Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

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

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☒Twp ☐Village ☐Other	WHITNEY TOWNSHIP	ARENAC

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
3/31/06	7/10/06	7/14/06

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	☒	
The letter of Comments and Recommendations	☒	
Other (Describe)	☐	

Certified Public Accountant (Firm Name)	Telephone Number
KENNETH B. COOK, CPA, PC	989-362-4412

Street Address	City	State	Zip
438 LAKE STREET	TAWAS CITY	MI	48763

Authorizing CPA Signature	Printed Name	License Number
	KENNETH B. COOK	10520

TOWNSHIP OF WHITNEY
Arenac County, Michigan

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
With Auditor's Report

Year Ended March 31, 2006

TOWNSHIP OF WHITNEY
Arenac County, Michigan

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July 10, 2006

Members of the Township Board
Township of Whitney
Arenac County, Michigan

We have audited the accompanying financial statements of the Township of Whitney, Arenac County, Michigan, as of and for the year ended March 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the 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 generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Whitney, Arenac County, as of March 31, 2006 and the results of operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Kenneth B. Cook, CPA, PC
Certified Public Accountant

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Balance Sheet - All Fund Types
March 31, 2006

	Governmental Fund Types		Proprietary Fund Types
	General	Special Revenue	Enterprise
Assets			
Cash - Checking & Savings	$170,172	$451,206	$175,500
Cash - Certificates & Time Deposits	43,191	-	260,467
Accounts Receivable	-	-	2,899
Special Assessments Receivable	17,571	-	31,934
Delinquent Taxes Receivable	6,853	9,127	-
Due from Other Funds	3,281	152	-
Land	-	-	-
Buildings	-	-	-
Equipment and Furniture	-	-	2,717
Amount to be provided for Capital Lease			
Lease Obligation	-	-	-
Total Assets	$241,067	$460,485	$473,517
Liabilities & Fund Equity			
Liabilities:			
Accounts Payable	$2,973	$513	$60
Obligations Under Capital Lease	-	-	-
Due to Other Governmental Units	-	-	-
Due to Individuals	-	4,500	-
Due to Other Funds	152	714	-
Total Liabilities	3,125	5,727	60
Fund Equity:			
Contributed Capital	-	-	334,015
Investment in General Fixed Assets	-	-	-
Retained Earnings			
Unreserved	-	-	139,442
Fund Balance			
Unreserved	237,942	454,758	-
Total Fund Equity	237,942	454,758	473,457
Total Liabilities & Fund Equity	$241,067	$460,485	$473,517

The notes to the financial statements are an integral part of this statement.

Fiduciary Fund Types	Groups		
Agency	General Fixed Assets	General Long-Term Debt	Totals (Memorandum Only)
$116,527	-	-	$913,405
-	-	-	303,658
-	-	-	2,899
-	-	-	49,505
-	-	-	15,980
-	-	-	3,433
-	32,208	-	32,208
-	234,779	-	234,779
-	396,063	-	398,780
-	-	-	0
$116,527	$663,050	$0	$1,954,646
-	-	-	$3,546
-	-	-	0
113,960	-	-	113,960
-	-	-	4,500
2,567	-	-	3,433
116,527	0	0	125,439
-	-	-	334,015
-	663,050	-	663,050
-	-	-	139,442
-	-	-	692,700
0	663,050	0	1,829,207
$116,527	$663,050	$0	$1,954,646

TOWNSHIP OF WHITNEY
Arenac County, Michigan
Combined Statement of Revenue, Expenditures and Changes in Fund Balance - All Governmental Fund Types
For the Year Ended March 31, 2006

	Governmental Fund Types		
Revenues:	General	Special Revenue	Totals (Memorandum Only)
Taxes	$103,069	$142,406	$245,475
Grants	-	57,277	57,277
Licenses & Permits	-	26,855	26,855
State Shared Revenue	69,768	-	69,768
Charges for Services	18,394	62	18,456
Contributions from Public Sources	-	30,050	30,050
Interest on Investments	2,110	6,556	8,666
Interest on Assessments	530	-	530
Rents	6,210	-	6,210
Total Revenues	200,081	263,206	463,287
Expenditures:			
Township Board	25,626	-	25,626
Supervisor	9,962	-	9,962
Elections	1,280	-	1,280
General Services Administration:			
Assessor	15,797	-	15,797
Clerk	12,373	-	12,373
Board of Review	940	-	940
Treasurer	12,761	-	12,761
Building & Grounds	11,143	-	11,143
Liquor Law Enforcement	420	-	420
Fire Protection	-	20,043	20,043
Highways, Streets & Bridges	36,887	-	36,887
Drains	3,362	-	3,362
Street Lighting	5,061	-	5,061
Planning & Zoning	7,434	-	7,434
Conservation of Natural Resources	-	41,513	41,513
Building Inspection	-	15,340	15,340
Cemetery & Landfill	40,000	-	40,000
Library	60	-	60
Capital Outlay	1,700	28,493	30,193
Total Expenditures	184,806	105,389	290,195
Excess of Revenues Over (Under) Expenditures	15,275	157,817	173,092
Other Financing Sources (Uses):			
Operating Transfers In (Out)	15,714	14,286	30,000
Debt Retirement	(27,675)	-	(27,675)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	3,314	172,103	175,417
Fund Balance, April 1, 2005	234,628	312,655	547,283
Fund Balance, March 31, 2006	$237,942	$484,758	$722,700

