WRIGHT TOWNSHIP

HILLSDALE COUNTY, MICHIGAN

ANNUAL FINANCIAL REPORT

MARCH 31, 2007

[redacted]

Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

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

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☒Twp ☐Village ☐Other	WRIGHT	HILLSDALE

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
MARCH 31, 2007	OCTOBER 30, 2007	NOVEMBER 9, 2007

We affirm that:

We are certified public accountants licensed to practice in Michigan.

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

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

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

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

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

Certified Public Accountant (Firm Name)	Telephone Number
PHILIP R RUBLEY, CPA	517-458-2274

Street Address	City	State	Zip
133 W MAIN STREET	MORENCI	MI	49256

Authorizing CPA Signature	Printed Name	License Number
	PHILIP R RUBLEY	9223

WRIGHT TOWNSHIP
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2007

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report	1 - 2
Management Discussion and Analysis	3 - 8
Government – Wide Statement of Net Assets	9
Government – Wide Statement of Activities	10 - 11
Governmental Fund Balance Sheet	12
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	13
Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Proprietary Fund Statement of Net Assets	16
Proprietary Fund Statement of Revenue, Expenses and Changes in Net Assets	17
Reconciliation of the Statement of Revenues, Expenses and Changes in Net Assets of Enterprise Funds to the Statement of Activities	18
Proprietary Fund Statement of Cash Flows	19 - 20
Fiduciary Funds Statement of Net Assets	21
Notes to Financial Statements	22 - 35
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary Comparison Schedule – General Fund	36
Budgetary Comparison Schedule – Fire Fund (Major Special Revenue Fund)	37

Combining Balance Sheet – Non-Major Governmental Funds 38

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds 39

PHILIP R. RUBLEY

– Certified Public Accountant –

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'S
& THE MICHIGAN ASSOCIATION OF C.P.A.'S

October 30, 2007

Township Board
Wright Township
Hillsdale County
112 Water St.
Waldron, MI 49288

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Wright Township 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 Wright Township management. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the 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, business-type activities, each major fund, and the aggregate remaining fund information of Wright Township as of March 31, 2007, and the respective changes in financial position, and, where applicable cash flows 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 under separate cover dated October 30, 2007, on our consideration of the Wright Township'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 information on pages 3 through 8 and 36 through 37, 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wright Township's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major 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.

Respectfully Submitted,

Philip R. Rubley, CPA

PRR/cab

Using This Annual Report

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities are both new and provide information about the activities of Wright Township government-wide basis. They are designed to present a longer-term view of the Township's finances. Fund financial statements tell how 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.

Overview Of The Financial Statements

The Township's basic financial statements are comprised of three components:

A) Government-wide financial statements.

B) Fund financial statements.

C) 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 financial position of the Township is improving or deteriorating.

The Township maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and fire fund, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The Township maintains one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. This fund accounts for their sewer fund activity.

Fiduciary 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 accounting used for fiduciary funds is much like that used for proprietary funds.

Governmental funds. *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 decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories; governmental funds, proprietary fund and fiduciary fund.

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 *statement of activities* presents information showing how the government'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 of some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, recreation and culture and community development.

Other Information

The Township has reported under required supplementation information, information about the General Fund and Major Type Funds, and Combining Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Type Governmental Funds.

The Township As A Whole

The Township's net assets for the year ended March 31, 2007 increased over the prior year. The increase is mostly created from grant revenue received from the USDA Rural Development for the Sewer Project.

The governmental activities reflect net assets of $659,891 and the business-type activities reflect net assets of $3,625,762.

The Township's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire these assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

WRIGHT TOWNSHIP NET ASSETS

	Governmental Activities	
	2007	2006
Revenue		
Program Revenue:		
Charges for Services	$104,737	$112,696
Operating Grants and Contributions	22,512	14,000
Capital Grants and Contributions	4,895	9,500
General Revenue:		
Property Taxes and Special Assessments	125,756	121,664
Grants and Contributions Not Restricted To Specific Program	81,741	80,910
Interest and Rentals Earnings	9,880	4,243
Total Revenue	349,521	343,013
Expenses		
General Government	73,474	70,712
Public Safety	97,472	126,065
Public Works	53,397	100,626
Recreation and Culture	---	3,600
Other Functions and Interest Paid	15,688	15,821
Total Expenses	240,031	316,824
Increase In Net Assets	109,490	26,189
Net Assets Beginning of Year	550,401	524,212
Net Assets End of Year	$659,891	$550,401

	2007	2006
Assets		
Current and Other Assets	$472,374	$391,350
Capital Assets	227,336	235,564
Total Assets	$699,710	$626,914
Liabilities		
Long-Term Liabilities Outstanding	$ 38,695	$ 76,308
Other Liabilities	1,124	205
Total Liabilities	39,819	76,513
Net Assets		
Invested in Capital Assets, Net of Related Debt	188,641	159,256
Unrestricted	316,538	303,133
Restricted for Roads	154,712	88,012
Total Net Assets	$659,891	$550,401

