Whitefish Township, Michigan

Basic Financial Statements

June 30, 2008

WHITEFISH TOWNSHIP, MICHIGAN

ELECTED OFFICIALS

Earl Skeans
Supervisor

Wanda Knox
Clerk

Susan Anway
Treasurer

Edson Forrester
Trustee

Patrick Graham
Trustee

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ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE
PHILLIP J. WOLF, CPA, PRINCIPAL
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KENNETH A. TALSMA, CPA, PRINCIPAL

MEMBER AICPA
DIVISION FOR CPA FIRMS
MEMBER MACPA
OFFICES IN
MICHIGAN & WISCONSIN

INDEPENDENT AUDITOR'S REPORT

Township Board
Whitefish Township
7052 North M-123
P.O. Box 69
Paradise, Michigan 49678

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining information of the Township of Whitefish, Michigan, as of and for the year ended June 30, 2008, 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 Whitefish's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

As discussed in Note 4 to the financial statements, management has not recorded capital assets in governmental activities from prior years and has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those capital assets be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amount by which this departure would affect the assets and expenses of the governmental activities is not reasonably determinable.

In our opinion, because of the effect of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, financial position of the governmental activities of Whitefish Township, Michigan, as of June 30, 2008, and the changes in financial position thereof for the year then ended.

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In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the Whitefish Township, Michigan as of June 30, 2008 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2008 on our consideration of the Township of Whitefish Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Schedules as listed in the table of contents 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 inquires 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Whitefish Michigan's basic financial statements. The accompanying combining nonmajor fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements, taken as a whole.

Anderson Tackman & Co. PLC

Anderson, Tackman & Company, PLC
Certified Public Accountants

December 18, 2008

Management’s Discussion and Analysis

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 longer-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

The Township's net assets increased $157,164, from a year ago for the governmental activities, due mainly to an increase in charges for services and other revenues received. In a condensed format, the table below shows a comparison of the net asset as of the current year to the prior year.

	Governmental Activities 2008	Governmental Activities 2007
Assets		
Current Assets	$ 673,838	$ 557,940
Capital Assets	121,732	59,591
Total Assets	$ 795,570	$ 617,531
Current Liabilities	$ 28,620	$ 7,745
Total Liabilities	28,620	7,745
Net Assets		
Invest in Capital Assets Net of Debt	121,732	59,591
Restricted	318,838	307,082
Unrestricted	326,380	243,113
Total Net Assets	$ 766,950	$ 609,786

The following table shows the changes of the net assets as of the current date to the prior year.

	Governmental Activities 2008	Governmental Activities 2007
Program Revenues		
Charges for Services	$ 95,445	$ 105,444
Operating Grants and Contributions	8,488	18,965
Capital Grants and Contributions	29,994	-
General Revenues		
Property Taxes	264,260	240,282
State Revenue Sharing	40,858	39,532
Unrestricted Investment Earnings	12,917	10,842
Other Revenue	71,861	43,228
Total Revenues	523,823	458,293
Program Expenses		
General Government	132,094	118,765
Public Safety	37,962	22,061
Public Works	47,674	47,939
Health and Welfare	48,841	39,663
Community & Economic Development	3,234	7,906
Recreation & Culture	76,018	45,462
Other Expenses	20,836	9,553
Total Expenses	366,659	291,349
Changes in Net Assets	157,164	166,944
Net Assets – Beginning	609,786	442,842
Net Assets – Ending	$ 766,950	$ 609,786

The Township's net assets continue to remain reasonably healthy overall.

Governmental Activities

The Township's total governmental revenues increased primarily due to the Township receiving more grant money.

The Township's Funds

Our analysis of the Township's major funds are listed in the audit report, following the entity-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the Township as whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2008 include the General Fund, Fire Fund, and Ambulance Fund.

The General Fund pays for most of the Township's governmental services. The most significant are for general government activities, which incurred expenses of $145,389 in 2008 as compared to $118,765 in 2007. The increase in expenditures was the result of other general government expenditures. These services are supported by the operating millage and State shared revenues. There was a net increase in the fund balance of $83,267 for the General fund. The Fire Fund is for the operations and equipment of the fire department which is supported by one operating millage. During the year, the fund balance in the Fire Fund decreased by $37,484. The Ambulance Fund is for the operations and equipment of the ambulance department. During the year, the fund balance in the Ambulance Fund increased by $58,450 as a result of an increase in tax revenue.

