

Auditing Procedures Report

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

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name	County
Fiscal Year End	Opinion Date	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

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

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

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

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature		Printed Name		License Number

CHARTER TOWNSHIP OF GENOA

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

FOR THE NINE MONTHS ENDED MARCH 31, 2007

CHARTER TOWNSHIP OF GENOA

TOWNSHIP OFFICIALS

Supervisor - Gary McCririe
Clerk - Paulette Skolarus
Treasurer - Robin Hunt

BOARD OF TRUSTEES

Gary McCririe
Paulette Skolarus
Robin Hunt
James Mortensen
Steve Wildman
Jean Ledford
Todd Smith

MANAGER

Michael Archinal

TOWNSHIP ATTORNEY

Richard Heikkinen

TOWNSHIP AUDITORS

Pfeffer, Hanniford & Palka
Certified Public Accountants

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John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.

Members:
AICPA Private Practice Companies Section
MACPA

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

July 7, 2007

Board of Trustees
Charter Township of Genoa
2911 Dorr Road
Brighton, Michigan 48116

INDEPENDENT AUDITORS' REPORT

Honorable Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Genoa, as of and for the nine months ended March 31, 2007, which collectively comprise the Charter Township of Genoa's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Charter Township of Genoa's management. Our responsibility is to express opinions on these financials statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Genoa, as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the nine months then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other Required Supplementary Information on pages 9 through 13 and 46 through 47 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 Charter Township of Genoa's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, such as the combining and individual fund statements, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants

MANAGEMENT DISCUSSION
AND
ANALYSIS

Management Discussion and Analysis
March 31, 2007

Within this section of Charter Township of Genoa's annual financial report, the Township's management is providing a narrative discussion and analysis of the financial activities of the Township for the nine months ended March 31, 2007. This narrative discusses and analyzes the activity within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the Township's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Township's basic financial statements. The basic financial statements include government-wide financial statements, fund financial statements, and notes to the financial statements. The Township also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Township's annual reports include two government-wide financial statements. These statements provide both long-term and short-term information about the Township's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the Township-wide statement of position presenting information that includes all the Township's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the Township may extend to various non-financial factors as well.

The second government-wide statement is the Statement of Activities which reports how the Township's net assets changed during the current fiscal period (nine months). The design of this statement is to show the financial reliance of the Township's distinct activities or functions on the revenues generated by the Township.

Both government-wide financial statements distinguish governmental activities of the Township that are principally supported by taxes and revenue sharing from the business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include such activities as general government, public safety, and planning and zoning departments. Business-type activities include water & sewer system operations. Fiduciary activities such as tax collection are not included in the government-wide statements since these assets are not available to fund Township programs.

The Township's financial reporting includes all the funds of the Township (primary government) and, additionally, organizations for which the Township is accountable (component units).

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Township uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Township's most significant funds rather than the Township as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the combining statements later in this report.

The Township has three kinds of funds:

Governmental funds are reported in the financial statements and encompass essentially the same functions as governmental activities in the government-wide financial statements except with a different focus on the financial activity. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of these resources available at the end of the period. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. Since the focus of the government-wide financial statements includes a long-term view, a reconciliation of these fund balances has been completed to detail its relation to net assets.

Proprietary funds are reported in the fund financial statements and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary funds are reported in the fiduciary fund financial statements, but are excluded from the government-wide statements. Fiduciary fund financial statements report resources that are not available to fund Township activities.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of both the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Other supplementary information includes detail by fund for receivables, payables, transfers, and payments within the reporting entity.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the Township as a Whole

The Township's overall net assets at the end of the fiscal period were \$33,256,992. This is a \$1,117,565 increase over the net assets nine months earlier of \$32,139,427 (Township changed fiscal year end from June 30 to March 31). However, it is interesting to note the net assets of the business-type activities (water-sewer) decreased \$249,569, thus the net asset of the governmental activities increased by \$1,367,134.

The following tables provide a summary of the Township's financial activities and changes in net assets:

**Summary of Net Assets
UNDER GASB 34**

	Governmental Activities		Business-type Activities		Totals	
	3/31/2007	6/30/2006	3/31/2007	6/30/2006	3/31/2007	6/30/2006
Current and other assets	\$ 22,100,107	\$ 20,821,737	\$ 9,844,603	\$ 9,879,090	\$ 31,944,710	\$ 30,700,827
Capital assets	<u>3,267,495</u>	<u>3,260,742</u>	<u>16,490,116</u>	<u>16,806,168</u>	<u>19,757,611</u>	<u>20,066,910</u>
Total assets	<u>25,367,602</u>	<u>24,082,479</u>	<u>26,334,719</u>	<u>26,685,258</u>	<u>51,702,321</u>	<u>50,767,737</u>
Other liabilities	751,840	577,688	1,101,570	977,880	1,853,410	1,555,568
Long-term liabilities	<u>10,057,939</u>	<u>10,314,102</u>	<u>6,533,980</u>	<u>6,758,640</u>	<u>16,591,919</u>	<u>17,072,742</u>
Total liabilities	<u>10,809,779</u>	<u>10,891,790</u>	<u>7,635,550</u>	<u>7,736,520</u>	<u>18,445,329</u>	<u>18,628,310</u>
Net assets:						
Invested in capital assets, net of related debt	3,267,495	3,260,742	9,187,452	10,326,168	12,454,947	13,586,910
Unrestricted	<u>11,290,328</u>	<u>9,929,947</u>	<u>9,511,717</u>	<u>8,622,570</u>	<u>20,802,045</u>	<u>18,552,517</u>
Total net assets	<u>\$ 14,557,823</u>	<u>\$ 13,190,689</u>	<u>\$ 18,699,169</u>	<u>\$ 18,948,738</u>	<u>\$ 33,256,992</u>	<u>\$ 32,139,427</u>

**Summary of Changes in Net Assets
UNDER GASB 34**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>3/31/2007</u>	<u>6/30/2006</u>	<u>3/31/2007</u>	<u>6/30/2006</u>	<u>3/31/2007</u>	<u>6/30/2006</u>
REVENUES						
Program revenues						
Charges for services	\$ 896,170	\$ 1,345,916	\$ 943,140	\$ 1,343,271	\$ 1,839,310	\$ 2,689,187
Operating grants and contributions	349,334	648,579			349,334	648,579
Capital grants and contributions	36,252		76,835	862,761	113,087	862,761
General revenues						
State shared revenues	811,922	1,091,183			811,922	1,091,183
Property taxes	1,055,256	978,951			1,055,256	978,951
Interest income	969,370	898,933	382,612	439,254	1,351,982	1,338,187
Other	290,861	331,634			290,861	331,634
Total revenues	<u>4,409,165</u>	<u>5,295,196</u>	<u>1,402,587</u>	<u>2,645,286</u>	<u>5,811,752</u>	<u>7,940,482</u>
EXPENSES						
General government	1,197,317	1,670,880			1,197,317	1,670,880
Public safety	27,728	36,159			27,728	36,159
Parks and recreation	117,424	119,621			117,424	119,621
Public works	877,106	2,432,344			877,106	2,432,344
Refuse collection	598,012	763,236			598,012	763,236
Interest on long-term debt	224,444	495,207			224,444	495,207
Water and sewer system			1,652,156	2,251,475	1,652,156	2,251,475
Total expenses	<u>3,042,031</u>	<u>5,517,447</u>	<u>1,652,156</u>	<u>2,251,475</u>	<u>4,694,187</u>	<u>7,768,922</u>
Change in net assets	1,367,134	(222,251)	(249,569)	393,811	1,117,565	171,560
Beginning net assets	<u>13,190,689</u>	<u>13,412,940</u>	<u>18,948,738</u>	<u>18,554,927</u>	<u>32,139,427</u>	<u>31,967,867</u>
Ending net assets	<u>\$ 14,557,823</u>	<u>\$ 13,190,689</u>	<u>\$ 18,699,169</u>	<u>\$ 18,948,738</u>	<u>\$ 33,256,992</u>	<u>\$ 32,139,427</u>

The significant increase in net assets of governmental activities was mostly due to additional assessments levied of \$228,000 and an overall reduction of spending for roads maintenance. Management is purposely building up its net assets for governmental activities to finance some very large projects over the next few years. These projects include added infrastructure for fire services provided by the Brighton Fire Authority, road paving projects and land purchases for recreation.

The business-type funds reported net loss of \$249,569 as opposed to the prior year net income of \$393,811. This is primarily due to a decrease in connection fees in the current year. Connection fees were \$76,835 for the nine months ended March 31, 2007 as opposed to \$862,761 in the prior fiscal year.

Financial Analysis of the Township's Funds

The Township's General Fund had revenues over expenditures totaling \$991,917 before its net transfers out of \$675,000 were made. Thus, the Township's fund balance increased \$316,917 for the nine months ended March 31, 2007. There were substantial increases in both revenues and expenditures related to the administration portion of related utility systems. This fiscal period the Township started accounting for utility administration within a separate fund.