WRIGHT TOWNSHIP NET ASSETS

	Business-Type Activities	
	2007	2006
Non-Operating Revenue		
Special Assessments	$ 6,436	$1,284,000
Grants	2,305,700	---
Interest Income	59,839	310
Total Non-Operating Revenue	2,371,975	1,284,310
Non-Operating Expenses		
Interest Expense	34,918	---
Bond Issuance Costs	1,758	---
Other - Administration	257	---
Total Non-Operating Expense	36,933	---
Increase In Net Assets	2,335,042	1,284,310
Net Assets Beginning of Year	1,290,720	6,410
Net Assets End of Year	$3,625,762	$1,290,720

	2007	2006
Assets		
Current and Other Assets	$1,364,082	$1,297,342
Capital Assets	3,626,738	375,965
Total Assets	$4,990,820	$1,673,307
Liabilities		
Long-Term Liabilities Outstanding	$1,260,000	$ 375,000
Other Liabilities	105,058	7,587
Total Liabilities	1,365,058	382,587
Net Assets		
Invested in Capital Assets, Net of Related Debt	2,366,738	965
Unrestricted	1,259,024	1,289,755
Total Net Assets	$3,625,762	$1,290,720

Government Activities

Government activities increased the Township's net assets by $109,490.

The Township's Funds

Our analysis of the Township's funds begins on Page 9, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Trustee Board and management creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, etc.

General Fund Budgetary Highlights

There are no differences between the original budget and amended budget.

Capital Assets And Debt Administration

The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2007, amounted to $3,854,074 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment.

Long-term debt of the Township decreased by $37,613 (see Note 7 of the basic financial statements). There was additional debt incurred in the fiscal year ended March 31, 2007 of $1,284,000 the special assessment bonds for the sewer project.

Economic Factors And Next Year's Budget And Rates

The Township's budget for 2007-2008 fiscal year has taken in consideration, the economic condition of the State of Michigan anticipating reduced state share revenues. This will require close tabs on expenditures for the upcoming year and adjustments will be made to mirror, when possible, the revenue base, with expenses.

Contacting The Townships Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at 112 Water St., Waldron, Michigan 49288.

WRIGHT TOWNSHIP
Government-wide Statement of Net Assets
March 31, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Equivalents	$454,185	$ 125,407	$ 579,592
Receivables - Net	7,921	1,170,128	1,178,049
Prepaid Items and Other Assets	10,268	68,547	78,815
Capital Assets Not Being Depreciated	31,500	3,626,738	3,658,238
Capital Assets Being Depreciated - Net	195,836	---	195,836
Total Assets	$699,710	$4,990,820	$5,690,530
Liabilities			
Accounts Payable and Accrued Expenses	$ 1,124	$ 105,058	$ 106,182
Long-Term Liabilities:			
Due Within One Year	38,695	24,000	62,695
Due In More Than One Year	---	1,236,000	1,236,000
Total Liabilities	39,819	1,365,058	1,404,877
Net Assets			
Invested In Capital Assets, Net of Related Debt	188,641	2,366,738	2,555,379
Unrestricted	316,538	1,259,024	1,575,562
Restricted for Roads	154,712	---	154,712
Total Net Assets	$659,891	$3,625,762	$4,285,653

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Government-wide Statement of Activities
For The Year Ended March 31, 2007

Functions/Programs	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Net (Expenses) Revenues
Governmental Activities:					
General Government	$ 73,474	$ 19,819	$ ---	$ ---	$ (53,655)
Public Safety	97,472	84,918	22,512	4,895	14,853
Public Works	53,397	---	---	---	(53,397)
Other Functions	14,770	---	---	---	(14,770)
Interest on Long-Term Debt	918	---	---	---	(918)
Total Governmental Activities	240,031	104,737	22,512	4,895	(107,887)
Business-Type Activities:					
Utilities	2,015	---	---	2,312,136	2,310,121
Interest on Long-Term Debt	34,918	---	---	---	(34,918)
Total Business-Type Activities	36,933	---	---	2,312,136	2,275,203
Total	$276,964	$104,737	$22,512	$2,317,031	$2,167,316

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Government-wide Statement Of Activities (Concluded)
For The Year Ended March 31, 2007

	Governmental Activities	Business-Type Activities	Total
Changes In Net Assets			
Net (Expense) Revenue	$(107,887)	$2,275,203	$2,167,316
General Revenues:			
Property Taxes and Assessments	125,756	---	125,756
Grants and Contributions Not Restricted To Specific Programs	81,741	---	81,741
Unrestricted Investment Earnings and Rentals	9,880	59,839	69,719
Total General Revenues, Contributions and Transfers	217,377	59,839	277,216
Change In Net Assets	109,490	2,335,042	2,444,532
Net Assets, Beginning of Year	550,401	1,290,720	1,841,121
Net Assets, End of Year	$ 659,891	$3,625,762	$4,285,653

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Governmental Funds
Balance Sheet
March 31, 2007