General Fund Budgetary Highlights

Over the course of the year, the Township board amended the budget to take into account events during the year. Of greatest significance was the ability of the board to hold expenditures down to a minimum.

Capital Asset and Debt Administration

At the end of 2008, the Township has a net capital of $121,732 invested in equipment. Capital assets added for the year were fire equipment and residing of the Library. To pay for the capital assets, the Township used available funds to continue to be debt free.

Economic Factors and Nest Year's Budgets and Rates

The Township's budget for 2008-2009 will be limited to essential services since the Township is trying to reserve funds to construct an emergency services building. We are experiencing an increase in the sale of property which is increasing the tax revenue as the cap on the taxable value is raised to the current market price of the property.

Contacting the Township's 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 accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Clerk's Office at 7052 North M-123, Paradise, Michigan 49768.

Basic Financial Statements

Statement of Net Assets
June 30, 2008

	Governmental Activities
ASSETS:	
CURRENT ASSETS:	
Cash & Investments - Unrestricted	$ 598,002
Taxes Receivable	25,580
Accounts Receivable	35,377
Due From State	13,365
Due From County	1,514
Current Assets	673,838
Capital Assets	121,732
TOTAL ASSETS	$ 795,570
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
Accounts Payable	$ 17,924
Accrued Liabilities	10,696
TOTAL LIABILITIES	28,620
NET ASSETS:	
Invested in Capital Assets	121,732
Restricted	318,838
Unrestricted	326,380
TOTAL NET ASSETS	$ 766,950

See accompanying notes to financial statements.

Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:					
General Government	$ 132,094	$ 6,774	$ -	$ -	$ (125,320)
Public Safety	37,962	6,779	-	-	(31,183)
Public Works	47,674	25,933	3,884	-	(17,857)
Health & Welfare	48,841	50,955	1,694	-	3,808
Community & Economic Development	3,234	-	-	-	(3,234)
Recreation & Culture	76,018	5,004	2,910	29,994	(38,110)
Other Expenses	20,836	-	-	-	(20,836)
Total Governmental Activities	$ 366,659	$ 95,445	$ 8,488	$ 29,994	(232,732)
General Revenues:					
Taxes					264,260
State Revenue Sharing					40,858
Other					71,861
Investment Earnings (Loss)					12,917
Total General Revenues					389,896
Changes in Net Assets					157,164
Net Assets - Beginning					609,786
Net Assets - Ending					$ 766,950

See accompany notes to financial statements.

Township of Whitefish, Michigan

Balance Sheet
Governmental Funds
June 30, 2008

	General	Special Revenue Funds: Fire Fund	Special Revenue Funds: Ambulance Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:					
Cash & Equivalents	$ 328,917	$ 10,041	$ 183,387	$ 75,657	$ 598,002
Taxes Receivable	14,272	2,680	4,976	3,652	25,580
Accounts Receivable	-	-	35,377	-	35,377
Due From Other Funds	2,239	-	-	9,379	11,618
Due From State	13,365	-	-	-	13,365
Due From County	1,514			-	1,514
TOTAL ASSETS	$ 360,307	$ 12,721	$ 223,740	$ 88,688	$ 685,456
LIABILITIES:					
Accounts Payable	$ 17,277	$ -	$ -	$ 647	$ 17,924
Accrued Liabilities	7,631	472	1,041	1,552	10,696
Due To Other Funds	9,019	811	-	1,788	11,618
TOTAL LIABILITIES	33,927	1,283	1,041	3,987	40,238
FUND BALANCES:					
Reserved	-	11,438	222,699	84,701	318,838
Unreserved					
Undesignated	326,380	-	-	-	326,380
TOTAL FUND BALANCES	326,380	11,438	222,699	84,701	645,218
TOTAL LIABILITIES AND FUND BALANCES	$ 360,307	$ 12,721	$ 223,740	$ 88,688	

Reconciliation to amounts reported for governmental activities in the statement of net assets:

Add: Capital Assets	121,732
Net assets of governmental activities	$ 766,950

See accompanying notes to financial statements.