The Township's two major business-type funds, Oak Pointe and Lake Edgewood, each had operating losses. This has been consistent with prior years' activities, but has had offsetting connection fees to counteract those losses in prior years. Management will need to start increasing water and sewer rates to offset the increasing costs of operations.

General Fund Budgetary Highlights

The General Fund adopted its budget prior to the fiscal period in accordance with Public Act 493 of 2000. Total budgeted appropriations exceeded actual expenditures by \$178,984. Expenditures are budgeted by line item, and several of these line items exceeded budgeted appropriations. The budget was amended during the year to account for various utility administration activities.

Capital Asset and Debt Administration

The governmental funds of the Township constructed and purchased \$97,052 of new capital assets. This included \$36,252 for Automark voting terminals and \$60,800 for an elevator.

Neither the governmental funds nor the business-type funds issued any new bonds during the period. Total principal repayments of existing bonds and contracts payable was \$256,163 and \$224,660 respectively for the nine months ended March 31, 2007.

Economic Conditions and Future Activities

As most local municipalities in the State of Michigan state shared revenues are anticipated to further decrease based on the state's economy.

The building and development activity in the Township has slowed down to almost a complete stop. This can be seen in the water and sewer districts by analyzing the decrease in connection fees over the past 21 months (\$860,000 for year ending June 30, 2006 and \$77,000 for the nine months ending March 31, 2007). Management realizes that rates will need to be increased significantly over the next few years to keep the aging infrastructure in the Oak Pointe and Lake Edgewood districts operating.

The Township does benefit from the Grand River Corridor and its commercial businesses. The tax base provides tax revenues to help offset the drop in state shared revenues.

Contacting the Township's Financial Management

This report is designed to provide a general overview of the Township's financial position and comply with finance-related regulations. If you have any further questions about this report or request additional information please contact Charter Township of Genoa at 2911 Dorr Road, Brighton, MI 48116.

BASIC
FINANCIAL
STATEMENTS

GOVERNMENT - WIDE
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
STATEMENT OF NET ASSETS
MARCH 31, 2007

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<u>ASSETS</u>			
ASSETS			
Cash and cash equivalents	\$ 13,500,568	\$ 279,781	\$ 13,780,349
Cash and cash equivalents - restricted		3,945,224	3,945,224
Receivables			
Taxes	99,768		99,768
State shared revenues	263,851		263,851
Accounts - other	578,121	553,990	1,132,111
Intergovernmental	883,933	247,592	1,131,525
Special assessments - restricted	6,623,800	4,634,916	11,258,716
City - restricted		172,000	172,000
Inventory	5,069	11,100	16,169
Prepaid expenses	144,997		144,997
Capital assts - net of depreciation	3,267,495	16,490,116	19,757,611
	<u>25,367,602</u>	<u>26,334,719</u>	<u>51,702,321</u>
Total assets			
<u>LIABILITIES</u>			
LIABILITIES			
Accounts payable	138,138	109,104	247,242
Accounts payable - intergovernmental		992,466	992,466
Accrued compensated absences	61,661		61,661
Due to others	8,111		8,111
Deferred revenues	543,930		543,930
Bonds/contracts payable			
Current	1,192,319	4,198,980	5,391,299
Non-current	8,865,620	2,335,000	11,200,620
	<u>10,809,779</u>	<u>7,635,550</u>	<u>18,445,329</u>
Total liabilities			
<u>NET ASSETS</u>			
NET ASSETS			
Invested in capital assets, net of related debt	3,267,495	9,187,452	12,454,947
Unrestricted	11,290,328	9,511,717	20,802,045
	<u>\$ 14,557,823</u>	<u>\$ 18,699,169</u>	<u>\$ 33,256,992</u>
Total net assets			

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF ACTIVITIES
FOR THE NINE MONTHS ENDED MARCH 31, 2007

Functions/Programs	Expenses	Programs Revenues			Net (Expenses) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ (1,197,317)	\$ 437,507	\$ 91,610	\$ 36,252	\$ (631,948)	\$	\$ (631,948)
Fire protection	(27,728)				(27,728)		(27,728)
Parks and recreation	(117,424)				(117,424)		(117,424)
Refuse collection	(598,012)	458,663			(139,349)		(139,349)
Public works/roads	(877,106)		257,724		(619,382)		(619,382)
Interest on long-term debt	(224,444)				(224,444)		(224,444)
Total governmental activities	(3,042,031)	896,170	349,334	36,252	(1,760,275)		(1,760,275)
Business-type activities							
Water and sewer systems	(1,652,156)	943,140		76,835		(632,181)	(632,181)
Total	\$ (4,694,187)	\$ 1,839,310	\$ 349,334	\$ 113,087	(1,760,275)	(632,181)	(2,392,456)
General revenues							
					1,055,256		1,055,256
					811,922		811,922
					969,370	382,612	1,351,982
					173,443		173,443
					117,418		117,418
					3,127,409	382,612	3,510,021
					1,367,134	(249,569)	1,117,565
					13,190,689	18,948,738	32,139,427
					\$ 14,557,823	\$ 18,699,169	\$ 33,256,992

The notes are an integral part of the financial statements.

FUND
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	General Fund	Genoa Oceola Phase II Debt Service Fund	Grand River Road Debt Service Fund	Lake Edgewood West Water Debt Service Fund	Non-major Funds	Totals
<u>ASSETS</u>						
ASSETS						
Cash and cash equivalents	\$ 1,818,302	\$ 536,970	\$ 143,755	\$ 434,643	\$ 10,566,898	\$ 13,500,568
Receivables						
Special assessments		786,634	782,593	2,020,933	3,033,640	6,623,800
Taxes	99,768					99,768
State shared revenues	263,851					263,851
Accounts - other	85,999				607,122	693,121
Due from other funds	162,178				863,758	1,025,936
Inventory					5,069	5,069
Prepaid expenditures	29,997				115,000	144,997
Total assets	<u>\$ 2,460,095</u>	<u>\$ 1,323,604</u>	<u>\$ 926,348</u>	<u>\$ 2,455,576</u>	<u>\$ 15,191,487</u>	<u>\$ 22,357,110</u>
<u>LIABILITIES AND FUND BALANCE</u>						
LIABILITIES						
Accounts payable	\$ 133,014	\$	\$	\$	\$ 5,124	\$ 138,138
Accrued compensated absences	50,573				11,088	61,661
Deferred revenue	543,930	761,013	774,794	1,947,491	3,091,038	7,118,266
Due to other funds	1,116				140,887	142,003
Due to others	8,111					8,111
Total liabilities	<u>736,744</u>	<u>761,013</u>	<u>774,794</u>	<u>1,947,491</u>	<u>3,248,137</u>	<u>7,468,179</u>
FUND BALANCE						
Unreserved	1,723,351				56,428	1,779,779
Reserved for public works					6,478,619	6,478,619
Reserved for debt service		562,591	151,554	508,085	4,464,559	5,686,789
Reserved for parks and recreation					943,744	943,744
Total fund balance	<u>1,723,351</u>	<u>562,591</u>	<u>151,554</u>	<u>508,085</u>	<u>11,943,350</u>	<u>14,888,931</u>
Total liabilities and fund balance	<u>\$ 2,460,095</u>	<u>\$ 1,323,604</u>	<u>\$ 926,348</u>	<u>\$ 2,455,576</u>	<u>\$ 15,191,487</u>	<u>\$ 22,357,110</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
RECONCILIATION OF STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
MARCH 31, 2007

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balance per balance sheet		\$ 14,888,931
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Historical cost	\$ 4,004,171	
Depreciation	<u>(736,676)</u>	
Capital assets net of depreciation		3,267,495
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These include:		
Contracts payable	(2,475,282)	
Bonds payable	<u>(7,582,657)</u>	
Total		(10,057,939)
Deferred revenues on special assessments was recognized as revenue in the government-wide statements. Assessments are income as they are assessed.		
		<u>6,459,336</u>
Net assets of governmental activities		<u><u>\$ 14,557,823</u></u>

