TOWNSHIP OF OVERISEL

ALLEGAN COUNTY, MICHIGAN

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

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

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☒Twp ☐Village ☐Other	Overisel Township	Allegan County

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
March 31, 2007	September 25, 2007	September 28, 2007

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	**Check each applicable box below.** (See instructions for further detail.)
1.	☒	☐	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.	☒	☐	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.	☒	☐	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.	☒	☐	The local unit has adopted a budget for all required funds.
5.	☒	☐	A public hearing on the budget was held in accordance with State statute.
6.	☒	☐	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.	☒	☐	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.	☒	☐	The local unit only holds deposits/investments that comply with statutory requirements.
9.	☒	☐	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10.	☒	☐	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.	☐	☒	The local unit is free of repeated comments from previous years.
12.	☒	☐	The audit opinion is UNQUALIFIED.
13.	☒	☐	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.	☒	☐	The board or council approves all invoices prior to payment as required by charter or statute.
15.	☒	☐	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	☒	
The letter of Comments and Recommendations	☒	
Other (Describe)	☐	

Certified Public Accountant (Firm Name)	Telephone Number		
Angle & Steffes, P.C.	269-686-9050		
Street Address	**City**	**State**	**Zip**
430 Western Ave, Suite B	Allegan	MI	49010

Authorizing CPA Signature	Printed Name	License Number
Steven K Angle CPA	Steven K. Angle, CPA	14653

OVERISEL TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

September 25, 2007

To the Township Board
Overisel Township
Allegan County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Overisel, Allegan County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Overisel, Allegan County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Overisel as of March 31, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, as of March 31, 2005.

The management's discussion and analysis and budgetary comparison information on page 2 and 17 through 19 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries 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.

Respectfully submitted,

Angle & Steffes P.C.

Angle & Steffes, P.C.
Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS
TOWNSHIP OF OVERISEL

Using this Annual Report

This 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 Township as a whole and present a long term view of the Township'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 Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

Overisel Township's financial position has remained steady over the 2006-2007 year. State Revenue sharing has again declined but is offset by the increase in TV (taxable value). Township officials are very guarded with any tentitive spending plans at this time. Building permits have significantly dropped again compared to prior years' activities. The Building Permit Fund acts primarily as a revolving account.

Government Activities

The Township continues to provide the citizens of Overisel Township with dust control, road re-construction, resurfacing and mowing of shoulders, due to an aggresive road millage for the before mentioned services. Fire Protection cost is partially funded by a Fire Protection millage. The balance of Road and Fire Protection cost are covered by the General Fund which is made up from State Revenue Sharing and operating millage. Other services taken from the General Fund are cemetery upkeep and landfill and recycling services.

Capital projects were undertaken in the 2006/2007 year. The cemetery land purchase and the fire station building addition were positive improvements undertaken in this fiscal year. Continued fire truck debt paydown was also managed by the Township.

Outlook for the Coming Year

With two payments remaining on the fire truck loan and close monitoring of State Revenue Sharing and projected revenues, Overisel Township should continue to provide services to residents at current levels regardless of any anticipated reductions in this area. There was a carry forward of road monies for 2007/2008 road projects. Overisel Township officials are diligent in searching for cost savings whenever possible while striving to improve road conditions as voter levies are collected.

Contacting the Overisel Township Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. Copies of the financial report are available through the Township Clerk.

OVERISEL TOWNSHIP
GOVERNMENT WIDE STATEMENT OF NET ASSETS
MARCH 31, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 793,690	$ 0	$ 793,690
Investments	0	0	0
Receivables - net	604,976	0	604,976
Prepaids	15,354	0	15,354
Capital assets - net	376,113	0	376,113
Total Assets	1,790,133	0	1,790,133
LIABILITIES			
Accounts payable	9,078	0	9,078
Accrued and other liabilities	547,974	0	547,974
Noncurrent Liabilities			
Due within one year	21,128	0	21,128
Due in more than one year	21,128	0	21,128
Total Liabilities	599,308	0	599,308
NET ASSETS			
Invested in Capital Assets Net of related debt	333,857	0	333,857
Restricted For			
Streets and highways	486,317	0	486,317
Public safety	73,170	0	73,170
Unrestricted	297,481	0	297,481
Total Net Assets	$ 1,190,825	$ 0	$ 1,190,825

The Notes to Financial Statement are an integral part of this statement.