	General Fund	Fire Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$275,568	$178,265	$ 352	$454,185
Prepaid Expenses	8,123	1,181	---	9,304
Receivables - Net	7,922	---	---	7,921
Due From Other Funds	964	---	---	965
Total Assets	$292,577	$179,446	$ 352	$472,375
LIABILITIES				
Accounts Payable/ Accrued Liabilities	$ 206	$ ---	$ ---	$ 206
Deferred Revenue	93	---	---	93
Total Liabilities	299	---	---	299
FUND BALANCES				
Unreserved	137,583	179,446	352	317,381
Restricted - Roads	154,695	---	---	154,695
Total Fund Balances	292,278	179,446	352	472,076
Total Liabilities and Fund Balances	$292,577	$179,446	$ 352	$472,375

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Reconciliation of Fund Balances On The Balance Sheet For Governmental Funds
To Net Assets Of Governmental Activities On The Statement of Net Assets
March 31, 2007

Fund Balances – Total Governmental Funds		$ 472,076
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	450,655
Deduct:	Accumulated Depreciation	(223,319)
Revenue that has been billed as a receivable, but not collected until later years, was not reported in the funds.		
Add:	Deferred Revenue	92
Certain liabilities, such as bonds payable, notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Deduct:	Notes Payable	(38,695)
Interest due on governmental activities notes payable are accrued on the government-wide statements.		
Deduct:	Accrued Interest Payable	(918)
Net Assets of Governmental Activities		$ 659,891

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Governmental Funds
Statement of Revenue, Expenditures, and Changes In Fund Balances
For The Year Ended March 31, 2007

	General Fund	Fire Fund	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes and Assessments	$125,732	$ ---	$ ---	$125,732
Intergovernmental	81,741	---	---	81,741
Other Governments	---	4,895	---	4,895
Charges for Services	12,988	84,912	---	97,900
Interest	5,901	3,977	2	9,880
Other	6,831	6	---	6,837
FEMA Grant	---	22,512	---	22,512
Total Revenue	233,193	116,302	2	349,497
EXPENDITURES				
Current:				
General Government	70,358	---	---	70,358
Public Safety	---	103,786	---	103,786
Public Works	53,397	---	---	53,397
Capital Outlay	---	26,187	---	26,187
Other Functions	14,770	---	---	14,770
Total Expenditures	138,525	129,973	---	268,498
Excess of Revenue Over (Under) Expenditures	94,668	(13,671)	2	80,999
Other Financing Sources (Uses)				
Transfers In	---	12,000	---	12,000
Transfers (Out)	(12,000)	---	---	(12,000)
Total Other Financing Sources (Uses)	(12,000)	12,000	---	---
Net Change In Fund Balances	82,668	(1,671)	2	80,999
Fund Balances – Beginning of Year	209,610	181,117	350	391,077
Fund Balances – End of Year	$292,278	$179,446	$ 352	$472,076

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Reconciliation Of The Statement Of Revenues, Expenditures,
And Changes In Fund Balances Of Governmental Statement Of Activities
March 31, 2007

Net Change In Fund Balances – Total Governmental Funds	$ 80,999
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.	
Deduct: Depreciation Expense	(34,415)
Capital assets used in governmental activities are added back to the governmental activities and depreciated.	
Add: Capital Assets	26,187
Revenue deferred on the governmental funds report, which has been charged to receivable and thus income on the statement of activities.	
Add: Deferred Revenue Other djustments	24
Interest due on the governmental activities note payable is accrued as a expenditure on the government-wide financial statement.	
Deduct: Accrued Interest	(918)
Payment on the debt is reflected as a expense on the fund statement but is a reduction in liabilities, or notes payable on the government-wide financial statement.	
Add: Principal Payment on Note	37,613
Change In Net Assets Of Governmental Activities	$109,490

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Statement of Net Assets
Proprietary Funds
March 31, 2007

	Business-Type Activities - Enterprise Fund
	Sewer Fund
Assets	
Current Assets:	
Cash and Cash Equivalents	$ 125,407
Special Assessment Receivable	29,123
Due from County - Delinquent Special Assessments	15,066
Bond Issuance Costs - Current Portion	1,758
Total Current Assets	171,354
Noncurrent Assets:	
Construction in Progress	3,626,738
Special Assessment Receivable	1,125,939
Bond Issuance Costs	66,789
Total Noncurrent Assets	4,819,466
Total Assets	$4,990,820
Liabilities	
Current Liabilities:	
Accrued Liabilities	$ 105,058
Special Assessment Bonds, Series 2006 - Current Portion	24,000
Total Current Liabilities	129,058
Long-Term Liabilities:	
Special Assessment Bonds, Series 2006	1,236,000
Total Liabilities	1,365,058
Net Assets	
Invested in Capital Assets, Net of Related Debt	2,366,738
Unrestricted	1,259,024
Total Net Assets	3,625,762
Net Assets of Business-Type Activities on the Government-Wide Statement of Net Assets	$3,625,762

The accompanying notes are an integral part of this financial statement.

WRIGHT TOWNSHIP
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended March 31, 2007

	Business-Type Activities - Enterprise Fund
	Sewer Fund
Non-Operating Revenues (Expenses)	
Investment Income	$ 59,839
Special Assessments	6,436
Grant - Rural Development	2,054,200
Grant - Environment Quality	251,500
Interest Expense	(34,918)
Bond Issuance Costs	(1,758)
Other - Administration	(257)
Total Non-Operating Revenues	2,335,042
Income	2,335,042
Net Assets, Beginning of Year	1,290,720
Net Assets, End of Year	$3,625,762

The accompanying notes are an integral part of this financial statement.

