OWOSSO CHARTER TOWNSHIP
SHIAWASSEE COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2005

436 (3-98), Formerly L-3147

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type	Local Government Name	County
☐ City ☒ Township ☐ Village ☐ Other	Owosso Charter Township	Shiawassee

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3-31-05	9-26-05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

☒ yes ☐ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)			
Demis and Wenzlick, P.C.			
Street Address	City	State	ZIP
217 N. Washington, Suite 201	Owosso	MI	48867
Accountant Signature			

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Owosso Charter Township as of and for the year ended March 31, 2005. These financial statements are the responsibility of the of Owosso Charter Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has been prepared.

In our opinion, except for the non-application of GASB 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the of Owosso Charter Township at March 31, 2005, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Owosso Charter Township. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Our report of comments and recommendations has been submitted under date of September 26, 2005

Davis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
September 26, 2005

OWOSSO CHARTER TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2005

	Governmental Fund Types			Propriet. Fund Types	Fiduc. Type	Account Groups		
	General	Special Revenue	Capital Projects	Enterp.	& Trust Agency	General Fixed Assets	General Long-Term Debt	Comp. Unit
ASSETS:								
Cash	$352,849	$499,891	$238,726	$ 455,633	$9,604	$	$	$ 13,452
Investments	246,551	385,421		965,537				
Due from Other Funds	9,830	4,016		91,000				
Due from Other Gov't Units	9,518	17,340		13,855				
Special Assmts & Other	1,728	2,709		27,255				
Invest. In Owosso Caledonia Util Authority				4,491,996				
Fixed Assets (Net of Accum Deprec)				260,639		2,551,417		
Amt to be Provided							62,279	
TOTAL ASSETS	$620,476	$909,377	$238,726	$6,305,915	$9,604	$2,551,417	$62,279	$ 13,452
LIABILITIES:								
Accts. Pay	$ 7,996	$ 17,135	$	$	$	$	$	$ 96,130
Due to Other Funds					8,716			
Due to Other Govt Units				48,558	888			
Current Mat. On Bonds Pay.				48,231				
Long-Term Debt				215,175			62,279	
TOTAL LIAB	$ 7,996	$ 17,135	$	$ 311,964	$9,604	$	$62,279	$ 96,130
fund equity:								
Invest. In General Fixed Assets	$	$	$	$	$	$2,551,417	$	$
Retained Earnings				5,993,0951				
Fund Bal.	612,480	892,242	238,726					(82,678)
TOTAL FUND EQUITY	$612,480	$892,242	$238,726	$5,993,951	$	$2,551,417	$	$(82,678)
TOTAL LIAB. & FUND EQUITY	$620,476	$909,377	$238,726	$6,305,915	$9,604	$2,551,417	$62,279	$ 13,452

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

OWOSSO CHARTER TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

	GENERAL	SPECIAL REVENUES	COMPONENT UNIT
REVENUES:			
Taxes and Special Assessments	$126,587	$253,316	$ 12,982
State Shared Revenues	336,592		
Charges for Services	39,279	326,581	
Int. & Misc. Income	68,179	11,584	10
TOTAL REVENUES	$570,637	$591,482	$ 12,992
EXPENDITURES:			
Legislative	$ 26,184	$	$
Executive	15,555		
Elections	10,800		
Clerk	20,500		
Board of Review	542		
Treasurer	27,239		
Hall and Grounds	15,059		
Other General Gov't.	82,118		
Highways and Streets	102,093		
Public Works	29,663		
Assessor	20,786		
Zoning	35,566		
Brownfield Expenditures			7,873
Fire 1/2 Mill Expend.	-0-	3,347	
Fire Expenditures	-0-	118,371	
Ambulance Expenditures	-0-	390,772	
Cemetery Expenditures	-0-	19,980	
TOTAL EXPENDITURES	$386,105	$532,470	$ 7,873
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	$184,532	$ 59,012	$ 5,119
Operating Transfers In	$ -0-	$ 5,000	$ -0-
Operating Transfers Out	(496,714)	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	$(496,714)	$ 5,000	$ -0-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$(312,182)	$ 64,012	$ 5,119
Fund Balance at Beginning of Year	924,662	828,230	(87,797)
FUND BALANCE DEFICIT AT END OF YEAR	$612,480	$892,242	$ (82,678)

OWOSSO CHARTER TOWNSHIP
COMBINED STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2005

	GENERAL FUND			SPECIAL REVENUE			COMPONENT UNIT		
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
REVENUES:									
Taxes	$104,000	$126,587	$ (22,587)	$ 227,000	$ 253,317	$ (26,317)	$	$	$
State Shared Revenues	282,000	336,592	(54,592)	-0-	-0-	-0-	-0-	12,982	(12,982)
Chgs. For Serv.	38,000	39,279	(1,279)	319,500	326,581	(7,081)			
Interest & Misc. Income	43,300	68,179	(24,879)	2,034	11,584	(9,550)		10	(10)
TOTAL REVENUES	$467,300	$570,637	$(103,337)	$ 548,534	$591,482	$ (42,948)	$ 12,992	$ 9,851	$(12,992)
EXPENDITURES:									
Legislative	$ 50,000	$ 26,184	$ 23,816	$	$	$	$	$	$
Executive	24,000	15,555	8,445						
Elections	20,000	10,800	9,200						
Clerk	26,300	20,500	5,800						
Board of Review	1,500	542	958						
Treasurer	30,000	27,239	2,761						
Hall & Grounds	55,000	15,059	39,941						
Other General Gov't.	291,500	82,118	209,382						
Hwys. & Streets	125,000	102,093	22,907						
Public Works	310,000	29,663	280,337						
Assessor	22,000	20,786	1,214						
Zoning	39,000	35,566	3,434						
Brownfield Expend.				105,030	3,347	101,683	-0-	7,873	(7,873)
Fire ½ Mill				683,350	118,371	564,979			
Fire Expend.				474,600	390,772	83,828			
Ambulance Expend.				464,000	319,957	144,043			
Cemetery Exp.				23,079	19,980	3,099			
TOTAL EXPEND.	$ 994,300	$386,105	$ 608,195	$1,286,059	$ 532,470	$ 753,589	$ -0-	$ 7,873	$ (7,873)

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

OWOSSO CHARTER TOWNSHIP
COMBINED STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2005

	GENERAL FUND			SPECIAL REVENUE			COMPONENT UNIT		
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
EXCESS OF REVENUES OVER (UNDER) EXPEND.	$(527,000)	$ 184,532	$(711,532)	$(737,525)	$ 59,012	$(796,537)	$ -0-	$ 5,119	$(5,119)
OTHER FINANCING SOURCES:									
Operating Transfers In	$	$	$	$ 10,000	$ 5,000	$ 5,000	$	$	$
Operating Transfers Out	260,000	(496,714)	(236,714)	-0-					
TOTAL TRANSFERS IN (OUT)	$(260,000)	$(496,714)	$(236,714)	$ 10,000	$ 5,000	$ 5,000	$ -0-	$ -0-	$ -0-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$(787,000)	$(312,182)	$(474,818)	$(727,525)	$ 64,012	$(791,537)	$ -0-	$ 5,119	$(5,119)
Fund Balance at Beginning of Year		924,662			828,230			(87,797)	
FUND BALANCE (DEFICIT) AT END OF YEAR		$ 612,480			$892,242			$(82,678)	

