balance at April 1, 2006			<u>247,138</u>	
FUND BALANCE AT MARCH 31, 2007			\$ <u>55,628</u>	

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 SEWER FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES:				
Sewer Usage Income	\$ 70,000	\$ 70,000	\$ 167,193	\$ 97,193
Tap-In Fees			<u>32,544</u>	<u>32,544</u>
TOTAL OPERATING REVENUES	\$ <u>70,000</u>	\$ <u>70,000</u>	\$ <u>199,737</u>	\$ <u>129,737</u>
OPERATING EXPENSES:				
Interest Expense	\$	\$	\$ 16,457	\$ 16,457
Operating Supplies/Maintenance	942,000	941,800	154,246	(787,554)
Capital Outlay	50,000	50,000		(50,000)
Utilities		200	152	(48)
Depreciation	<u>235,000</u>	<u>235,000</u>	<u>6,304</u>	<u>(228,696)</u>
TOTAL OPERATING EXPENSES	\$ <u>1,227,000</u>	\$ <u>1,227,000</u>	\$ <u>177,159</u>	\$ <u>(1,049,841)</u>
OPERATING INCOME (LOSS)	\$ <u>(1,157,000)</u>	\$ <u>(1,157,000)</u>	\$ <u>22,578</u>	\$ <u>1,179,578</u>
NON-OPERATING INCOME (LOSS)				
Dividends	\$	\$	\$ 2,885	\$ 2,885
Interest Revenue			<u>47,183</u>	<u>47,183</u>
TOTAL NON-OPERATING REVENUE	\$ _____	\$ _____	\$ <u>50,068</u>	\$ <u>50,068</u>
OTHER USES OF FUNDS:				
Transfer In				
Transfer Out			<u>(55,000)</u>	<u>55,000</u>
TOTAL OTHER USES OF FUNDS	\$ _____	\$ _____	\$ <u>(55,000)</u>	\$ <u>55,000</u>
NET INCOME (LOSS)	\$ <u>(1,157,000)</u>	\$ <u>(1,157,000)</u>	\$ 17,646	\$ <u>1,174,646</u>
Retained Earnings at April 1, 2006			5,695,120	
Decrease in Value of Subsidiary			<u>(53,300)</u>	
RETAINED EARNINGS AT MARCH 31, 2007			\$ <u>5,659,466</u>	

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 WATER FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
OPERATING REVENUES:				
Charges for Services	\$ <u>27,000</u>	\$ <u>27,000</u>	\$ <u>22,298</u>	\$ <u>(4,702)</u>
TOTAL OPERATING REVENUES	\$ <u>27,000</u>	\$ <u>27,000</u>	\$ <u>22,298</u>	\$ <u>(4,702)</u>
OPERATING EXPENSES:				
Supplies	\$	\$ 100	\$ 128	\$ 28
Operating Supplies/Maintenance	11,500	11,500	1,766	(9,734)
Contractual Services	4,000	4,300	4,000	(300)
Insurance		2,200	2,181	(19)
Utilities	3,000	3,000	2,006	(994)
Repairs & Maintenance		13,300	16,583	3,283
Professional Fees	15,000	15,000	2,357	(12,643)
Capital Outlay	200,000	184,100		(184,100)
Depreciation			<u>4,802</u>	<u>4,802</u>
TOTAL OPERATING EXPENSES	\$ <u>233,500</u>	\$ <u>233,500</u>	\$ <u>33,823</u>	\$ <u>(199,677)</u>
OPERATING INCOME (LOSS)	\$ <u>(206,500)</u>	\$ <u>(206,500)</u>	\$ <u>(11,525)</u>	\$ <u>194,975</u>
NON-OPERATING INCOME (LOSS)				
Interest Revenue	\$ <u>500</u>	\$ <u>500</u>	\$ <u>5,524</u>	\$ <u>5,024</u>
TOTAL NON-OPERATING REVENUE	\$ <u>500</u>	\$ <u>500</u>	\$ <u>5,524</u>	\$ <u>5,024</u>
OTHER USES OF FUNDS:				
Transfer In	\$	\$	\$	\$
Transfer Out	_____	_____	<u>(50,000)</u>	<u>50,000</u>
TOTAL OTHER USES OF FUNDS	\$ _____	\$ _____	\$ <u>(50,000)</u>	\$ <u>50,000</u>
NET INCOME (LOSS)	\$ <u>(206,000)</u>	\$ <u>(206,000)</u>	\$ (56,001)	\$ <u>149,999</u>
Retained Earnings at April 1, 2006			<u>357,913</u>	
RETAINED EARNINGS AT MARCH 31, 2007			\$ <u>301,912</u>	

