

TOWNSHIP OF CAMDEN  
HILLSDALE COUNTY, MICHIGAN

AUDIT REPORT

MARCH 31, 2007

### 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 <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name TOWNSHIP OF CAMDEN	County HILLSDALE
Fiscal Year End 3/31/2007	Opinion Date 10/31/2007	Date Audit Report Submitted to State 11/15/2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

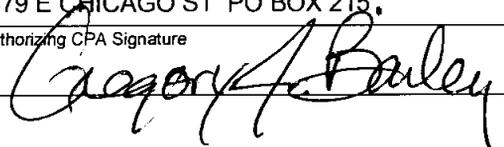
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

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

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) BAILEY, HODSHIRE & COMPANY, PC		Telephone Number (517) 849-2410	
Street Address 479 E CHICAGO ST PO BOX 215		City JONESVILLE	State Zip MI 49250
Authorizing CPA Signature 	Printed Name GREGORY J BAILEY	License Number 1101022915	

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Bailey, Hodshire  
& Company, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and  
Members of the Township Board  
Township of Camden  
Camden, Michigan

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 and each major fund of the Township of Camden, as of March 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 20 through 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Camden's basic financial statements. The individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Bailey, Hordshone + Company, P.C.*  
October 31, 2007  
Jonesville, Michigan

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## TOWNSHIP OF CAMDEN MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Board of Camden Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of Camden Township for the fiscal year ended March 31, 2007.

### **Financial Highlights**

- The assets of Camden Township exceeded its liabilities at the close of the most recent fiscal year by \$407,962. Of this amount, \$241,248 may be used to meet the Township's ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, the Township's governmental funds reported combined ending fund balance of \$241,248, a decrease of \$5,859 in comparison with the prior year. This entire amount is available for spending at the Township's discretion.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$232,356, or 142% of total general fund expenditures.
- The Township had no debt outstanding as of March 31, 2007.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Camden Township's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as **net assets**. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The *statement of net activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) - - general government, public safety, public works, culture and recreation. The Township has no **business-type activities** - - functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements can be found on pages 7 - 8 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Camden Township, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Township can be divided into two categories: governmental funds and fiduciary funds:

## TOWNSHIP OF CAMDEN MANAGEMENT'S DISCUSSION AND ANALYSIS

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Camden Township maintains three individual governmental funds - - General Fund, Library Fund, and Fire Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for all three funds, all of which are considered to be major funds. There are no nonmajor funds.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs.

The basic fund financial statements can be found on pages 9 - 12 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 - 19 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's budgets. The Township adopts annual appropriations budgets for all of its governmental funds. Budgetary comparison statements have been provided on pages 20 - 23 to demonstrate compliance with these budgets.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As shown in Table I below, the Township's assets exceeded its liabilities by \$407,962 at the close of the most recent fiscal year.

A large portion of the Township's net assets (40.8%) reflects its investment in capital assets (e.g. land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

TOWNSHIP OF CAMDEN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 1 - NET ASSETS	<u>2006</u>	<u>2007</u>
Assets:		
Current Assets	\$ 256,027	\$ 250,511
Capital Assets	<u>155,091</u>	<u>166,714</u>
Total Assets	<u>\$ 411,118</u>	<u>\$ 417,225</u>
Liabilities:		
Current Liabilities	\$ 8,920	\$ 9,263
Long-term Liabilities	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 8,920</u>	<u>\$ 9,263</u>
Net Assets:		
Invested in Capital Assets, net of related debt	\$ 155,091	\$ 166,714
Restricted	0	0
Unrestricted	<u>247,107</u>	<u>241,248</u>
Total Net Assets	<u>\$ 402,198</u>	<u>\$ 407,962</u>

*Restricted net assets* represents resources that are subject to external restrictions on how they may be used. The Township has no restricted net assets. The remaining balance of *unrestricted net assets* (\$241,248) may be used to meet the Township's ongoing obligations to citizens and creditors. At the end of the fiscal year, the Township was able to report positive balances in all three categories of net assets. The Township's net assets increased by \$5,764 as discussed shown in Table 2 below.