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

OWOSSO CHARTER TOWNSHIP
ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED MARCH 31, 2005

REVENUES:	
Charges for Services	$ 226,424
Interest Income	49,283
Miscellaneous Income	10,370
TOTAL REVENUES	$ 286,077
EXPENDITURES:	
Operation of Plant	$ 128,630
Interest Expense	19,286
Depreciation Expense	48,054
Unrealized Loss	21,823
Miscellaneous Exp.	780
Delinquents	-0-
TOTAL EXPENDITURES	$ 218,573
NET INCOME (LOSS)	$ 67,504
Operating Transfer In	255,000
	$ 322,504
Retained Earnings - Beginning of Year	5,730,763
Decrease in Value of Subsidiary During the Year	(59,316)
RETAINED EARNINGS END OF YEAR	$5,993,951

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

OWOSSO CHARTER TOWNSHIP
ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2005

Cash Flows from Operating Activities:	
Net Income	$ 322,504
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	48,054
(Increase) Decrease in Receivables	42,224
Increase (Decrease) in Payables	8,566
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 421,348
Cash Flows from Financing Activities:	
Decrease in Debt	(49,002)
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 372,346
Cash and Cash Equivalents Beginning of Year	1,048,824
CASH AND CASH EQUIVALENTS AT END OF YEAR	$1,421,170
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid During the Year for:	
Interest	$ 10,548

DISCLOSURE OF ACCOUNTING POLICY:
For purposes of the statement of cash flows, the township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalents.

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

OWOSSO CHARTER TOWNSHIP
BROWNFIELD REDEVELOPMENT FUND
DEBT SERVICE CHARGES TO MATURITY
ON BONDED INDEBTEDNESS
MARCH 31, 2005

YEAR ENDED	PAYMENT	INTEREST	PRINCIPAL
2005	$ 7,721	$1,401	$ 6,320
2006	7,721	1,258	6,463
2007	7,721	1,113	6,608
2008	7,721	964	6,757
2009	7,721	813	6,908
2010	7,721	657	7,064
2011	7,721	498	7,223
2012	7,721	336	7,385
2013	7,721	170	7,551
	$69,489	$7,210	$62,279

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

OWOSSO CHARTER TOWNSHIP
SCHEDULE OF INDEBTEDNESS - SEWER FUND
MARCH 31, 2005

Owosso Charter Township is obligated for a 21.5% share of the debt for the construction of the Wastewater Disposal Plant. Following is the debt service requirements for this obligation:

CALENDAR YEAR	INTEREST APRIL 1,	INTEREST OCT. 1,	PRINCIPAL OCT. 1,	TOTAL
2005	$ 2,958	$ 2,958	$ 43,000	$ 48,916
2006	1,561	1,561	47,300	50,422
	$ 4,519	$ 4,519	$ 90,300	$ 99,338

The coupons bear various interest rates, from 5.89% to 6.6% per annum.

OWOSSO CHARTER TOWNSHIP
SCHEDULE OF INDEBTEDNESS - LAND PURCHASE
MARCH 31, 2005

Owosso Charter Township has entered a land purchase agreement for approximately 21 acres on S. Delaney Road for the sum of $200,000. A $20,000 down payment was made leaving $180,000 of principal plus 6% per annum interest due. Payments began December 1, 2003 and will continue monthly to pay back the principal within 20 years time.

FISCAL YEAR ENDING	PRINCIPAL	INTEREST	TOTAL
2006	$ 5,231	$ 10,244	$ 15,475
2006	5,231	10,244	15,475
2007	5,554	9,921	15,475
2008	5,896	9,579	15,475
2009	6,260	9,215	15,475
2010	6,646	8,829	15,475
Thereafter	156,425	84,725	241,150
	$173,106	$114,469	$287,575

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

OWOSSO CHARTER TOWNSHIP
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED MARCH 31, 2005

	BALANCE 3-31-04	ADDITIONS	DEDUCTIONS	BALANCE 3-31-05
TRUST AND AGENCY FUND				
ASSETS				
Cash	$ -0-	$ 108,264	$ 104,321	$ 3,943
Due from Other Funds	219	-0-	219	-0-
	$ 219	$ 108,264	$ 104,540	$ 3,943
LIABILITIES				
Due to Other Entities	$ -0-	$ 91,972	$ 91,972	$ -0-
Due to Other Funds	219	5,419	2,583	3,055
Due to Other Gov't. Units	-0-	10,873	9,985	888
	$ 219	$ 108,264	$ 104,540	$ 3,943
CURRENT TAX COLLECTION FUND				
ASSETS				
Cash	$663,657	$3,477,741	$4,135,737	$ 5,661
LIABILITIES				
Due to Other Funds	$370,521	$ 446,535	$ 811,395	$ 5,661
Due to Other Gov't. Units	293,136	3,031,206	3,324,342	-0-
	$663,657	$3,477,741	$4,135,737	$ 5,661

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

OWOSSO CHARTER TOWNSHIP
COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES (CONTINUED)
ALL AGENCY FUNDS
FOR THE YEAR ENDED MARCH 31, 2005

	BALANCE 3-31-04	ADDITIONS	DEDUCTIONS	BALANCE 3-31-05
		COMBINED AMOUNTS		
ASSETS				
Cash	$663,875	$3,586,005	$4,240,058	$ 9,604
Due from Other Funds	-0-	-0-	219	-0-
	$663,876	$3,586,005	$4,240,277	$ 9,604
LIABILITIES				
Due to Other Entities	$ -0-	$ 91,972	$ 91,972	$ -0-
Due to Other Funds	370,740	451,954	813,978	8,716
Due to Other Gov't. Units	293,136	3,042,079	3,334,327	888
	$663,876	$3,586,005	$4,240,277	$ 9,604

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Owosso conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

GOVERNMENT FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise 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 or revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Sewer Special Assessment Fund is reported within the Enterprise Fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency 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 other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (General fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements, including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS (CONTINUED)

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful life is 20 years.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All government funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales tax are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception of this general rule is accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled Sewer Fund Utility service receivables are recorded at year end.

BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted in the Township to obtain taxpayer comments.

3. Prior to April 1, the budget is legally enacted through passage or an ordinance.

4. The clerk is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures or any department or fund must be approved by the Township Board.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

6. Budgets for the General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalent.

CASH AND INVESTMENTS

Cash includes amounts in demand deposits. State statutes authorize the townships to invest in obligations of the U.S. Treasury, Commercial Paper, corporate bonds and repurchase agreements.

Investments are stated at cost or amortized at cost.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting-under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation-is utilized in the government fund types. Encumbrances outstanding at year end are reported as a reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

COMPENSATED ABSENCES

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

POST EMPLOYMENT HEALTH-CARE BENEFITS - COBRA BENEFITS

Under the Consolidated Omnibus Budget Reconcilation 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, 2005.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RETIREE BENEFITS

The Township does not have health insurance coverage for its employees; therefore, there are no post-employment health care benefits.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenue or expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in that reimbursing fund as a reduction of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

NOTE B - REPORTING ENTITY

For financial reporting purposes, in conformance with NCGA Statement No. 3, Defining the Governmental Reporting Entity, the Owosso Township includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Supervisor or the Board, respectively). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township.