OVERISEL TOWNSHIP
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
General government	$ 156,317	$ 1,950	$ 0	$ 0	$ (154,367)	$ 0	$ (154,367)
Public safety	192,710	31,680	0	0	(161,030)	0	(161,030)
Public works	533,196	0	0	0	(533,196)	0	(533,196)
Total Governmental Activities	882,223	33,630	0	0	(848,593)	0	(848,593)
Total Primary Government	$ 882,223	$ 33,630	$ 0	$ 0	(848,593)	0	(848,593)
	General Revenues						
	Property taxes				668,770	0	668,770
	State revenues				219,592	0	219,592
	Unrestricted investment earnings				32,872	0	32,872
	Rent				2,339	0	2,339
	Miscellaneous, fines & forfeits				5,148	0	5,148
	Transfers				0	0	0
	Total General Revenues-Special Items and Transfers				928,721	0	928,721
	Change in Net Assets				80,128	0	80,128
	Net Assets-Beginning				1,110,697	0	1,110,697
	Net Assets-Ending				$ 1,190,825	$ 0	$ 1,190,825

The Notes to Financial Statements are an integral part of this statement.

OVERISEL TOWNSHIP
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2007

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 790,442	$ 0	$ 0	$ 3,248	$ 793,690
Investments	0	0	0	0	0
Receivables - net	36,168	17,441	3,393	0	57,002
Due from other funds	2,795	468,876	76,303	0	547,974
Prepaids	15,354	0	0	0	15,354
Total Assets	844,759	486,317	79,696	3,248	1,414,020
LIABILITIES					
Accounts payable	2,099	0	6,526	453	9,078
Due to other funds	545,179	0	0	2,795	547,974
Total Liabilities	547,278	0	6,526	3,248	557,052
FUND BALANCES					
Reserved for					
Public works	0	486,317	0	0	486,317
Public safety	0	0	73,170	0	73,170
Unreserved	297,481	0	0	0	297,481
Total Fund Balances	$ 297,481	$ 486,317	$ 73,170	$ 0	856,968

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	376,113
Debt principal repayments and proceeds of debt are not reported on the statement of activities.	(42,256)
Net Assets of Governmental Activities	$ 1,190,825

The Notes to Financial Statements are an integral part of this statement.

OVERISEL TOWNSHIP
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
March 31, 2007

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes and penalties	$ 110,764	$ 478,310	$ 79,696	$ 0	$ 668,770
Licenses and permits	0	0	0	11,680	11,680
State aid	215,333	4,259	0	0	219,592
Charges for services	1,950	0	20,000	0	21,950
Interest and rentals	35,205	0	0	6	35,211
Other revenue	3,898	0	1,250	0	5,148
Total Revenues	367,150	482,569	100,946	11,686	962,351
Expenditures					
Current					
General government	153,457	0	0	0	153,457
Public safety	0	0	147,684	14,879	162,563
Public works	20,779	512,417	0	0	533,196
Community/Economic development	0	0	0	0	0
Capital outlay	27,749	0	24,733	0	52,482
Debt Service	0	0	0	23,499	23,499
Total Expenditures	201,985	512,417	172,417	38,378	925,197
Excess of Revenues Over (Under) Expenditures	165,165	(29,848)	(71,471)	(26,692)	37,154
Other Financing Sources (Uses)					
Transfers in	0	0	93,546	26,692	120,238
Transfers (out)	(96,739)	0	(23,499)	0	(120,238)
Total Other Financing Sources (Uses)	(96,739)	0	70,047	26,692	0
Excess of Revenue and Other Sources Over (Under) Expenditures & Other Uses	68,426	(29,848)	(1,424)	0	37,154
Fund Balance - April 1, 2006	229,055	516,165	74,594	0	819,814
Fund Balance - March 31, 2007	$ 297,481	$ 486,317	$ 73,170	$ 0	$ 856,968

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Overisel, Allegan County, Michigan is a general law Township. The Township operates under an elected government and provides the following services as authorized by its charter: public safety, highways and street, public improvements, cultural recreation, planning and zoning, and administrative services.