The notes are an integral part of the financial statements

CHARTER TOWNSHIP OF GENOA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	General Fund	Genoa Oceola Phase II Debt Service Fund	Grand River Road Debt Service Fund	Lake Edgewood West Water Debt Service Fund	Non-major Funds	Totals
REVENUES						
Taxes	\$ 1,055,256	\$	\$	\$	\$	\$ 1,055,256
State shared revenues	811,922					811,922
Grant - state	36,252					36,252
Special assessments - principal		199,130	64,566	156,293	705,531	1,125,520
Special assessments - interest		19,233	51,369	141,037	167,208	378,847
Licenses and permits	14,917				11,998	26,915
Connection fees					257,724	257,724
Contributions					91,610	91,610
Rental income	55,426					55,426
Franchise fees	173,443					173,443
Charges for services	896,170					896,170
Fines and forfeitures	1,350					1,350
Interest	80,395	22,946	645	5,862	253,161	363,009
Miscellaneous	33,727					33,727
Total revenues	3,158,858	241,309	116,580	303,192	1,487,232	5,307,171
EXPENDITURES						
General government	1,229,612	400	830	200	14,297	1,245,339
Fire protection	9,996					9,996
Refuse	598,012					598,012
Parks and recreation	89,460				4,427	93,887
Public works	239,861				637,245	877,106
Debt service						
Principal		256,163				256,163
Interest		13,378	23,812	67,108	120,146	224,444
Total expenditures	2,166,941	269,941	24,642	67,308	776,115	3,304,947
Excess of revenues over (under) expenditures	991,917	(28,632)	91,938	235,884	711,117	2,002,224
OTHER FINANCING SOURCES (USES)						
Transfers in				7,645	675,000	682,645
Transfers (out)	(675,000)				(7,645)	(682,645)
Total other financing sources (uses)	(675,000)			7,645	667,355	
Net change in fund balance	316,917	(28,632)	91,938	243,529	1,378,472	2,002,224
FUND BALANCE, JULY 1, 2006	1,406,434	591,223	59,616	264,556	10,564,878	12,886,707
FUND BALANCE, MARCH 31, 2007	\$ 1,723,351	\$ 562,591	\$ 151,554	\$ 508,085	\$ 11,943,350	\$ 14,888,931

The notes are an integral part of the financial statements.

PFEFFER, HANNIFORD & PALKA

Certified Public Accountants

CHARTER TOWNSHIP OF GENOA
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - governmental funds	\$ 2,002,224
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their useful lives as depreciation expense. The amount by which capital outlays exceeded depreciation is as follows:

Capital outlay	\$ 97,052	
Depreciation expense	<u>(90,299)</u>	
 Total		 6,753

Repayment of bond and contracts payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Repayment of bonds payable	256,163
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Principal received on special assessments are income as they are levied annually for governmental funds, but they are income when they are levied for the Statement of Activities.

Special assessments levied	227,514	
Principal collected on assessments	<u>(1,125,520)</u>	
 Total		 <u>(898,006)</u>

Change in net assets of governmental activities	<u>\$ 1,367,134</u>
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The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2007

	Major Funds		Non-major Fund	Total
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 15,587	\$ 103,840	\$ 160,354	\$ 279,781
Accounts receivable	397,216	100,621	56,153	553,990
Due from other funds	102,201	132,907	12,484	247,592
Inventory	11,100			11,100
Total current assets	<u>526,104</u>	<u>337,368</u>	<u>228,991</u>	<u>1,092,463</u>
RESTRICTED ASSETS				
Cash and cash equivalents	1,520,239	2,256,697	168,288	3,945,224
Special assessments	1,276,178	3,252,625	106,113	4,634,916
Contract receivable - City of Brighton		172,000		172,000
Total restricted assets	<u>2,796,417</u>	<u>5,681,322</u>	<u>274,401</u>	<u>8,752,140</u>
CAPITAL ASSETS				
Land	358,855	260,009		618,864
Water and sewer systems	13,338,615	7,703,745		21,042,360
	13,697,470	7,963,754		21,661,224
Less accumulated depreciation	(3,794,470)	(1,376,638)		(5,171,108)
Capital assets, net	<u>9,903,000</u>	<u>6,587,116</u>		<u>16,490,116</u>
Total assets	<u>13,225,521</u>	<u>12,605,806</u>	<u>503,392</u>	<u>26,334,719</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	13,180	40,384	55,540	109,104
Due to other funds	977,664	11,632	3,170	992,466
Total current liabilities	<u>990,844</u>	<u>52,016</u>	<u>58,710</u>	<u>1,101,570</u>
CURRENT LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable		290,000	69,660	359,660
Bonds payable	305,000	145,000		450,000
Total current liabilities (from restricted assets)	<u>305,000</u>	<u>435,000</u>	<u>69,660</u>	<u>809,660</u>
LONG-TERM LIABILITIES (FROM RESTRICTED ASSETS)				
Contracts payable		3,700,000	139,320	3,839,320
Bonds payable	1,400,000	485,000		1,885,000
Total long-term liabilities (from restricted assets)	<u>1,400,000</u>	<u>4,185,000</u>	<u>139,320</u>	<u>5,724,320</u>
Total liabilities	<u>2,695,844</u>	<u>4,672,016</u>	<u>267,690</u>	<u>7,635,550</u>
NET ASSETS				
Invested in capital assets, net of related debt	7,220,336	1,967,116		9,187,452
Unrestricted	3,309,341	5,966,674	235,702	9,511,717
Total net assets	<u>\$ 10,529,677</u>	<u>\$ 7,933,790</u>	<u>\$ 235,702</u>	<u>\$ 18,699,169</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Major Funds		Non-major Fund	Total
	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	
OPERATING REVENUES				
User charges	\$ 502,297	\$ 263,884	\$ 170,781	\$ 936,962
OPERATING EXPENSES				
Water and sewer usage		65,305	167,496	232,801
Repairs, maintenance and supplies	166,351	52,423	181	218,955
Contracted labor	229,142	107,971		337,113
Supplies	24,685	9,600		34,285
Utilities and telephone	70,143	40,760		110,903
Administration	30,110	10,437	9,501	50,048
Professional fees	27,136	14,357	1,000	42,493
Groundwater exceedence	27,262	21,861		49,123
Insurance	12,523	5,344		17,867
Depreciation	241,329	117,631		358,960
Meter reading	15,211	7,320		22,531
Sludge disposal	21,053	11,913		32,966
Licenses, fees, permits	4,924	4,482		9,406
Total operating expenses	869,869	469,404	178,178	1,517,451
Operating income (loss)	(367,572)	(205,520)	(7,397)	(580,489)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees	14,700	61,135	1,000	76,835
Interest income - special assessments	57,288	278,898	4,836	341,022
Interest income - reserved accounts	37,895			37,895
Interest income - general	1,564	195	1,936	3,695
Interest expense - bonds	(36,957)	(97,748)		(134,705)
Other revenue (expense), net	6,742	(1,210)	646	6,178
Total non-operating revenues and	81,232	241,270	8,418	330,920
Net income (loss)	(286,340)	35,750	1,021	(249,569)
NET ASSETS JULY 1, 2006	10,816,017	7,898,040	234,681	18,948,738
NET ASSETS MARCH 31, 2007	\$ 10,529,677	\$ 7,933,790	\$ 235,702	\$ 18,699,169

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Major Funds</u>		<u>Non-major Fund</u>	<u>Total</u>
	<u>Oak Pointe Water and Sewer Systems Fund</u>	<u>Lake Edgewood Water and Sewer Systems Fund</u>	<u>Pine Creek Water and Sewer Systems Fund</u>	
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Receipts from customers	\$ 567,597	\$ 268,532	\$ 191,183	\$ 1,027,312
Payments to vendors	(661,514)	(350,086)	(169,868)	(1,181,468)
Other receipts/disbursements	6,742	(1,210)	646	6,178
Net cash from (used in) operating activities	<u>(87,175)</u>	<u>(82,764)</u>	<u>21,961</u>	<u>(147,978)</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	14,700	61,135	1,000	76,835
Repayment of principal on bonds	(155,000)			(155,000)
Special assessment collections	218,917	262,185	57,586	538,688
Collections City of Brighton - contract receivable		17,200		17,200
Payment on City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	95,183	278,898	4,836	378,917
Interest paid on bonds	(36,957)	(97,748)		(134,705)
Additions to systems	(42,908)			(42,908)
Net cash from (used in) capital and related financing activities	<u>93,935</u>	<u>521,670</u>	<u>(6,238)</u>	<u>609,367</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Interest received from operations	1,564	195	1,936	3,695
Loan repayments - other funds	(82,341)	(7,118)	(9,108)	(98,567)
Loans from other funds	11,460	2,989		14,449
Net cash (used in) investing activities	<u>(69,317)</u>	<u>(3,934)</u>	<u>(7,172)</u>	<u>(80,423)</u>
Net increase (decrease) in cash and cash equivalents	(62,557)	434,972	8,551	380,966
CASH AND CASH EQUIVALENTS AT JULY 1, 2006	<u>1,598,383</u>	<u>1,925,565</u>	<u>320,091</u>	<u>3,844,039</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2007	<u>\$ 1,535,826</u>	<u>\$ 2,360,537</u>	<u>\$ 328,642</u>	<u>\$ 4,225,005</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (367,572)	\$ (205,520)	\$ (7,397)	\$ (580,489)
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities				
Depreciation expense	241,329	117,631		358,960
Other income/expense	6,742	(1,210)	646	6,178
Changes in assets and liabilities				
Receivables, net	65,300	(8,720)	20,402	76,982
Checks issued in excess of available cash	(26,878)			(26,878)
Accounts and other payables	(6,096)	1,687	8,310	3,901
Due to others		13,368		13,368
Net cash from (used in) operating activities	<u>\$ (87,175)</u>	<u>\$ (82,764)</u>	<u>\$ 21,961</u>	<u>\$ (147,978)</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
FIDUCIARY FUNDS
STATEMENT OF ASSETS AND LIABILITIES
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents

\$ 266,204

LIABILITIES

LIABILITIES

Deposits - escrows

\$ 68,498

Due to others

58,647

Due to other funds

139,059

Total liabilities

\$ 266,204

NOTES
TO
THE
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Township relating to the funds and account groups included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments. The more significant accounting policies of the Township are described below.

