Michigan Deptartment of Treasury
496 (2-04)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type	Local Government Name	County
☐ City ☐ Township ☐ Village ☑ Other	**Western Washtenaw Construction Authority**	**Washtenaw**

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
6/30/05	**12/22/05**	**12/29/05**

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.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)			
Markowski & Company CPA's			
Street Address	City	State	ZIP
2880 Spring Arbor Road	**Jackson**	**MI**	**49203**
Accountant Signature		Date	
Markowski & Company		12/29/05	

WESTERN WASHTENAW CONSTRUCTION AUTHORITY

AUDITED FINANCIAL STATEMENTS

WITH SUPPLEMENTAL INFORMATION

JUNE 30, 2005

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
FINANCIAL STATEMENTS
JUNE 30, 2005

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OF SOUTH CENTRAL MICHIGAN

INDEPENDENT AUDITOR'S REPORT

Authority Board
Western Washtenaw Construction Authority
Washtenaw County, Michigan

We have audited the financial statements of the governmental activities, which comprise the basic financial statements, of the Western Washtenaw Construction Authority as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, Authority at June 30, 2005, and the changes in financial position, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 3-4 are not required parts of the basic financial statements, but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Authority Board
Western Washtenaw Construction Authority
Washtenaw County, Michigan

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

Yours truly,

Markowski & Company

MARKOWSKI & COMPANY, CPAs
December 22, 2005

Management's Discussion and Analysis

Using this Annual Report

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Construction Authority as a whole and present a longer-term view of the Authority's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Authorities operations in more detail then the government-wide financial statements.

The Construction Authority as a Whole

Total Assets remained constant despite a decrease in total revenues. Deferred revenues have stabilized, and the Authority expects the current level to continue in a range of $25,000 to $30,000. The overall financial position of the Authority is very good.

In a condensed format, the table below shows the statement of net assets as of the current date:

	2005 Governmental Activities	2004 Governmental Activities
Current Assets	$ 131,761	$ 127,887
Property and Equipment	-	672
Total Assets	131,761	127,887
Current Liabilities	7,523	8,279
Non-current Liabilities	24,220	27,100
Total Liabilities	31,743	35,379
Net Assets		
Invested in Capital Assets	-	672
Unrestricted	100,018	92,508

The fiscal year started off slower than in previous years and overall revenues decreased by 19% from a year ago. 770 permits were issued for the year ended June 30, 2005; this was a decrease of 59 permits from the previous fiscal year.

The following table shows the changes of the net assets of the current date:

	2005 Governmental Activities	2004 Governmental Activities
Program revenues	$ 121,783	$ 150,718
Other revenues	2,320	1,193
	124,103	151,911
Program expenses	117,265	143,629
Change in net assets	$ 6,838	$ 8,282

Management Discussion and Analysis

The Authority's Funds

The Construction Authority fund financial statements provide detailed information about the governmental services provided. The Western Washtenaw Construction Authority is an interlocal agency created for the purpose of combining the building and trade permits with soil erosion and sedimentation control permits. The most significant expenses are personnel services and fees paid to inspectors.

General Fund Budgetary Highlights

Over the course of the year, the Authority's Board amended the budget to take into account events during the year. The only changes resulted in some expenditures actually costing more than initially estimated in the original budget. These changes were very minor. Actual results came in very closely to budget amounts.

Capital Assets

At the end of 2005, the Authority had $6,738 invested in office equipment. Accumulated depreciation on these assets was $6,738.

Economic Factors and Next Year's Budget

The Authority's inspection area is growing. Three new subdivisions along with one existing subdivision are maintaining the building activity at an even rate even though the economy and building industry is experiencing a downturn. The Authority expects a slight decrease in revenues, due to a slow economy and mortgage rates rising. The village has experienced a loss of manufacturing jobs in the last few years, raising the available housing within the village and surrounding area. With new property splits and new subdivisions, it appears that the financial position will remain stable. The Authority raised some of its fees due to increased payments to inspectors and office help. The Authority continues to look at fee structures, and costs of operations.

Contacting the Authorities Management

This financial report is intended to provide our customers with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Authority's office.