OWOSSO CHARTER TOWNSHIP
 SHIAWASSEE COUNTY, MICHIGAN
 BUDGETARY COMPARISON SCHEDULE
 BROWNFIELD REDEVELOPMENT COMPONENT UNIT
 FOR THE YEAR ENDED MARCH 31, 2007

	Budgeted Amounts		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property Taxes	\$	\$	\$ 19,345	\$ 19,345
Interest			<u>4</u>	<u>4</u>
TOTAL REVENUES	\$	\$	<u>\$ 19,349</u>	<u>\$ 19,349</u>
EXPENDITURES:				
Long-Term Debt Payment				
Interest	\$	\$	\$ 1,259	\$ 1,259
Principal			<u>5,679</u>	<u>5,679</u>
TOTAL EXPENDITURES	\$	\$	<u>\$ 6,938</u>	<u>\$ 6,938</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$	\$	<u>\$ 12,411</u>	<u>\$ 12,411</u>
OTHER USES OF FUNDS:				
Transfer to Primary Government	\$	\$	\$	\$
TOTAL OTHER USES OF FUNDS	\$	\$	\$	\$
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES OF FUNDS	\$	\$	\$ 12,411	<u>\$ 12,411</u>
Fund Balance at April 1, 2006			<u>(71,164)</u>	
FUND BALANCE AT MARCH 31, 2007			<u>\$ (58,753)</u>	



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

August 24, 2007

**Members of the Township Board
Owosso Charter Township
Shiawassee County, Michigan**

We have audited financial statements of the Owosso Charter Township as of and for the year ended March 31, 2007, and have issued our report thereon dated August 24, 2007. We conducted our audit in accordance with standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Owosso Charter Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Owosso Charter Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Township's management and Township's Board and is not intended to be and should not be used by anyone other than these specified parties.

Dennis and Lengyel, P.C.

Certified Public Accountants

Owosso, Michigan



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Barbara Wenzlick

August 24, 2007

Members of the Township Board
Owosso Charter Township
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Owosso for the year then ended March 31, 2007.

BUDGET

The Michigan Public Act 621 of 1978, includes compliance requirements in budgeting. Total expenditures cannot exceed total budgeted revenues plus beginning fund balance. Expenditures should be reviewed periodically and the budget amended before incurring any expense which would exceed the budgeted amount.

SEWER FUND – INTEREST ON INDEBTEDNESS

The Sewer fund pays the City of Owosso an annual principal payment on an indebtedness. We could not find where the City billed for the interest on this debt. We recommend the City be contacted for verification.

BROWNFIELD AUTHORITY

BROWNFIELD FUND DEFICIT

PA 275 of 1980 prohibits a fund deficit. The Brownfield Fund deficit was funded by loans from the sewer fund and the State of Michigan. This condition will result in the filing of a deficit elimination plan. We can assist in this preparation.

BOARD MINUTES

We noticed that there were no minutes available to the Township for the month of April 2006 through March 2007. The Board should request the minutes of the Brownfield Authority meetings.

We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township on these matters or any future matters please do not hesitate to contact us.

Dennis and Leaght, P.C.

Certified Public Accountants