Based on the foregoing criteria, the following component units are included in the Township's annual report.

DISCRETELY REPORTED COMPONENT UNIT	BRIEF DESCRIPTION OF ACTIVITIES AND RELATIONSHIP TO THE TOWNSHIP
Brownfield Authority	Established pursuant to the provisions of Act 381, Public Acts of 1996, to promote the revitalization of environmentally distressed area within the township.

NOTE B - REPORTING ENTITY

OWOSSO-CALEDONIA UTILITY AUTHORITY

Owosso township entered into a joint venture with Caledonia Township for the creation of an 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, 2003, the year end for the Utility Authority).

1.	Total Assets	$8,990,373
	Total Liabilities	$ 6,382
	Total Equity - General Fund Contribution Capital	$8,726,416
	Retained Earnings	257,575
		$8,983,991
2.	Total Revenue	$ 554,626
3.	Total Expenditures - General Fund	$ 673,256
	(Depreciation on Assets Acquired by Grants)	(179,824)
		$ 493,432
4.	Net Loss from Operations	$ 61,194

5. 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	$4,495,187
Liabilities	3,191
Equity	4,491,996
Change in Equity	(59,316)

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

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

NOTE C - PROPERTY TAX

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. 1.50 mill is levied to pay for fire services and .9572 mill is levied for the general fund.

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 2005. These taxes have been recorded as revenue for the current year.

NOTE D - WASTEWATER OBLIGATION

The Sewer Wastewater Fund is obligated for 21.5% of the debt for the increase in capacity of the Wastewater Disposal Plant. The schedule of indebtedness details the repayment terms of this loan.

NOTE E - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE 3-31-04	ADDITIONS	DEDUCTIONS	BALANCE 3-31-05
Land and Improve.	$ 247,820	$	$	$ 247,820
Townhall	275,878	-0-	-0-	275,878
Fire Stations	181,588	5,850		187,438
Machinery & Equipment	423,628	12,714		436,342
Vehicles	1,027,602	77,825		1,105,427
Office Equipment and Furniture	90,772	2,406		93,178
Water Tower	205,334			205,334
	$2,452,622	$ 98,795	$ -0-	$2,551,417

NOTE F - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621, of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2005, the Township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	TOTAL APPROPRIATIONS	AMOUNT OF EXPENDITURES	BUDGET VARIANCE
General - Transfer Out	$260,000	$496,714	$(236,714)
Brownfield - Operating	-0-	7,873	(7,873)
Fire - Pension	-0-	763	(763)
Ambulance - Pension	-0-	20	(20)

NOTE G - CASH AND CERTIFICATES OF DEPOSIT

The Township's deposits at March 31, 2005, consisted of cash and certificates of deposit at three financial institutions:

INSTITUTION	AMOUNT	FDIC INSURED	UNINSURED
A			
Cash	$ 707,457	$100,000	$ 607,775
B			
Cash	$ 288,711	$100,000	$ 188,711
C			
Cash	$ 573,888	$100,000	$ 473,888
	$1,570,056	$300,000	$1,270,056

Cash and cash equivalents caption on the combined balance sheet include $100 in imprest cash.

NOTE H - 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, 2005, are composed as follows:

FUND	TOTAL	CASH/ MONEY MKT.	UNIT TRUSTS	BONDS	MUTUAL FUNDS
Ambulance	$ 28	$ 3	$ -0-	$	$ 25
General	246,551	2,702	-0-	240,034	3,815
Sewer	965,537	5,065	530,949	429,285	238
Fire	385,393	2,452	-0-	380,511	2,430
	$1,597,509	$10,222	$530,949	$1,049,830	$ 6,508

NOTE I - TOWNSHIP DRAIN ASSESSMENT

The township is involved with a drain project with the City of Owosso. This project could entail an at large expenditure of the general fund in excess of $200,000. This date of the assessment is uncertain.

NOTE J - PENSION

The Township established a pension for certain employees, effective August 1, 1991. The Township contributes 7.65% of the employees salary. Voluntary contributions up to 10% of compensation are permissible by the employee. The Township contributed $6,653 for the year ended March 31, 2005 for pension expense.

NOTE K - BROWNFIELD FUND DEFICIT

The Brownfield Fund has a deficit. A fund deficit is impermissable under P.A. 275 of 1980. A deficit elimination plan has been submitted to the Michigan Department of Treasury.

NOTE L - LONG-TERM DEBT FUND

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 1/4% per annum, commencing June 30, 2004. The loan is secured by state shared revenues and the full faith and credit of the township.

YEAR ENDED	PAYMENT	INTEREST	PRINCIPAL
2005	$ 7,721	$1,401	$ 6,320
2006	7,721	1,258	6,463
2007	7,721	1,113	6,608
2008	7,721	964	6,757
2009	7,721	813	6,908
2010 AND THEREAFTER	30,884	1,661	29,223
	$69,489	$7,210	$62,279

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:

YEAR	AMOUNT
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 of the township.

NOTE N - SUBSEQUENT EVENTS

Owosso Township Rescue entered into an agreement with Mobile Medical Response, inc., of Saginaw on August 24, 2005. The agreement stated that MMR will assume the responsibility of providing ambulance service to the citizens of Owosso Township. MMR has also entered into a lease agreement for the current vehicles and buildings.

On April 20, 2005 Owosso Township purchased additional property on South Delaney Road for $190,000.

FINANCIAL STATEMENTS

OF

INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

GENERAL FUND

	3-31-05	3-31-04
ASSETS:		
Cash in Bank	$352,849	$332,279
Investments	246,551	484,702
Due from Other Gov't Units	9,518	7,822
Due from Other Funds	9,830	119,734
Due from Others	1,728	3,044
TOTAL ASSETS	$620,476	$947,581
LIABILITIES:		
Payroll Tax Payable	$ 51	$ 51
Accounts Payable	7,945	22,868
	$ 7,996	$ 22,919
GENERAL FUND BALANCE	612,480	924,662
TOTAL LIABILITIES AND GENERAL FUND BALANCE	$620,476	$947,581

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

GENERAL FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
Taxes:				
Property Tax Levy	$	$118,576	$	$113,941
Special Assessments		8,011		12,201
TOTAL TAXES	$104,000	$126,587	$ (22,587)	$126,142
State Shared Revenues	$282,000	$336,592	$ (54,592)	$355,548
Charges for Services	$ 38,000	$ 39,279	$ (1,279)	$ 41,056
Miscellaneous:				
Trailer Taxes	$ 1,800	$ 2,175	$ (375)	$ 2,082
Cable T.V. Fees	25,000	35,850	(10,850)	28,656
Interest Earned	15,000	2,975	12,025	5,066
Miscellaneous	1,500	1,699	(199)	2,625
Investment Int/Div.	-0-	23,589	(23,589)	15,227
Unrealized Gain/Loss	-0-	(11,740)	(11,740)	4,677
Refunds/Penalties	-0-	13,631	(13,631)	12,288
Municipal Serv.	-0-	-0-	-0-	6,940
TOTAL MISCELLANEOUS	$ 43,300	$ 68,179	$ (24,879)	$ 77,561
TOTAL REVENUES	$467,300	$570,637	$(103,337)	$600,307