A. BASIC FINANCIAL STATEMENTS

In accordance with GASB Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report on the Township as a whole, excluding fiduciary activities. Governmental activities, which normally are 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. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Township as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally, the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements.

The government-wide Statement of Net Assets reports all financial and capital resources of the Township (excluding fiduciary funds). It is displayed in a format of assets less liabilities equals net assets, with the assets and liabilities shown in order of their relative liquidity. Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally the Township would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The Government-Wide Statement of Activities demonstrates the degree to which both direct and indirect expenses of the various functions and programs of the Township are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Indirect expenses for administrative overhead are allocated among the functions and activities using a full cost allocation approach and are presented separately to enhance comparability of direct expenses between governments that allocate direct expenses and those that do not. Interest on general long-term debt is not allocated to the various functions. Program revenues include: 1) charges to customers or users who purchase, use or directly benefit from goods, services or privileges provided by a particular function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, unrestricted investment income and other revenues not identifiable with particular functions or programs are included as general revenues. The general revenues support the net costs of the functions and programs not covered by program revenues.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, part of the basic financial statements are fund financial statements for governmental funds and proprietary funds. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds. Other non-major funds, are combined in a single column on the fund financial statements.

The Township reports the following major governmental funds:

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

Genoa-Oceola Phase II, Grand River Road and the Lake Edgewood West Water Debt Service Funds are all major governmental funds. These funds account for the collection of special assessments and payment of debt service for the debt issued to finance various utility system and road projects of the Township. The utility systems are related to G/O SWATH and MHOG SWATH which are separate operating entities from the Township.

The Township reports the following major enterprise funds.

Oak Pointe Water and Sewer System Fund accounts for the activity associated with operating the utility system at the Oak Pointe development.

The Lake Edgewood Water and Sewer Fund accounts for the activities associated with operating the utility system at the Lake Edgewood development.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The governmental fund financial statements are prepared on a current financial resources measurement focus and modified accrual basis of accounting. To conform to the modified accrual basis of accounting, certain modifications must be made to the accrual method. These modifications are outlined below:

- A. Revenue is recorded when it becomes both measurable and available (received within 60 days after year-end). Revenue considered susceptible to accrual includes: property taxes, sales and use taxes, transient occupancy taxes, licenses, fees and permits, intergovernmental revenues, charges for services, fines, forfeits and penalties, and interest.
- B. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.
- C. Disbursements for the purchase of capital assets providing future benefits are considered expenditures. Bond proceeds are reported as another financing source.

With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available resources.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

This is the traditional basis of accounting for governmental funds and also is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to: 1) demonstrate legal and covenant compliance, 2) demonstrate the sources and uses of liquid resources, and 3) demonstrate how the Township's actual revenues and expenditures conform to the annual budget. Since the governmental funds financial statements are presented on a different basis than the governmental activities column of the government-wide financial statements, a reconciliation is provided immediately following each fund statement. These reconciliations briefly explain the adjustments necessary to transform the fund financial statements into the governmental activities column of the government-wide financial statements.

The proprietary funds financial statements are prepared on the same basis (economic resources measurement focus and accrual basis of accounting) as the government-wide financial statements. Therefore, most lines for the total enterprise funds on the proprietary funds financial statements will directly reconcile to the business-type activities column on the government-wide financial statements. Because the enterprise funds are combined into a single business-type activities column on the government-wide financial statements, certain interfund activities between these funds are eliminated in the consolidation for the government-wide financial statements, but are included in the fund columns in the proprietary funds financial statements.

Enterprise funds account for operations where the intent of the Township is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Under GASB Statement No. 34, enterprise funds are also required for any activity whose principal revenue sources meet any of the following criteria: 1) any activity that has issued debt backed solely by the fees and charges of the activity, 2) if the cost of providing services for any activity, including capital costs such as depreciation or debt service, must legally be recovered through fees and charges of the activity, or 3) it is the policy of the Township to establish activity fees or charges to recover the cost of providing services, including capital costs.

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide those goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

Private-sector standards of accounting issued prior to December 1, 1989 are generally followed in 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.

Fiduciary funds account for assets held by the Township in a trustee or agency capacity on behalf of others and, therefore, are not available to support Township programs. Fiduciary funds are not included in the government-wide financial statements as they are not an asset of the Township available to support Township programs. The Township currently maintains an agency fund to account for the monies collected and paid on behalf of developer's escrow accounts.

CHARTER TOWNSHIP OF GENOA
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. CAPITAL ASSETS

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. Real property are considered capital assets regardless of initial cost.

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 improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

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

Buildings, structures and improvements	5 to 50 years
Utility plant	5 to 50 years
Machinery and equipment	2 to 40 years
Infrastructure	25 to 50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

D. ACCRUED COMPENSATED ABSENCES

The Township has recorded a liability for compensated absences of its employees. The policies regarding compensated absences are outlined in the Township's "Rules of Employment".

E. BUDGETARY DATA

The board of trustees follow the procedures as outlined in the Uniform Budgeting Manual for Local Units of Government in Michigan in the establishment of the various annual budgets.

The supervisor prepares the annual budgets through information received by the clerk. The proposed budget is then submitted for discussion and approved by the entire Township board. The budgets for the general, special revenue and debt service funds are approved by line item. If and when it becomes necessary to amend certain amounts in the budget, a proposal outlining the desired changes is made to and approved by the Township board at any of their regular meetings. Budget appropriations made, but not expended by year end, lapse with the fiscal year end.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PROPERTY TAXES

The Township's property taxes are levied and become a lien on December 1st based on the taxable valuation of property located in the Township as of the preceding December 31st. These taxes are due on February 14th, with the final collection date of February 28th before they are added to the county delinquent tax rolls.

For the nine months ended March 31, 2007, the Township recognized the property taxes levied December 1, 2006 as revenue.

Taxable Value:	\$ 1,113,357,287
Township Millage Rate:	0.81460

G. INVESTMENTS

Investments are stated at lower of cost or market.

H. CASH EQUIVALENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

I. INCOME TAXES

As a governmental agency, the Township is exempt from both federal income taxes and Michigan Single Business Tax.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 2 - DESCRIPTION OF REPORTING ENTITY

In accordance with Governmental Accounting Standards Board (GASB) statement number 39, all funds, agencies, and activities of Charter Township of Genoa as the primary government have been included in the financial statements.

The following potential component units have been evaluated under the criteria established by GASB statement number 39 and determined not to be component units based on financial independence and accountability.

1. Genoa-Oceola Sewer and Water Authority - Charter Township of Genoa appoints two members of the authority's five member board. The authority is fiscally independent from the Township. The authority is audited as an independent entity in compliance with Public Act 2.
2. South Eastern Livingston County Recreation Authority - (SELCRA) - SELCRA is an interlocal agreement which includes the City of Brighton, Brighton Area Schools, Charter Township of Genoa and Brighton Township. SELCRA is a component unit of Brighton Area Schools and is included as part of its reporting entity.
3. Brighton Area District Library - This unit is an interlocal agreement between Brighton Township, City of Brighton and Charter Township of Genoa. A separate audit is conducted for this unit.
4. Southeast Michigan Council of Governments (SEMCOG) - SEMCOG is a regional organization of governments located in Livingston, Macomb and Monroe Counties. A separate audit is conducted for this unit.
5. Marion, Howell, Oceola, Genoa Sewer and Water Authority (MHOG) - Charter Township of Genoa appoints two members of the Authority's eight member board. The authority is fiscally independent from the Township. The Authority is audited as an independent entity in compliance with Public Act 2.
6. Brighton Area Fire Authority - Charter Township of Genoa appoints two members of the Authority's eight member board. The Authority was incorporated July 1, 2000 and is audited as an independent entity in compliance with Public Act 2.
7. Howell Area Fire Authority - Charter Township of Genoa appoints one member of the Authority's six member board. The Authority was incorporated January 1, 2002 and is audited as an independent entity in compliance with Public Act 2. Effective July 1, 2007, Genoa Township is no longer a member of this authority.