WRIGHT TOWNSHIP
Reconciliation Of The Statement Of Revenues, Expenditures, To The Statement Of Activities
March 31, 2007

Change In Net Assets – All Enterprise Funds	$2,335,042
No additional adjustments	---
Change In Net Assets Of Business-Type Activities	$2,335,042

WRIGHT TOWNSHIP
Statement of Cash Flows
Proprietary Funds
For The Year Ended March 31, 2007

	Business-Type Activities - Enterprise Fund
	Sewer Fund
Cash Flows From Capital and Related Financing Activities	
Special Assessment Revenue	$ 117,091
Grants	2,305,700
Expenses Incurred	(257)
Net Cash (Used) by Capital and Related Financing Activities)	2,422,534
Cash Flows From Investing Activities	
Investment Income	59,839
Purchase of Capital Assets	(3,250,773)
Retainage Payable	100,577
Net Cash Provided (Used) by Investing Activities	(3,090,357)
Cash Flows From Financing Activities	
Interest Expense	(38,025)
Special Assessment Bonds, Principal Payments	(24,000)
Bond Issuance Costs	(70,305)
Bond Anticipation Note - Principal Payment	(375,000)
Special Assessment Bonds Issued	1,284,000
Net Cash Provided (Used) by Financing Activities	776,670
Net Increase (Decrease) in Cash and Cash Equivalents	108,847
Cash and Cash Equivalents, Beginning of Year	16,560
Cash and Cash Equivalents, End of Year	$ 125,407
Reconciliation to Statement of Net Assets	
Cash and Cash Equivalents	$ 125,407

The accompanying notes are an integral part of this financial statement.

WRIGHT TOWNSHIP
Statement of Cash Flows (Concluded)
Proprietary Funds
For The Year Ended March 31, 2007

	Business-Type Activities - Enterprise Fund
	Sewer Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income	$ 2,335,042
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Accrued Liabilities	97,471
Current Assets	(13,927)
Net Cash Provided (Used) by Operating Activities	2,418,586
Cash Flows From Investing Activities:	
Purchase of Capital Assets	(3,250,773)
Net Cash (Used) from Investing Activities	(3,250,773)
Cash Flows From Financing Activities:	
Bond Anticipation Note Payable	(375,000)
Special Assessment Receivable	122,823
Bond Issuance Costs	(66,789)
Special Assessment Bonds	1,260,000
Net Cash (Used) from Financing Activities	941,034
Net Increase (Decrease) in Cash and Cash Equivalents	108,847
Cash and Cash Equivalents, Beginning of Year	16,560
Cash and Cash Equivalents, End of Year	$ 125,407

The accompanying notes are an integral part of this financial statement.

WRIGHT TOWNSHIP
Fiduciary Funds – Statement of Net Assets
March 31, 2007

	Current Tax Collection Fund
Assets	
Cash and Cash Equivalents	$ 964
Total Assets	$ 964
Liabilities	
Due to General Fund	$ 964
Total Liabilities	$ 964

The notes to financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Wright Township 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 the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. Reporting Entity

Wright Township is governed by an elected board. The accompanying financial statements present the government for which government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

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

The Fire Fund is a special Revenue Fund that receives monies for contractual services and charges for the purpose of providing fire protection and Advanced and Basic Life Support Services to the community.

The government reports the following major proprietary fund:

The Sewer Fund (Utilities) is a proprietary type fund which accounts for activities of the government's waste water system.

Additionally, the government reports the following fund types:

The Agency Funds account for assets held by the Township acting as an agent for individuals, private organizations, other governments and/or other funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-side and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities and enterprise funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utilities fund are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, Liabilities, and Net Assets or Equity

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

   State statues authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loans associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

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

3. **Prepaid Items –** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. **Inventories –** All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

5. **Capital Assets –** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

   The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

   Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	20 - 50
Building	10 - 50
Machinery, Equipment, And Furnishings	5 - 35
Utility Systems	50 - 100
Infrastructure	15 - 100
Vehicles	5 - 15

6. **Long-Term Obligations –** In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. **Budgetary Information –** Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

On or before the end of March of each year, the Township Board proposes a budget for review and holds public hearings and a final budget is adopted.

The appropriated budget is prepared by fund, function and activity. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is with the Board of Trustees.

B. Excess of Expenditures Over Appropriations In Budgeted Funds - P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. During the year ended March 31, 2007, the government incurred expenditures in excess of amounts appropriated at the legal level of budgetary control as follows:

	Amended Budget	Actual	Variance
Public Works:			
Street Lights	$ 800	$ 826	$ 26
Drains	4,000	8,409	4,409

NOTE 3 – DEPOSITS AND INVESTMENTS

The Township has the following deposits which are carried at cost plus interest. The Township does not have a deposit policy. The Township investments are in accordance with statutory authority.