TABLE 2 - CHANGE IN NET ASSETS	<u>2006</u>	<u>2007</u>
Program Revenue:		
Charges for services	\$ 25,123	\$ 29,216
Operating grants and contributions	8,739	6,576
Capital grants and contributions	0	17,820
General Revenue:		
Property taxes	99,490	104,157
State shared revenue	77,804	78,981
Penal fines allocation	16,135	16,326
Other	<u>14,124</u>	<u>10,784</u>
Total Revenue	<u>\$ 241,415</u>	<u>\$ 263,860</u>
Expenses:		
General Government	\$ 69,362	\$ 70,469
Public Safety	33,289	34,675
Highways & Streets	76,594	75,422
Sanitation	6,399	5,476
Culture & Recreation	<u>62,304</u>	<u>72,054</u>
Total Expenses	<u>\$ 247,948</u>	<u>\$ 258,096</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ (6,533)</u>	<u>\$ 5,764</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

## TOWNSHIP OF CAMDEN MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Financial Analysis of the Township's Funds**

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the Township's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$241,248, a decrease of \$5,859 in comparison with the prior year. This fund balance is *unreserved*, which indicates that is available for spending at the Township's discretion.

The general fund is the chief operating fund of the Township. At the end of the fiscal year, unreserved fund balance of the general fund was \$232,356. Unreserved fund balance represents 142% of total general fund expenditures. The fund balance of the Township's general fund increased by \$1,661 during the fiscal year.

### **General Fund Budgetary Highlights**

During the fiscal year ended March 31, 2007, the Township amended the budget twice. Election Workers was increased due to the increase in the minimum wage. The Office Expense was increased by \$1,000 due to election equipment expense of \$1,189.50 in September because of a system change. Maintenance was increased by \$1,000 and Contingency by \$500 due to unexpected needed repairs to brick work on the Library building.

### **Capital Assets and Debt Administration**

**Capital assets.** The Township's investment in capital assets as of March 31, 2007 amounts to \$166,714 (net of accumulated depreciation). This investment in capital assets includes: land, buildings & improvements, furniture & equipment, and the library collection. Major capital asset events during the year included the acquisition of optical scan voting equipment through a Federal grant. Details of the Township's capital assets are continued in the notes to the financial statements on page 17.

**Long-term debt.** The Township had no long-term debt outstanding at March 31, 2007.

### **Economic Factors and Next Year's Budgets and Rates**

The budget for 2007-06 should remain more or less the same, except for the increase in the capital budget for cemetery land and layout.

### **Requests for Information**

This report is designed to provide a general overview for all those with an interest in the Camden Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Camden Township Board, PO Box 71, Camden, MI 49232.

## BASIC FINANCIAL STATEMENTS

TOWNSHIP OF CAMDEN  
STATEMENT OF NET ASSETS  
MARCH 31, 2007

ASSETS	
Cash & investments	\$ 160,494
Taxes receivable	64,789
Due from other governmental units	25,228
Capital assets - net	<u>166,714</u>
Total assets	<u>\$ 417,225</u>
LIABILITIES	
Accounts payable	\$ 5,529
Payroll taxes withheld	805
Accrued payroll	<u>2,929</u>
Total liabilities	<u>\$ 9,263</u>
NET ASSETS	
Investment in capital assets, net of related debt	\$ 166,714
Unrestricted	<u>241,248</u>
Total net assets	<u>\$ 407,962</u>
Total liabilities and net assets	<u>\$ 417,225</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CAMDEN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			Net (Expense) Revenue
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General Government	\$ 70,469	\$ 21,901	\$ 0	\$ 12,320	\$ (36,248)
Public Safety	34,675	0	0	0	(34,675)
Highways & Streets	77,576	0	0	0	(77,576)
Sanitation	5,476	7,315	0	0	1,839
Culture & Recreation	<u>72,054</u>	<u>0</u>	<u>6,576</u>	<u>5,500</u>	<u>(59,978)</u>
Total	<u>\$ 260,250</u>	<u>\$ 29,216</u>	<u>\$ 6,576</u>	<u>\$ 17,820</u>	<u>\$(206,638)</u>

General Revenues:

Property tax, levied for general purposes	\$ 35,175
Property tax, levied for library services	34,307
Property tax, levied for fire protection	34,675
State shared revenue	78,981
Penal fines allocation	16,326
Reimbursements	5,545
Rents	2,500
Unrestricted investment earnings	2,196
Other	<u>2,697</u>

Total General Revenues \$ 212,402

Change in Net Assets \$ 5,764

Net Assets - Beginning 402,198

Net Assets - Ending \$ 407,962

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CAMDEN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
MARCH 31, 2007