Township of Whitefish, Michigan

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2008

		Special Revenue Funds		Nonmajor	Totals
	General	Fire Fund	Ambulance Fund	Governmental Funds	Governmental Funds
REVENUES:					
Taxes	$ 151,092	$ 35,437	$ 51,767	$ 25,964	$ 264,260
State Sources	78,850	-	-	490	79,340
Charges for Services	34,382	5,104	50,955	5,004	95,445
Interest & Rentals	12,468	-	-	449	12,917
Other Revenue	62,016	2,497	4,569	2,779	71,861
TOTAL REVENUES	338,808	43,038	107,291	34,686	523,823
EXPENDITURES:					
General Government	145,389	-	-	-	145,389
Public Safety	6,286	80,522	-	-	86,808
Public Works	42,961	-	-	4,713	47,674
Health & Welfare	-	-	48,841	-	48,841
Community & Economic Development	3,234	-	-	-	3,234
Recreation & Culture	37,422	-	-	38,596	76,018
Other Expenditures	20,249	-	-	587	20,836
TOTAL EXPENDITURES	255,541	80,522	48,841	43,896	428,800
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	83,267	(37,484)	58,450	(9,210)	95,023
FUND BALANCES - JULY 1, 2007	243,113	48,922	164,249	93,911	550,195
FUND BALANCES - JUNE 30, 2008	$ 326,380	$ 11,438	$ 222,699	$ 84,701	$ 645,218

See accompanying notes to financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2008

Net Changes in fund balances – total governmental funds	$ 95,023
The change in net assets reported for governmental activities in the Statement of Activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	62,141
Changes in net assets – statement of activities	$ 157,164

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Current Tax Collection Fund
ASSETS:	
Cash & Equivalents	$ 23,331
TOTAL ASSETS	$ 23,331
LIABILITIES:	
Due to Others	$ 23,331
TOTAL LIABILITIES	$ 23,331

See accompanying notes to financial statements.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Whitefish Township (township) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Whitefish Township:

A. Reporting Entity

Whitefish Township is located in Chippewa County and provides services to approximately 588 residents in many areas including public safety, highways and streets, general administrative services, and community enrichment and development. The Township is a general law township, and is governed by a five member board elected by the citizens of Whitefish Township. The board consists of the supervisor, clerk, treasurer, and two trustees whom reside in the community.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as needed.

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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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.

Taxes Receivable – Current or Property Taxes

The Whitefish Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Township of Whitefish as of the preceding December 31st.

The 2007 taxable valuation of Whitefish Township totaled $55,852,053 of which ad valorem taxes levied consisted of 1.6084 mills for the Township operating, .9748 mills for fire and ambulance operating, and .4651 mills for library operating. The millages resulted in property tax revenue of $150,092, $87,204 and $25,964 respectively during the fiscal year ended June 30, 2008. These amounts are recognized in the respective General and Special Revenue Funds financial statements as taxes receivable – current or as tax revenue.

The Township reports the following major governmental funds:

General Fund

This 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.

Fire Fund

This fund accounts for the Township millage revenue that is reserved for the operation of the fire department.

Ambulance Fund

This fund accounts for the Township millage revenue that is reserved for the operation of the Township ambulance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the Township reports the following fund type:

Agency Funds

Agency Funds are used to account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do no involve measurement of results of operations.

All other revenue items are considered to be available only when cash is received by the government.

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in the government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's tax collection function 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.

Amounts reported as program revenue include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments – Cash and cash equivalents are considered to be cash on hand and demand deposits. Deposits are recorded at cost.

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."

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) should be reported in the governmental column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation. The Township has records of assets acquired after July 1, 2003 to the present time. The current year acquisitions have been recorded as capital outlay and is included on the Township's asset listing. However, these assets have not been recorded as capital assets and the related depreciation expense has not been recorded in the government-wide financial statements contrary to accounting principles generally accepted in the United States of America. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – The Township Board created a budget for fiscal year 2008.