CHARTER TOWNSHIP OF GENOA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan. The Township maintains a \$300 imprest petty cash fund.

The Township board has designated nine banks for the deposit of Township funds. The investment policy adopted by the board is in accordance with Act 196 PA 1997.

The Township's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

<u>Deposits</u>	<u>Fiduciary Funds</u>	<u>Primary Government</u>	<u>Total</u>	<u>Bank/Broker Balance</u>
Insured (FDIC)	\$	\$ 700,000	\$ 700,000	\$ 700,000
Uninsured and uncollateralized	<u>266,204</u>	<u>17,025,573</u>	<u>17,291,777</u>	<u>17,703,574</u>
Total deposits	<u>\$ 266,204</u>	<u>\$ 17,725,573</u>	<u>\$ 17,991,777</u>	<u>\$ 18,403,574</u>

CHARTER TOWNSHIP OF GENOA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the governmental funds for the nine months ended March 31, 2007 was as follows:

	<u>Balance 04/01/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 03/31/07</u>
Land	\$ 295,000	\$	\$	\$ 295,000
Buildings and improvements	3,292,958	60,800		3,353,758
Machinery and equipment	<u>319,161</u>	<u>36,252</u>		<u>355,413</u>
 Total capital assets	 3,907,119	 97,052		 4,004,171
 Accumulated depreciation	 <u>(646,377)</u>	 <u>(90,299)</u>		 <u>(736,676)</u>
 Governmental activities capital asset, net	 <u>\$ 3,260,742</u>	 <u>\$ 6,753</u>	 <u>\$</u>	 <u>\$ 3,267,495</u>

Depreciation expense is being recorded in the government-wide statement of activities based upon the fund and activity utilizing the assets. The Township utilizes that straight line method to depreciate capital assets over their estimated useful lives. Depreciation expense was allocated to the following activities:

General government	\$ 49,030
Fire protection	17,732
Parks and recreation	<u>23,537</u>
	<u>\$ 90,299</u>

Investment in capital asset, net of related debt at March 31, 2007	<u>\$ 3,267,495</u>
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As of March 31, 2007 there was no debt outstanding that was related to the Township's capital assets.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 4 - CAPITAL ASSETS (continued)

A summary of proprietary fund type property and equipment as of March 31, 2007, is as follows:

OAK POINTE WATER AND SEWER SYSTEMS				
	Balance 07/01/06	Additions	Deletions	Balance 03/31/07
Land	\$ 358,855	\$	\$	\$ 358,855
Water system	4,559,585	42,908		4,602,493
Sewer system	8,736,122			8,736,122
Total	13,654,562	42,908		13,697,470
Less accumulated depreciation	(3,553,141)	(241,329)		(3,794,470)
Total	\$ 10,101,421	\$ (198,421)	\$	\$ 9,903,000
LAKE EDGEWOOD SEWER SYSTEM				
	Balance 07/01/06	Additions	Deletions	Balance 03/31/07
Land	\$ 260,009	\$	\$	\$ 260,009
Sewer system	7,703,745			7,703,745
Total	7,963,754			7,963,754
Less accumulated depreciation	(1,259,007)	(117,631)		(1,376,638)
Total	\$ 6,704,747	\$ (117,631)	\$	\$ 6,587,116
TOTAL ALL ENTERPRISE FUNDS				
	Balance 07/01/06	Additions	Deletions	Balance 03/31/07
Land	\$ 618,864	\$	\$	\$ 618,864
Water and sewer systems	20,999,452	42,908		21,042,360
Total	21,618,316	42,908		21,661,224
Less accumulated depreciation	(4,812,148)	(358,960)		(5,171,108)
Total	\$ 16,806,168	\$ (316,052)	\$	\$ 16,490,116

CHARTER TOWNSHIP OF GENOA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 5 - LONG-TERM DEBT

The following is a summary of the Township's debt categorized for governmental and proprietary funds for the nine months ended March 31, 2007:

Governmental Fund Long-Term Debt - Contacts Payable	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2007</u>	<u>Current Portion</u>
1. Payable to Livingston County Department of Public Works, Joint Water Treatment Plant construction; contract with Marion, Howell and Oceola Townships; principal is payable in annual installments of \$80,000 to \$113,750 starting June 1, 2003 to 2016, interest at 2.8% to 4.6% payable semi-annually.	\$ 968,750	\$	\$	\$ 968,750	\$ 80,000
2. Payable to Genoa-Oceola SWATH - Sewer plant expansion; contract with Genoa-Oceola SWATH, (paid from new user funds); principal is payable in annual installments of \$56,304 to \$140,000; interest at 4% to 4.5%; maturity date is June 1, 2021.	<u>1,506,532</u>	<u> </u>	<u> </u>	<u>1,506,532</u>	<u>68,478</u>
Total governmental fund long-term debt - contacts payable	<u><u>\$ 2,475,282</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 2,475,282</u></u>	<u><u>\$ 148,478</u></u>

CHARTER TOWNSHIP OF GENOA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 5 - LONG-TERM DEBT (continued)

<u>Governmental Fund Long-Term Debt - Bonds Payable</u>	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2007</u>	<u>Current Portion</u>
1. Payable to Livingston County Drain Commission, Genoa-Oceola Sewer Drain No. 1, Drainage District Special assessment Bonds, Series 1991, (Phase II), payable in annual installments of \$60,088 to \$246,675 through 2011, dated June 27, 1991, interest at 2.0% (Charter Township of Genoa's portion 63.25%).	\$ 1,337,738	\$	\$ 256,163	\$ 1,081,575	\$ 262,485
2. Payable to Livingston County Drain Commission, Genoa-Oceola Sanitary Sewer Drain No. 1, Drainage District Refunding Bonds. Series 1998, principal payable in annual installments of \$395,000 to \$410,000 starting May 1, 2002 through 2009, interest is charged at 4.2% to 4.25% payable semi-annually.	961,082			961,082	316,356
3. Payable to Michigan Municipal Bond Authority, Grand Oaks Industrial Park Water System Improvement Project, Special assessment bonds, dated December 9, 1998, payable in annual installments of \$25,000 and \$30,000 through November 1, 2018, interest is charged at 3.65% to 5% semi-annually.	325,000			325,000	30,000
4. Payable to Michigan Municipal Bond Authority, Grand River Road Improvement Project, special assessment bonds, dated June 23, 2003, payable in annual installments of \$75,000 and \$80,000 through November 1, 2019 interest is charged at 4.50% to 6.35% semi-annually.	975,000			975,000	75,000
5. Payable to National City Bank, special assessment bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa-Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$40,000 and \$45,000 through November 1, 2021, interest varying from 4% to 5%.	2,380,000			2,380,000	170,000

6. Payable to Fifth Third Bank, special assessments bonds, Series 2001; Dorr Road Water and Sewer Improvement Project; Genoa - Oceola Sanitary Sewer; dated October 1, 2001, payable in annual installments of \$40,000 and \$45,000 through November 1, 2021, interest varying from 4% to 5%.	610,000			610,000	40,000
7. Payable to Michigan Municipal Bond Authority, Tri-Lakes Road improvement project, refunding bonds (local project bonds), dated May 13, 2005, Series 2005, payable in annual installments of \$50,000 to \$60,000 through December 1, 2013, interest varying from 2.0% to 4.0%.	385,000			385,000	50,000
8. Payable to Michigan Municipal Bond Authority, Grand River Water improvement project, refunding bond (local project bonds) dated May 13, 2005, Series 2005, payable in annual installments of \$100,000 to \$115,000 through 2014, interest varying from 2.0% to 4.0%.	<u>865,000</u>			<u>865,000</u>	<u>100,000</u>
Total governmental fund long-term debt - bonds payable	<u>\$ 7,838,820</u>	<u>\$</u>	<u>\$ 256,163</u>	<u>\$ 7,582,657</u>	<u>\$ 1,043,841</u>
Total governmental fund long-term debt	<u>\$ 10,314,102</u>	<u>\$</u>	<u>\$ 256,163</u>	<u>\$ 10,057,939</u>	<u>\$ 1,192,319</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 5 - LONG-TERM DEBT (continued)

