Tobin & Co.

Oliver Township

Kalkaska County, Michigan

Audit Report

For the Year Ended March 31, 2008

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	Oliver Township	Kalkaska

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
3/31/08	4/30/08	5/20/08

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		
TOBIN & CO., P.C.			
Street Address: 400 E. EIGHTH ST.	City: TRAVERSE CITY, MI 49686-2668	State	Zip
231-947-0151			

Authorizing CPA Signature	Printed Name	License Number
David L. Basler	DAVID L. BASLER	110101341 8

Table of Contents

INTRODUCTORY SECTION

Comments and Recommendations 4 – 5

FINANCIAL SECTION

Accountant's Report 7
Management's Discussion and Analysis 8 – 11

Basic Financial Statements

Statement of Net Assets and Governmental Fund Balance Sheet 12
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance 13

Fiduciary Funds
Statement of Fiduciary Net Assets 14

Notes to Basic Financial Statements 15 – 21

SUPPLEMENTAL DATA SECTION

Required Supplementary Information:

General Fund
1. Schedules of Revenues, Expenditures and Changes in Fund Balances Budget and Actual 23 – 26

Other Supplementary Information

Current Tax Collections Fund
2. Statement of Changes in Assets and Liabilities 27

Other Data
3. 2007 Property Tax Levy and Collection 28
4. Statement of Revenues and Expenditures – Property Tax Administration Fees 29

INTRODUCTORY SECTION

Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of Oliver Township, Kalkaska County, for the year ended March 31, 2008 and have issued our report thereon. As 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 generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Oliver Township taken as a whole.

As a result of our examination, we respectfully submit the following comments and recommendations.

General

The records were maintained in good condition by your present Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were maintained in proper order, and supporting documents and follow-up procedures appeared to be in very good order. The efforts of these officials during 2007-2008 are commendable.

Budgets and Procedures

We noted no violations of Act 621 of 1978 (Uniform Budgeting Act). The Township prepared and adopted a budget for its General Fund, and no cost center exceeded its expenditure budget.

Property Tax Administration Fees

A 1% Property Tax Administration Fee is authorized by statute to offset such property tax administration costs as assessing, collecting and the review and appeal process. Fee collections may be used for no other purpose. The Township complied with statutory provisions as its administration expenses exceeded fee collections by $8,486 for the audit year.

Comments and Recommendations

Current Tax Collection Fund

1. Property Taxes collected were distributed to taxing units prior to the end of the fiscal year.

2. Receipts were filed in order of payment, and deposits were made timely and intact. All personal property taxes were collected as of March 31, 2008.

3. Schedule 3 reflects the amount levied, collected and returned delinquent for the 2007 property tax levy.

Insurance and Surety Bond Coverage

Records indicate that the Township is insured through Municipal Underwriters of Michigan and has such coverage as Fire and Extended Coverage, General Liability, Workmen's Compensation, Errors and Omissions, and Crime Coverage. Board Minutes indicate that coverage was reviewed by the Board during the fiscal year. The Supervisor, Clerk, Treasurer and their deputies are bonded in amounts ranging from $5,000 to $25,000.

Payroll Procedures

Payroll procedures were excellent. Payroll withholdings meet federal and state guidelines. Individual earnings records were maintained, Forms W-2 were issued to all officials and employees, and required reports were submitted on a timely basis. As required by federal statute, the Township withholds and matches Social Security and Medicare taxes.

Other Data

Both the Clerk and Treasurer present monthly reports to the Township Board. This enhances financial management and compliance with statutory requirements with respect to the budget. The annual report prepared by the Clerk was excellent.

After the completion of our audit, we will submit two (2) copies of this report to the State Department of Treasury.

We appreciate the courtesy extended our field auditor in the course of this examination. Your confidence is respected, and please contact us if any questions arise.

FINANCIAL SECTION

Tobin & Co.

REPORT OF INDEPENDENT AUDITOR

To the Township Board
Oliver Township
Kalkaska County
Kalkaska, MI 49646

We have audited the accompanying financial statements of the governmental activities and each major fund of Oliver Township as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Oliver Township at March 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express on opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Oliver Township's basic financial statements. The schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Oliver Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Tobin & Co., P.C.