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

GENERAL FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
EXPENDITURES:				
Legislative:				
Salaries	$	$15,940	$	$15,837
Audit & Acctg.		4,418		3,426
Dues & Educ.		5,051		2,696
Printing & Publ.		660		5,513
Mileage/Supplies		115		405
TOTAL LEGISLATION	$50,000	$26,184	$23,816	$27,877
Executive:				
Salaries	$	$15,455	$	$15,770
Supplies		100		5,684
TOTAL EXECUTIVE	$24,000	$15,555	$ 8,445	$21,454
Elections:				
Salaries	$	$ 5,349	$	$ 1,328
Supplies & Misc.		1,749		2,149
Software		3,702		444
TOTAL ELECTION	$20,000	$10,800	$ 9,200	$ 3,921
Clerk:				
Salaries	$	$16,374	$	$19,102
Office Supplies & Miscellaneous		4,126		1,816
TOTAL CLERK	$26,300	$20,500	$ 5,800	$20,918
Board of Review:				
Salaries	$	$ 400	$	$ 250
Mileage & Misc.		142		75
TOTAL BOARD OF REVIEW	$ 1,500	$ 542	$ 958	$ 325

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

GENERAL FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
EXPENDITURES:				
Treasurer:				
Salaries	$	$ 19,998	$	$ 21,521
Office Supplies & Miscellaneous		4,959		6,342
Tax Roll Prep.		2,282		5,175
TOTAL TREASURER	$ 30,000	$ 27,239	$ 2,761	$ 33,038
Hall & Grounds:				
Salaries	$	$ 2,892	$	$ 2,772
Supplies & Maint.		4,652		7,345
Utilities & Tele.		5,260		11,074
Snow Plowing		2,255		3,240
Capital Outlay		-0-		-0-
TOTAL HALL & GROUNDS	$ 55,000	$ 15,059	$ 39,941	$ 24,431
Other General Gov't:				
Payroll Taxes	$	$ 3,394	$	$ 3,473
Pension		5,870		6,936
Airport		1,603		3,291
Street Lights		21,407		11,798
Attorney		19,816		18,046
Ins. & Bonds		21,854		24,421
Capital Outlay		8,174		1,746
TOTAL OTHER GENERAL GOVERNMENT	$291,500	$ 82,118	$209,382	$ 69,711
HIGHWAYS & STREETS	$125,000	$102,093	$ 22,907	$125,575
Public Works:				
Contingency	$	$ 7,570	$	$ -0-
Industrial Park		4,322		-0-
Traffic Lights		6,891		-0-
Drains at Large		2,470		5,256
Weed Control		8,410		6,174
TOTAL PUBLIC WORKS	$310,000	$ 29,663	$280,337	$ 11,430

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

GENERAL FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
EXPENDITURES:				
Assessor:				
Salary	$	$ 20,000	$	$ 19,833
Supplies		786		5,363
TOTAL ASSESSOR	$ 22,000	$ 20,786	$ 1,214	$ 25,196
Zoning Board:				
Salaries	$	$ 19,435	$	$ 20,130
Printing & Publ.		307		1,481
Contractual		11,557		25,257
Telephone		1,451		797
Dues & Education		1,833		-0-
Office Supplies		983		1,075
TOTAL ZONING BOARD	$ 39,000	$ 35,566	$ 3,434	$ 48,740
TOTAL EXPENDITURES	$ 994,300	$ 386,105	$ 608,195	$ 412,616
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (527,000)	$ 184,532	$(711,532)	$ 187,691
Operating Transfers In	$ -0-	$ -0-	$ -0-	$ -0-
Operating Transfers Out	(260,000)	(496,714)	(236,714)	16,000
TOTAL OTHER FINANCING SOURCES (USES)	$ (260,000)	$(496,714)	$(236,714)	$ (16,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ (787,000)	$(312,182)	$(474,818)	$ 171,691
Fund Balance Beginning of Year		924,662		752,971
FUND BALANCE (DEFICIT) AT END OF YEAR		$ 612,480		$ 924,662

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

SPECIAL REVENUE FUNDS

FIRE FUND

Fire Fund is used to account for current property taxes received and monies disbursed for Township fire protection.

AMBULANCE FUND

Ambulance Fund is used to account for ambulance assessments received and monies disbursed for Township ambulance services.

CEMETERY FUND

Cemetery Fund is used to account for monies received and disbursed for the maintenance of the Township's cemeteries.

OWOSSO CHARTER TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

	FIRE 1/2 MILL	FIRE	AMBULANCE	CEMETERY	3-31-05 TOTALS	3-31-04 TOTALS
ASSETS:						
Cash	$106,052	$291,497	$ 97,699	$4,643	$499,891	$142,860
Investments	-0-	385,393	28	-0-	385,421	474,421
Due from Other Gov't Units	3,848	7,697	5,795	-0-	17,340	15,987
Due from Other Funds	-0-	3,447	569	-0-	4,016	214,758
Taxes Rec.	903	1,806	-0-	-0-	2,709	4,566
TOTAL ASSETS	$110,803	$689,840	$104,091	$4,643	$909,377	$852,592
LIABILITIES:						
Due to Other Funds	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Accts. Pay.	-0-	769	16,366	-0-	17,135	24,362
TOTAL LIAB.	$ -0-	$ 769	$ 16,366	$ -0-	$ 17,135	$ 24,362
FUND BAL.	110,803	689,071	87,725	4,643	892,242	828,230
TOTAL LIAB. AND FUND BALANCE	$110,803	$689,840	$104,091	$4,643	$909,377	$852,592

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

OWOSSO CHARTER TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2005 AND MARCH 31, 2004

	FIRE 1/2 MILL	FIRE	AMBULANCE	CEMETERY	3-31-05 TOTALS	3-31-04 TOTALS
REVENUES:						
Taxes & Assmts	$59,017	$122,103	$ 72,197	$ -0-	$253,317	$236,736
Chgs. For Services	-0-	92,289	218,692	15,600	326,581	347,376
Interest & Misc.	260	12,724	(1,545)	145	11,584	22,323
TOTAL REV.	$59,277	$227,116	$ 289,344	$15,745	$591,482	$606,435
EXPENDITURES:						
Salaries & Wages	$ -0-	$ 58,482	$ 226,218	$ 6,480	$291,180	$261,119
Payroll Taxes	-0-	3,706	16,602	496	20,804	15,954
Supp. & Rep.	-0-	11,069	27,906	11,793	50,768	77,732
Contractual	-0-	-0-	18,783	-0-	18,783	27,901
Tel. & Util.	-0-	7,394	6,683	90	14,167	16,072
Insurance	-0-	23,618	10,761	1,121	35,500	49,084
Education, Misc. Dues	-0-	5,065	5,974	-0-	11,039	20,067
Capital Outlay	3,347	6,789	77,825	-0-	87,961	9,909
Pension	-0-	763	20	-0-	783	5,227
Prof. Serv.	-0-	1,485	-0-	-0-	1,485	9,367
TOTAL EXP.	$ 3,347	$118,371	$ 390,772	$19,980	$532,470	$492,432
EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES)	$ 55,930	$108,745	$(101,428)	$(4,235)	$ 59,012	$114,003