Depository Account	Bank Balance
Insured	$100,170
Uninsured and Uncollateralized	480,386
	$580,556

The above amounts include fiduciary funds of $964.

CUSTODIAL CREDIT RISK – DEPOSITS

Custodial credit risk, is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2007 - $480,556 of the Township's bank balance of $580,556 was exposed to custodial risk.

A reconciliation of cash and investments as shown on the Statement of Net Assets and Statement of Fiduciary Net Assets to deposits and investments as classified for note disclosure purposes is as follows:

Statement of Net Asset:

Cash and Cash Equivalents	$579,592
	579,592

Statement of Fiduciary Net Asset:

Agency Funds:	
Cash and Cash Equivalents	964
	964
	$580,556

NOTE 4 – CAPITAL ASSETS

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

	Beginning Balance	Increases	Ending Decreases	Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 31,500	$ ---	$ ---	$ 31,500
Total Capital Assets Not Being Depreciated	31,500	---	---	31,500
Capital Assets, Being Depreciated:				
Buildings	76,718	---	---	76,718
Vehicles	155,000	---	---	155,000
Equipment	161,250	26,187	---	187,437
Total Capital Assets Being Depreciated	392,968	26,187	---	419,155
Less Accumulated Depreciation For:				
Buildings	(50,468)	(1,875)	---	(52,343)
Vehicles	(46,500)	(15,500)	---	(62,000)
Equipment	(91,936)	(17,040)	---	(108,976)
Total Accumulated Depreciation	(188,904)	(34,415)	---	(223,319)
Total Capital Assets, Being Depreciated, Net	204,064	(8,228)	---	195,836
Governmental Activities Capital Assets, Net	$ 235,564	$ (8,228)	$ ---	$ 227,336
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 52,000	$ ---	$ ---	$ 52,000
Sewer Project Under Construction	323,965	3,250,773	---	3,574,738
Total Capital Assets Not Being Depreciated	375,965	3,250,773	---	3,626,738
Business-Type Activities Capital Assets, Net	$ 375,965	$3,250,773	$ ---	$3,626,738

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

Governmental Activities:	
General Government	$ 3,116
Public Safety	31,299
Total Depreciation Expense Governmental Activities	$34,415
Business-Type Activities:	
Utilities	$ ---
Total Depreciation Expense Business-Type Activities	$ ---

NOTE 5 – TRANSFERS BETWEEN FUNDS

At March 31, 2007, the following transfers were made between funds:

Fund	Transfer In	Transfer Out
General	$ ---	$12,000
Fire	12,000	---
Total	$12,000	$12,000

Transfers are used to (a) move revenues from the fund by statue or budget as required to collect them to the fund that statue or budget requires to expend them and (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 – PROPERTY TAXES

The Township bills and collects property taxes and also taxes for the County and several School Districts within its jurisdiction. Collections and remittances of the County and School taxes are accounted for in the Current Tax Collection Agency Fund. Township property tax revenues are recognized as revenues in the fiscal year levied to the extent that they result in current receivables.

Property taxes attach as an enforceable lien on the property as of January 1.

NOTE 7 – LONG-TERM DEBT

Notes Payable - Bank of Lenawee, Morenci, Michigan.

Purpose: Purchase of Fire Truck.
Date of Note: July 16, 2004.
Interest Rate: 3.120%.
Payment: July 15, annual at $39,994 including interest.
Principal Payable: July 16, 2004, Amount of Issue: $112,784.

Year	Interest	Principal	Total Payments
2007	$1,299	$38,695	$39,994
	$1,299	$38,695	$39,994

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Special Assessment Bonds, Series 2006 - United States Department of Agriculture (Rural Development) No. 1 (92-03).

Purpose: Sanitary Sewer Improvements - Lime Lake/Prattville.
Date of Note: April 13, 2006.
Interest Rate: 4.375% per annum, payable on September 1 and March 1 each year.
Principle Payable: March 1 in accordance with schedule below.
Amount of Issue: $796,000.

Payment Date	Total	Interest	Principal
September 1, 2007	$ 17,084	$ 17,084	$ ---
March 1, 2008	32,084	17,084	15,000
September 1, 2008	16,661	16,661	---
March 1, 2009	36,661	16,661	20,000
September 1, 2009	16,319	16,319	---
March 1, 2010	36,318	16,318	20,000
September 1, 2010	15,881	15,881	---
March 1, 2011	35,881	15,881	20,000
September 1, 2011	15,444	15,444	---
March 1, 2012	35,444	15,444	20,000
September 1, 2012	15,006	15,006	---
March 1, 2013	35,006	15,006	20,000
September 1, 2013	14,569	14,569	---
March 1, 2014	34,569	14,569	20,000
September 1, 2014	14,131	14,131	---
March 1, 2015	34,131	14,131	20,000
September 1, 2015	13,694	13,694	---
March 1, 2016	33,694	13,694	20,000
September 1, 2016	13,256	13,256	---
March 1, 2017	33,256	13,256	20,000
September 1, 2017	12,819	12,819	---
March 1, 2018	32,819	12,819	20,000
September 1, 2018	12,381	12,381	---
March 1, 2019	32,381	12,381	20,000
September 1, 2019	11,944	11,944	---
March 1, 2020	31,944	11,944	20,000
September 1, 2020	11,506	11,506	---
March 1, 2021	31,506	11,506	20,000
September 1, 2021	11,069	11,069	---
March 1, 2022	31,069	11,069	20,000
September 1, 2022	10,631	10,631	---
March 1, 2023	30,631	10,631	20,000
September 1, 2023	10,194	10,194	---
March 1, 2024	30,194	10,194	20,000
September 1, 2024	9,756	9,756	---
March 1, 2025	29,756	9,756	20,000
September 1, 2025	9,319	9,319	---
March 1, 2026	29,319	9,319	20,000
September 1, 2026	8,881	8,881	---
March 1, 2027	28,881	8,881	20,000
September 1, 2027	8,444	8,444	---
March 1, 2028	28,444	8,444	20,000
September 1, 2028	8,006	8,006	---
March 1, 2029	28,006	8,006	20,000
September 1, 2029	7,569	7,569	---