Tobin & Co., P.C.
Certified Public Accountants
April 30, 2008

400 East Eighth
Traverse City
Michigan 49686
231 947-0151
231 947-1362 Fax

OLIVER TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

As the Township Board of Oliver Township, Kalkaska County, we offer readers of the township's financial statements this narrative overview and analysis of the financial activities of Oliver Township for the fiscal year ended March 31, 2008.

Financial Highlights

The assets of Oliver Township exceeded its liabilities at the close of the most recent fiscal year by $99,405. Of this amount, $68,094 may be used to meet the Township's ongoing obligations to citizens and creditors.

At the close of the current fiscal year, Township's governmental funds (General Fund) reported combined ending fund balances of $72,094, in comparison with $71,018 the prior year, an increase of $1,076. Of the total amount, $68,094 is available for spending at the Township's discretion, and $4,000 is restricted to cemetery improvements.

At the end of the current fiscal year, unrestricted fund balance for the general fund was 143% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Oliver Township's basic financial statements. The Township's 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.

1. **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-section 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 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 (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the Township include: General Government, and Public Safety. The Township has no business-type activities.

2. **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. Oliver 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 Oliver Township are categorized as governmental 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.

Oliver Township maintains one individual governmental fund. 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, considered to be a major fund. All Township government activities are included in this fund.

The Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 resources because the resources of those funds are not available to support the Township's own programs.

The basic fiduciary fund financial statements can be found on page 14 of this report.

3. **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.

General Fund Analysis and Highlights

Differences between the original general fund budget and the final amended budget were minimal. The total dollars spent in general fund activities was $4,937 (less) than appropriated.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Two noteworthy exceptions are:

1. The Township Assessor's house was significantly damaged by a fire which resulted in destruction of certain Township assets, a portion of which were replaced during the audit year with additional replacements in the following year. All replacement assets are substantially covered by insurance.

2. The Township fire and rescue contractual expenditure is based upon taxable value. A large amount of property in the Township is owned by the State, which does its own assessing, resulting in very little increase in taxable value and property taxes.

Condensed Financial Information

Net Assets

	Governmental Activities 3/31/08	Governmental Activities 3/31/07
Current Assets	$ 72,094	$ 71,018
Capital Assets	27,311	28,727
Other Long-term Assets	-	-
Total Assets	99,405	99,745
Current Liabilities	-	-
Long-term Debt	-	-
Other Long-term Liabilities	-	-
Total Liabilities	-	-
Net Assets:		
Investment in Capital Assets Net of Related Debt	27,311	28,727
Restricted	4,000	4,000
Unrestricted	68,094	67,018
Total Net Assets	$ 99,405	$ 99,745

Activities

	Governmental Activities 3/31/08	Governmental Activities 3/31/07
Program Revenues:		
Charges for Services	$ 2,842	$ 1,265
Operating Grants	2,179	1,348
Capital Grants	-	-
General Revenues:		
Property Taxes	20,632	22,031
State Shared Revenues	18,094	17,944
Other	4,848	8,056
Total Revenues	48,595	50,644
Expenses:		
General Government	38,826	44,042
Public Safety	6,450	6,160
Other	2,243	989
Total Expenses	47,519	51,191
Change in Net Assets	$ 1,076	$ (547)

Capital Asset and Debt Administration

Capital Assets

The Township's investment in capital assets for its governmental activities as of March 31, 2008, amounts to $27,311. This investment in capital assets includes: several parcels of land, land improvements, and Township Hall. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives. This fiscal year the amount by which depreciation exceeded capital outlays was $1,416.

Cash Assets

At the end of the current fiscal year, the Township had $67,736 in cash and other spendable assets. Of this amount, $53,410 (76 %) was held in two savings accounts; the remainder was held in the Township's checking account (Bank). The Township is limited by State law in how it can invest these funds, and we have made no changes in our investment strategy in several years.

Long-term Debt

At the end of the current fiscal year, the Township had no bonded or installment debt outstanding.