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

OWOSSO CHARTER TOWNSHIP
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEAR ENDED MARCH 31, 2005 AND MARCH 31, 2004

	FIRE 1/2 MILL	FIRE	AMBULANCE	CEMETERY	3-31-05 TOTALS	3-31-04 TOTALS
Operating Transfers In	$ -0-	$ -0-	$ -0-	$ 5,000	$ 5,000	$ 49,231
Operating Transfers Out	-0-	-0-	-0-	-0-	-0-	(43,231)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ 55,930	$108,745	$(101,428)	$ 765	$ 64,012	$120,003
Fund Balance at Beginning of Year	54,873	580,326	189,153	3,878	828,230	708,227
FUND BALANCE AT END OF YEAR	$110,803	$689,071	$ 87,725	$ 4,643	$892,242	$828,230

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

FIRE FUND

	3-31-05	3-31-04
ASSETS:		
Cash in Bank	$291,497	$103,575
Investments	385,393	376,965
Due from Other Governmental Units	7,697	6,649
Due from Other Funds	3,447	99,369
Taxes Receivable	1,806	3,044
TOTAL ASSETS	$689,840	$589,602
LIABILITIES:		
Accounts Payable	$ 769	$ 9,276
TOTAL LIABILITIES	$ 769	$ 9,276
FIRE FUND BALANCE	$689,071	$580,326
TOTAL LIABILITIES AND FIRE FUND BALANCE	$689,840	$589,602

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

FIRE FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
Taxes:				
Current Property Taxes	$ 104,000	$122,103	$ (18,103)	$110,287
Investment Interest/Div.	-0-	18,681	(18,681)	12,109
Unrealized Gain/Loss	-0-	(10,253)	10,253	1,450
Charges for Services Rendered:				
Fire Runs & Protection	88,500	92,289	(3,789)	89,908
Interest Income	1,500	2,683	(1,183)	3,118
Miscellaneous Income	-0-	1,613	(1,613)	125
TOTAL REVENUES	$ 194,000	$227,116	$ (33,116)	$216,997
EXPENDITURES:				
Fire Dept:				
Salaries & Wages	$ 95,000	$ 58,482	$ 36,518	$ 56,282
Payroll Taxes	7,000	3,706	3,294	3,662
Operating Supplies	65,000	11,069	53,931	26,140
Telephone	20,000	260	19,740	760
Transportation	7,000	1,717	5,283	1,095
Insurance	38,350	23,618	14,732	31,178
Utilities	15,000	7,134	7,866	8,076
Medical	-0-	-0-	-0-	1,875
Education	5,000	1,280	3,720	4,991
Capital Outlay	402,000	6,789	395,211	4,296
Hydrant Rental	4,000	2,068	1,932	2,068
Pension	-0-	763	(763)	767
Prof. Services	25,000	1,485	23,515	9,367
TOTAL EXPENDITURES	$ 683,350	$118,371	$ 564,979	$150,557
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$(489,350)	$108,745	$(598,095)	$ 66,440
Transfers In	-0-	-0-	-0-	44,231
	$ -0-	$ -0-	$ -0-	$110,671
Fund Balance at Beginning of Year		580,326		469,655
FUND BALANCE AT END OF YEAR		$689,071		$580,326

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

AMBULANCE SERVICE FUND

	3-31-05	3-31-04
ASSETS:		
Cash	$ 97,699	$ 34,846
Investments	28	97,456
Due from Other Governmental Units	5,795	6,014
Due from Other Funds	569	65,923
TOTAL ASSETS	$104,091	$204,239
LIABILITIES:		
Accounts Payable	$ 16,366	$ 15,086
TOTAL LIABILITIES	$ 16,366	$ 15,086
AMBULANCE SERVICE FUND BALANCE	$ 87,725	189,153
TOTAL LIABILITIES AND AMBULANCE SERVICE FUND BALANCE	$104,091	$204,239

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

AMBULANCE SERVICE FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
Special Assmts.	$ 71,000	$ 72,197	$ (1,197)	$ 71,135
Interest Income	500	904	(404)	1,778
Services Rendered	200,000	190,102	9,898	218,748
Charges to Other Twps.	26,000	28,590	(2,590)	28,470
Misc. Income	-0-	1,518	(1,518)	122
Investment Inc/Div.	-0-	1,584	(1,584)	2,940
Unrealized Gain/Loss	-0-	(5,551)	5,551	608
TOTAL REVENUES	$297,500	$ 289,344	$ 8,156	$323,801
EXPENDITURES:				
Salaries & Wages	$240,000	$226,218	$ 13,782	$198,233
Billing Exp.	33,000	18,783	14,217	26,026
Payroll Taxes	19,000	16,602	2,398	11,802
Operating Supplies	49,000	23,542	25,458	41,151
Communications	4,000	2,661	1,339	1,083
Transportation	6,000	4,364	1,636	2,919
Insurance	20,000	10,761	9,239	16,351
Utilities	12,600	4,022	8,578	6,026
Education, Dues, Misc.	11,000	5,974	5,026	11,906
Capital Outlay	80,000	77,825	2,175	-0-
Pension	-0-	20	(20)	4,460
TOTAL EXPENDITURES	$474,600	$390,772	$ 83,828	$319,957
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$(177,100)	$(101,428)	$(75,672)	$ 3,844
Fund Balance Beginning of Year		189,153		185,309
FUND BALANCE AT END OF YEAR		$ 87,725		$ 189,153

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

CEMETERY FUND

	3-31-05	3-31-04
ASSETS:		
Cash in Bank	$4,643	$3,878
TOTAL ASSETS	$4,643	$3,878
CEMETERY FUND BALANCE	4,643	3,878
TOTAL LIABILITIES AND CEMETERY FUND BALANCE	$4,643	$3,878

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

CEMETERY FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
Charges for Services Rendered:				
Grave Openings Sales & Foundations	$ 5,000	$ 15,600	$(10,600)	$10,250
Misc. Income	-0-	130	(130)	46
Interest Income	4	15	(11)	12
TOTAL REVENUES	$ 5,004	$ 15,745	$(10,741)	$10,308
EXPENDITURES:				
Cemetery:				
Wages	$ 7,300	$ 6,480	$ 820	$ 6,604
Payroll Taxes	600	496	104	490
Operating Supplies	12,000	11,793	207	7,522
Contracted Serv.	-0-	-0-	-0-	-0-
Electricity	104	90	14	127
Insurance	1,575	1,121	454	1,555
Professional	1,500	-0-	1,500	-0-
TOTAL EXPENDITURES	$23,079	$ 19,980	$ 3,099	$16,298
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$(18,075)	$ (4,235)	$(13,840)	$(5,990)
Operating Transfers In	10,000	5,000	5,000	5,000
EXCESS OF REVENUES AND OTHER SOURCES (OVER) UNDER EXPENDITURES AND OTHER USES	$ (8,075)	$ 765	$ (8,840)	$ (990)
Fund Balance at Beginning of Year		3,878		4,868
FUND BALANCE AT END OF YEAR		$ 4,643		$ 3,878

