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	Township of Saugatuck	Allegan

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
June 30, 2006	October 11, 2006	12/8/06

We affirm that:

We are certified public accountants licensed to practice in Michigan.

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

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

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	☒	
The letter of Comments and Recommendations	☒	Nothing to report
Other (Describe)	☒	No other documents necessary

Certified Public Accountant (Firm Name)	Telephone Number		
Siegfried Crandall, PC	(269) 381-4970		
Street Address	**City**	**State**	**Zip**
246 East Kilgore Road	Kalamazoo	MI	49002
Authorizing CPA Signature	**Printed Name**	**License Number**	
	Daniel L. Veldhuizen, CPA	1101020724	

Township of Saugatuck
Allegan County, Michigan

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Year ended June 30, 2006

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is intended as a narrative overview of the Township of Saugatuck's operations over the fiscal year and its financial condition on June 30, 2006.

FINANCIAL HIGHLIGHTS

- The Township's total net assets increased $494,635 (9 percent) as a result of this year's operations.
- Of the $5,781,638 total net assets reported, $358,837 (6 percent) is unrestricted, or available to be spent at the discretion of the Board.
- The General Fund's unreserved undesignated fund balance at the end of the fiscal year was $358,595, which represents 87 percent of the actual total General Fund expenditures for the fiscal year.

Overview of the financial statements

The Township's basic financial statements are comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
    - The governmental funds statements tell how general government services like public works and public safety were financed in the short term as well as what remains for future spending.
    - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like a business. The Township has one proprietary fund to account for building and related inspections.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide financial statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Township's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net assets and how they have changed. Net assets - the difference between the Township's assets and liabilities - is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township you need to consider additional nonfinancial factors such as changes in the Township's property tax base and the condition of the Township's capital assets.

The government-wide financial statements present governmental activities. Most of the Township's basic services are included here, such as general government, public works, parks, etc. Property taxes and intergovernmental revenues generally fund these services.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond agreements.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and other revenues.

The Township has two kinds of funds:

- *Government Funds.* Most of the Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flow in and out and, (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship between them.

- *Proprietary Fund.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information. In fact, the Township's enterprise fund (one type of proprietary fund) is the same as its business-type activities but provides more detail and additional information, such as cash flows.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets. Total net assets at the end of the fiscal year were $5,781,638, an increase of 9% over the prior year. However, $3,937,734 of this total is invested in capital assets, and $1,485,067 million is restricted for perpetual care, public safety, public works, health and welfare, capital projects and debt service. Consequently, unrestricted net assets were $358,837, 6% of the total.

Condensed financial information
Net Assets

	2006	*2005*
Current and other assets	**$ 3,174,483**	$ 3,155,306
Capital assets	**4,822,734**	4,494,226
Total assets	**7,997,217**	**7,649,532**
Other liabilities	**155,579**	172,529
Long-term debt outstanding	**2,060,000**	2,190,000
Total liabilities	**2,215,579**	**2,362,529**
Net assets:		
Invested in capital assets, net of related debt	**3,937,734**	3,549,226
Restricted	**1,485,067**	1,402,476
Unrestricted	**358,837**	335,301
Total net assets	**$ 5,781,638**	**$ 5,287,003**

Changes in net assets. The Township's total revenues are $1,699,354. Approximately 30% of the Township's revenues come from property taxes while 18% comes from charges for services. State shared revenue represents only 11% of the Township's total revenues.

Condensed financial information
Changes in net assets

	2006	*2005*
Program revenues:		
Charges for services	**$ 383,190**	$ 469,118
Operating grants and contributions	**18,316**	23,234
Capital grants and contributions	**275,716**	292,051
General revenues:		
Property taxes	**457,672**	1,205,010
Franchise fees	**11,953**	14,047
State shared revenue	**195,340**	162,761
Investment income	**60,668**	17,878
Miscellaneous	**6,083**	4,524
Total revenues	**1,408,938**	2,188,623
Expenses:		
Legislative	**840**	905
General government	**404,199**	379,472
Public safety	**124,378**	475,926
Public works	**188,984**	457,839
Health and welfare	**4,982**	4,832
Community and economic development	**80,788**	105,422
Culture and recreation	**29,600**	237,009
Interest	**80,532**	97,476
Total expenses	**914,303**	1,758,881
Increase in net assets	**$ 494,635**	$ 429,742

Governmental activities. Governmental activities increased the Township's net assets by $494,635. The increase is due to the fact that general revenues exceeded the net cost of providing governmental services.

The cost of all governmental activities this year was $914,303. After subtracting the direct charges to those who directly benefited from the programs ($383,190) and operating and capital grants ($294,032) the "public benefit" portion covered by property taxes, state revenue sharing, and other general revenues was $237,081.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental funds. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of $1,702,812, an increase of $443,110 in comparison with the prior year.