Currently Known Facts, Decisions, or Conditions and Any Significant Future Plans

Requests for Information

This financial report is designed to provide a general overview of Oliver Township's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Oliver Township Clerk, 2851 Sigma Rd., S.E., Kalkaska, MI 49646.

Tobin & Co.

Oliver Township
Statement of Net Assets and
Governmental Fund Balance Sheet
March 31, 2008

Assets	General Fund	Adjustments (Note 3)	Statement of Net Assets
Cash	$ 70,624	$ -	$ 70,624
Receivables	1,470	-	1,470
Capital Assets			
Land		7,000	7,000
Other Capital Assets, Net of Depreciation		20,311	20,311
Total Assets	$ 72,094	27,311	99,405
Liabilities			
Total Liabilities	-		-
Fund Balances/Net Assets			
Fund Balance			
Restricted	4,000	(4,000)	-
Unrestricted	68,094	(68,094)	-
Total Fund Balances	72,094		
Total Liabilities and Fund Balances	$ 72,094		
Net Assets			
Invested in Capital Assets		27,311	27,311
Restricted		4,000	4,000
Unrestricted		68,094	68,094
		$ 27,311	$ 99,405

The Notes to the Financial Statements are an Integral Part of this Statement.

Tobin & Co.

Oliver Township
Statement of Activities and
Governmental Fund Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2008

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Legislative	$ 2,322	$ -	$ 2,322
General Government	37,660	1,416	39,076
Public Safety	6,450	-	6,450
Unallocated	1,087	-	1,087
Total Expenditures/Expenses	47,519	1,416	48,935
Program Revenues:			
Charges for Services	2,842	-	2,842
Operating Grants	2,179	-	2,179
Total Program Revenues	5,021	-	5,021
Net Program Revenues (Expenses)	(42,498)	-	(43,914)
General Revenues:			
Property Taxes	20,632	-	20,632
State Shared Revenues	18,094	-	18,094
Interest	2,468	-	2,468
Miscellaneous	2,380	-	2,380
Excess Revenues (Expenditures)	1,076	-	
Change in Net Assets			(340)
Fund Balance/Net Assets:			
Beginning of the Year	71,018	28,727	99,745
End of the Year	$ 72,094	$ 27,311	$ 99,405

The Notes to the Financial Statements are an Integral Part of this Statement.

Tobin & Co.

Oliver Township
Statement of Fiduciary Net Assets
For the Year Ended March 31, 2008

Assets	
Cash	$ 151
Total Assets	151
Liabilities	
Undistributed Taxes and Interest	151
Total Liabilities	151
Net Assets	$ -

The Notes to the Financial Statements are an Integral Part of this Statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Oliver Township is a general law township located in Kalkaska county. Population as of the 2000 census was 263, and the current state equalized valuation for taxable property is $16,173,750. The taxable valuation is $9,381,807.

The Township's general purpose financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, *"The Financial Reporting Entity"*, includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not include.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

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

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund – This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

The General Fund is under formal budgetary control. The budget shown in the financial statements for this fund were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budgets approved and amended by the Township.

In the body of the financial statements, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

E. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	15 – 30 years
Buildings	40 – 60 years
Building Improvements	15 – 30 years
Furniture and Fixtures	3 – 5 years
Equipment	3 – 5 years
Vehicles	3 – 5 years

F. Property Tax Procedures and Collections

Properties are assessed as of December 31, and the related property taxes become a lien the following December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Tax Procedures and Collections (continued)

During the collection period prior to March 1, the Township Treasurer makes distribution of property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	$16,173,750	$9,381,807	.8843
Hospital	$16,173,750	$9,381,807	1.6000

G. Investments

There were no investments during the audit year.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. We noted no violations of legal provisions and/or contractual provision of various agreements related to financial matters.

B. All funds had positive fund balances at March 31, 2008.

C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2008, no Township activity exceeded its budgeted appropriation.

NOTE 3 - EXPLANATION OF CERTAIN ADJUSTMENTS BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

Net capital assets of $27,311 used in governmental activities are not financial resources and therefore are not reported in the fund.

NOTE 4 - EXPLANATION OF CERTAIN ADJUSTMENT BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, ANC CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. Depreciation exceeded capital outlay by $1,416 for the year.