Budgets and Budgetary Control – The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

a. Each June, after receiving input from the individual departments, the Board prepares a proposed operating budget for the fiscal period commencing July 1 and lapses on June 30. The operating budget includes proposed expenditures and the means of financing them.

b. Public hearings are conducted to obtain taxpayer comments.

c. Prior to July 1, the budget is legally enacted through a resolution passed by the Township Board.

d. Budgetary control is exercised at the departmental level of the General Fund. Any revisions that alter the total expenditures of any department or fund (i.e., budget amendments) require approval by the Board of Trustees. Such amendments are made in accordance with the procedures prescribed under Public Act 621 of 1978.

e. The budget and approved appropriations lapse at the end of the fiscal year.

f. The Township does not record encumbrances in the accounting records during the year as normal practice and, therefore, no outstanding encumbrances exist at year end.

Budgeted amounts are as originally adopted or amended by the Board of Trustees during the year. Individual amendments were not material in relation to the original appropriations, which were amended. The modified accrual basis of accounting is used for budgetary purposes.

The General Fund budget was adopted on the basis of activities or programs financed by the General Fund.

Michigan Public Act 621 of 1978 (the Budgeting Act) requires that budgets be adopted for Governmental Funds. U.S. generally accepted accounting principles require that the financial statements present budgetary comparisons for the Governmental Fund Types for which budgets were legally adopted. The original budget adopted for the General fund was modified throughout the year through various budget amendments.

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 department level.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

	Governmental Activities	Fiduciary Funds
Cash and Equivalents – Unrestricted	$ 598,002	$ 23,331

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds
Bank Deposits (checking, savings, and money market accounts	$ 598,002	$ 23,331
Total	$ 598,002	$ 23,331

Investment and Deposit Risk

Interest rate risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The Township does not have an investment policy.

Credit risk. The Township has no investments for which ratings are required.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end, $196,250 of the Township's bank balance of $648,364 was exposed to credit risk because it was uninsured and uncollateralized.

Statutory Authority:

Michigan Law (Public Act 20 of 1943 as amended) authorizes the Township to deposit and invest in one or more of the following:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution that is eligible to be a depository of funds belonging to the State under a law or rule of this State or the United States.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures not more than 270 days after the date of purchase.

d. Repurchase agreements consisting of instruments listed in a.

e. Banker's acceptance of United States banks.

f. Obligations of this State or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.

g. Mutual funds registered under the investment company act of 1940, Title I of Chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 80a-3 and 80a-4 to 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

h. Obligations described in a. through g. if purchased through an interlocal agreement under the urban cooperations act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

i. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118.

j. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

NOTE 4 - CAPITAL ASSETS

The capital asset activity of the Township only includes 2004, 2005, 2006, 2007, and 2008 activity. The capital assets listed do not include all of the capital assets of the township. Township buildings have been owned by the Township for approximately 20 or more years. The depreciation expense was not calculated during the year and has not been recognized as an expense in the government-wide financial statements. The Township did not complete the capital asset listing. It is the intention of the Township to record the capital assets by June 30, 2009.

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ -	$ 3,147	$ -	$ 3,147
Capital assets being depreciated:				
Equipment	59,591	48,846	-	108,437
Building and Improvements	-	10,148	-	10,148
Subtotal	59,591	58,994	-	118,585
Net Capital Assets Being Depreciated	59,591	58,994	-	118,585
Total Capital Assets – Net of Depreciation	$ 59,591	$ 62,141	$ -	$ 121,732

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The Township reports interfund balances between many of its funds. Some of the balances are considered immaterial and are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets/balance sheet for governmental funds, proprietary funds, and fiduciary funds. Interfund transactions resulting in interfund Receivables and Payable are as follows:

		DUE FROM OTHER FUNDS			
DUE TO OTHER FUNDS		General Fund	Fire Fund	Non-major Governmental	Total
	General Fund	$ -	$ 451	$ 1,788	$ 2,239
	Non-major Governmental	9,019	360	-	9,379
	Total	$ 9,019	$ 811	$ 1,788	$ 11,618

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 6 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, errors and omissions, and employee injuries. The township participates in the Michigan Township Participating Plan (MTPP). The plan covers general liability, nonowned/hired automobile liability, errors and omissions, property damage, and inland marine. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 fiscal years.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis. Individual reserves for each participant are unavailable.