The General Fund is the chief operating fund of the Township. At the end of the fiscal year, unreserved fund balance was $358,595, which represents 87 percent of the actual total General Fund expenditures for the current fiscal year. The fund balance increased by $23,294 during the fiscal year primarily due to an additional $32,200 in state shared revenue generated through a special census.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS (Continued)

The Road Fund experienced a decrease in fund balance of $2,098. This decrease was a result of significant road project costs that were incurred during the year, including reconstruction on 63rd, 65th, 135th, Lorimar Lane, and Elizabeth Street. The projects were financed by available resources of the fund.

The Water Debt Fund experienced an increase in fund balance of $51,631. Assessments and debt service charges collected on behalf of the Township are being used to pay on-going debt service expenses on two bond issues, with payments due through the year 2017, totaling about $1,179,780.

The Sewer Debt Fund experienced an increase in fund balance of $369,753. The Sewer Debt Fund had a significant increase in fund balance this year, principally from connection charges from new customers to the sewer system. Assessments and debt service charges collected on behalf of the Township are being used to pay on-going debt service expenses on a single bond issue, with payments due through the year 2022, totaling about $1,649,780.

Proprietary fund. The Building Inspection Fund experienced a decrease in net assets of $4,127 because inspection fees were insufficient to cover the full cost of providing the inspection services. Net assets are $19,523 at year end.

General Fund budgetary highlights

The difference between the original budget and the final amended budget for expenditures was an increase of $42,200 primarily due to an increase in professional fees in the Planning and Zoning Department.

Revenues were $46,603 more than budgeted primarily due to the additional $32,200 in state shared revenue received for the special census adjustment. General Fund expenditures and transfers were $59,186 less than the amounts appropriated because fringe benefit costs and planning department costs were both nearly $20,000 less than anticipated. These variances resulted in a $105,789 positive budget variance, and a $23,294 increase in fund balance compared to a budgeted $82,495 decrease.

Capital asset and debt administration

Capital assets.
The Township's investment in capital assets as of June 30, 2006, amounts to $4,822,734 (net of accumulated depreciation). This investment includes a broad range of assets including land, buildings, equipment, sewer and water systems, and shared cost of road projects. The increase in the Township's net investment in capital assets for the current fiscal year was $328,508, 7% over the prior year.

Major capital asset events during the current fiscal year included the following:

- Completion of the 63rd St., 65th St., 135th St., Lorimar Lane, and the Elizabeth Street road projects, at a $330,845 cost to the Township
- $10,579 for a new color copier
- $19,500 for a sprinkling system at the cemetery
- $62,694 for a water supply system on Clearbrook Drive
- $37,100 for sewer system improvements

More detailed information about the Township's capital assets is presented in Note 5 of the notes to the basic financial statements.

Long-term debt.
At year end, the Township had $2,060,000 in outstanding bonds payable comprised of three limited tax and revenue bond issues, all of which are secured by special assessments on benefited properties. More detailed information about the Township's long-term debt is presented in Note 8 of the notes to the basic financial statements.

Economic condition and outlook

The Township continues to maintain a healthy General Fund fund balance which is available for unforeseen or emergency expenditures. Expectations are that at fiscal year ending June 30, 2007 the General Fund fund balance may be approaching 100% of actual fund expenditures.

Management feels that maintenance of an adequate General Fund fund balance is essential due to uncertain economic conditions and as a reserve funding in the event of an unfavorable litigation result in the lawsuit of City of Douglas versus Saugatuck Township in the matter of division of assets as of the date when Douglas evolved from Village status to City status.

As of June 30, 2006 the Township is obligated to retire bonds related to our water systems, in the amount of $885,000, through and including the year 2017. The Water Debt Fund has $323,041 available to retire this debt as of June 30, 2006.

Sewer bonds payable, in the amount of $1,175,000, will be retired with annual payments through and including the year 2022. As of June 30, 2006, the Sewer Debt Fund has a $758,078 fund balance for this purpose.

Economic condition and outlook (Continued)

Positive factors going forward:

- The Township received $32,200 in additional state shared revenues as a result of a special census conducted in 2005. It is anticipated that in the years 2007 thru 2010 state shared revenue will be enhanced each year because of our population increase. The exact amount of state shared special census increase in revenues is dependent upon the number of communities conducting a special census and future appropriations by the state legislature.

- New construction continues to provide additional General Fund taxes which helps to mitigate annual inflation increases.

- New construction in the water and sewer special assessment districts is providing connection charges in amounts much greater than originally anticipated. Connection charges in those districts must be used for debt retirement. Since the respective debt retirement funds are accumulating faster and in greater amounts than the original projection, the Township may have attractive future options. It may be possible either to retire bonds early; thus, saving interest expense or annual assessments may be significantly reduced in the respective special assessment districts.