<u>Proprietary Long-Term Debt - Contracts Payable</u>	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/2007</u>	<u>Current Portion</u>
1. Payable to City of Brighton, wastewater treatment and water service contract for Pine Creek subdivision, payable in annual installments of \$69,660 principal only on December 4 through 2009	\$ 278,640	\$	\$ 69,660	\$ 208,980	\$ 69,660
2. Payable to Livingston County Department of Public Works, Lake Edgewood Water Expansion, principal is payable in annual installments of \$25,000 to \$30,000 through May 1, 2017, interest is charged at 4.3% to 5.4% payable semi-annually.	280,000			280,000	25,000
3. Payable to Livingston County Department of Public Works, Lake Edgewood West Sewer Expansion, principal is payable in annual installments of \$110,000 to \$265,000 through May 1, 2020, interest is charged at 5.0% to 5.75% semi-annually.	<u>3,710,000</u>			<u>3,710,000</u>	<u>265,000</u>
Total proprietary long-term debt - contracts payable	<u>\$ 4,268,640</u>	<u>\$</u>	<u>\$ 69,660</u>	<u>\$ 4,198,980</u>	<u>\$ 359,660</u>
 <u>Proprietary Long-Term Debt - Bonds Payable</u>					
1. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1988, Homestead Road Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$10,000 to \$45,000 through 2007, interest varying from 5.65% to 7.75%.	\$ 45,000	\$	\$	\$ 45,000	\$ 45,000
2. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1989, (Lake Edgewood Water and Sewer Systems-Phase I), payable in annual installments of \$5,000 to \$125,000 through 2009, interest varying from 6.55% to 9.95%.	350,000			350,000	110,000

3. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1991, Tri-Lakes Area Sewer Project (Oak Pointe Water and Sewer Systems), payable in annual installments of \$120,000 to \$155,000 through 2011, interest at 2.0%.	930,000		155,000	775,000	155,000
4. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1992, (Lake Edgewood Water and Sewer Systems - Phase II), payable in annual installments of \$4,000 to \$25,000 through 2012, interest varying from 3.3% to 6.65%.	135,000			135,000	20,000
5. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1993, (Lake Edgewood Water and Sewer Systems - Phase III), payable in annual installments of \$9,000 to \$25,000 through 2013 interest varying from 3.5% to 7.5%.	145,000			145,000	15,000
6. Payable to Michigan Municipal Bond Authority, special assessment bonds, Series 1995, (Northeast Tri-Lakes Sewer System), payable in annual installments of \$20,000 to \$40,000 through 2015, interest varying from 5.0% to 7%.	330,000			330,000	40,000
7. Payable to Michigan Municipal Bond Authority refunding bond, special assessment bonds, Series 2005, (Oak Pointe Water Improvement System), payable in annual installments of \$60,000 to \$75,000 through 2014, interest varying from 2% to 4%.	555,000			555,000	65,000
Total proprietary long-term debt - bonds payable	<u>\$ 2,490,000</u>	<u>\$</u>	<u>\$ 155,000</u>	<u>\$ 2,335,000</u>	<u>\$ 450,000</u>
Total proprietary long-term debt	<u>\$ 6,758,640</u>	<u>\$</u>	<u>\$ 224,660</u>	<u>\$ 6,533,980</u>	<u>\$ 809,660</u>
Total Township debt	<u>\$ 17,072,742</u>	<u>\$</u>	<u>\$ 480,823</u>	<u>\$ 16,591,919</u>	<u>\$ 2,001,979</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 5 - LONG-TERM DEBT (continued)

The following is a schedule of principal and interest payments to service the long-term debt of the Township:

	<u>Contracts Payable</u>		<u>Bonds Payable</u>		<u>Totals</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007 - 2008	\$ 508,138	\$ 325,381	\$ 1,493,841	\$ 391,145	\$ 2,001,979	\$ 716,526
2008 - 2009	512,703	302,554	1,465,169	341,920	1,977,872	644,474
2009 - 2010	520,747	279,268	1,490,345	282,971	2,011,092	562,239
2010 - 2011	455,652	255,817	1,063,302	237,550	1,518,954	493,367
2011 - 2012	458,696	231,260	785,000	199,703	1,243,696	430,963
2012 - 2017	2,495,271	783,759	2,450,000	586,750	4,945,271	1,370,509
2018 - 2022	1,723,055	200,874	1,170,000	123,572	2,893,055	324,446
Total	<u>\$ 6,674,262</u>	<u>\$ 2,378,913</u>	<u>\$ 9,917,657</u>	<u>\$ 2,163,611</u>	<u>\$ 16,591,919</u>	<u>\$ 4,542,524</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at March 31, 2007 represent short-term borrowings and amounts owed for reimbursements between other funds. The total interfund receivable and payable at March 31, 2007 is \$1,273,528.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 162,178	\$
Oak Pointe	102,201	27,519
Pine Creek	12,484	3,170
Lake Edgewood	22,066	11,632
G/O capital projects	720,000	
Utility DPW	24,454	131,563
Lake Edgewood Debt	110,841	
G/O Plant Expansion	110,000	
G/O Debt Service	9,304	
Utility Escrow		129,689
Liquor Law		9,324
Meter Fund		1,116
Escrow Fund		389
Trust and agency		39
Current Tax		8,942
Oak Pointe storage tank		940,841
Oak Pointe Water Improvement		9,304
Totals	<u>\$ 1,273,528</u>	<u>\$ 1,273,528</u>

CHARTER TOWNSHIP OF GENOA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 7 - SEGMENT INFORMATION - ENTERPRISE FUNDS

Selected financial information with respect to the three enterprise funds maintained by the Township for water and sewer service is as follows:

	<u>Oak Pointe</u>	<u>Lake Edgewood</u>	<u>Pine Creek</u>	<u>Total</u>
Operating revenues	\$ 502,297	\$ 263,884	\$ 170,781	\$ 936,962
Depreciation	241,329	117,631		358,960
Operating income (loss)	(367,572)	(205,520)	(7,397)	(580,489)
Net working capital	(735,193)	285,352	170,281	(279,560)
Total assets	13,225,521	12,605,806	503,392	26,334,719
Retained earnings	10,529,677	7,933,790	235,702	18,699,169

NOTE 8 - STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

Pursuant to the Governmental Accounting Standards Board (GASB) statement number 9, a statement of cash flows is presented. The purpose of the statement of cash flows is to explain the change in cash and cash equivalents during the period.

The direct method was utilized to present cash flows from operations. The following is a summary of beginning and ending cash and cash equivalents:

	<u>7/01/06</u>	<u>3/31/07</u>
Current assets		
Cash and cash equivalents	<u>\$ 180,549</u>	<u>\$ 279,781</u>
Restricted assets		
Cash and cash equivalents	<u>\$ 3,663,490</u>	<u>\$ 3,945,224</u>

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 9 - PENSION PLAN (DEFINED CONTRIBUTION PLAN)

The Township of Genoa has adopted the Principal Financial Group Money Purchase Pension Plan, a defined contribution plan with an effective date of July 1, 1991. The Township is making contributions to the plan on behalf of all eligible employees. Eligible employees are employees who have been employed for one whole year with a minimum of 1,000 hours of service. The Township's payroll for employees covered by the plan for the nine months ended March 31, 2007 was \$591,947, the Township's total payroll was \$662,697.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participants account. Contributions, required solely by the Township vest 100% in the initial year of vesting service. An employee who leaves the employment of the Township for reasons other than death, total disability or normal retirement is entitled to the Township's contributions if vesting requirements are satisfied. The Township is required to contribute an amount equal to 10% of the employee's annual compensation.

Total covered payroll	\$	591,947
Total contributions	\$	59,195
Contributions as a % of covered payroll		10.00%

NOTE 10 - PENSION PLAN (DEFINED BENEFIT PLAN)

The Township of Genoa participates in the Michigan Municipal Employees Retirement System (MERS) which is an agent multiple-employer, state-wide, defined public employee retirement plan created under Public Act 135 of 1945 and now operates under Public Act 220 of 1996. MERS was established by the State of Michigan for purposes of providing retirement, survivor and disability benefits on a voluntary basis to the State's local government employees. Under Public Act 220, MERS became an independent public non-profit corporation independent from State government. The effective date of independence was August 15, 1996, at which time MERS ceased to be a part of the State of Michigan, Department of Management and Budget. The Township has no fiduciary responsibility for the plan. Only the Township Manager and Public Utilities Director are eligible to participate in the plan with a total covered payroll of \$109,884. Total contributions made for the nine months ended March 31, 2007 totaled \$9,695. Contributions are 8.18% of payroll.

CHARTER TOWNSHIP OF GENOA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 10 – PENSION PLAN (DEFINED BENEFIT PLAN) (continued)

At December 31, 2006, the unfunded pension benefit obligation was \$9,056, determined as follows:

Actuarial accrued liability			
Retirees and beneficiaries currently receiving benefits	\$	0	
Terminated employees not yet receiving benefits		0	
Current employees			
Accumulated employee contribution, including allocated investment income		1,778	
Employer financed		<u>42,982</u>	
 Total actuarial accrued liabilities			 44,760
 Net assets available for benefits, at cost (at market \$21,640)			 <u>35,704</u>
 Unfunded (overfunded) actuarial accrued liabilities	 \$		 <u><u>9,056</u></u>
 Fiscal Year Beginning			 April 1, 2007
 Annual Required Contribution (ARC)	 \$		 12,084
 Amortization Factor Used - Under funded Liabilities (30 years)			 0.054719

NOTE 11 - MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 12 - 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. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CHARTER TOWNSHIP OF GENOA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

NOTE 13 - CONTINGENT LIABILITIES

A. Wastewater Treatment System - Lake Edgewood

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softener from the sanitary sewers.