NOTE 7 - SUBSEQUENT EVENT

In fiscal 2008, the Township anticipates constructing an emergency services building, which will be financed with $480,000 of general obligation bonds.

NOTE 8 - RESTRICTED NET ASSETS/RESERVED FUND BALANCE

Net assets and fund balance have been restricted/reserved for the specific purposes of the fund.

NOTE 9 - EXCESS EXPENDITURES OVER APPROPRIATIONS

Public Act 621 of 1978, Section 18(1), as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures were in excess of amounts appropriated as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
Recreation & Culture	$ 6,700	$ 37,422	$ (30,722)

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES:				
Taxes	$ 179,147	$ 179,147	$ 151,092	$ (28,055)
State Sources	41,800	41,800	78,850	37,050
Charges for Services	31,250	31,250	34,382	3,132
Interest & Rentals	-	-	12,468	12,468
Other Revenue	7,900	7,900	62,016	54,116
TOTAL REVENUES	260,097	260,097	338,808	78,711
EXPENDITURES:				
General Government:				
Supervisor	11,347	9,940	9,861	79
Elections	2,085	3,320	3,090	230
Treasurer	22,557	19,800	17,014	2,786
Clerk	15,306	13,002	12,650	352
Trustees	4,433	3,046	2,813	233
Assessor	27,187	27,589	27,323	266
Board of Review	808	770	402	368
Buildings & Grounds	43,295	43,593	42,903	690
Cemetery	1,400	1,400	-	1,400
Other General Government	33,350	33,654	29,333	4,321
Total General Government	161,768	156,114	145,389	10,725
Public Safety:				
Liquor Law Enforcement	5,600	5,600	6,286	(686)
Total Public Safety	5,600	5,600	6,286	(686)
Public Works:				
Blight Enforcement	7,900	7,900	3,227	4,673
Road Maintenance	3,300	3,300	-	3,300
Sanitation	47,370	43,249	39,734	3,515
Total Public Works	58,570	54,449	42,961	11,488
Community & Economic Development				
Planning Commission	8,460	6,537	3,234	3,303
Total Community & Economic Development	8,460	6,537	3,234	3,303

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Recreation and Culture:				
Great Lakes Shipwreck Historical Society Grant	-	-	32,414	(32,414)
Parks	6,700	6,700	5,008	1,692
Total Recreation and Culture	6,700	6,700	37,422	(30,722)
Other Expenditures:				
Insurance	19,000	20,250	20,249	1
Total Other Expenditures	19,000	20,250	20,249	1
TOTAL EXPENDITURES	260,098	249,650	255,541	(5,891)
EXCESS OF REVENUES OVER EXPENDITURES	$ (1)	$ 10,447	83,267	$ 72,820
FUND BALANCE - JULY 1, 2007			243,113	
FUND BALANCE - JUNE 30, 2008			$ 326,380	

Required Supplementary Information
Budgetary Comparison Schedule
Fire Fund
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES:				
Taxes	$ 24,927	$ 24,927	$ 35,437	$ 10,510
Charges for Services	1,500	1,500	5,104	3,604
Other Revenue	48,024	63,024	2,497	(60,527)
TOTAL REVENUES	74,451	89,451	43,038	(46,413)
EXPENDITURES:				
Public Safety	76,914	91,914	80,522	11,392
TOTAL EXPENDITURES	76,914	91,914	80,522	11,392
EXCESS OF REVENUES OVER EXPENDITURES	$ (2,463)	$ (2,463)	(37,484)	$ (35,021)
FUND BALANCE - JULY 1, 2007			48,922	
FUND BALANCE - JUNE 30, 2008			$ 11,438	