Contacting the Township's financial management

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors and creditors, and to demonstrate the Township's accountability for the money it receives. Questions regarding any information provided in this report or request for additional financial information should be addressed to:

Township of Saugatuck
Phil Quade, Township Manager
3461 Blue Star Highway
Saugatuck, Michigan 49453

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Township of Saugatuck, 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 Saugatuck, Michigan, as of June 30, 2006, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. 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 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 Saugatuck, Michigan, as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis, budgetary comparison schedules, and the schedule of funding progress of the employee retirement system, as listed in the contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the Township of Saugatuck, Michigan's basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Township of Saugatuck, Michigan. 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.

Siegfried Crandell P.C.

October 11, 2006

BASIC FINANCIAL STATEMENTS

Township of Saugatuck
STATEMENT OF NET ASSETS
June 30, 2006

	Governmental activities
ASSETS	
Current assets:	
Cash	$ 1,430,871
Investments	276,641
Receivables	583,334
Prepaid insurance	12,698
Total current assets	2,303,544
Noncurrent assets:	
Receivables, net	870,939
Capital assets, net of accumulated depreciation	4,822,734
Total noncurrent assets	5,693,673
Total assets	7,997,217
LIABILITIES	
Current liabilities:	
Payables	111,579
Bonds payable	130,000
Total current liabilities	241,579
Noncurrent liabilities:	
Deferred revenue	44,000
Bonds payable	1,930,000
Total noncurrent liabilities	1,974,000
Total liabilities	2,215,579
NET ASSETS	
Invested in capital assets, net of related debt	3,937,734
Restricted for:	
General government	92,470
Public safety	19,523
Health and welfare	16,354
Capital projects	154,032
Debt service	1,202,688
Unrestricted	358,837
Total net assets	$ 5,781,638

See notes to financial statements

Township of Saugatuck
STATEMENT OF ACTIVITIES
Year ended June 30, 2006

Functions/Programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expenses) revenues and changes in net assets: Governmental activities
Governmental activities:					
Legislative	$ 840	$ -	$ -	$ -	$ (840)
General government	404,199	136,021	11,150	-	(257,028)
Public safety	124,378	120,855	-	-	(3,523)
Public works	188,984	4,052	7,166	134,986	(42,780)
Health and welfare	4,982	-	-	-	(4,982)
Community and economic development	80,788	19,271	-	-	(61,517)
Culture and recreation	29,600	-	-	2,057	(27,543)
Interest on long-term debt	80,532	102,991	-	138,673	161,132
Total governmental activities	$ 914,303	$ 383,190	$ 18,316	$ 275,716	(237,081)
General revenues:					
Property taxes					457,672
State shared revenue					195,340
Investment income					60,668
Franchise fees					11,953
Other					6,083
Total general revenues					731,716
Change in net assets					494,635
Net assets - beginning					5,287,003
Net assets - ending					$ 5,781,638

See notes to financial statements

Township of Saugatuck
BALANCE SHEET - *governmental funds*
June 30, 2006

	General	Road	Water Debt
ASSETS			
Cash	$ 126,250	$ 28,333	$ 323,703
Investments	225,686	22	-
Receivables	93,635	-	347,950
Prepaid insurance	12,698	-	-
Total assets	$ 458,269	$ 28,355	$ 671,653
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payables	$ 55,674	$ 28,113	$ 662
Deferred revenue	44,000	-	347,950
Total liabilities	99,674	28,113	348,612
Fund balances:			
Unreserved, undesignated	358,595	242	323,041
Unreserved, undesignated reported in nonmajor:			
Special revenue funds	-	-	-
Capital project funds	-	-	-
Total fund balances	358,595	242	323,041
Total liabilities and fund balances	$ 458,269	$ 28,355	$ 671,653

Fund balances - total governmental funds

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, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Enterprise fund net assets have been presented in *governmental activities* for reporting purposes.

Net assets of *governmental activities* (page 5)

Sewer Debt	Nonmajor governmental funds	Totals
$ 738,578	$ 194,484	$ 1,411,348
-	50,933	276,641
988,119	24,569	1,454,273
-	-	12,698
$ 1,726,697	$ 269,986	$ 3,154,960
$ -	$ 7,130	$ 91,579
968,619	-	1,360,569
968,619	7,130	1,452,148
758,078	-	1,439,956
-	108,824	108,824
-	154,032	154,032
758,078	262,856	1,702,812
$ 1,726,697	$ 269,986	$ 3,154,960
		$ 1,702,812
		4,822,734
		1,316,569
		(20,000)
		(2,060,000)
		19,523
		$ 5,781,638