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

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township of Overisel. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program 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. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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

C. 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, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

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.

The Road and Fire Funds are Special Revenue Funds of the Township. The Road and Fire Funds are used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

Additionally, the government reports the following non-major fund types:

The Building Inspection and Debt Service Funds are Special Revenue Funds of the Township. The Building Inspection Fund is used to account for proceeds of special purpose programs. The Debt Service Fund is used to account for debt repayments.

Fiduciary funds are used in the tax collection process, however these cash balances were zero as of the audit date. No fiduciary governmental fund financial statements were reported as a result. Fiduciary funds are excluded from the government-wide financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Township of Overisel does not have an enterprise fund.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating revenue items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary fund relates to charges to customers for sales and services. The Township does not have proprietary funds.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Summer and winter taxes are levied by the Township.
Property taxes are levied in July and December on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent in the following September and March of the following respective periods, at which time penalties and interest are assessed.

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

D. Assets, Liabilities and Net Assets or Equity (continued)

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Sidewalks	20 to 30 years
Fire Equipment	07 to 40 years
Vehicles	03 to 07 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Compensated absences and unpaid vacations were considered but not accrued due to immateriality in amount.

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements for the effect of the inclusion of capital assets and long term debts.

Capitalized Asset Costs	$	862,815
Less Accumulated Depreciation		(486,702)
Capital Assets - net		376,113
Less Short Term debt		(21,128)
Less Long Term debt		(21,128)
Net Adjustments		333,857
Governmental Fund Balances		856,968
Net Assets of Governmental Activities	$	1,190,825

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Township of Overisel follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.

2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, Roads, etc.).

3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds-During the year, the Local Governmental Unit did not incurred expenditures in budgeted funds which were in excess of the amounts appropriated.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Total Primary Government
Cash & Cash Equivalents	$ 793,690	$ 793,690

The breakdown between deposits and investments is as follows:

	Primary Government
Bank Deposits (checking and savings accounts, certificates of deposit)	$ 793,690
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	-
Total	$ 793,690

The book balance of the primary government's deposits is $793,690 of which $193,690 is covered by federal depository insurance.

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor and business funds, with discretely presented component units in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds			Non-Major	Governmental	
	General Fund	Road Fund	Fire Fund	and Other Funds	Activities Total	Business Type
Taxes receivable	$ 4,213	$ 17,441	$ 3,393	$ 0	$ 25,047	$ 0
State revenues receivable	31,955	0	0	0	31,955	0
Due from other funds	2,795	468,876	76,303	0	547,974	0
Less: allowance for uncollectibles	0	0	0	0	0	0
Net Receivables	$ 38,963	$ 486,317	$ 79,696	$ 0	$ 604,976	$ 0

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government				
Capital Assets Not Being Depreciated				
Land	$ 10,000	$ 24,750	$ 0	$ 34,750
Subtotal	10,000	24,750	0	34,750
Capital Assets Being Depreciated				
Buildings, additions and improvements	58,800	22,174	0	80,974
Improvements other than buildings	0	0	0	0
Equipment	36,345	4,018	0	40,363
Fire equipment	105,196	1,540	0	106,736
Fire trucks	599,992	0	0	599,992
Subtotal	800,333	27,732	0	828,065
Less Accumulated Depreciation for				
Buildings, additions and improvements	54,100	860	0	54,960
Improvements other than buildings	0	0	0	0
Equipment	30,226	1,681	0	31,907
Fire equipment	38,954	14,081	0	53,035
Fire trucks	333,241	13,559	0	346,800
Subtotal	456,521	30,181	0	486,702
Net Capital Assets Being Depreciated	343,812	(2,449)	0	341,363
Governmental and Business Activities Capital Total Capital Assets-Net of Depreciation	$ 353,812	$ 22,301	$ 0	$ 376,113

Depreciation expense was charged to programs of the Township as follows:

Primary Government	
General government	$ 2,405
Public safety	27,776
Total Primary Government Activities	$ 30,181

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

Receivable Fund		Payable Fund	Amount
General fund	$ 2,795	Building Inspection fund	$ 2,795
Road fund	468,876	General fund	468,876
Fire fund	76,303	General fund	76,303
Total	$ 547,974		$ 547,974