	General Fund	Library Fund	Fire Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash & investments	\$ 152,591	\$ 7,903	\$ 0	\$ 160,494
Taxes receivable	6,656	4,898	4,953	16,507
Due from other governmental units	25,228	0	0	25,228
Due from other funds	<u>49,353</u>	<u>0</u>	<u>0</u>	<u>49,353</u>
Total assets	<u>\$ 233,828</u>	<u>\$ 12,801</u>	<u>\$ 4,953</u>	<u>\$ 251,582</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,115	\$ 0	\$ 4,414	\$ 5,529
Payroll taxes withheld	357	448	0	805
Accrued payroll	0	2,929	0	2,929
Due to other funds	<u>0</u>	<u>532</u>	<u>539</u>	<u>1,071</u>
Total liabilities	<u>\$ 1,472</u>	<u>\$ 3,909</u>	<u>\$ 4,953</u>	<u>\$ 10,334</u>
<b>Fund Equity:</b>				
Fund Balance				
Reserved	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved/Undesignated	<u>232,356</u>	<u>8,892</u>	<u>0</u>	<u>241,248</u>
Total fund equity	<u>\$ 232,356</u>	<u>\$ 8,892</u>	<u>\$ 0</u>	<u>\$ 241,248</u>
Total liabilities and fund equity	<u>\$ 233,828</u>	<u>\$ 12,801</u>	<u>\$ 4,953</u>	<u>\$ 251,582</u>

**Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds  
to the Net Assets of Governmental Activities on the Statement of Net Assets**

Fund Balances - total governmental funds	\$ 241,248
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.	
Add: Capital assets	311,316
Deduct: Accumulated depreciation	<u>(144,602)</u>
Net assets of governmental activities	<u>\$ 407,962</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CAMDEN  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED MARCH 31, 2007

	General Fund	Library Fund	Fire Fund	Total Governmental Funds
<b>REVENUE</b>				
Property taxes	\$ 35,175	\$ 34,307	\$ 34,675	\$ 104,157
Administration fees	17,376	0	0	17,376
State shared revenue	78,981	0	0	78,981
Grants	12,320	5,500	0	17,820
Penal fines allocation	0	16,326	0	16,326
Solid waste fees	7,315	0	0	7,315
Cemetery fees	4,525	0	0	4,525
State & local governments	0	4,001	0	4,001
Donations	0	2,575	0	2,575
Reimbursements	5,545	0	0	5,545
Rents	2,500	0	0	2,500
Interest	2,171	25	0	2,196
Miscellaneous	<u>1,922</u>	<u>775</u>	<u>0</u>	<u>2,697</u>
Total revenue	<u>\$ 167,830</u>	<u>\$ 63,509</u>	<u>\$ 34,675</u>	<u>\$ 266,014</u>
<b>EXPENDITURES</b>				
General government	\$ 68,197	\$ 0	\$ 0	\$ 68,197
Public safety	0	0	34,675	34,675
Highways and streets	77,576	0	0	77,576
Sanitation	5,476	0	0	5,476
Recreation and culture	0	65,375	0	65,375
Capital outlay	<u>12,320</u>	<u>8,254</u>	<u>0</u>	<u>20,574</u>
Total expenditures	<u>\$ 163,569</u>	<u>\$ 73,629</u>	<u>\$ 34,675</u>	<u>\$ 271,873</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>\$ 4,261</u>	<u>\$ (10,120)</u>	<u>\$ 0</u>	<u>\$ (5,859)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	\$ 400	\$ 3,000	\$ 0	\$ 3,400
Operating transfers - out	<u>(3,000)</u>	<u>(400)</u>	<u>0</u>	<u>(3,400)</u>
Total other financing sources (uses)	<u>\$ (2,600)</u>	<u>\$ 2,600</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 1,661</u>	<u>\$ (7,520)</u>	<u>\$ 0</u>	<u>\$ (5,859)</u>
FUND BALANCES - April 1, 2006	<u>230,695</u>	<u>16,412</u>	<u>0</u>	<u>247,107</u>
FUND BALANCES - March 31, 2007	<u>\$ 232,356</u>	<u>\$ 8,892</u>	<u>\$ 0</u>	<u>\$ 241,248</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CAMDEN  
Reconciliation of Statement of Revenue, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities

Net changes in fund balances - total governmental funds \$ (5,859)

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 cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	20,574
Deduct: depreciation expense	<u>(8,951)</u>
Change in net assets of governmental activities	<u>\$ 5,764</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF CAMDEN  
STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUND  
MARCH 31, 2007

ASSETS

Cash	\$ 51,423
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LIABILITIES

Due to other funds	\$ 48,282
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Due to other governments	<u>3,141</u>
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Total liabilities	<u>\$ 51,423</u>
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The accompanying notes are an integral part of this statement.