See notes to financial statements

Township of Saugatuck

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *governmental funds*

Year ended June 30, 2006

	General	Road	Water Debt	Sewer Debt
REVENUES				
Property taxes	$ 147,691	$ 330,260	$ -	$ -
Licenses and permits	15,758	-	-	-
State grants	202,506	-	-	-
Contributions from local units	-	-	-	-
Charges for services	36,208	-	46,470	92,203
Interest and rentals	39,277	30	36,863	99,661
Other	20,463	-	81,294	327,112
Total revenues	461,903	330,290	164,627	518,976
EXPENDITURES				
Legislative	840	-	-	-
General government	261,039	-	22,662	23,025
Public safety	1,811	-	-	-
Public works	22,698	359,388	-	-
Health and welfare	-	-	-	-
Community and economic development	80,788	-	-	-
Culture and recreation	19,893	-	-	-
Capital outlay	24,540	-	-	-
Debt service:				
Principal	-	-	60,000	70,000
Interest	-	-	30,334	56,198
Total expenditures	411,609	359,388	112,996	149,223
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,294	(29,098)	51,631	369,753
OTHER FINANCING SOURCES (USES)				
Transfer in	-	27,000	-	-
Transfer out	(27,000)	-	-	-
Total other financing sources (uses)	(27,000)	27,000	-	-
NET CHANGE IN FUND BALANCES	23,294	(2,098)	51,631	369,753
FUND BALANCES - BEGINNING	335,301	2,340	271,410	388,325
FUND BALANCES - ENDING	$ 358,595	$ 242	$ 323,041	$ 758,078

Nonmajor governmental funds	Total governmental funds
$ 39,790	$ 517,741
-	15,758
-	202,506
43,235	43,235
137,026	311,907
3,418	179,249
89	428,958
223,558	1,699,354
-	840
73,753	380,479
-	1,811
124,693	506,779
4,982	4,982
-	80,788
-	19,893
19,600	44,140
-	130,000
-	86,532
223,028	1,256,244
530	443,110
-	27,000
-	(27,000)
-	-
530	443,110
262,326	1,259,702
$ 262,856	$ 1,702,812

See notes to financial statements

Township of Saugatuck

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *governmental funds* (Continued)

Year ended June 30, 2006

	Total governmental funds
Net change in fund balances - total governmental funds	$ 443,110
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays ($460,718) exceeded depreciation ($132,210).	328,508
Because some special assessments will not be collected until subsequent periods, they are not considered available revenues and are deferred in the governmental funds. Deferred special assessment revenues decreased by this amount this year.	(408,856)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	6,000
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	130,000
The change in enterprise fund net assets has been presented in *governmental activities* for reporting purposes.	(4,127)
Change in net assets - *governmental activities* (page 6)	$ 494,635

See notes to financial statements

Township of Saugatuck
STATEMENT OF NET ASSETS - *proprietary fund*
June 30, 2006

	Building inspections
ASSETS	
Current asset - cash	$ 19,523
NET ASSETS	19,523
Amounts reported for business-type activities in the government-wide statement of net assets (page 5) are different because:	
Assets and liabilities of the Building Inspections Fund have been combined with those of *governmental activities*.	(19,523)
Net assets of business-type activities	$ -

See notes to financial statements

Township of Saugatuck

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - *proprietary fund*

Year ended June 30, 2006

	Building inspections
OPERATING REVENUES	
Licenses and permits	$ 118,440
OPERATING EXPENSES	
Public safety	122,567
CHANGE IN NET ASSETS	(4,127)
NET ASSETS - BEGINNING	23,650
NET ASSETS - ENDING	$ 19,523
Change in net assets	$ (4,127)
Amounts reported for business-type activities in the government-wide statement of activities (page 6) are different because:	
Revenues and expenses of the Building Inspections Fund have been combined with those of the *governmental activities*.	4,127
Change in net assets of *governmental activities*	$ -

See notes to financial statements

Township of Saugatuck
STATEMENT OF CASH FLOWS - *proprietary fund*
Year ended June 30, 2006

	Building inspections
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 118,440
Payments to suppliers	(74,482)
Payments to employees	(48,085)
NET DECREASE IN CASH	(4,127)
CASH - BEGINNING	23,650
CASH - ENDING	$ 19,523

See notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Saugatuck, Michigan (the Township), conform to U.S. generally accepted accounting principles, as applicable to governments. The following is a summary of the more significant policies:

a) 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. 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. The Township has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a blended or discretely-presented component unit in the Township's financial statements.

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 Township. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for the governmental and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported in 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 is the proprietary fund. Revenues are 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.

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

c) 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be 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.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township'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 Fund accounts for the financial resources used for the construction and maintenance of roads. Revenues are primarily derived from property taxes.

The Water Debt Fund accounts for the issuance and payment of debt related to water improvements.

The Sewer Debt Fund accounts for the issuance and payment of debt related to sewer improvements.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private sector guidance for their enterprise funds, subject to the same limitations. The government has elected not to follow subsequent private-sector standards.

Amounts reported as program revenue includes: (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.

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

c) Measurement focus, basis of accounting, and financial statement presentation (continued):
Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

d) Assets, liabilities, and net assets or equity:

i) Bank deposits and investments - Cash is 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. Pooled investment income is proportionately allocated to all funds.

ii) Receivables and payables - No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the government-wide financial statements.

iv) Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than $2,000 ($10,000 for infrastructure assets) 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.