WESTERN WASHTENAW CONSTRUCTION AUTHORITY

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2005

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2005

	GOVERNMENTAL ACTIVITIES
ASSETS:	
Cash and cash equivalents	$ 131,761
Property and equipment	6,738
Accumulated Depreciation	(6,738)
Total assets	131,761
LIABILITIES:	
Accounts payable	5,130
Accrued payroll	600
Accrued leave payable	1,230
Accrued expenses	1,793
SESC Bonds	500
Deferred revenue - Permits	22,490
Total liabilities	31,743
NET ASSETS:	
Unrestricted	100,018
Total net assets	$ 100,018

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

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

	NET (EXPENSE) REVENUE
EXPENSES:	
General government	$ 117,265
GENERAL REVENUES:	
Permits	119,943
Interest income	2,195
Soil Erosion	1,840
Other income	125
Total general revenues	124,103
Change in net assets	6,838
Net assets - beginning of year	93,180
Net assets - end of year	$ 100,018

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

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
JUNE 30, 2005

	GOVERNMENTAL FUND	RECONCILING ITEMS	STATEMENT OF NET ASSETS
ASSETS:			
Cash and cash equivalents	$ 131,761	$ -	$ 131,761
Property and equipment	-	6,738 (a)	6,738
Accumulated Depreciation	-	(6,738) (a)	(6,738)
Total assets	$ 131,761	$ -	$ 131,761
LIABILITIES:			
Accounts payable	$ 5,130	$ -	$ 5,130
Accrued payroll	600	-	600
Accrued leave payable	-	1,230 (b)	1,230
Accrued expenses	1,793	-	1,793
SESC Bonds	500	-	500
Deferred revenue - Permits	22,490	-	22,490
Total liabilities	30,513	1,230	31,743
FUND BALANCES:			
Undesignated	101,248		
Total liabilities and fund balance	$ 131,761		
NET ASSETS:			
Unrestricted		(1,230)	100,018
Total net assets		$ (1,230)	$ 100,018

(a) Capital assets are expensed in governmental fund financial statements; the acquired assets are capitalized and depreciated in the statement of net assets. All assets as of June 30, 2005 are fully depreciated.

(b) Accrued Leave is not recognized in the governmental fund financial statements; The government-wide statement of net assets include such obligations.

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

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

	GOVERNMENTAL FUNDS	RECONCILING ITEMS	STATEMENT OF NET ASSETS
REVENUES			
Permits	$ 119,943	$ -	$ 119,943
Interest income	2,195	-	2,195
Soil Erosion	1,840		1,840
Other income	125	-	125
Total revenues	124,103	-	124,103
EXPENDITURES			
Personal services	36,328	1,230 (b)	37,558
Inspections	63,168	-	63,168
Insurance	2,713	-	2,713
Professional fees	2,475	-	2,475
Office supplies	3,671	-	3,671
Office rent	4,200	-	4,200
Telephone	1,183	-	1,183
Postage	327	-	327
Depreciation	-	672 (a)	672
Soil Erosion Inspections	665	-	665
Miscellaneous	633	-	633
Total expenditures	115,363	1,902	117,265
EXCESS OF REVENUE OVER EXPENDITURES	8,740	(1,902)	6,838
FUND BALANCES, BEGINNING OF YEAR	92,508	-	93,180
FUND BALANCES, END OF YEAR	$ 101,248	$ (1,902)	$ 100,018

(a) Capital outlays are expensed in governmental fund financial statements; the acquired assets are capitalized and depreciated in the statement of activities. Depreciation for the year ended ended June 30, 2005 was $672. There were no capital outlays for the year ended June 30, 2005.

(b) Accrued Leave time is not recorded in governmental fund financial statements; The statement of net assets recognizes the expense as it is accrued for the year ended June 30, 2005 was $1,230.

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

WESTERN WASHTENAW CONSTRUCTION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2005

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
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JUNE 30, 2005

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The accounting methods and procedures adopted by the Western Washtenaw Construction Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The following is a summary of the significant accounting policies used by Western Washtenaw Construction Authority.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. DESCRIPTION OF AUTHORITY OPERATIONS -

The Western Washtenaw Construction Authority was organized in January 2000 and is located in the southwestern portion of Washtenaw County. The Authority operates under an operating agreement between the Village of Manchester and the Townships of Manchester, Freedom and Bridgewater to provide for the joint enforcement and administration of construction codes and other municipal ordinances.

B. REPORTING ENTITY -

As required by generally accepted accounting principles, the financial statements of the Western Washtenaw Construction Authority include its primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. On this basis, accordingly, the financial statements of certain other governmental organizations within the Authority are not included in the financial statements of the Authority.

C. BASIC FINANCIAL STATEMENTS

The basic financial statements report information on all activities of the Western Washtenaw Construction Authority. The Authority's activities are normally supported by fees charged for services rendered.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. All other revenue items are considered to be available only when cash is received by the government.

The Authority reports the following governmental fund:

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

Amounts reported as program revenue include: charges to customers or applicants for goods, services or privileges provided.

E. CASH AND CASH EQUIVALENTS -

The Authority has classified cash on hand in checking accounts as cash for balance sheet purposes. Cash in excess of current requirements is invested in a savings account.

F. PREPAID EXPENSES -

Expenses, material in amount, which provide benefits in a future period have been set up as prepaid. They will be recognized as an expense in the period receiving the benefit. Prepaid expenses are comprised of rent paid in advance.

G. CAPITAL ASSETS -

Capital assets, which include equipment, are reported in the governmental activities column in the basic financial statements.