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Payment Date	Total	Interest	Principal
March 1, 2030	27,569	7,569	20,000
September 1, 2030	7,131	7,131	---
March 1, 2031	27,131	7,131	20,000
September 1, 2031	6,694	6,694	---
March 1, 2032	26,694	6,694	20,000
September 1, 2032	6,256	6,256	---
March 1, 2033	26,256	6,256	20,000
September 1, 2033	5,819	5,819	---
March 1, 2034	25,819	5,819	20,000
September 1, 2034	5,381	5,381	---
March 1, 2035	25,381	5,381	20,000
September 1, 2035	4,944	4,944	---
March 1, 2036	24,944	4,944	20,000
September 1, 2036	4,506	4,506	---
March 1, 2037	24,506	4,506	20,000
September 1, 2037	4,069	4,069	---
March 1, 2038	24,069	4,069	20,000
September 1, 2038	3,631	3,631	---
March 1, 2039	23,631	3,631	20,000
September 1, 2039	3,194	3,194	---
March 1, 2040	23,194	3,194	20,000
September 1, 2040	2,756	2,756	---
March 1, 2041	23,756	2,756	21,000
September 1, 2041	2,297	2,297	---
March 1, 2042	23,297	2,297	21,000
September 1, 2042	1,837	1,837	---
March 1, 2043	22,837	1,837	21,000
September 1, 2043	1,378	1,378	---
March 1, 2044	22,378	1,378	21,000
September 1, 2044	919	919	---
March 1, 2045	21,919	919	21,000
September 1, 2045	459	459	---
March 1, 2046	21,459	459	21,000
	$1,472,669	$691,669	$781,000

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Special Assessment Bonds, Series 2006 - United States Department of Agriculture (Rural Development) No. 2 (92-05).

Purpose: Sanitary Sewer Improvements - Lime Lake/Prattville.
Date of Note: April 13, 2006.
Interest Rate: 4.25% per annum, payable on September 1 and March 1 each year.
Principle Payable: March 1 in accordance with schedule below.
Amount of Issue: $488,000.

Payment Date	Total	Interest	Principal
September 1, 2007	$ 10,179	$ 10,179	$ ---
March 1, 2008	19,179	10,179	9,000
September 1, 2008	9,987	9,987	---
March 1, 2009	21,987	9,987	12,000
September 1, 2009	9,732	9,732	---
March 1, 2010	21,732	9,732	12,000
September 1, 2010	9,477	9,477	---
March 1, 2011	21,477	9,477	12,000
September 1, 2011	9,222	9,222	---
March 1, 2012	21,222	9,222	12,000
September 1, 2012	8,967	8,967	---
March 1, 2013	20,967	8,967	12,000
September 1, 2013	8,712	8,712	---
March 1, 2014	20,712	8,712	12,000
September 1, 2014	8,457	8,457	---
March 1, 2015	20,457	8,457	12,000
September 1, 2015	8,202	8,202	---
March 1, 2016	20,202	8,202	12,000
September 1, 2016	7,947	7,947	---
March 1, 2017	19,947	7,947	12,000
September 1, 2017	7,692	7,692	---
March 1, 2018	19,692	7,692	12,000
September 1, 2018	7,437	7,437	---
March 1, 2019	19,437	7,437	12,000
September 1, 2019	7,182	7,182	---
March 1, 2020	19,182	7,182	12,000
September 1, 2020	6,927	6,927	---
March 1, 2021	18,927	6,927	12,000
September 1, 2021	6,672	6,672	---
March 1, 2022	18,672	6,672	12,000
September 1, 2022	6,417	6,417	---
March 1, 2023	18,417	6,417	12,000
September 1, 2023	6,162	6,162	---
March 1, 2024	18,162	6,162	12,000
September 1, 2024	5,907	5,907	---
March 1, 2025	17,907	5,907	12,000
September 1, 2025	5,652	5,652	---
March 1, 2026	17,652	5,652	12,000
September 1, 2026	5,397	5,397	---
March 1, 2027	17,397	5,397	12,000
September 1, 2027	5,142	5,142	---
March 1, 2028	17,142	5,142	12,000
September 1, 2028	4,887	4,887	---
March 1, 2029	16,887	4,887	12,000
September 1, 2029	4,632	4,632	---