NOTE 5 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Board, by resolution, may authorize the Treasurer to invest surplus funds as follows:

1. In bonds, securities, and other direct obligations of the United States or an agency or instrumentality of the United States.

2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).

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

4. Repurchase agreements consisting of instruments defined in (1) above.

5. In bankers' acceptances of United States Banks.

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

7. In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

B. Types of Deposits and Investments

The Township had $77,461 deposited with local banks at March 31, 2008 with a carrying value of $70,624. Interpreting the FDIC insurance coverage of $100,000 per demand deposit account and $100,000 per time deposit account in each depository, the Township had no uninsured deposits at March 31, 2008.

NOTE 6 - CAPITAL ASSETS

Capital assets of governmental activities consisted of the following at March 31,

	03/31/07	Additions	Dispo-sitions	03/31/08
Land and Buildings	$ 45,887	$ -	$ -	$ 45,887
Cemetery Land and Improvements	12,805	-	-	12,805
	58,692			58,692
Less Accumulated Depreciation	(29,965)	(1,416)	-	(31,381)
Total	$ 28,727	$ (1,416)	$ -	$ 27,311

NOTE 7 - LONG-TERM DEBT

There is no long-term debt, and no borrowing is anticipated in the near future.

NOTE 8 - INVENTORIES

Oliver Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses at time of purchase.

NOTE 9 –PENSION PLAN

The Township does not participate in a pension plan for its officials and employees. The Township does provide social security coverage for its officers and employees, in accordance with federal statutes.

NOTE 10 – ACCOUNTS/TAXES RECEIVABLE

The delinquent taxes receivable of $1,470 in the General Fund represent 2007 real property taxes and property tax administration fees returned to the County Treasurer for collection as of March 31, 2008.

NOTE 11- CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities

NOTE 12 -COMPENSATED ABSENCES

The Township has no compensated absence obligations at March 31, 2008.

NOTE 13-RISK MANAGEMENT

The Township 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 audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL DATA SECTION

Tobin & Co.

Oliver Township

Schedule 1
Page 1

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended March 31, 2008

Revenues	Budgetary Amounts Original	Budgetary Amounts Final	Actual	Variance Favorable (Unfavorable)
Taxes:				
Current Taxes	$ 7,500	$ 7,500	$ 7,159	$ (341)
Delinquent Taxes	1,500	1,500	1,470	(30)
Swamp Tax	9,525	9,525	9,525	-
Property Tax Administration Fees	2,800	2,800	2,478	(322)
State Grants:				
State Shared Revenues	18,000	18,000	18,094	94
Metro Act	1,350	1,350	1,341	(9)
Bankhead Jones	-	-	838	838
Charges for Services:				
Summer Tax Collection	1,950	1,950	2,192	242
Sale of Cemetery Lots	-	-	650	650
Interest and Rents:				
Interest	2,000	2,000	2,468	468
Other:				
Refunds, Reimbursements and Miscellaneous	75	75	2,380	2,305
Total Revenues	44,700	44,700	48,595	3,895
Expenditures				
Legislative:				
Township Board:				
Salaries and Wages	-	-	1,832	-
Dues	-	-	236	-
Mileage	-	-	78	-
Printing and Publishing	-	-	30	-
Total	2,300	2,300	2,176	124
Total Legislative	2,300	2,300	2,176	124

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

Oliver Township

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended March 31, 2008

Expenditures (Continued)	Budgetary Amounts Original	Budgetary Amounts Final	Actual	Variance Favorable (Unfavorable)
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	1,680	-
Total	1,800	1,800	1,680	120
Elections:				
Salaries and Wages	-	-	1,460	-
Supplies	-	-	394	-
Mileage	-	-	108	-
Total	4,000	2,900	1,962	938
Assessor:				
Salaries and Wages	-	-	4,000	-
Supplies	-	-	198	-
Contractual Services	-	-	529	-
Mileage	-	-	222	-
Rent	-	-	240	-
Total	5,500	5,200	5,189	11
Clerk:				
Salaries and Wages	-	-	6,200	-
Supplies	-	-	318	-
Rent	-	-	240	-
Total	7,000	7,000	6,758	242