Interfund Transfers

	Transfers (Out)		
Transfers In	General Fund	Fire Fund	Total
Fire fund	$ 93,546	$ 0	$ 93,546
Building Inspection fund	3,193	0	3,193
Debt Service fund	0	23,499	23,499
Total	$ 96,739	$ 23,499	$ 120,238

NOTE 8 - TOWNSHIP DEBTS

In the 2004/2005 fiscal year, the Township purchased a fire truck, partially paid for with a bank loan of $84,512. Principal payments are due annually of $21,128, with interest at a rate of 3.70% per annum.

	Beginning Debt Requirements	Additions	Payments	Ending Debt Requirement
Principal	$ 63,384	$ -	$ (21,128)	$ 42,256
Interest	4,647	-	(2,371)	2,276
	$ 68,031	$ -	$ (23,499)	$ 44,532

NOTE 9 - RETIREMENT PLAN

The Township has a governmental pension plan which allows a Section 218 exclusion of social security taxes with a governmental pension plan participation. The Township utilizes a third party administrator to assist with investment functions, while internally maintaining payroll and tax reporting responsibilities. The Township contributes a percentage of the eligible employee annual salary to the plan, with an employee match. Employee eligibility is defined in the plan. Pension expense for the March 31, 2007 fiscal year is $7,809 as reported in the financial statements.

NOTE 10 - BUILDING INSPECTION SERVICES

Public Act 245 of 1999 became effective January 1, 2000. This construction code act specified that a statewide code would apply to the plumbing, electrical, mechanical and building codes, dictating the Township's involvement in these services. The Township has set up a separate fund to monitor these functions as well as the planning and zoning activities. The Township of Overisel does not experience a profit in this function, covering administrative costs only.

REQUIRED SUPPLEMENTAL INFORMATION

OVERISEL TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	$ 229,055	$ 229,055	$ 229,055	$ (0)
Resources (Inflows)				
Taxes and penalties	77,480	77,480	110,764	33,284
State aid	215,000	215,000	215,333	333
Charges for services	1,500	1,500	1,950	450
Interest and rentals	16,500	16,500	35,205	18,705
Miscellaneous revenues	11,000	11,000	3,898	(7,102)
Amounts Available for Appropriation	550,535	550,535	596,205	45,670
Charges to Appropriations (Outflows)				
General Government				
Township board	40,500	44,500	44,334	166
Supervisor	16,000	16,000	14,529	1,471
Clerk	15,500	17,000	16,826	174
Finance	4,600	4,600	4,150	450
Board of Review	1,300	1,300	1,239	61
Treasurer	24,000	24,000	23,449	551
Assessor	12,500	13,000	12,955	45
Elections	6,000	6,000	5,226	774
Other General Government				
Building and grounds	8,000	11,000	10,784	216
Cemetery	18,000	20,000	19,570	430
Attorney	7,500	7,500	395	7,105
Public Safety	0	0	0	0
Public Works	30,500	30,500	20,779	9,721
Recreation and culture	0	0	0	0
Community/Economic development	0	0	0	0
Capital outlay	135,613	124,613	27,749	96,864
Transfers to other funds	115,842	115,842	96,739	19,104
Total Charges to Appropriations	435,855	435,855	298,724	137,131
Budgetary Fund Balance-Mar 31	$ 114,680	$ 114,680	$ 297,481	$ 182,801

OVERISEL TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	$ 516,165	$ 516,165	$ 516,165	$ (0)
Resources (Inflows)				
Taxes and penalties	488,028	488,028	478,311	(9,717)
Interest	7,000	7,000	0	(7,000)
Miscellaneous	4,100	4,100	4,259	159
Transfers from other funds	37,410	37,410	0	(37,410)
Amounts Available for Appropriation	1,052,703	1,052,703	998,734	(53,969)
Charges to Appropriation (Outflows)				
Public Works				
Roads	539,000	539,000	512,418	26,582
Total Charges to Appropriations	539,000	539,000	512,418	26,582
Budgetary Fund Balance-Mar 31	$ 513,703	$ 513,703	$ 486,316	$ (27,387)