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual - All Governmental Fund Types
For the Year Ended March 31, 2006

	General Fund		
Revenues:	Budget	Actual	Variance Favorable (Unfavorable)
Taxes	$101,550	$103,069	$1,519
Grants	-	-	-
Licenses & Permits	-	-	-
State Shared Revenue	67,000	69,768	2,768
Charges for Services	10,509	18,394	7,885
Contributions from Public Sources	-	-	-
Interest on Investments	70	2,110	2,040
Interest on Assessments	-	530	530
Rents	6,000	6,210	210
Total Revenues	185,129	200,081	14,952
Expenditures:			
Township Board	27,630	25,626	2,004
Supervisor	11,176	9,962	1,214
Elections	2,000	1,280	720
General Services Administration:			
Assessor	16,300	15,797	503
Clerk	14,060	12,373	1,687
Board of Review	1,400	940	460
Treasurer	14,192	12,761	1,431
Building & Grounds	12,575	11,143	1,432
Liquor Law Enforcement	470	420	50
Fire Protection	-	-	-
Highways, Streets & Bridges	43,800	36,887	6,913
Drains	5,000	3,362	1,638
Street Lighting	5,500	5,061	439
Planning & Zoning	9,400	7,434	1,966
Conservation of Natural Resources	-	-	-
Building Inspection	-	-	-
Cemetery & Landfill	40,000	40,000	0
Library	120	60	60
Capital Outlay	3,000	1,700	1,300
Total Expenditures	206,623	184,806	21,817
Excess of Revenues Over (Under) Expenditures	(21,494)	15,275	36,769
Other Financing Sources (Uses):			
Operating Transfers In (Out)	15,700	15,714	(14)
Debt Retirement	(30,000)	(27,675)	2,325
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(35,794)	3,314	39,080
Fund Balance, April 1, 2005	234,628	234,628	0
Fund Balance, March 31, 2006	$198,834	$237,942	$39,080

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$131,200	$142,406	$11,206	$232,750	$245,475	$12,725
56,000	57,277	1,277	56,000	57,277	1,277
19,300	26,855	7,555	19,300	26,855	7,555
-	-	-	67,000	69,768	2,768
-	62	62	10,509	18,456	7,947
30,000	30,050	50	30,000	30,050	50
90	6,556	6,466	160	8,666	8,506
-	-	-	0	530	530
-	-	0	6,000	6,210	210
236,590	263,206	26,616	421,719	463,287	41,568
-	-	-	27,630	25,626	2,004
-	-	-	11,176	9,962	1,214
-	-	-	2,000	1,280	720
-	-	-	16,300	15,797	503
-	-	-	14,060	12,373	1,687
-	-	-	1,400	940	460
-	-	-	14,192	12,761	1,431
-	-	-	12,575	11,143	1,432
-	-	-	470	420	50
38,400	35,043	3,357	38,400	35,043	3,357
-	-	-	43,800	36,887	6,913
-	-	-	5,000	3,362	1,638
-	-	-	5,500	5,061	439
-	-	-	9,400	7,434	1,966
80,500	41,513	38,987	80,500	41,513	38,987
15,500	15,340	160	15,500	15,340	160
-	-	-	40,000	40,000	0
-	-	-	120	60	60
42,000	28,493	13,507	45,000	30,193	14,807
176,400	120,389	56,011	383,023	305,195	77,830
60,190	142,817	82,627	38,696	158,092	119,396
(700)	(714)	14	15,000	15,000	0
-	-	0	(30,000)	(27,675)	2,325
59,490	142,103	82,641	23,696	145,417	121,721
312,655	312,655	0	547,283	547,283	0
$372,145	$454,758	$82,641	$570,979	$692,700	$121,721