A remedial investigation that delineated the extent of the plume was completed in 2002. The plume extends approximately ¼ mile southeast of the Wastewater Treatment Plant and discharges in Brighton Township to Woodland Lake. The site is currently operating under an MDEQ approved Interim Remedial Action Plan (IRAP). The IRAP requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the nine months ending March 31, 2007, the Township spent approximately \$21,861 to prepare the IRAP, to complete the annual groundwater sampling event, and to provide reverse osmosis units to several residential homes in the area. The amount of additional costs for April 1, 2007 - March 31, 2008 is estimated to be \$35,000. This cost includes conducting monitoring, corrective action and source control.

B. Wastewater Treatment System - Oak Pointe

The Township entered into a Consent Order with the Michigan Department of Environmental Quality (MDEQ) to complete an investigation of the sodium and chloride plume leaving the Wastewater Treatment Plant (WWTP) and to evaluate remedial measures. The Consent Order requires a discharge from the plant's effluent of 150 mg/l for sodium and 250 mg/l for chlorides.

Much effort was completed to educate the general public, housing developers, condominium owners, and local water softener distributors about the Township's sewer use ordinance that requires use of potassium chloride for water softener regenerate in lieu of sodium chloride salts, and for the disconnection of the water softeners from the sanitary sewers. In September 2000 the Township began an extensive residential inspection program to ensure compliance with the Township ordinance. A collection system sampling event was completed in October 2002. An investigation of the contaminated groundwater plume was completed in 2002 and approved by the MDEQ in July 2002. The plume has been shown to extend approximately one-half mile southwest of the WWTP toward Chilson Road.

The site is currently operating under a MDEQ approved Interim Response Activities Designed to Meet Criteria Report (IRDC). The IRDC requires annual groundwater monitoring and corrective action activities to protect drinking water sources.

In the nine months ending March 31, 2007, the Township spent approximately \$27,262 to complete a groundwater sampling event, to complete a residential sampling event to complete a mixing zone determination, and to provide and maintain reverse osmosis systems. The amount of additional costs for April 1, 2007 - March 31, 2008 is estimated to be \$40,000. This cost includes annual monitoring activities and corrective action activities.

REQUIRED
SUPPLEMENTARY
INFORMATION

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget Amount		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES	\$ 2,991,500	\$ 3,056,185	\$ 3,158,858	\$ 102,673
EXPENDITURES	2,290,525	2,345,925	2,166,941	178,984
Excess of revenues over (under) expenditures	700,975	710,260	991,917	281,657
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(375,000)	(675,000)	(675,000)	
Net change in fund balance	325,975	35,260	316,917	281,657
FUND BALANCE, JULY 1, 2006	1,406,434	1,406,434	1,406,434	
FUND BALANCE, MARCH 31, 2007	<u>\$ 1,732,409</u>	<u>\$ 1,441,694</u>	<u>\$ 1,723,351</u>	<u>\$ 281,657</u>

CHARTER TOWNSHIP OF GENOA
 SCHEDULES OF PENSION FUNDING PROGRESS (UNAUDITED)
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

In accordance with the Governmental Accounting Standards Board Statements No. 25 and 27, the following information is a required part of the basic financial statements.

TOWNSHIP MANAGER AND UTILITY DIRECTOR

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL)</u>	Unfunded (Overfunded) <u>Accrued Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
December 31, 2002	\$ 4,741	\$ 1,870	\$ (2,871)	(153.5%)	\$ 71,339	(3.9)%
December 31, 2003	\$ 10,896	\$ 11,154	\$ 258	97.7%	\$ 74,467	.3 %
December 31, 2004	\$ 16,079	\$ 19,004	\$ 2,925	84.6%	\$ 75,004	3.9%
December 31, 2005	\$ 22,226	\$ 28,287	\$ 6,061	78.6%	\$ 80,993	7.5%
December 31, 2006	\$ 35,704	\$ 44,760	\$ 9,056	79.8%	\$ 109,884	.8%

SUPPLEMENTARY
INFORMATION

COMBINING
FINANCIAL
STATEMENTS

CHARTER TOWNSHIP OF GENOA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2007

	Liquor Law Enforcement Fund	Road Improvement Fund	Reimbursable Road Projects Fund	Future Development Parks, Paths and Recreation Fund	Buildings and Grounds Reserve Fund	Utilities/DPW Fund	Total
<u>ASSETS</u>							
ASSETS							
Cash and cash equivalents	\$ 13,319	\$ 1,149,362	\$ 494,284	\$ 943,744	\$ 51,316	\$ 38,646	\$ 2,690,671
Special assessments receivable			540,123				540,123
Prepaid expenditures		115,000					115,000
Due from others						76,122	76,122
Due from other funds						24,454	24,454
Inventory						5,069	5,069
Total assets	<u>\$ 13,319</u>	<u>\$ 1,264,362</u>	<u>\$ 1,034,407</u>	<u>\$ 943,744</u>	<u>\$ 51,316</u>	<u>\$ 144,291</u>	<u>\$ 3,451,439</u>
<u>LIABILITIES AND FUND BALANCE</u>							
LIABILITIES							
Accounts payable	\$	\$	\$ 4,601	\$	\$	\$ 523	\$ 5,124
Due to other funds	9,324					131,563	140,887
Deferred revenues		115,000	529,319				644,319
Accrued wages						11,088	11,088
Total liabilities	<u>9,324</u>	<u>115,000</u>	<u>533,920</u>			<u>143,174</u>	<u>801,418</u>
FUND BALANCE	<u>3,995</u>	<u>1,149,362</u>	<u>500,487</u>	<u>943,744</u>	<u>51,316</u>	<u>1,117</u>	<u>2,650,021</u>
Total liabilities and fund balance	<u>\$ 13,319</u>	<u>\$ 1,264,362</u>	<u>\$ 1,034,407</u>	<u>\$ 943,744</u>	<u>\$ 51,316</u>	<u>\$ 144,291</u>	<u>\$ 3,451,439</u>

The notes are an integral part of the financial statements.

CHARTER TOWNSHIP OF GENOA
 ALL DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 2007

	<u>Dorr Road Water and Sewer Fund</u>	<u>Tri-Lakes Road Fund</u>	<u>Genoa/Oceola Phase I Sewer Fund</u>	<u>Genoa-Oceola Phase II Sewer Fund</u>
<u>ASSETS</u>				
ASSETS				
Cash and cash equivalents	\$ 146,849	\$ 149,468	\$ 493,712	\$ 536,970
Special assessments receivable	354,900	365,882	444,417	786,634
Due from other funds			9,304	
	<u>146,849</u>	<u>365,882</u>	<u>453,721</u>	<u>786,634</u>
Total assets	<u>\$ 501,749</u>	<u>\$ 515,350</u>	<u>\$ 947,433</u>	<u>\$ 1,323,604</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
LIABILITIES				
Deferred revenues	\$ 354,900	\$ 360,871	\$ 424,649	\$ 761,013
FUND BALANCE	<u>146,849</u>	<u>154,479</u>	<u>522,784</u>	<u>562,591</u>
Total liabilities and fund balance	<u>\$ 501,749</u>	<u>\$ 515,350</u>	<u>\$ 947,433</u>	<u>\$ 1,323,604</u>

Grand River Water Fund	Grand Oaks Water Fund	Grand River Road Fund	Lake Edgewood West Water Fund	MHOG Plant Expansion Fund	Genoa-Oceola Plant Expansion Fund	Totals
\$ 317,454 748,651	\$ 139,585 298,364	\$ 143,755 782,593	\$ 434,643 2,020,933	\$ 1,088,541	\$ 1,969,332 110,000	\$ 5,420,309 5,802,374 119,304
<u>\$ 1,066,105</u>	<u>\$ 437,949</u>	<u>\$ 926,348</u>	<u>\$ 2,455,576</u>	<u>\$ 1,088,541</u>	<u>\$ 2,079,332</u>	<u>\$ 11,341,987</u>
\$ 741,124 324,981	\$ 290,356 147,593	\$ 774,794 151,554	\$ 1,947,491 508,085	\$ 1,088,541	\$ 2,079,332	\$ 5,655,198 5,686,789
<u>\$ 1,066,105</u>	<u>\$ 437,949</u>	<u>\$ 926,348</u>	<u>\$ 2,455,576</u>	<u>\$ 1,088,541</u>	<u>\$ 2,079,332</u>	<u>\$ 11,341,987</u>