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Payment Date	Total	Interest	Principal
March 1, 2030	16,632	4,632	12,000
September 1, 2030	4,377	4,377	---
March 1, 2031	16,377	4,377	12,000
September 1, 2031	4,122	4,122	---
March 1, 2032	16,122	4,122	12,000
September 1, 2032	3,867	3,867	---
March 1, 2033	16,867	3,867	13,000
September 1, 2033	3,591	3,591	---
March 1, 2034	16,591	3,591	13,000
September 1, 2034	3,315	3,315	---
March 1, 2035	16,315	3,315	13,000
September 1, 2035	3,038	3,038	---
March 1, 2036	16,038	3,038	13,000
September 1, 2036	2,762	2,762	---
March 1, 2037	15,762	2,762	13,000
September 1, 2037	2,486	2,486	---
March 1, 2038	15,486	2,486	13,000
September 1, 2038	2,210	2,210	---
March 1, 2039	15,210	2,210	13,000
September 1, 2039	1,934	1,934	---
March 1, 2040	14,934	1,934	13,000
September 1, 2040	1,657	1,657	---
March 1, 2041	14,657	1,657	13,000
September 1, 2041	1,381	1,381	---
March 1, 2042	14,381	1,381	13,000
September 1, 2042	1,105	1,105	---
March 1, 2043	14,105	1,105	13,000
September 1, 2043	829	829	---
March 1, 2044	13,829	829	13,000
September 1, 2044	552	552	---
March 1, 2045	13,552	552	13,000
September 1, 2045	276	276	---
March 1, 2046	13,276	276	13,000
	$895,980	$416,980	$479,000

NOTE 8 – CHANGES IN LONG-TERM BEBT

The following is a summary of changes in long-term debt for the year ended March 31, 2007:

Type of Debt	Balance April 1, 2006	Additions	Deductions	Balance March 31, 2007	Amounts Due Within One Year
Governmental Activities:					
Notes Payable - Fire Truck	$ 76,308	$ ---	$ 37,613	$ 38,695	$38,695
Total General Long-Term Debt	$ 76,308	$ ---	$ 37,613	$ 38,695	$38,695
Business-Type Activities:					
Special Assessment Bond	$ ---	$ 796,000	$ 15,000	$ 781,000	$15,000
Bond Anticipation Note	375,000	---	375,000	---	---
Special Assessment Bond	---	488,000	9,000	479,000	9,000
Total Enterprise Fund Debt	$375,000	$1,284,000	$399,000	$1,260,000	$24,000

NOTE 9 – ANNUAL DEBT SERVICE REQUIREMENTS

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2007, are as follows:

	Governmental Activities		Business-Type Activities	
Year Ending	Principle	Interest	Principal	Interest
2008	$38,695	$1,299	$ 24,000	$ 54,526
2009	---	---	32,000	53,296
2010	---	---	32,000	52,101
2011	---	---	32,000	50,716
2012	---	---	32,000	49,332
2013-2017	---	---	160,000	225,882
2018-2022	---	---	160,000	191,258
2023-2027	---	---	160,000	156,632
2028-2032	---	---	160,000	122,008
2033-2037	---	---	165,000	86,958
2038-2042	---	---	167,000	51,230
2043-2046	---	---	136,000	14,710
Totals	$38,695	$1,299	$1,260,000	$1,108,649

NOTE 10 – RESTRICTED FUND BALANCE - ROADS

At March 31, 2007 - $154,695 is restricted for road work.

NOTE 11 – OTHER INFORMATION

Risk Management

The government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2007, the government carried insurance through various commercial carriers, to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

At March 31, 2007, the following interfund receivables and payables are in the fund statements.

Fund	Receivable	Payable
General	$ 964	$ ---
Tax Collection	---	964
	$ 964	$ 964

All interfund receivables and payables will be paid within the next fiscal year.

WRIGHT TOWNSHIP
Budgetary Comparison Schedule
General Fund
For The Year Ended March 31, 2007

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	$209,610	$209,610	$209,610	$ ---
Resources (Inflows)				
Taxes and Assessments	123,900	123,900	125,732	1,832
Intergovernmental	81,000	81,000	81,741	741
Licenses and Permits	---	---	---	---
Charges for Services	11,395	11,395	12,988	1,593
Interest	800	800	5,901	5,101
Other	4,450	4,450	6,831	2,381
Amounts Available for Appropriation	431,155	431,155	442,803	11,648
Charges to Appropriations (Outflows)				
General Government				
Trustee Board	4,845	4,845	4,696	149
Supervisor	5,530	5,530	5,493	37
Treasurer	16,350	16,350	15,643	707
Assessing	16,305	16,305	14,934	1,371
Clerk	12,579	12,579	11,651	928
Cemetery	14,150	14,150	12,046	2,104
Board of Review	1,432	1,432	1,191	241
Building and Grounds	1,000	1,000	130	870
Other	4,700	4,700	4,574	126
Public Safety				
Fire	500	500	---	500
Public Works				
Road and Maintenance	90,654	90,654	27,917	62,737
Sewer/Sanitation	---	---	---	---
Street Lights	800	800	826	(26)
Drains	4,000	4,000	8,409	(4,409)
Dust Control Service	17,100	17,100	16,245	855
Culture and Recreation				
Library	---	---	---	---
Other Functions	49,600	49,600	14,770	34,830
Transfer Out	12,000	12,000	12,000	---
Total Charges to Appropriations	251,545	251,545	150,525	101,020
Ending of Year Fund Balance	$179,610	$179,610	$292,278	$112,668