Required Supplementary Information
Budgetary Comparison Schedule
Ambulance Fund
For the Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES:				
Taxes	$ 41,127	$ 41,127	$ 51,767	$ 10,640
Charges for Services	25,000	25,000	50,955	25,955
Other Revenues	38,440	38,440	4,569	(33,871)
TOTAL REVENUES	104,567	104,567	107,291	2,724
EXPENDITURES:				
Health & Welfare	104,567	104,567	48,841	55,726
TOTAL EXPENDITURES	104,567	104,567	48,841	55,726
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	58,450	$ 58,450
FUND BALANCE - JULY 1, 2007			164,249	
FUND BALANCE - JUNE 30, 2008			$ 222,699	

Other Supplementary Information

Combining Balance Sheet
Non major Governmental Funds
June 30, 2008

	Special Revenue Funds				Capital Project	Total
	Library Fund	Street Lighting	Airport Donation Fund	Marie Depetro Improvement	Fire/EMS Building Fund	Nonmajor Governmental Funds
ASSETS:						
Cash & Equivalents	$ 51,989	$ 1,086	$ 26	$ 12,863	$ 9,693	$ 75,657
Taxes Receivable	3,652	-	-	-	-	3,652
Due From Other Funds	9,379	-	-	-	-	9,379
TOTAL ASSETS	$ 65,020	$ 1,086	$ 26	$ 12,863	$ 9,693	$ 88,688
LIABILITIES:						
Accounts Payable	$ -	$ 647	$ -	$ -	$ -	$ 647
Accrued Liabilities	1,552	-	-	-	-	1,552
Due to other funds	39	140	-	-	1,609	1,788
TOTAL LIABILITIES	1,591	787	-	-	1,609	3,987
FUND BALANCES:						
Reserved	63,429	299	26	12,863	8,084	84,701
TOTAL FUND BALANCES	63,429	299	26	12,863	8,084	84,701
TOTAL LIABILITIES AND FUND BALANCES	$ 65,020	$ 1,086	$ 26	$ 12,863	$ 9,693	$ 88,688

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non major Governmental Funds For the Year Ended June 30, 2008

	Special Revenue Funds				Capital Project	Total
	Library Fund	Street Lighting	Airport Donation Fund	Marie Depetro Improvement	Fire/EMS Building Fund	Nonmajor Governmental Funds
REVENUES:						
Taxes	$ 25,964	$ -	$ -	$ -	$ -	$ 25,964
State Sources	490	-	-	-	-	490
Charges for Services	5,004	-	-	-	-	5,004
Interest & Rentals	449	-	-	-	-	449
Other Revenue	2,558	146	-	-	75	2,779
TOTAL REVENUES	34,465	146	-	-	75	34,686
EXPENDITURES:						
Public Works	-	4,713	-	-	-	4,713
Recreation & Culture	38,596	-	-	-	-	38,596
Other Expenditures	-	-	-	-	587	587
TOTAL EXPENDITURES	38,596	4,713	-	-	587	43,896
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,131)	(4,567)	-	-	(512)	(9,210)
FUND BALANCES - JULY 1, 2007	67,560	4,866	26	12,863	8,596	93,911
FUND BALANCES - JUNE 30, 2008	$ 63,429	$ 299	$ 26	$ 12,863	$ 8,084	$ 84,701

Report on Compliance

ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE
PHILLIP J. WOLF, CPA, PRINCIPAL
SUE A. BOWLBY, CPA, PRINCIPAL
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MEMBER AICPA
DIVISION FOR CPA FIRMS
MEMBER MACPA
OFFICES IN
MICHIGAN & WISCONSIN

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Township Board
Whitefish Township
7052 North M-123
P.O. Box 69
Paradise, Michigan 49678

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Whitefish, Michigan as of and for the year ended June, 30 2008, which collectively comprise The Township of Whitefish's basic financial statements and have issued our report thereon dated December 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Whitefish Township, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting, items 08-1, 08-2, and 08-3.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 08-1, 08-2 and 08-3 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Whitefish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 08-3, 08-4 and 08-5.

We also noted certain matters that we reported to management of the Township of Whitefish in a separate letter dated December 18, 2008.

Township of Whitefish's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Township's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than these specified parties.