## NOTES TO THE FINANCIAL STATEMENTS

TOWNSHIP OF CAMDEN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township of Camden is located in Hillsdale County, Michigan, and comprises a population of approximately 1,152 residents. It is governed by a board consisting of 5 members with a supervisor as its head.

The accounting policies of the Township of Camden conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The following is a summary of significant accounting policies used by the Township of Camden:

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards and agencies that are not legally separate from the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

**Government-Wide and Fund Financial Statements**

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Property taxes, state shared revenue, and other items not properly included among program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

Fund Financial Statements - Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds (if any) are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**Measurement Focus and Basis of Accounting**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when the

TOWNSHIP OF CAMDEN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measureable and available. Revenue is considered to be available if it is to be collected with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if it is collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting.

Under the modified accrual basis, property taxes, state share revenue, interest, and grants are considered to be both measurable and available at fiscal year-end. All other revenue items are considered to be available only when cash is received by the Township.

**Financial Statement Presentation**

The Township uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The Township reports the following major governmental funds:

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Michigan.

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

Additionally, the Township reports the following fund types:

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Assets, Liabilities, and Net Assets**

Bank Deposits and Investments - Cash and investments are reported at cost.

Capital Assets - General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

TOWNSHIP OF CAMDEN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets (continued) - All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of \$2,000. The Township does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	50 years
Furniture & Equipment	5 - 10 years
Library Collection	10 years

Interfund Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are reported as "due to/from other funds." These amounts are eliminated on the government-wide statement of net assets.

Interfund Activity - Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgetary Information - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The legal level of budgetary control has been established by the Township Board at the line-item level. Any budgetary modifications may only be made by resolution of the Township Board. All annual appropriations lapse at fiscal year end.

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements:

- 1) Prior to March 31, the Clerk submits to the Township Board a proposed operating budget for the fiscal year commencing on April 1.
- 2) A public hearing is conducted during March to obtain taxpayer comments.
- 3) Prior to March 31, the budget is legally enacted through passage of a resolution.
- 4) During the year the budget is monitored, and amendments to the budget resolution are made when deemed necessary.

TOWNSHIP OF CAMDEN  
 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2007

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)**

During the year, the Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Fund</u>	<u>Description</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Assessor	\$ 14,500	\$ 14,572	\$ 72
Library	State Aid	1,500	1,626	126
Fire	Fire contracts	27,000	34,675	7,675

**NOTE 3 - DEPOSITS AND INVESTMENTS**

State statutes authorize the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. As of March 31, 2007, the Township's deposits are in accordance with statutory authority.

The Township's deposits and investments are subject to several types of risk, which are examined in more detail as follows:

*Credit Risk* - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township minimizes credit risk by limiting investments to the types of securities allowed by State law. The Township's investment policy puts no further limits on its investment choices.

*Concentration of Credit Risk* - The Township's investment policy places no specific limit on the amount the Township may invest in any one issuer, but encourages the avoidance of over-concentration in securities from a specific issuer or business sector.

*Custodial Credit Risk* - Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. At March 31, 2007, the carrying amount of the Township's bank deposits was \$211,917 and the bank's balance was \$272,581. Of the total bank balance, \$100,000 was covered by federal depository insurance and \$172,581 was uninsured. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

TOWNSHIP OF CAMDEN  
 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2007

**NOTE 3 - DEPOSITS AND INVESTMENTS (continued)**

*Interest Rate Risk* - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township has no policy that specifically identifies interest rate risk.

*Foreign Currency Risk* - The Township is not authorized to invest in investments which have this type of risk.

**NOTE 4 - RECEIVABLES**

Receivables at March 31, 2007, consist of the following:

State shared revenue	\$ 25,228
Property taxes	6,656

All receivables are considered collectible in full due to the stable condition of State programs and the County's policy for reimbursing delinquent taxes.