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

FIRE 1/2 MILL FUND

	3-31-05	3-31-04
ASSETS:		
Cash in Bank	$106,052	$ 561
Certificate of Deposit	-0-	-0-
Due from Other Governmental Units	3,848	3,324
Taxes Receivable	903	1,522
Due from Other Funds	-0-	49,466
TOTAL ASSETS	$110,803	$ 54,873
LIABILITIES:		
Due to Other Funds	$ -0-	$ -0-
	$ -0-	$ -0-
Fire 1/2 Mill Fund Balance	110,803	54,873
	$110,803	$ 53,873
TOTAL LIABILITIES AND FIRE 1/2 MILL FUND BALANCE	$110,803	$ 54,873

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

FIRE 1/2 MILL FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
Taxes:				
Current Property Taxes	$ 52,000	$ 59,017	$ (7,017)	$ 54,314
Interest Income	30	260	(230)	15
TOTAL REVENUES	$ 52,030	$ 59,277	$ (7,247)	$ 55,329
EXPENDITURES:				
Bank Fees	$ -0-	$ -0-	$ -0-	$ 7
Capital Outlay	105,030	3,347	101,683	5,613
TOTAL EXPENDITURES	$105,030	$ 3,347	$ 101,683	$ 5,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (53,000)	$ 55,930	$(108,930)	$ 49,709
Transfer to Fire	-0-	-0-	-0-	(43,231)
EXCESS OF REVENUES AND OTHER USES OVER (UNDER) EXPENDITURES	$ (53,000)	$ 55,930	$(108,930)	$ 6,478
Fund Balance at Beginning of Year		54,873		48,395
FUND BALANCE AT END OF YEAR		$110,803		$ 54,873

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

CAPITAL PROJECTS FUND

REVOLVING AND IMPROVEMENT

Revolving and Improvement Fund is used to account for money set aside by the Township Board for future improvements within the Township.

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

REVOLVING AND IMPROVEMENT FUND

	3-31-05	3-31-04
ASSETS:		
Cash	$238,726	$ -0-
TOTAL ASSETS	$238,726	$ -0-
LIABILITIES:		
Payables	$ -0-	$ -0-
	$ -0-	$ -0-
FUND BALANCE:	$238,726	$ -0-
TOTAL LIABILITIES AND FUND BALANCE	$238,726	$ -0-

The accompanying notes are an integral part of the financial statements

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

REVOLVING AND IMPROVEMENT FUND

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
Interest Income	$ -0-	$ 2,011	$ -0-	$ -0-
TOTAL REVENUES	$ -0-	$ 2,011	$ -0-	$ -0-
EXPENDITURES	$ -0-	$ -0-	$ -0-	$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -0-	$ 2,011	$ -0-	$ -0-
Operating Transfer In	$ -0-	$236,715	$ -0-	$ -0-
Operating Transfers Out	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES	$ -0-	$236,715	$ -0-	$ -0-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	$ -0-	$238,726	$ -0-	$ -0-
Fund Balance Beginning of Year		-0-		-0-
FUND BALANCE (DEFICIT) AT END OF YEAR		$238,726		$ -0-

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

ENTERPRISE FUND

WATER FUND

The Water Fund is used to account for the monies collected and used to provide water services to the Owosso Township Industrial Park.

SEWER FUND

The Sewer Fund is used to account for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and related debt service.

The Sewer Fund includes Sewer Special Assessments which were used to account for monies assessed for sewer construction and to disburse those monies to the Owosso Township-Caledonia Township Utility Authority.

Interest is charged on the unpaid assessment. Bond principal and interest are paid with the monies provided by payments on the assessments and related interest.

OWOSSO CHARTER TOWNSHIP
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	WATER FUND	SEWER FUND	3-31-05 TOTALS	3-31-04 TOTALS
CURRENT ASSETS:				
Cash	$268,960	$ 186,673	$ 455,633	$ 106,606
Investments	-0-	965,537	965,537	942,218
Accounts Rec:				
Other Funds	-0-	91,000	91,000	131,556
Other Ent.	9,153	4,702	13,855	16,507
Special Assmts.	-0-	27,255	27,255	26,272
Accrued Int. Rec.	-0-	-0-	-0-	-0-
TOTAL CURRENT ASSETS	$278,113	$1,275,167	$1,553,280	$1,223,159
PROPERTY, PLANT & EQUIP:				
Land	$	$ 200,000	$ 200,000	$ -0-
Investment in Sewer Plant		885,855	885,855	885,855
Accum. Depr.		(825,216)	(825,216)	777,162
	$	$ 260,639	$ 260,639	$ 308,693
OTHER ASSETS:				
Invest. In Subsidiary-Owosso-Caledonia Util. Auth.	$	$4,491,996	$4,491,996	$4,551,311
	$278,113	$6,027,802	$6,305,915	$6,083,163

LIABILITIES AND RETAINED EARNINGS

CURRENT LIABILITIES:				
Current Maturities on Long-Term Debt	$ -0-	$ 48,231	$ 48,231	$ 49,002
Accts. Payable	-0-	-0-	-0-	172
Accrued Int. Pay.	-0-	48,558	48,558	39,820
Due to other Funds	-0-	-0-	-0-	-0-
TOTAL CURRENT LIAB.	$ -0-	$ 96,789	$ 96,789	$ 88,994
Long-Term Debt, Less Current Maturities	$ -0-	$ 215,175	$ 215,175	$ 263,406
Retained Earnings	278,113	5,715,838	5,993,951	5,730,763
	$278,113	$6,027,802	$6,305,915	$6,083,163

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

OWOSSO CHARTER TOWNSHIP
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	WATER FUND	SEWER FUND	3-31-05 TOTALS	3-31-04 TOTALS
REVENUES:				
Revenues	$ 30,888	$ 195,536	$ 226,424	$ 295,799
Int. Income	206	49,077	49,283	39,771
Misc. Income	-0-	10,370	10,370	2,605
TOTAL REVENUES	$ 31,094	$ 254,983	$ 286,077	$ 338,175
EXPENDITURES:				
Operation of Plant	$ 20,475	$ 108,155	$ 128,630	$ 171,613
Interest Expense		19,286	19,286	15,724
Depreciation Exp.		48,054	48,054	48,054
Unrealized Loss		21,823	21,823	57,033
Miscellaneous		780	780	3,024
Delinquent		-0-	-0-	-0-
TOTAL EXPENDITURES	$ 20,475	$ 198,098	$ 218,573	$ 295,448
NET INCOME (LOSS)	$ 10,619	$ 56,885	$ 67,504	$ 42,727
Operating Transfer In	255,000	-0-	255,000	10,000
	$265,619	$ 56,885	$ 322,504	$ 52,727
Retained Earnings Beginning of Year	$ 12,494	$5,718,269	$5,730,763	$5,760,230
Decrease is Value of Subsidiary During the Year	-0-	(59,316)	(59,316)	(82,194)
RETAINED EARNINGS - END OF YEAR	$278,113	$5,715,838	$5,993,951	$5,730,763