The Township has elected to use the prospective method of accounting for infrastructure assets whereby it will capitalize its infrastructure assets beginning July 1, 2003, as permitted by GASB Statement No. 34.

The Township includes shared road costs in its infrastructure assets. These costs represent the Township's portion of public road improvements for roads within the Township, which are owned by the County of Allegan.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 - 50 years
Equipment	3 - 20 years
Sewer and water systems	50 years
Shared road costs	20 years

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

c) *Measurement focus, basis of accounting, and financial statement presentation* (continued):

v) Deferred revenue - In the fund financial statements, governmental funds report deferred revenue in connection with resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

vi) 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.

vii) Property tax revenue recognition - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

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 fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the functional level.

Excess of expenditures over appropriations in budgeted funds - The following schedule sets forth significant budget variances:

Fund	*Function*	*Budget*	*Actual*	*Variance*
General	Capital outlay	$ 21,500	$ 24,540	$ 3,040

NOTE 3 - CASH AND INVESTMENTS:

At June 30, 2006, cash and investments are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash	1,430,871
Investments	276,641
Total cash and investments	$ 1,707,512

NOTE 3 - CASH AND INVESTMENTS (Continued):

At June 30, 2006, cash and investments consist of the following:

Deposits with financial institutions	$ 1,430,771
Investments	276,641
Cash on hand	100
Total cash and investments	$ 1,707,512

a) Deposits with financial institutions:
State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance. At June 30, 2006, $1,045,416 of the Township's bank balances of $1,445,416 was exposed to custodial credit risk because it was uninsured.

b) Investments:
State statutes and the Township's investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; and e) qualified investment pools. Not more than 50% of any fund may be invested in commercial paper.

The Township's investments consist of holdings in a local governmental investment pool (the Pool). The Pool is an external pooled investment fund, which holds qualified investments for local governments. The Pool is not regulated by, nor is it registered with, the SEC. The fair value of the Township's investment in this pool is reported at amounts based upon the Township's pro-rata share of the fair value provided by the Pool for the entire Pool portfolio (in relation to the amortized cost of that portfolio). The Township's holdings are carried at cost, which approximates fair value.

NOTE 4 - RECEIVABLES:

Receivables at June 30, 2006, of the Township's funds, are as follows:

Fund	*Special assessments*	*Intergovern-mental*	*Totals*
General	$ -	$ 93,635	$ 93,635
Water Debt	347,950	-	347,950
Sewer Debt	988,119	-	988,119
Nonmajor governmental	-	24,569	24,569
Totals	$ 1,336,069	$ 118,204	$ 1,454,273
Noncurrent portion	$ 870,939	$ -	$ 870,939

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2006, was as follows:

	Beginning balance	*Increases*	*Decreases*	*Ending balance*
Governmental activities:				
Capital assets not being depreciated - land	$ 215,057	$ -	$ -	$ 215,057
Capital assets being depreciated:				
Land improvements	206,965	-	-	206,965
Buildings	172,884	19,500	-	192,384
Equipment	59,830	10,579	-	70,409
Sewer and water system	3,238,513	99,794	-	3,338,307
Shared cost of roads	1,070,676	330,845	-	1,401,521
Subtotal	4,748,868	460,718	-	5,209,586
Less accumulated depreciation for:				
Land improvements	93,514	10,003	-	103,517
Buildings	48,552	3,890	-	52,442
Equipment	21,133	5,473	-	26,606
Sewer and water system	239,972	50,381	-	290,353
Shared cost of roads	66,528	62,463	-	128,991
Subtotal	469,699	132,210	-	601,909
Total capital assets being depreciated, net	4,279,169	328,508	-	4,607,677
Governmental activities capital assets, net	$ 4,494,226	$ 328,508	$ -	$ 4,822,734

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

Governmental activities:	
General government	$ 12,619
Public works	112,844
Culture and recreation	6,747
Total governmental activities	$ 132,210

NOTE 6 - PAYABLES:

Payables at June 30, 2006, for the Township's funds, are as follows:

Fund	*Accounts*	*Payroll*	*Totals*
General	$ 40,567	$ 14,383	$ 54,950
Road	28,113	-	28,113
Nonmajor governmental	8,516	-	8,516
Totals	$ 77,196	$ 14,383	$ 91,579

NOTE 7 - DEFERRED REVENUE:

As of June 30, 2006, the various components of deferred revenue are as follows:

	Unearned	*Unavailable*	*Totals*
Tower lease	$ 44,000	$ -	$ 44,000
Water debt special assessments	-	347,950	347,950
Sewer debt special assessments	-	968,619	968,619
Total deferred revenue	$ 44,000	$ 1,316,569	$1,360,569

NOTE 8 - LONG-TERM DEBT:

At June 30, 2006, long-term debt is comprised of the following individual issues:

Governmental activities	
Bonds payable:	
$775,000 1998 special assessment limited tax bonds - payable in annual installments ranging from $35,000 to $50,000, plus interest at 5.10%; final payment due April 2017, secured by assessments and full faith and credit of the Township	$ 490,000
$520,000 1998 water supply system revenue bonds - payable in annual installments ranging from $25,000 to $50,000, plus interest at 5.10%; final payment due April 2017, secured by assessments	395,000
$1,385,000 2002 special assessment limited tax bonds - payable in annual installments ranging from $70,000 to $75,000, plus interest at 5.50%; final payment due April 2022, secured by assessments and full faith and credit of the Township	1,175,000
Total governmental activities long-term debt	$2,060,000

NOTE 8 - LONG-TERM DEBT (Continued):

Long-term debt activity for the year ended June 30, 2006, was as follows:

	Beginning balance	*Additions*	*Reductions*	*Ending balance*	*Amounts due within one year*
Governmental activities:					
1998 limited tax bonds	$ 525,000	$ -	$ 35,000	$ 490,000	$ 35,000
1998 revenue bonds	420,000	-	25,000	395,000	25,000
2002 limited tax bonds	1,245,000	-	70,000	1,175,000	70,000
Total governmental activities long-term debt	$ 2,190,000	$ -	$ 130,000	$2,060,000	$ 130,000

At June 30, 2006, debt service requirements were as follows:

	Governmental activities	
	Principal	*Interest*
Year ended June 30:		
2007	130,000	98,110
2008	135,000	92,254
2009	135,000	86,066
2010	135,000	79,884
2011	150,000	73,698
2012 - 2016	825,000	256,748
2017 - 2021	475,000	79,050
2022 - 2026	75,000	3,750
	$ 2,060,000	$ 769,560

NOTE 9 - JOINTLY-GOVERNED ORGANIZATIONS:

a) *Township of Saugatuck Fire District*:
The Township, in conjunction with the City of Saugatuck, and the City of the Village of Douglas, created the Saugatuck Fire District. The District's administrative board consists of five members, two at-large members and one member from each of the three participating units. The budget of the District is approved at a joint meeting of the participating units.

b) Interurban Transit Authority:
The Township, in conjunction with the City of Saugatuck, and the City of the Village of Douglas, created the Interurban Transit Authority. The Authority's administrative board consists of six members, two members appointed by each of the three participating units.

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM:

Plan description and provisions:
All of the Township's full-time employees participate in the Michigan Municipal Employees' Retirement System (the System), a multi-employer public retirement system.

All full-time employees of the Township are eligible to participate in the System. There are currently two retired beneficiaries receiving benefits from the System in the form of monthly payments. There is one terminated employee who is entitled to benefits but is not yet receiving benefits. In addition, there are currently three active participants, some of whom are fully vested. Employees who retire at or after age sixty with ten years of credited service are entitled to a retirement benefit, payable monthly for life equal to 2.25% of final average compensation, with a maximum benefit of 80% of final average compensation. Final average compensation is the employee's average salary over the last five years of credited service. Benefits fully vest upon reaching ten years of service. Vested employees may retire at or after age fifty with specified years of credited service and receive reduced retirement benefits. The System also provides death and total disability benefits and certain post-retirement adjustments to the amount of retirement benefits.

The Township is required by state statute to contribute actuarially determined amounts necessary to pay benefits when due. The System issues a publicly-available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees' Retirement System of Michigan, 447 N. Canal, Lansing, Michigan 48917, or by calling 1-800-767-6377.

Funding policy:
Contribution rates for each participating employer and its covered employees are established, and may be amended, by each participating unit. The contribution rates are determined based on the benefit structure established by each employer. Covered employees are not required to contribute to the System. Participating employers are required to contribute amounts necessary to finance the coverage of their employees through periodic contributions at actuarially-determined rates. Administrative costs of the System are financed through investment earnings.

Annual pension cost:
For the year ended June 30, 2006, the Township's annual pension cost was $31,854 for its defined benefit pension plan. The required contribution was determined as part of the December 31, 2004, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) AN 8% investment rate of return, net of administrative expenses, b) projected salary increases of 4.5% per year, and c) an added percentage based on an age-related scale to reflect merit, longevity, and promotional salary increases. The actuarial value of the System's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized over a closed period of 30 years as a level percentage of payroll.

NOTE 10 - EMPLOYEE RETIREMENT SYSTEM (Continued):

Three-year trend information is as follows:

Year ended June 30:	*Annual pension cost (APC)*	*Percentage of APC contributed*	*Net pension obligation*
2004	$ 51,416	100%	-
2005	38,868	100%	-
2006	31,854	100%	-

Certain other accounting policies and plan asset matters are discussed in greater detail in the System's actuarial valuation.