Anderson Tackman & Co. PLC

Anderson, Tackman & Company, PLC
Certified Public Accountants

December 18, 2008

INTERNAL CONTROL OVER FINANCIAL CONTROL FINDINGS

MATERIAL WEAKNESSES

Township – Capital Assets Records ***Finding 08-1***

Condition: The Township does have a list of land, buildings and equipment; however, the individual items have not been assigned dollar values. During the 2003/2004 fiscal year, the Township did establish by resolution a capitalization policy that specifies a dollar value or capitalization threshold that assets must exceed if they are to be capitalized.

Criteria: Accounting principles generally accepted in the United States of America requires that capital assets be included in the financial statements of the governmental activities; and that the capital assets be reported by category and depreciated in accordance with estimated useful lives of the respective assets.

Recommendation: We recommend that the Township take appropriate action to value and update the inventory of capital assets, including accumulated depreciation, and include control totals in the general ledger. Changes in capital assets must be updated at least annually. There should be procedures in place to assure that all capital assets, within the established dollar value, have inventory tags attached to them and tag numbers be indicated on the inventory list.

Management's Response – Corrective Action Plan: The capital asset listing will be valued and updated accordingly.

Inability of Management to Prepare the Financial Statements in Accordance with Generally Accepted Accounting Principles ***Finding 08-2***

Condition: Personnel responsible for financial reporting are not monitoring and reporting interim or annual financial activity without auditor intervention.

Criteria: Internal controls should be in place to provide reasonable assurance to the Township that management reports financial statements necessary to monitor and report annual and interim financial activity without auditor intervention.

Effect: The effect of this condition places a reliance on the independent auditor as part of the Township's internal controls over financial reporting.

Cause: Change in application of auditing standards.

Recommendation: The Township should review and implement the necessary education and procedural activities to monitor and report annual financial activity.

Management's Response – Corrective Action Plan: The Township will attempt to report the financial activity on its own.

NONCOMPLIANCE WITH STATE STATUES

Our examination revealed the following instances of noncompliance with State statutes.

Reconciliation of Accounting Records ***Finding 08-3***

Condition: The accounting program uses double entry bookkeeping, however, it does not require that both entries are in the same fund. We found that individual funds were out of balance due to single sided entries. Other recording errors are also occurring and not discovered since there is no reconciliation performed on the amounts recorded in the general ledger. A comparison of the amounts recorded in the accounting records of the clerk to the records of the treasurer is not performed by the clerk.

Criteria: MCL 41.65 states: "The Township clerk shall also open and keep an account with the treasurer of the Township, and shall charge the treasurer with all funds that come into the treasurer's hands by virtue of his or her office, and shall credit him or her with all funds that come into the treasurer's hands by virtue of his or her office, and shall credit him or her with all money paid out by the treasurer on the order of the proper authorities of the township, and shall enter the date and amount of all vouchers in a book kept by the township clerk in the office. The Township clerk shall also open and keep a separate account with each fund belonging to the Township and shall credit each fund with the amounts that properly belong to it, and shall charge each fund with warrants drawn on the township treasurer and payable from that fund. The Township clerk shall be responsible for the detailed accounting records of the Township utilizing the uniform chart of accounts prescribed by the state treasurer. The Township clerk shall prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the Township."

Recommendation: The clerk must keep a complete set of accounting records based on source documentation. The records must be reconciled to the treasurer's records.

General Appropriation Act ***Finding 08-4***

Condition: The budget does not include beginning and ending fund balances for the individual funds.

Criteria: Public Act 2 of 1968, as amended, requires the adoption of a balanced budget for General and Special Revenue Funds. Section 15 of the act also provides the following:

The recommended budget for the General Fund and Special Revenue Funds must include for each fund:

- Actual expenditures for the most recently completed fiscal year;
- Estimated expenditures for the current fiscal year (to be arrived at by using actual expenditures to date and estimating expenditures to the end of the fiscal year);
- An estimate of the expenditures in the next fiscal year;
- Actual revenue for the most recently completed fiscal year;
- Estimated revenue for the current fiscal year (to be arrived at by using actual revenue to date and estimating revenue to the end of the fiscal year);
- An estimate of the revenue in the next fiscal year;
- Beginning and ending fund balance for each year;

- An estimate of the amounts needed for deficiency, contingent, or emergency purposes;
- Other data relating to fiscal conditions that the chief administrative officer considers to be useful in considering the financial needs of the local unit.