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

OWOSSO CHARTER TOWNSHIP
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	WATER FUND	SEWER FUND	3-31-05 TOTALS	3-31-04 TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income	$265,619	$ 56,885	$ 322,504	$ 52,727
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation	-0-	48,054	48,054	48,054
Decrease (Increase) in Accts, Rec.	3,155	(1,486)	1,669	(3,937)
Increase (Decrease) in Due from Other Funds	-0-	40,555	40,555	-0-
Increase (Decrease) in Int. Rec.	-0-	-0-	-0-	-0-
Decrease (Increase) in Int. Payable	-0-	8,738	8,738	11,244
Increase (Decrease) in Payables	(172)	-0-	(172)	(13,119)
NET CASH PROVIDED BY OPER. ACTIVITIES	$268,602	$ 152,746	$ 421,348	$ 94,969
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in Plant Capacity	$ -0-	$ -0-	$ -0-	$ -0-
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease in Debt	$ -0-	(49,002)	(49,002)	(61,742)
NET INCREASE IN CASH AND CASH EQUIV.	$268,602	$ 103,744	$ 372,346	$ 33,227
Cash and Cash Equivalents Beginning of Year	358	1,048,466	1,048,824	1,015,597
CASH AND CASH EQUIVALENTS END OF YEAR	$268,960	$1,152,210	$1,421,170	$1,048,824
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash Paid During the Year For:				
Interest	$ -0-	$ 10,548	$ 10,548	$ 4,480

DISCLOSURE OF ACCOUNTING POLICY:
For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalents.

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
WATER FUND
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	3-31-05	3-31-04
CURRENT ASSETS:		
Cash	$268,960	$ 358
Accounts Receivable	9,153	12,308
Due from Other Funds	-0-	-0-
	$278,113	$12,666
Accounts Payable	$ -0-	$ 172
Retained Earnings	278,113	12,494
LIABILITIES AND RETAINED EARNINGS	$278,113	$12,666

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

OWOSSO CHARTER TOWNSHIP
WATER FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
YEARS ENDED MARCH 31, 2005 AND 2004

	3-31-05 ACTUAL	3-31-04 ACTUAL
REVENUES:		
Water Revenues	$ 30,888	$ 34,915
Interest Income	206	70
TOTAL REVENUES	$ 31,094	$ 34,985
EXPENDITURES:		
Utilities	$ 2,448	$ 4,013
Maintenance	9,368	8,790
Contractual & Engineering	8,659	60,725
Water Tower Maintenance	-0-	-0-
TOTAL EXPENDITURES	$ 20,475	$ 73,528
NET INCOME (LOSS)	$ 10,619	$(38,543)
Operating Transfer In	255,000	10,000
NET INCOME AFTER TRANSFERS	$265,619	$(28,543)
Retained Earnings - Beginning of Year	12,494	41,037
RETAINED EARNINGS - END OF YEAR	$278,113	$ 12,494

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

OWOSSO CHARTER TOWNSHIP
WATER FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	3-31-05	3-31-04
Cash Flows from Operating Activities:		
Net Income	$265,619	$(28,543)
Adjustments to Reconcile Net Cash Provided by Operating Activities:		
Decrease (Increase) in Accts. Rec.	3,155	(2,941)
Increase (Decrease) in Due from Other Funds	-0-	-0-
Increase (Decrease) in Payables	(172)	(13,119)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	$268,602	$(44,603)
Cash and Cash Equivalents at Beginning of Year	358	44,961
CASH AND CASH EQUIVALENTS AT END OF YEAR	$268,960	$ 358

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
SEWER FUND
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	3-31-05	3-31-04
CURRENT ASSETS:		
Cash	$ 186,673	$ 106,248
Investments	965,537	942,218
Accounts Receivable:		
Other Funds	91,000	131,556
Other Entities	4,702	4,199
Special Assessments	27,255	26,272
Accrued Interest Rec.	-0-	-0-
TOTAL CURRENT ASSETS	$1,275,167	$1,210,493
Property, Plant and Equipment:		
Land	$ 200,000	$ 200,000
Investment in Sewer Plan	885,855	885,855
Accumulated Depreciation	(825,216)	(777,162)
	$ 260,639	$ 308,693
Other Assets:		
Investment in Subsidiary - Owosso-Caledonia Utility Authority	4,491,996	4,551,311
	$6,027,802	$6,070,497

LIABILITIES AND RETAINED EARNINGS

Current Liabilities:		
Current Maturities on Long-Term Debt	$ 48,231	$ 49,002
Accrued Interest Payable	48,558	39,820
Due to Other Funds	-0-	-0-
TOTAL CURRENT LIABILITIES	$ 96,789	$ 88,822
Long-Term Debt, Less Current Maturities	215,175	263,406
Retained Earnings	5,715,838	5,718,269
	$6,027,802	$6,070,497

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

OWOSSO CHARTER TOWNSHIP
SEWER FUNDS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	ACTUAL 3-31-05	ACTUAL 3-31-04
REVENUES:		
Sewer Revenues - Operating	$ 165,211	$ 155,904
Sewer Revenue - Assessments	30,325	104,980
Interest Income	3,936	2,978
Interest/Dividends	45,141	36,723
Miscellaneous Income	10,370	2,605
TOTAL REVENUES	$ 254,983	$ 303,190
EXPENDITURES:		
Operation of Plant	$ 108,155	$ 98,085
Interest Expense	19,286	15,724
Depreciation Expense	48,054	48,054
Unrealized Loss	21,823	57,033
Miscellaneous	780	3,024
TOTAL EXPENDITURES	$ 198,098	$ 221,920
NET INCOME	$ 56,885	$ 81,270
Retained Earnings - Beginning Of Year	5,718,269	5,719,193
Decrease in Value of Subsidiary During the Year	(59,316)	(82,194)
RETAINED EARNINGS END OF YEAR	$5,715,838	$5,718,269

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

OWOSSO CHARTER TOWNSHIP
SEWER FUND
COMPARATIVE STATEMENT OF CASH FLOWS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

	3-31-05	3-31-04
Cash Flows from Operating Activities:		
Net Income (Loss)	$ 56,885	$ 81,270
Adjustments to Reconcile Net Income To Net Cash Provided by Operating Activities:		
Depreciation	48,054	48,054
Decrease (Increase) in Accounts Receivable	(1,486)	(996)
(Increase) Decrease in Due From Other Funds	40,555	-0-
(Increase) Decrease in Interest Rec.	-0-	-0-
Increase (Decrease) in Interest Payable	8,738	11,244
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 152,746	$ 139,572
Cash Flow from Investing Activities:		
Increase in Plant Capacity	$ -0-	$ -0-
Cash Flows from Financing Activities:		
Decrease in Debt	(49,002)	(61,742)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 103,744	$ 77,830
Cash and Cash Equivalents at Beginning of Year	1,048,466	970,636
CASH AND CASH EQUIVALENTS AT END OF YEAR	$1,152,210	$1,048,466
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for:		
Interest	$ 10,548	$ 4,480

Disclosure of Accounting Policy:
For purposes of the statement of cash flows, the Township considers all highly liquid debt instruments, such as certificates of deposit to be cash equivalents.