NOTE 11 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 12 - CONTINGENCY:

The City of the Village of Douglas has asserted a claim to certain assets, less assumed liabilities, of the Township upon the incorporation of the City in December, 2004. The assertion is subject to the application of the state statute (MCL 117.14) governing the incorporation of a city. The resolution of this claim is not presently determinable.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Saugatuck
BUDGETARY COMPARISON SCHEDULE - *General Fund*
Year ended June 30, 2006

	Original budget	*Amended budget*	*Actual*	*Variance favorable (unfavorable)*
REVENUES				
Property taxes	$ 139,600	$ 144,100	$ 147,691	$ 3,591
Licenses and permits	17,200	17,200	15,758	(1,442)
State grants	161,000	161,000	202,506	41,506
Charges for services	56,800	56,800	36,208	(20,592)
Interest and rentals	13,300	22,600	39,277	16,677
Other	30,600	40,600	20,463	(20,137)
Total revenues	418,500	442,300	461,903	19,603
EXPENDITURES				
Legislative	1,700	1,000	840	160
General government	304,756	293,456	261,039	32,417
Public safety	3,183	3,183	1,811	1,372
Public works	48,000	52,500	22,698	29,802
Community and economic development	50,956	103,956	80,788	23,168
Culture and recreation	24,500	24,500	19,893	4,607
Capital outlay	21,500	21,500	24,540	(3,040)
Total expenditures	454,595	500,095	411,609	88,486
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,095)	(57,795)	50,294	108,089
OTHER FINANCING USES				
Transfer out - Road Fund	-	(27,000)	(27,000)	-
NET CHANGE IN FUND BALANCES	(36,095)	(84,795)	23,294	108,089
FUND BALANCES - BEGINNING	335,301	335,301	335,301	-
FUND BALANCES - ENDING	$ 299,206	$ 250,506	$ 358,595	$ 108,089

Township of Saugatuck
BUDGETARY COMPARISON SCHEDULE - *Road Fund*
Year ended June 30, 2006

	Original budget	*Amended budget*	*Actual*	*Variance favorable (unfavorable)*
REVENUES				
Property taxes	$ 336,000	$ 336,000	$ 330,260	$ (5,740)
Interest	1,000	1,000	30	(970)
Total revenues	337,000	337,000	330,290	(6,710)
EXPENDITURES				
Public works	531,000	531,000	359,388	171,612
DEFICIENCY OF REVENUES OVER EXPENDITURES	(194,000)	(194,000)	(29,098)	(164,902)
OTHER FINANCING SOURCES				
Transfer in - General Fund	194,000	194,000	27,000	167,000
NET CHANGE IN FUND BALANCES	-	-	(2,098)	(2,098)
FUND BALANCES - BEGINNING	2,340	2,340	2,340	-
FUND BALANCES - ENDING	$ 2,340	$ 2,340	$ 242	$ (2,098)

Township of Saugatuck

SCHEDULE OF FUNDING PROGRESS - *Employee Retirement System*

(Municipal Employees' Retirement System of Michigan)

Actuarial valuation date December 31,	*Actuarial value of assets (a)*	*Actuarial accured liability (AAL) entry age (b)*	*Unfunded AAL (UAAL) (b-a)*	*Funded ratio (a/b)*	*Covered payroll (c)*	*UAAL as a percentage of covered payroll ((b-a)/c)*
1995	83,807	220,304	136,497	38%	74,582	183%
1996	92,889	245,731	152,842	38%	76,965	199%
1997	107,725	470,090	362,365	23%	104,140	348%
1998	137,249	441,318	304,069	31%	140,431	217%
1999	171,241	468,346	297,105	37%	138,741	214%
2000	195,057	513,439	318,382	38%	124,181	256%
2001	198,667	618,374	419,707	32%	95,218	441%
2002	221,458	634,531	413,073	35%	141,520	292%
2003	278,697	660,581	381,884	42%	148,243	258%
2004	294,412	631,120	336,708	47%	152,220	221%
2005	293,720	631,658	337,938	46%	118,946	284%

SUPPLEMENTARY INFORMATION

Township of Saugatuck
COMBINING BALANCE SHEET - *nonmajor governmental funds*
June 30, 2006

	Special revenue funds		*Capital project funds*		*Total nonmajor governmental funds*
	Cemetery	*Ambulance*	*Water Project*	*Sewer Project*	
ASSETS					
Cash	$ 44,373	$ 16,761	$ 69,714	$ 63,636	$ 194,484
Investments	50,933	-	-	-	50,933
Receivables	-	-	24,569	-	24,569
Total assets	$ 95,306	$ 16,761	$ 94,283	$ 63,636	$ 269,986
LIABILITIES AND FUND BALANCES					
Liabilities - payables	$ 2,836	$ 407	$ 3,887	$ -	$ 7,130
Fund balance - unreserved, undesignated	92,470	16,354	90,396	63,636	262,856
Total liabilities and fund balances	$ 95,306	$ 16,761	$ 94,283	$ 63,636	$ 269,986