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances at March 31, 2007, is as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$ 48,282	Tax Collection Fund	\$ 48,282
General Fund	532	Library Fund	532
General Fund	<u>539</u>	Fire Fund	<u>539</u>
	<u>\$ 49,353</u>		<u>\$ 49,353</u>

Interfund transfers during the year consisted of the following:

Transfer from General Fund to Library Fund	3,000
Transfer from Library Fund to General Fund	400

The amount due to General Fund from the Tax Collection Fund represents Township property taxes that have been collected but not yet transferred to General Fund. The amounts due to General Fund from the Library Fund and Fire Fund relate to an overpayment of the tax collection fee on delinquent property taxes.

The transfer from General Fund to Library Fund was a contribution for general operations. The transfer from Library Fund to General Fund was for administrative services.

**NOTE 6 - PROPERTY TAXES**

Real estate and personal property taxes are recorded as revenue in an amount equal to the total taxes levied. There are no provisions made for possible uncollectible taxes. The total levy for 2006 was .7347 mills for general operations .7349 mills for fire protection, and .7268 for library services on a total state taxable valuation of approximately \$47,400,000. The Township properties are assessed as of December 31 (the lien date), taxes levied December 1 of the succeeding year and due without interest to March 1. After March 1, the delinquent taxes real portion are turned over to the County Treasurer for collection. The personal properties continue to be collectible by the Township Treasurer.

TOWNSHIP OF CAMDEN  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2007

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended March 31, 2007, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>Balance</u>
Capital assets not being depreciated				
Land	\$ 4,425	\$ 0	\$ 0	\$ 4,425
Capital assets being depreciated				
Buildings & Improvements	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Furniture & Equipment	14,192	12,320	0	26,512
Library Collection	<u>222,125</u>	<u>8,254</u>	<u>0</u>	<u>230,379</u>
Subtotal	<u>\$ 286,317</u>	<u>\$ 20,574</u>	<u>\$ 0</u>	<u>\$ 306,891</u>
Less accumulated depreciation for				
Buildings & Improvements	\$ (19,280)	\$ (640)	\$ 0	\$ (19,920)
Furniture & Equipment	(4,482)	(3,273)	0	(7,755)
Library Collection	<u>(111,889)</u>	<u>(5,038)</u>	<u>0</u>	<u>(116,927)</u>
Subtotal	<u>\$(135,651)</u>	<u>\$ (8,951)</u>	<u>\$ 0</u>	<u>\$(144,602)</u>
Total capital assets being depreciated, net	<u>\$ 150,666</u>	<u>\$ 11,623</u>	<u>\$ 0</u>	<u>\$ 162,289</u>
Total capital assets, net	<u>\$ 155,091</u>	<u>\$ 11,623</u>	<u>\$ 0</u>	<u>\$ 166,714</u>

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

General Government	\$ 2,272
Culture & Recreation	<u>6,679</u>
	<u>\$ 8,951</u>

**NOTE 8 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township has purchased commercial insurance for claims relating to general liability, excess liability, auto liability, errors and omissions, physical damage (equipment, buildings and contents), workers compensation, and other appropriate coverages. There has been no significant reduction in insurance coverages, and settled claims have not exceeded the amount of insurance coverage in any of the past 3 years.