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

Oliver Township

Schedule 1
Page 3

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended March 31, 2008

Expenditures (Continued)	Budgetary Amounts Original	Budgetary Amounts Final	Actual	Variance Favorable (Unfavorable)
General Government (Continued):				
Board of Review:				
Salaries and Wages	-	-	380	-
Education and Training	-	-	197	-
Mileage	-	-	51	-
Total	600	800	628	172
Treasurer:				
Salaries and Wages	-	-	6,400	-
Supplies	-	-	381	-
Contractual Services	-	-	420	-
Mileage	-	-	323	-
Rent	-	-	240	-
Other	-	-	29	-
Total	7,800	7,800	7,793	7
Township Hall and Grounds:				
Salaries and Wages	-	-	180	-
Supplies	-	-	198	-
Contractual Services	-	-	197	-
Public Utilities	-	-	2,030	-
Total	2,500	3,000	2,605	395
Cemetery:				
Salaries and Wages	-	-	1,440	-
Supplies	-	-	422	-
Maintenance and Repairs	-	-	2,130	-
Total	6,100	6,100	3,992	2,108
Total General Government	35,300	34,600	30,607	3,993

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

Oliver Township

Schedule 1
Page 4

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended March 31, 2008

Expenditures (Continued)	Budgetary Amounts Original	Budgetary Amounts Final	Actual	Variance Favorable (Unfavorable)
Public Safety:				
Fire and Rescue	6,400	6,400	6,450	(50)
Employee Benefits and Insurance	6,300	6,300	6,043	257
Unallocated:				
Hospital Subsidy	120	120	89	31
Other	1,080	1,080	998	82
Total	1,200	1,200	1,087	113
Capital Outlay	-	1,200	1,156	44
Contingencies	1,000	500	-	500
Total Expenditures	52,500	52,500	47,519	4,981
Excess Revenues (Expenditures)	$ (7,800)	$ (7,800)	1,076	$ 8,876
Fund Balance – Beginning of Year			71,018	
Fund Balance – End of Year			$ 72,094	

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

Tobin & Co.

Oliver Township

Schedule 2

Statement of Changes in Assets and Liabilities

Current Tax Collection Fund

For the Year Ended March 31, 2008

Assets	Balance 3/31/05	Additions	Deductions	Balance 3/31/06
Cash	$ 125	$ 243,691	$ 243,665	$ 151
Total Assets	$ 125	$ 243,691	$ 243,665	$ 151
Liabilities				
Undistributed Taxes and Interest	$ 125	$ 243,691	$ 243,665	$ 151
Total Liabilities	$ 125	$ 243,691	$ 243,665	$ 151

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

Tobin & Co.

Oliver Township

Schedule 3

2007 Property Tax Levy and Collections

For the Year Ended March 31, 2008

	Millage Rate	Adjusted Levy	Collected	Returned Delinquent
County	5.4562	$ 51,195	$ 45,986	$ 5,209
County Transit	0.2500	2,344	2,022	322
Hospital	1.6000	15,011	12,953	2,058
Sportsplex	0.7300	6,847	5,909	938
Commission on Aging	0.4988	4,678	4,036	642
Library	0.2488	2,332	2,012	320
Animal Control	0.2500	2,344	2,022	322
State Education	6.0000	56,298	50,571	5,727
School District	19.7500	93,901	81,620	12,281
Intermediate School District	2.9334	27,523	24,723	2,800
Township – General	0.8843	8,295	7,158	1,137
Total		$ 270,768	$ 239,012	$ 31,756

Percent of Levy Collected 88.27%

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

Tobin & Co.

Oliver Township

Schedule 4

Statement of Revenues, Expenditures and Balance

Property Tax Administration Fees

For the Year Ended March 31, 2008

Revenues	
Property Tax Administration Fees	$ 2,478
Summer Property Tax Collection Fee	2,192
Total	4,670
Expenditures	
Assessor – 100%	6,345
Board of Review – 100%	628
Treasurer – 75%	5,845
Clerk – 5%	338
Total	13,156
Excess (Expenditures)	$ (8,486)

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