Township of Saugatuck

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - *nonmajor governmental funds*

Year ended June 30, 2006

	Special revenue funds		*Capital project funds*		*Total nonmajor*
	Cemetery	*Ambulance*	*Water Project*	*Sewer Project*	*governmental funds*
REVENUES					
Property taxes	$ 38,783	$ 1,007	$ -	$ -	$ 39,790
Contributions from local units	43,235	-	-	-	43,235
Charges for services	2,040	-	79,688	55,298	137,026
Interest	2,811	607	-	-	3,418
Other	89	-	-	-	89
Total revenues	86,958	1,614	79,688	55,298	223,558
EXPENDITURES					
General government	73,753	-	-	-	73,753
Public works	-	-	87,593	37,100	124,693
Culture and recreation	-	-	-	-	-
Health and welfare	-	4,982	-	-	4,982
Capital outlay	19,600	-	-	-	19,600
Total expenditures	93,353	4,982	87,593	37,100	223,028
NET CHANGE IN FUND BALANCES	(6,395)	(3,368)	(7,905)	18,198	530
FUND BALANCES - BEGINNING	98,865	19,722	98,301	45,438	262,326
FUND BALANCES - ENDING	$ 92,470	$ 16,354	$ 90,396	$ 63,636	$ 262,856

OTHER SUPPLEMENTARY DATA

Township of Saugatuck

SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS - $755,000 1998 SPECIAL ASSESSMENT LIMITED TAX BONDS

June 30, 2006

Fiscal period	Interest requirements October 1	Interest requirements April 1	Maturity date	Principal	Total requirements
2007	$ 12,495	$ 12,495	4/01/07	$ 35,000	$ 59,990
2008	11,603	11,603	4/01/08	35,000	58,206
2009	10,710	10,710	4/01/09	35,000	56,420
2010	9,818	9,818	4/01/10	35,000	54,636
2011	8,925	8,925	4/01/11	50,000	67,850
2012	7,650	7,650	4/01/12	50,000	65,300
2013	6,375	6,375	4/01/13	50,000	62,750
2014	5,100	5,100	4/01/14	50,000	60,200
2015	3,825	3,825	4/01/15	50,000	57,650
2016	2,550	2,550	4/01/16	50,000	55,100
2017	1,275	1,275	4/01/17	50,000	52,550
	$ 80,326	$ 80,326		$ 490,000	$ 650,652

Township of Saugatuck

SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS - $520,000 1998 WATER SUPPLY SYSTEM REVENUE BONDS

June 30, 2006

Fiscal period	Interest requirements October 1	Interest requirements April 1	Maturity date	Principal	Total requirements
2007	$ 10,072	$ 10,072	4/01/07	$ 25,000	$ 45,144
2008	9,435	9,435	4/01/08	30,000	48,870
2009	8,670	8,670	4/01/09	30,000	47,340
2010	7,905	7,905	4/01/10	30,000	45,810
2011	7,140	7,140	4/01/11	30,000	44,280
2012	6,375	6,375	4/01/12	35,000	47,750
2013	5,482	5,482	4/01/13	35,000	45,964
2014	4,590	4,590	4/01/14	40,000	49,180
2015	3,570	3,570	4/01/15	40,000	47,140
2016	2,550	2,550	4/01/16	50,000	55,100
2017	1,275	1,275	4/01/17	50,000	52,550
	$ 67,064	$ 67,064		$ 395,000	$ 529,128

Township of Saugatuck

SCHEDULE OF BOND RETIREMENT AND ANNUAL INTEREST REQUIREMENTS - $1,385,000 2002 SPECIAL ASSESSMENT LIMITED TAX BONDS

June 30, 2006

Fiscal period	Interest requirements October 1	Interest requirements April 1	Maturity date	Principal	Total requirements
2007	$ 26,488	$ 26,488	4/01/07	$ 70,000	$ 122,976
2008	25,089	25,089	4/01/08	70,000	120,178
2009	23,653	23,653	4/01/09	70,000	117,306
2010	22,219	22,219	4/01/10	70,000	114,438
2011	20,784	20,784	4/01/11	70,000	111,568
2012	19,331	19,331	4/01/12	75,000	113,662
2013	17,738	17,738	4/01/13	75,000	110,476
2014	16,106	16,106	4/01/14	75,000	107,212
2015	14,419	14,419	4/01/15	75,000	103,838
2016	12,713	12,713	4/01/16	75,000	100,426
2017	10,969	10,969	4/01/17	75,000	96,938
2018	9,206	9,206	4/01/18	75,000	93,412
2019	7,425	7,425	4/01/19	75,000	89,850
2020	5,625	5,625	4/01/20	75,000	86,250
2021	3,750	3,750	4/01/21	75,000	82,500
2022	1,875	1,875	4/01/22	75,000	78,750
	$ 237,390	$ 237,390		$ 1,175,000	$ 1,649,780