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

Equipment	3 to 7 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. ESTIMATES -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

The budget document presents information by line items. The legal level of budgetary control adopted by the governing body is the line item level.

BUDGET VIOLATIONS -

Public Act #621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. For the year ended June 30, 2005 the Authority incurred no expenditures which were in excess of the amounts appropriated.

NOTE 3 - CASH AND INVESTMENTS:

The Authority is authorized by state law and a resolution from the Board to invest surplus funds as follows:

1) Bonds or other direct obligations of the United States.
2) Certificates of deposit, savings accounts, deposit accounts or depository receipts of a federally insured bank or credit union.
3) Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services. The maturity date of the commercial paper must not be longer than 270 days from the purchase date, and no more than 50% of any fund may be invested in commercial paper at any time.
4) United States government or federal agency obligations repurchase agreements.
5) Bankers' acceptances of United States banks.
6) Mutual funds composed of investment vehicles which are legal for direct investments by the Township.

NOTE 3 - CASH AND INVESTMENTS: (Continued)

Cash and cash equivalents of the Authority can be categorized as follows:

	Carrying Amount	Bank Balance
Cash on hand	$ 181	$ -
Insured (FDIC)	100,000	100,000
Uninsured and uncollateralized	31,580	31,580
	$ 131,761	$ 131,580

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depositary financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. Deposits are exposed to custodial credit risk if they are not covered by depositary insurance and are uncollateralized; collateralized with securities held by the pledging financial institution; or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT:

Capital asset activity of the Western Washtenaw Construction Authority for the current year was as follows:

	07/01/04	INCREASES	DECREASES	06/30/05
GOVERNMENTAL ACTIVITIES				
Capital assets being depreciated				
Machinery and equipment	$ 6,738	$ -	$ -	$ 6,738
Less accumulated depreciation for				
Machinery and equipment	6,066	672	-	6,738
Net capital assets being depreciated	$ 672	$ (672)	$ -	$ -

NOTE 5 – RENTS:

The Authority signed an operating lease with the Village of Manchester for use of the Authority facilities. The lease agreement is on a month to month basis in the amount of $350 a month. The amount of rent paid for the year ended June 30, 2005 is $4,200.

NOTE 6 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Authority has purchased commercial insurance for claims.

WESTERN WASHTENAW CONSTRUCTION AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2005

WESTERN WASHTENAW CONSTRUCTION AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
BEGINNING BUDGETARY FUND BALANCE	$ 65,838	$ 92,508	$ 92,508	$ -
RESOURCES (INFLOWS):				
Permits	141,500	141,500	119,943	(21,557)
Interest income	800	800	2,195	1,395
Soil Erosion	-	2,500	1,840	(660)
Other income	2,000	2,000	125	(1,875)
Total	144,300	146,800	124,103	(22,697)
Amounts available for appropriation	210,138	239,308	216,611	(22,697)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Personal services	45,000	45,000	36,328	8,672
Inspections	83,500	83,000	63,168	19,832
Insurance	2,500	2,713	2,713	-
Professional fees	2,500	3,000	2,475	525
Office supplies	4,000	4,000	3,671	329
Office Rent	4,200	4,200	4,200	-
Telephone	1,200	1,200	1,183	17
Postage	500	500	327	173
Soil Erosion		2,000	665	1,335
Miscellaneous	2,800	2,587	633	1,954
Total charges to appropriations	146,200	148,200	115,363	32,837
Budgetary Fund Balance-End of Year	$ 63,938	$ 91,108	$ 101,248	$ 10,140

Segregation of Duties

Because of the limited size of the Western Washtenaw Construction Authority's accounting staff, proper segregation of duties cannot be accomplished. This is an inherent weakness in the internal controls of the Authority. Authority management needs to continue to exercise appropriate management oversight to help compensate for the lack of staff. The only corrective action would be to hire additional staff, which is not practical.

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MEMBERS:
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CERTIFIED PUBLIC ACCOUNTANTS
ESTATE PLANNING COUNCIL
OF SOUTH CENTRAL MICHIGAN

December 22, 2005

Authority Board
Western Washtenaw Construction Authority

We have audited the basic financial statements of the Western Washtenaw Construction Authority for the year ended June 30, 2005, and have issued our report thereon dated December 22, 2005. Professional standards require that we provided you with the following information related to our audit.

Our responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated November 18, 2005, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Western Washtenaw Construction Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Western Washtenaw Construction Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2004. We noted no transactions entered into by the Western Washtenaw Construction Authority during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Western Washtenaw Construction Authority that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed several audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Western Washtenaw Construction Authority financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Western Washtenaw Construction Authority auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Board of Trustees and management of the Western Washtenaw Construction Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Markowski & Company

MARKOWSKI & COMPANY, CPAs