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Statement of Revenue, Expenses and Changes in Retained Earnings - Budget and Actual - All Proprietary Fund Types
For the Year Ended March 31, 2006

	Water Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues:			
Water Charges	$170,000	$184,093	$14,093
Charges for Services	1,400	4,390	(2,990)
Sale of Fixed Assets	-	-	0
Total Operating Revenue	171,400	188,483	11,103
Operating Expenses:			
Purchase of Water and O&M	165,000	148,215	16,785
Salaries and Wages	6,200	5,873	327
Payroll Taxes & Employee Benefits	500	458	42
Supplies	9,500	8,142	1,358
Telephone	800	742	58
Contracted Services	1,100	1,100	0
Miscellaneous	12,484	9,032	3,452
Total Operating Expenses	195,584	173,562	22,022
Operating Income (Loss)	(24,184)	14,921	33,125
Non-Operating Revenues (Expenses):			
Interest on Investments	1,000	10,412	9,412
Total Non-Operating Revenues (Expenses)	1,000	10,412	9,412
Income Before Operating Transfers	(23,184)	25,333	48,517
Operating Transfers In (Out)	29,004	29,004	0
Net Income (Loss)	5,820	54,337	48,517
Retained Earnings, March 31, 2005	85,105	85,105	0
Retained Earnings, March 31, 2006	$90,925	$139,442	$48,517
Contributed Capital, March 31, 2005		$361,330	
Other Financing Sources (Uses):			
Transfers In (Out) for Bond Redemption		(29,004)	
Interest Earned on Special Assessments		1,689	
Contributed Capital, March 31, 2006		$334,015	

The notes to the financial statements are an integral part of this statement.

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combined Statement of Cash Flows
All Proprietary Fund Types
Year Ended March 31, 2006

	Proprietary Fund Type Enterprise Water Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	$193,956
Cash Paid to Suppliers and Employees	(174,446)
Interest Received on Investments	10,412
Purchase of Fixed Assets	365
Cash Received from Sale of Fixed Assets	-
Net Cash Provided (Used) by Operating Activities (Note 4)	30,287
Cash Flows from Non capital Financing Activities:	
Cash Received from Other Funds	-
Cash Received (Paid) from Grants	-
Cash Paid to Other Funds	-
Net Cash Provided (Used) by Non Capital Financing Activities	0
Cash Flows from Capital and Related Financing Activities:	
Cash Received from Special Assessments	-
Interest Received on Special Assessments	1,689
Financing Activities:	
Cash purchase of Property, Plant & Equipment	-
Repayment of Bonds Payable	-
Repayment of Contracts Payable	-
Interest Paid On Long-Term Debt	-
Net Cash Provided (Used) by Capital and Related Financing Activities	1,689
Net Increase (Decrease) in Cash and Cash Equivalents	31,976
Cash and Cash Equivalents at Beginning of Year	403,991
Cash and Cash Equivalents at End of Year	$435,967

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

Description of Township Operations and Fund Types

Whitney Township operates under an elected Township Board (five members) and provides services to its more than 1,033 residents in many areas including fire protection, street lighting, refuse collection and improvement of local streets. In accordance with provisions of NCGA Statement 3, certain other governmental organizations are not considered to be part of the Township entity for financial reporting purposes. The criteria established by the NCGA for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financing relationships. On this basis the financial statements of certain other governmental organizations listed below are not included in the financial statements of the Township.

Educational services are provided to citizens through the local school districts which are separate governmental entities and are not a part of this report. Water intake and treatment are provided to Whitney Township by contract with Sims-Whitney Utilities Authority which is a separate governmental entity and is not a part of this report. The Whitney Township Building Authority functions as a separate entity. The examination of the entity is reflected in a separate audit report. Cemetery and landfill operations are shared with Sims Township and are under the control of that governmental entity, therefore, are not a part of this report.

Basis of Presentation:

The financial activities of the Township are recorded in the fund described as follows:

Governmental Funds

General Fund

This fund is used to account for all the transactions not accounted for in another fund, including the general operating expenditures of the Township revenues which are primarily derived from property taxes and state distributions.

Special Revenue Funds

These funds (Fire Fund, Gypsy Moth Fund, Mosquito Control Fund & Building Inspection Fund) are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal, regulatory or administrative action.

Proprietary Fund

Enterprise Fund

This fund (Water Fund) reports operations that provide services which are financed primarily with user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

Fiduciary Fund

This fund (Property Tax Collection Fund) is used to account for assets held in an agency capacity for others.