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Budgetary Comparison Schedule
Fire & Ambulance Fund (Major Special Revenue Funds)
For The Year Ended March 31, 2007

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	$181,117	$181,117	$181,117	$ ---
Resources (Inflows)				
Ambulance & Fire Runs	68,500	68,500	55,472	(13,028)
Interest	1,500	1,500	3,977	2,477
FEMA Grant	---	---	22,512	22,512
Contracted Services	29,240	29,240	29,440	200
Miscellaneous	---	---	6	6
Transfer In	12,000	12,000	12,000	---
Contributions Other Governments	22,800	22,800	4,895	(17,905)
Amounts Available for Appropriation	315,157	315,157	309,419	(5,738)
Charges to Appropriations (Outflows)				
Public Safety				
Salaries and Wages	18,000	18,000	10,694	7,306
Billing Service	6,000	6,000	3,803	2,197
Operating Supplies	10,500	10,500	6,575	3,925
Gas and Oil	5,000	5,000	2,845	2,155
Utilities	10,500	10,500	5,727	4,773
Repairs and Maintenance	15,000	15,000	7,698	7,302
Insurance	19,500	19,500	15,610	3,890
Licenses & Memberships	500	500	180	320
Education & Training	2,500	2,500	560	1,940
Reading E.U.-ALS	10,000	10,000	10,000	---
Other	500	500	100	400
Capital Outlay	36,000	36,000	26,187	9,813
Debt Service	39,995	39,995	39,994	1
Total Charges to Appropriations	173,995	173,995	129,973	44,022
Ending of Year Fund Balance	$141,162	$141,162	$179,446	$ 38,284

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Combining Balance Sheet
Non-Major Governmental Funds
March 31, 2007

	Permanent Fund Cemetery Trust	Total Non-Major Governmental Funds
Assets		
Cash	$ 352	$ 352
Total Assets	$ 352	$ 352
Fund Balance	352	352
Total Fund Balance	$ 352	$ 352

The notes to financial statements are an integral part of this statement.

WRIGHT TOWNSHIP
Combining Statement of Revenues, Expenditures and Changes In Fund Balance
Non-Major Governmental Funds
For The Year Ended March 31, 2007

	Permanent Fund Cemetery Trust	Total Non-Major Governmental Funds
Revenue:		
Interest	$ 2	$ 2
Total Revenue	2	2
Expenditure:		
General Government	---	---
Total Expenditure	---	---
Excess of Revenues Over (Under) Expenditure	2	2
Beginning Fund Balance	350	350
Ending Fund Balance	$ 352	$ 352

The notes to financial statements are an integral part of this statement.

PHILIP R. RUBLEY

– Certified Public Accountant –

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'S
& THE MICHIGAN ASSOCIATION OF C.P.A.'S

October 30, 2007

Township Board
Wright Township
Hillsdale County
122 Water St.
Waldron, MI 49288

We have examined the financial statements of the Wright Township, Michigan dated October 30, 2007. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such an evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statement and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2007, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Statement on Auditing Standards Pronouncement 112 requires us as auditors to communicate what we determine to be significant deficiencies and material weaknesses to management and those charged with governances in regards to internal control matters.

A significant deficiency is a control deficiency or combination of control deficiencies that creates the remote likelihood that a misstatement of the Township's financial statements is more then inconsequential and will not be prevented or detected on a timely basis by employees in the normal course of business.

Based on this criteria the following comments are in this category:

1. **SEGREGATION OF DUTIES**
   Because of the size and number of personal segregation of duties is a significant deficiency. These means at the basic level, no single individual should have control over two or more phases of a transaction or operation in the accounting function.

   We feel however that because of managements oversight, that this is not a material weakness in the control system.

OTHER MATTERS FOR CONSIDERATION
These comments are not significant deficiencies but are suggestions to improve your existing accounting and control systems.

1. **DEPOSIT POLICY**
   Consider establishing a policy to deposit funds in more then one bank to obtain additional FDIC insurance and reduce your custodial risk.

2. **FIXED ASSETS**
   Maintain or continue to maintain any deletions of assets or purchases of assets subject to capitalization (over $1,500.00)

3. **INTEREST EARNED ON FEDERAL GRANT**
   If you earn interest on federal grants this amount can reduce the grant amount you will receive at March 31, 2007, this amount was $3,988.39.

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our examination of the financial statements, and this report does not modify our report dated October 30, 2007, on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Respectfully Submitted,

Philip R. Rubley, CPA

PRR/cab