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

OWOSSO CHARTER TOWNSHIP
FIDUCIARY FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2005 AND MARCH 31, 2004

	TRUST AND AGENCY	CURRENT TAX COLLECTIONS	3-31-05 TOTALS	3-31-04 TOTALS
ASSETS:				
Cash in Bank	$ 3,943	$ 5,661	$ 9,604	$663,657
Due from Other Gov't Units	-0-	-0-	-0-	219
	$ 3,943	$ 5,661	$ 9,604	$663,876
LIABILITIES:				
Due to Other Gov't Units	$ 888	$ -0-	$ 888	$302,959
Due to Other Funds	3,055	5,661	8,716	360,917
	$ 3,943	$ 5,661	$ 9,604	$663,876
FUND BALANCES:				
Fund Balances	-0-	-0-	-0-	-0-
	$ 3,943	$ 5,661	$ 9,604	$663,876

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

FIDUCIARY FUNDS

TRUST AND AGENCY FUND

Trust and Agency Fund is used to account for collection of delinquent taxes and other monies which are held by the Township as a trustee and are distributed to other funds of the Township or to other governmental agencies.

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township funds involved therein, and to other governmental agencies.

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

TRUST AND AGENCY FUND

	3-31-05	3-31-04
ASSETS:		
Cash	$ 3,943	$ -0-
Due from Other Gov't Units	-0-	219
TOTAL ASSETS	$ 3,943	$ 219
LIABILITIES:		
Due to Other Gov't Units	$ 888	$ -0-
Due to Other Funds	3,055	219
	$ 3,943	$ 219

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

TRUST AND AGENCY FUND

	3-31-05	3-31-04
BALANCE BEGINNING OF YEAR	$	$ 263
RECEIPTS:		
Trailer Park Fees	$ 13,047	$ 12,492
Withholding Taxes	95,217	89,452
TOTAL RECEIPTS	$108,264	$101,944
TOTAL RECEIPTS AND BEGINNING BALANCE	$108,264	$102,207
DISBURSEMENTS:		
Shiawassee County	$ 9,985	$ 10,674
General Fund	1,997	2,082
Withholding Taxes	92,339	89,451
	$104,321	$102,207
BALANCE END OF YEAR	$ 3,943	$ -0-

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

CURRENT TAX COLLECTION FUND

	3-31-05	3-31-04
ASSETS:		
Cash in Bank	$ 5,661	$663,657
LIABILITIES:		
Due to Sewer Fund	$ -0-	$ 31,556
Due to General Fund	4,523	114,384
Due to Fire Fund	569	99,369
Due to Ambulance Fund	569	65,923
Due to Fire 1/2 Mill Fund	-0-	49,466
Due to Other Gov't Units	-0-	302,959
	$ 5,661	$663,657

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

OWOSSO CHARTER TOWNSHIP
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEARS ENDED MARCH 31, 2005 AND MARCH 31, 2004

CURRENT TAX COLLECTION FUND

	3-31-05 ACTUAL	3-31-04 ACTUAL
BALANCE BEGINNING OF YEAR	$ 663,657	$ 753,723
RECEIPTS:		
Current Property Taxes	3,335,258	3,087,009
Delinquent Taxes and Pen.	123,567	52,806
Dog Licenses	250	130
Interest Income	2,365	2,257
Overpaid Taxes	5,527	10,432
Penalties	10,774	7,266
TOTAL RECEIPTS	$3,477,741	$3,159,900
TOTAL RECEIPTS AND BEGINNING BALANCE	$4,141,398	$3,913,623
DISBURSEMENTS:		
Shiawassee County	$2,060,090	$1,752,912
State of Michigan	126,175	40,212
Shiawassee Library	165,487	120,300
Owosso Schools	927,870	913,090
Ovid-Elsie Schools	14,202	12,191
Clinton County	30,519	4,665
General Fund	257,315	131,153
Fire Fund	27,813	107,877
Fire Fund - 1/2 Mill	108,577	53,361
Sewer Fund	60,977	31,156
Ambulance Fund	138,187	72,617
Brownfield Fund	22,998	-0-
Refund Overpaid Taxes	5,527	10,432
TOTAL DISBURSEMENTS	$4,135,737	$3,249,966
BALANCE END OF YEAR	$ 5,661	$ 663,657

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

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in Enterprise Fund operations or accounted for in Trust Funds.

OWOSSO CHARTER TOWNSHIP
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
MARCH 31, 2005 TO MARCH 31, 2004

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

	BALANCE 3-31-04	ADDITIONS	DEDUCTIONS	BALANCE 3-31-05
Land & Improve.	$ 247,820	$	$	$ 247,820
Townhall	275,878	-0-		275,878
Fire Stations	181,588	5,850		187,438
Machinery & Equipment	423,628	12,714		436,342
Vehicles	1,027,602	77,825		1,105,427
Office Equip. & Furn.	90,772	2,406		93,178
Water Tower	205,334			205,334
TOTALS	$ 2,452,622	$ 98,795	$ -0-	$ 2,551,417

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

COMPONENT UNITS

BROWNFIELD REDEVELOPMENT AUTHORITY

The Brownfield Redevelopment Authority was established to pay for the clean-up of contaminated sites within the Township and repay loans through Tax Increment Financing.

OWOSSO CHARTER TOWNSHIP
COMPONENT UNIT
BROWNFIELD REDEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
MARCH 31, 2005 AND MARCH 31, 2004

ASSETS

	3-31-05	3-31-04
Cash	$ 13,452	$ 7,510
Due from Other Funds	-0-	9,823
	$ 13,452	$ 17,333

LIABILITIES AND FUND BALANCE

LIABILITIES:		
Due to other Funds	$ 96,130	$105,130
Due to Other Entities	-0-	-0-
FUND BALANCE	(82,678)	(87,797)
	$ 13,452	$ 17,333

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

OWOSSO CHARTER TOWNSHIP
COMPONENT UNIT
BROWNFIELD REDEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2005 AND MARCH 31, 2004

	AMENDED BUDGET	3-31-05 ACTUAL	ACTUAL (OVER) UNDER BUDGET	3-31-04 ACTUAL
REVENUES:				
TIFA Property Taxes	$ -0-	$ 12,982	$ -0-	$ 9,823
Interest Income	-0-	10	-0-	28
TOTAL REVENUES	$ -0-	$ 12,992	$(9,851)	$ 9,851
EXPENDITURES:				
Bank Fees	$	$ 12	$	$
Loan Payments		7,721		
Refunds	-0-	140	-0-	-0-
TOTAL EXPENDITURES	$ -0-	$ 7,873	$ -0-	$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ -0-	$ 5,119	$(9,851)	$ 9,851
Fund Balance at Beginning of Year		(87,797)		(97,648)
FUND BALANCE AT END OF YEAR		$(82,678)		$ (87,797)

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

DEMIS and WENZLICK, P.C.
Certified Public Accountants

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September 26, 2005

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, 2005.

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.

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.

INVESTMENT POLICY

Owosso Charter Township is currently holding some investments through Edward Jones. We believe that Owosso Charter Township should request legal opinion confirming that they are in compliance with the Township's investment policy and Public Act 20, of 1943, as amended.

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.

Sincerely yours,

Dennis and Wengleski, P.C.

Certified Public Accountants