**NOTE 9 - UNEMPLOYMENT TAXES**

The Township is a reimbursing employer to the Michigan Unemployment Agency and as such is responsible to pay the Agency for those benefits paid and charged to its account. As of March 31, appropriate liabilities have been recorded for all claims paid by the Agency. However, no provision has been made for future payments that might result from claims in process or unfiled.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF CAMDEN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning fund balance	\$ 80,076	\$ 80,076	\$ 230,695	\$ 150,619
Resources (inflows)				
Property taxes	33,500	33,500	35,175	1,675
Administration fees	14,100	14,100	17,376	3,276
State shared revenue	77,774	77,774	78,981	1,207
Grants	0	0	12,320	12,320
Solid waste fees	7,000	7,000	7,315	315
Cemetery fees	2,950	2,950	4,525	1,575
Reimbursements	2,745	2,745	5,545	2,800
Rents	2,500	2,500	2,500	0
Interest	1,000	1,000	2,171	1,171
Miscellaneous	4,873	4,873	1,922	(2,951)
Transfers from other funds	<u>400</u>	<u>400</u>	<u>400</u>	<u>0</u>
Amounts available for appropriation	<u>\$ 226,918</u>	<u>\$ 226,918</u>	<u>\$ 398,925</u>	<u>\$ 172,007</u>
Charges to appropriations (outflows)				
General government				
Trustees	\$ 2,400	\$ 2,400	\$ 2,400	\$ 0
Office	4,500	5,500	5,017	(483)
Dues	815	815	776	(39)
Legal fees	1,500	1,000	147	(853)
Payroll taxes	2,500	2,500	2,199	(301)
Insurance	3,200	3,200	2,237	(963)
Training	2,000	2,000	90	(1,910)
Mileage	1,200	1,200	533	(667)
Auditor	2,300	2,300	0	(2,300)
Publishing	800	800	221	(579)
Miscellaneous	1,000	1,500	208	(1,292)
Supervisor	6,900	6,900	6,900	0
Clerk	8,000	8,000	8,000	0
Board of Review	500	500	360	(140)
Treasurer	9,800	9,800	9,800	0
Tax bills	3,500	3,500	3,153	(347)
Abated taxes	250	250	137	(113)
Assessor	14,500	14,500	14,572	72
Election	1,000	1,500	1,245	(255)
Telephone	900	900	889	(11)
Utilities	2,000	2,000	1,973	(27)
Maintenance	3,000	4,000	3,040	(960)
Cemetery	5,000	5,000	4,300	(700)

TOWNSHIP OF CAMDEN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED MARCH 31, 2007

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Variance With Amended <u>Budget</u>
Public Works				
Roads	76,000	76,000	75,422	(578)
Drains	2,200	2,200	2,154	(46)
Sanitation	6,700	6,200	5,476	(724)
Capital outlay	15,000	13,000	12,320	(680)
Transfers to other funds	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Total charges to appropriations	<u>\$ 180,465</u>	<u>\$ 180,465</u>	<u>\$ 166,569</u>	<u>\$ (13,896)</u>
Ending fund balance	<u>\$ 46,453</u>	<u>\$ 46,453</u>	<u>\$ 232,356</u>	<u>\$ 185,903</u>

TOWNSHIP OF CAMDEN  
 BUDGETARY COMPARISON SCHEDULE  
 LIBRARY FUND  
 FOR THE YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning fund balance	\$ 5,450	\$ 5,450	\$ 16,412	\$ 10,962
Resources (inflows)				
Property taxes	\$ 35,000	\$ 35,000	\$ 34,307	\$ (693)
Penal fines allocation	17,000	17,000	16,326	(674)
State and local governments	4,550	4,550	4,001	(549)
Grants	600	6,100	5,500	(600)
Donations	4,200	4,900	2,575	(2,325)
Interest	100	100	25	(75)
Miscellaneous	0	0	775	775
Transfers from other funds	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Amounts available for appropriation	<u>\$ 69,900</u>	<u>\$ 76,100</u>	<u>\$ 82,921</u>	<u>\$ (6,821)</u>
Charges to appropriations (outflows)				
Salaries	\$ 33,000	\$ 32,455	\$ 31,624	\$ (831)
Payroll taxes	2,500	2,500	2,447	(53)
Utilities	3,700	3,910	3,909	(1)
Phone/Internet	1,800	1,800	1,668	(132)
Office supplies	1,500	1,650	1,644	(6)
Training	500	300	283	(17)
Capital outlay:				
Books	6,350	6,800	6,446	(354)
Audio/video	1,675	1,990	1,808	(182)
Non-depreciable	5,500	11,600	11,588	(12)
Magazines/newspapers	1,175	975	781	(194)
Program supplies	2,000	1,350	1,314	(36)
Mileage	500	500	422	(78)
Software	500	850	831	(19)
State Aid	1,500	1,500	1,626	126
Rent	2,500	2,500	2,500	0
Maintenance	500	1,000	967	(33)
Insurance	1,050	1,050	1,039	(11)
Promotions	1,000	1,000	820	(180)
Postage	450	200	195	(5)
Dues	500	250	225	(25)
Website maintenance	300	0	0	0
Automation	1,000	1,500	1,492	(8)
Electronic resources	0	20	0	(20)
Transfers to other funds	<u>400</u>	<u>400</u>	<u>400</u>	<u>0</u>
Total charges to appropriations	<u>\$ 69,900</u>	<u>\$ 76,100</u>	<u>\$ 74,029</u>	<u>\$ (2,071)</u>
Ending fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,892</u>	<u>\$ 8,892</u>