OVERISEL TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	$ 74,594	$ 74,594	$ 74,594	$ 0
Resources (Inflows)				
Taxes and penalties	82,224	82,224	79,696	(2,528)
Miscellaneous	22,000	22,000	21,250	(750)
Transfers from other funds	75,776	75,776	93,546	17,770
Amounts Available for Appropriation	254,594	254,594	269,086	14,492
Charges to Appropriations (Outflows)				
Public Safety				
Fire	150,000	150,000	147,684	2,316
Capital Outlay	25,000	25,000	24,733	267
Transfers to other funds	25,000	25,000	23,499	1,501
Total Charges to Appropriations	200,000	200,000	195,916	4,084
Budgetary Fund Balance-Mar 31	$ 54,594	$ 54,594	$ 73,170	$ 18,576

ADDITIONAL INFORMATION

OVERISEL TOWNSHIP
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2007

	Building Inspection	Debt Service	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 3,248	$ 0	$ 3,248
Investments	0	0	0
Receivables - net	0	0	0
Due from other funds	0	0	0
Total Assets	$ 3,248	$ 0	$ 3,248
Liabilities and Fund Equity			
Liabilities			
Accounts payable	$ 453	$ 0	$ 453
Due to other funds	2,795	0	2,795
Total Liabilities	3,248	0	3,248
Fund Balance			
Reserved	0	0	0
Unreserved	0	0	0
Total Fund Equity	0	0	0
Total Liabilities and Fund Equity	$ 3,248	$ 0	$ 3,248

The Notes to the Financial Statements are an integral part of this statement.

OVERISEL TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2007

	Building Inspection	Debt Service	Total Non-Major Governmental Funds
Revenues			
Licenses and permits	$ 11,680	$ 0	$ 11,680
Interest	6	0	6
Other revenue	0	0	0
Total Revenues	11,686	0	11,686
Expenditures			
Current			
Public safety	14,879	0	14,879
Debt Services			
Principal	0	21,128	21,128
Interest	0	2,371	2,371
Total Expenditures	14,879	23,499	38,378
Excess of Revenues Over (Under) Expenditures	(3,193)	(23,499)	(26,692)
Other Financing Sources (Uses)			
Operating transfers in	3,193	23,499	26,692
Operating transfers (out)	0	0	0
Total Other Financing Sources (Uses)	3,193	23,499	26,692
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	0	0	0
Fund Balance - April 1, 2006	0	0	0
Fund Balance - March 31, 2007	$ 0	$ 0	$ 0

The Notes to the Financial Statements are an integral part of this statement.

ANGLE & STEFFES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
American Institute of Certified Public Accountants (AICPA)

Michigan Association of Certified Public Accountants (MACPA)

430 WESTERN AVENUE, SUITE B
ALLEGAN, MICHIGAN 49010

STEVEN K. ANGLE, CPA
THERESA E. STEFFES, CPA,CGFM

Ph: (269) 686-9050
Fax: (269) 686-9056
email: mail@anglesteffes.com

September 25, 2007

In planning and performing our audit of the Financial Statements of the Township of Overisel for the year ended March 31, 2007, we considered the Township of Overisel's internal control structure to determine audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are an opportunity to strengthen internal control and increase operating efficiency. We offer the following items for your consideration.

Uninsured Funds
The Township currently uses a number of banks for its deposits, however, had maintained a significant balance in one account type. As of the audit date, $600,000 was uninsured in one bank's savings certificates. We recommend that no more than $200,000 be maintained in any one bank, $100,000 limit each in savings and demand account types, to avoid the risk of uninsured losses that may occur.

Pension accounting
Each June, the Township pays the insurance company the pension contributions which apply for the following July - June period. This prepayment, and employees' subsequent transactions as contributions are earned and collected, should be periodically reconciled. This process may involve detail transaction review, however, it would verify or support the pension activity for the Township. Your attention is recommended.

General
In general the internal control systems of the Township are good and functioning properly. The comments noted above will help the Township strengthen the existing controls and will help provide greater accountability to residents of the Township.

We greatly appreciate the help and cooperation given us by all Township employees and officials.

Respectfully,

Angle & Steffes P.C.

Angle & Steffes, P.C.
Certified Public Accountants

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