Account Groups

General Fixed Asset Group of Accounts

This account group presents the fixed assets the local unit utilizes in its general operations (non-proprietary fixed assets).

General Long Term Debt Group of Accounts

This account group presents the balance of general obligation long-term debt of the Township.

Basis of Accounting

The financial statements have been prepared using the modified accrual basis of accounting. Revenues are recognized in the period they become available and measurable. Expenditures are recognized in the period they are incurred.

The financial statements of Proprietary Funds are reflected on the accrual basis of accounting.

Inventories

Inventories have not been recognized in the financial statements as materials and supplies are not material and have been expensed when purchased.

Property and Equipment

Property and equipment recorded in the Proprietary Fund has been stated at cost. Expenditures which significantly extended the useful life of existing assets are capitalized. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets.

Budgets

Significant governmental funds are under formal budgetary control. Budgets shown in the financial statements were prepared on a basis not significantly different from the modified accrual basis used to reflect the actual results of operations. The budget amounts reflected in the financial statements include any authorized amendments to the original budget.

Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents include time time deposits and certificates of deposit.

Note 2 - Excess of Expense over Budget

P.A. 621 of 1978, Section 18(1), as amended, requires the adoption of a balanced budget for the General Fund, as well as budget amendments as needed to prevent actual expenditures from exceeding those amounts appropriated.

During the year ended March 31, 2006, the Township did not incur expenses in excess of the amounts appropriated.

Note 3 - Interfund Receivables and Payables

The amounts of interfund receivables and payables on March 31, 2006 are as follows:

Interfund Receivables:	
General Fund	$3,281
Fire Fund	45
Gypsy Moth Fund	25
Mosquito Control Fund	82
Total	$3,433
Interfund Payables:	
General Fund	152
Building Inspection Fund	714
Property Tax Collection Fund	2,567
Total	$3,433

Note 4 - Cash and Cash Equivalents

The Township's deposits are in compliance with statutory authority. The Governmental Accounting Standards Board (GASB) Statement No. 3, risk disclosures for the Township's cash deposits are as follows:

Deposits	Carrying Amount	Bank Balance
Insured (FDIC)	$430,437	$430,437
Uninsured	786,626	789,884
Total	$1,217,063	$1,220,321

In accordance with GASB Statement No. 3, investments are normally classified into three categories of credit risk. The nature of mutual funds, bond funds, and investment pools does not allow for risk categorizations, which is in accordance with GASB Statement No. 3.

Investment Type	Carrying Amount	Market Value
Non risk-Categorized		
Certificates of Deposit	$303,658	$303,658

These investments comply with PA 20 of 1943, as amended (MCL 129.91)

Note 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	Balance April 1, 2005	Additions	Deletions	Balance March 31, 2006
Land	$32,208	$0	$0	$32,208
Buildings	234,779	0	0	234,779
Equipment & Furniture	365,871	30,192	0	396,063
Total	$632,858	$30,192	$0	$663,050

Note 6 - Capitalized Lease

On February 14, 1978 Whitney Township entered into a lease with the Whitney Township Building Authority for the lease of the Township Hall. The township hall was completed during the fiscal year 1979-1980. The annual lease payment is equal to the debt service requirement of the Building Authority. Upon full payment of all principal and interest requirement, the Building Authority will convey title to the Township.

The total cost of the township hall, which amounted to $216,037, is reported in the General Fixed Asset Account Group. No depreciation is provided.

During the current fiscal year the township made its final lease payment to the Building Authority.

Note 7 - Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the year ended March 31, 2006:

	General Obligation
Capitalized Lease Payable April 1, 2005	$27,000
Lease payments	(27,000)
Capitalized Lease Payable March 31, 2006	$0

Note 8 - Retirement Plan

The Township adopted a defined contribution pension plan covering substantially all its employees, effective July 1, 1992. The pension expense for 2005-06 was based on 7.5% of compensation. The plan is being operated through the Travelors Insurance Company with benefits fully vested from date of deposit.

Note 9 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township has purchased commercial insurance for physical damage (building and contents) and medical benefit claims. Settled claims for the commercial insurance have not exceeded the amount of insurance in any of the past three fiscal years.

Note 10 - Totals (Memorandum Only)

The total column on the Combined Statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund elimination's have not been made on the aggregate of this data.