TOWNSHIP OF CAMDEN  
 BUDGETARY COMPARISON SCHEDULE  
 FIRE FUND  
 FOR THE YEAR ENDED MARCH 31, 2007

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning fund balance	\$ 0	\$ 0	\$ 0	\$ 0
Resources (inflows)				
Property taxes	<u>27,000</u>	<u>27,000</u>	<u>34,675</u>	<u>7,675</u>
Amounts available for appropriation	\$ 27,000	\$ 27,000	\$ 34,675	\$ 7,675
Charges to appropriations (outflows)				
Public Safety				
Fire contracts	<u>27,000</u>	<u>27,000</u>	<u>34,675</u>	<u>7,675</u>
Ending fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## OTHER SUPPLEMENTARY INFORMATION

TOWNSHIP OF CAMDEN  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
CURRENT TAX COLLECTION FUND  
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Balance</u> <u>April 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>March 31, 2007</u>
<b>ASSETS</b>				
Cash	\$ 10,708	\$ 1,201,545	\$ 1,160,830	\$ 51,423
<b>LIABILITIES</b>				
Due to Other Funds	\$ 10,708	\$ 118,359	\$ 80,785	\$ 48,282
Due to County	0	553,788	553,788	0
Due to Schools	0	371,101	371,101	0
Due to I.S.D.	0	155,156	155,156	0
Due to Camden Village L.D.F.A.	<u>0</u>	<u>3,141</u>	<u>0</u>	<u>3,141</u>
	<u>\$ 10,708</u>	<u>\$ 1,201,545</u>	<u>\$ 1,160,830</u>	<u>\$ 51,423</u>

The accompanying notes are an integral part of this statement.

Bailey, Hodshire  
& Company, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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October 31, 2007

Camden Township  
Camden, Michigan

In planning and performing our audit of the financial statements of Camden Township of and for the year ended March 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control 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.

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 a combination of control deficiencies, that adversely affects the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control.

Financial Statement Preparation

The Township does not have procedures in place to prepare financial statements in accordance with accounting principles generally accepted in the United States of America, including procedures to record accruals for revenue and expenditures, to track changes in capital assets, and to present required financial statement disclosures. We recognize the time and expense that would be required to obtain the necessary training and expertise to perform this task internally. We recommend that you continue to carefully review the draft financial statements and notes prepared by your external auditors prior to approving them and accepting responsibility for their content and presentation.

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 the 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we do consider the significant deficiency described above to be a material weakness.

In addition, we noted other matters involving the internal control and its operation that we did not consider to be significant deficiencies or material weaknesses.

- Notice of the required annual public hearing on the budget is being published in the paper and you have indicated that the hearing is being conducted, but there is no direct reference to the hearing in the minutes of the Board meetings. We recommend that the Board minutes specifically mention the public hearing and include a general description of any comments made by the public.
- There were a few accounts that had expenditures in excess of budgeted amounts, which is a violation of State budgeting laws. The Board should continue to monitor the budgets throughout the year and make amendments to prevent any over-expenditure. All budget amendments should be clearly documented in the minutes of the Board meetings.
- State statutes require all governments to use a standard chart of accounts in maintaining financial records. We recommend that the Township implement the State chart of accounts to comply with State requirements.
- When the delinquent tax payment is received from Hillsdale County each year, it includes property taxes for General Fund, Library Fund, and Fire Fund, along with the 1% tax administration fee. The tax administration fee should be allocated to General Fund only - - not to the other two funds. For the year ended March 31, 2007, Library Fund was overpaid \$532 and the Fire Fund was overpaid \$539. These overpayments should be returned to the General Fund.
- The Township "drains-at-large" should be invoiced to the General Fund and paid to the Tax Collection Fund each year in the same manner as the Villages of Camden and Montgomery.
- The Township utilizes computer spreadsheets to record its cash receipts and disbursements, as opposed to an accounting software program. While this method is acceptable, there are not currently procedures in place to ensure that the financial statements are complete (all receipts and disbursements have been recorded) and that they balance (beginning cash + receipts - disbursements = ending cash). We recommend that the appropriate procedures be put into place.

This communication is intended solely for the information and use of the Township Board and others within the Township, and is not intended to be and should not be used by anyone other than these specified parties.

*Bailey Hodshure + Company, P.C.*

Jonesville, Michigan

October 31, 2007