The total estimated expenditures in the budget (including an accrued deficit), shall not exceed the total estimated revenues (including an available unappropriated surplus), the proceeds from bonds or other obligations issued under the fiscal stabilization act, or the balance of the principal of these bonds or other obligations.

Recommendation: We recommend that a balanced budget be prepared in accordance with Public Act 2 of 1968, as amended, and a copy of the budget be included in the minutes. The budget should include beginning fund balance, revenues, expenditures, ending fund balance, and not create a deficit position for the fund.

Management's Response – Corrective Action Plan: The Township will prepare sufficient budgets.

Excess Expenditures Over Appropriations ***Finding 08-5***

Statement of Condition/Criteria: Public Act 621 of 1978 requires that expenditures cannot be incurred until appropriated in accordance with the Uniform Budgeting and Accounting Act. During the fiscal year ended June 30, 2008, the Township incurred expenditures in excess of amounts appropriated as follows.

Fund/Function/Activity	Budget	Actual	Variance
Recreation and Culture	$ 6,700	$ 37,422	$ (30,722)

Effect: The Township has not complied with various State Statutes.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Recommendation: The Township should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management's Response – Corrective Action Plan: The budget will be more closely monitored and budget amendments will be made accordingly.

ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Board of Trustees
Whitefish Township
7052 North M-123
P.O. Box 69
Paradise, Michigan 49678

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Whitefish Township, Michigan for the year ended June 30, 2008, and have issued our report thereon dated December 18, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated September 19, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

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

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Whitefish Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

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Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on October 22, 2008.

Significant Accounting Policies

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Whitefish Township, Michigan are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

- Management's estimate of the depreciation expense based on estimated lives. We evaluated the key factors and assumptions used to develop the estimate in determine that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreement with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2008.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Comments and Recommendations

The following is a summary of our observations with suggestions for improvements we believe should be brought to your attention. We noted no material matters involving the internal control over financial reporting and compliance, as reported in a separate letter in accordance with Government Auditing Standards of the basic financial statement audit report.

Policy Manual (Prior Year)

We encourage the Board to continue to develop and adopt appropriate policies for procurement, conflict of interest, credit card usage, etc., in order to achieve compliance with federal and state requirements.

Fraud Policy (Prior Year)

With the implementation of Statement on Auditing Standards No. 99, auditors are required to assess policies and procedures regarding fraud risks within a governmental entity. The Board does not have a "fraud policy" which would address fraud or suspected fraud and related board actions. We recommend the Board adopt a fraud policy in compliance with SAS No. 99.

Personal Property Taxes (Prior Year)

Currently, the Township is not recording the amount of outstanding delinquent personal property taxes that are due to the Township in the general ledger. It is recommended the Township record the amount of outstanding delinquent personal property taxes in the general ledger of each fund that has a tax levy. The Township should maintain subsidiary ledgers, which show the amount of delinquent personal property taxes owed by each taxing unit by individual tax year.

Tax Collection System (Prior Year)

During the testing of the Tax Collection System, we noted that the Treasurer alone handles the receiving, recording, and distributing of tax monies. This is of concern because it does not facilitate the proper level of segregation of duties and internal controls. We recommend that Township separate the duties of receiving, recording and distribution of tax monies between two or more Township personnel. No single person should be allowed to fulfill all three duties.

Conclusion

This letter is intended solely for the information and use of the Board of Trustees, management, federal awarding agencies, pass through entities and others within the organization and is not intended to be and should not be used by anyone other then these specified parties.

We would like to express our appreciation, as well as that of our staff for the excellent cooperation we received while performing the audit. If we can be of any further assistance, please contact us.

Anderson Tackman & Co. PLC

Anderson, Tackman & Company, PLC
Certified Public Accountants

December 18, 2008