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combining Balance Sheet - All Special Revenue Funds
March 31, 2006

	Fire Fund	Gypsy Moth Fund	Mosquito Control Fund
Assets			
Cash - Checking & Savings	$182,789	$129,080	$122,357
Delinquent Taxes Receivable	3,651	-	5,476
Due from Other Funds	45	25	82
Total Assets	$186,485	$129,105	$127,915
Liabilities & Fund Equity			
Liabilities:			
Accounts Payable	$513	-	-
Due to Individuals	-	-	-
Due to Other Funds	-	-	-
Total Liabilities	513	0	0
Fund Equity:			
Fund Balance			
Unreserved	185,972	129,105	127,915
Total Fund Equity	185,972	129,105	127,915
Total Liabilities & Fund Equity	$186,485	$129,105	$127,915

The notes to the financial statements are an integral part of this statement.

Building Inspection Fund	Totals
$16,980	$451,206
-	9,127
-	152
$16,980	$460,485
-	$513
4,500	4,500
714	714
5,214	5,727
11,766	454,758
11,766	454,758
$16,980	$460,485

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
All Special Revenue Funds
For the Year Ended March 31, 2006

	Fire Fund	Gypsy Moth Fund	Mosquito Control Fund
Revenues:			
Taxes	$56,493	-	$85,913
Grants	57,277		
Licenses & Permits	-	-	-
Charges for Services	32	-	-
Contributions from Public Sources	30,050		
Interest on Investments	1,625	3,120	1,279
Total Revenues	145,477	3,120	87,192
Expenditures:			
Fire Protection	20,043	-	-
Conservation of Natural Resources	-	84	41,429
Building Inspection	-	-	-
Capital Outlay	28,493	-	-
Total Expenditures	48,536	84	41,429
Excess of Revenues Over (Under) Expenditures	96,941	3,036	45,763
Other Financing Sources (Uses):			
Operating Transfers In (Out)	15,000	-	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	111,941	3,036	45,763
Fund Balance, April 1, 2005	104,031	126,069	82,152
Fund Balance, March 31, 2006	$215,972	$129,105	$127,915

The notes to the financial statements are an integral part of this statement.

Building Inspection Fund	Totals
-	$142,406
	57,277
26,855	26,855
30	62
	30,050
532	6,556
27,417	263,206
-	20,043
-	41,513
15,340	15,340
-	28,493
15,340	105,389
12,077	157,817
(714)	14,286
11,363	172,103
403	312,655
$11,766	$484,758

TOWNSHIP OF WHITNEY
Arenac County, Michigan

Statement of Changes in Assets and Liabilities-All Agency Funds
March 31, 2006

PROPERTY TAX COLLECTION FUND	Balance April 1, 2005	Additions	Deductions	Balance March 31, 2006
Assets				
Cash - Checking & Savings	$3,684	$1,865,326	($1,752,483)	$116,527
Total Assets	$3,684	$1,865,326	($1,752,483)	$116,527
Liabilities				
Due to Other Governmental Units	$0	$1,613,742	($1,499,782)	$113,960
Due to Individuals	0	562	(562)	0
Due to Other Funds	3,684	251,022	(252,139)	2,567
Total Liabilities	$3,684	$1,865,326	($1,752,483)	$116,527

TOTALS - ALL AGENCY FUNDS	Balance April 1, 2005	Additions	Deductions	Balance March 31, 2006
Assets				
Cash - Checking & Savings	$3,684	$1,865,326	($1,752,483)	$116,527
Total Assets	$3,684	$1,865,326	($1,752,483)	$116,527
Liabilities				
Due to Other Governmental Units	$0	$1,613,742	($1,499,782)	$113,960
Due to Individuals	0	562	(562)	0
Due to Other Funds	3,684	251,022	(252,139)	2,567
Total Liabilities	$3,684	$1,865,326	($1,752,483)	$2,567

The notes to the financial statements are an integral part of this statement.

July 10, 2006

Members of the Township Board
Township of Whitney
Arenac County, Michigan

In the planning and performing of our audit of the general purpose financial statements of the Township of Whitney, for the year ended March 31, 2006, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Township of Whitney's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that error or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We noted no matters involving the internal control structure and its operation that we consider to be a material weakness as defined above. Items of lesser importance and comments on certain items for information purposes only follow.

This report is intended solely for the use of management and the Michigan Department of Treasury. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Board, is a matter of public record.

Separation of Duties:

Due to the small staffing at Whitney Township, it is impossible to have different individuals perform bank reconciliation's, bank deposits and collection of cash to better segregate duties. This will be an ongoing internal control weakness until the township employs assistants and separation of duties.

Kenneth B. Cook, CPA, PC
Certified Public Accountant