CHARTER TOWNSHIP OF GENOA
 ALL CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 2007

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund	Future Development Fire Fund	Total
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 948,349	\$ 817,448	\$ 1,607,022	\$ 198,467	\$ 3,571,286
Special assessments receivable			281,303		281,303
Due from others		281,000	250,000		531,000
Due from other funds		720,000			720,000
	<u>\$ 948,349</u>	<u>\$ 1,818,448</u>	<u>\$ 2,138,325</u>	<u>\$ 198,467</u>	<u>\$ 5,103,589</u>
Total assets	<u>\$ 948,349</u>	<u>\$ 1,818,448</u>	<u>\$ 2,138,325</u>	<u>\$ 198,467</u>	<u>\$ 5,103,589</u>
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES					
Deferred revenues	\$	\$	\$ 274,819	\$	\$ 274,819
FUND BALANCE	<u>948,349</u>	<u>1,818,448</u>	<u>1,863,506</u>	<u>198,467</u>	<u>4,828,770</u>
Total liabilities and fund balance	<u>\$ 948,349</u>	<u>\$ 1,818,448</u>	<u>\$ 2,138,325</u>	<u>\$ 198,467</u>	<u>\$ 5,103,589</u>

CHARTER TOWNSHIP OF GENOA
ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2007

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 15,587	\$ 103,840	\$ 160,354	\$ 279,781
Accounts receivable	126,763	100,621	56,153	283,537
Due from other funds	102,201	132,907	12,484	247,592
Inventory	11,100			11,100
Total current assets	255,651	337,368	228,991	822,010
Restricted Assets				
Cash and cash equivalents				
Future improvements	276,226	628,391		904,617
Debt service	1,244,013	1,628,306	168,288	3,040,607
Special assessments receivable	1,276,178	3,252,625	106,113	4,634,916
Contract receivable - City of Brighton		172,000		172,000
Total restricted assets	2,796,417	5,681,322	274,401	8,752,140
Property, Plant and Equipment				
Land	358,855	260,009		618,864
Water and sewer systems	13,338,615	7,703,745		21,042,360
	13,697,470	7,963,754		21,661,224
Less accumulated depreciation	3,794,470	1,376,638		5,171,108
Net property, plant and equipment	9,903,000	6,587,116		16,490,116
Other assets				
Due from Brownfield	270,453			270,453
Total assets	\$ 13,225,521	\$ 12,605,806	\$ 503,392	\$ 26,334,719

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts payable	13,180	27,016	55,540	95,736
Due to other funds	977,664	11,632	3,170	992,466
Due to others	13,368	13,368	13,368	13,368
Total current liabilities	990,844	52,016	58,710	1,101,570
Current liabilities (from restricted assets)				
Special assessment bonds	305,000	145,000	450,000	450,000
Contracts payable	290,000	290,000	69,660	359,660
Total current liabilities (from restricted assets)	305,000	435,000	69,660	809,660
Long-Term Liabilities (from restricted assets)				
Special assessment bonds	1,400,000	485,000	1,885,000	1,885,000
Contracts payable	3,700,000	3,700,000	139,320	3,839,320
Total long-term liabilities (from restricted assets)	1,400,000	4,185,000	139,320	5,724,320
Total liabilities	2,695,844	4,672,016	267,690	7,635,550
Fund Equity				
Retained earnings				
Reserved	10,050,608	8,012,192	130,520	18,193,320
Unreserved	479,069	(78,402)	105,182	505,849
Total fund equity	10,529,677	7,933,790	235,702	18,699,169
Total liabilities and fund equity	\$ 13,225,521	\$ 12,605,806	\$ 503,392	\$ 26,334,719

CHARTER TOWNSHIP OF GENOA
 ALL TRUST AND AGENCY FUNDS
 COMBINING BALANCE SHEET
 MARCH 31, 2007

	Utility Escrow Fund	Deposit Trust Fund	Current Tax Fund	Trust and Agency Fund	Total
<u>ASSETS</u>					
ASSETS					
Cash and cash equivalents	\$ 187,717	\$ 68,887	\$ 9,265	\$ 335	\$ 266,204
<u>LIABILITIES</u>					
LIABILITIES					
Deposits - escrows	\$	\$ 68,498	\$	\$	\$ 68,498
Due to other funds	129,689	389	8,942	39	139,059
Due to others	58,028		323	296	58,647
Total liabilities	\$ 187,717	\$ 68,887	\$ 9,265	\$ 335	\$ 266,204

CHARTER TOWNSHIP OF GENOA
 ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Liquor Law Enforcement Fund	Road Improvement Fund	Reimbursable Road Projects Fund	Future Development Parks, Paths and Recreation Fund	Buildings and Grounds Reserve Fund	Utilities/DPW Fund	Total
REVENUES							
Special assessments	\$	\$	\$ 256,016	\$	\$	\$	\$ 256,016
Intergovernmental - state	11,998						11,998
Administration fees						257,724	257,724
Interest and other	41	26,674	2,496	18,856	963		49,030
Total revenues	12,039	26,674	258,512	18,856	963	257,724	574,768
EXPENDITURES							
Parks				4,427			4,427
Public works and roads		115,978	65,375			256,607	437,960
Inspection fees	4,950						4,950
Payroll taxes	379						379
Miscellaneous	4,095						4,095
Total expenditures	9,424	115,978	65,375	4,427		256,607	451,811
Excess of revenues over (under) expenditures	2,615	(89,304)	193,137	14,429	963	1,117	122,957
OTHER FINANCING SOURCES (USES)							
Transfers in		100,000	150,000	200,000	25,000		475,000
Total other financing sources (uses)		100,000	150,000	200,000	25,000		475,000
Net change in fund balance	2,615	10,696	343,137	214,429	25,963	1,117	597,957
FUND BALANCE, JULY 1, 2006	1,380	1,138,666	157,350	729,315	25,353		2,052,064
FUND BALANCE, MARCH 31, 2007	<u>\$ 3,995</u>	<u>\$ 1,149,362</u>	<u>\$ 500,487</u>	<u>\$ 943,744</u>	<u>\$ 51,316</u>	<u>\$ 1,117</u>	<u>\$ 2,650,021</u>

CHARTER TOWNSHIP OF GENOA
 ALL DEBT SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Dorr Road Water and Sewer Fund	Tri-Lakes Road Fund	Genoa/Oceola Phase I Sewer Fund	Genoa-Oceola Phase II Sewer Fund
REVENUES				
Special assessments - principal	\$ 25,350	\$ 65,438	\$ 212,490	\$ 199,130
Special assessments- interest	22,017	19,840	51,369	19,233
Interest	1,983	4,300	6,670	22,946
Total revenues	49,350	89,578	270,529	241,309
EXPENDITURES				
Bond repayment				
Principal				256,163
Interest	13,950	6,252	20,423	13,378
Miscellaneous		2,875	520	400
Total expenditures	13,950	9,127	20,943	269,941
Excess of revenues over (under) expenditures	35,400	80,451	249,586	(28,632)
OTHER FINANCING SOURCES (USES)				
Transfer in				
Transfer (out)				
Total other financing sources				
Net change in fund balance	35,400	80,451	249,586	(28,632)
FUND BALANCE, JULY 1, 2006	111,449	74,028	273,198	591,223
FUND BALANCE, MARCH 31, 2007	\$ 146,849	\$ 154,479	\$ 522,784	\$ 562,591

Grand River Water Fund	Grand Oaks Water Fund	Grand River Road Fund	Lake Edgewood West Water Fund	MHOG Plant Expansion Fund	Genoa-Oceola Plant Expansion Fund	Totals
\$ 105,875	\$ 24,196	\$ 64,566	\$ 156,293	\$	\$	\$ 853,338
41,220	18,213	51,369	141,037			364,298
5,220	3,834	645	5,862	39,134	58,964	149,558
<u>152,315</u>	<u>46,243</u>	<u>116,580</u>	<u>303,192</u>	<u>39,134</u>	<u>58,964</u>	<u>1,367,194</u>
						256,163
14,463	7,699	23,812	67,108	24,025	33,334	224,444
500	500	830	200	278	200	6,303
<u>14,963</u>	<u>8,199</u>	<u>24,642</u>	<u>67,308</u>	<u>24,303</u>	<u>33,534</u>	<u>486,910</u>
<u>137,352</u>	<u>38,044</u>	<u>91,938</u>	<u>235,884</u>	<u>14,831</u>	<u>25,430</u>	<u>880,284</u>
			7,645			7,645
			7,645			7,645
137,352	38,044	91,938	243,529	14,831	25,430	887,929
<u>187,629</u>	<u>109,549</u>	<u>59,616</u>	<u>264,556</u>	<u>1,073,710</u>	<u>2,053,902</u>	<u>4,798,860</u>
<u>\$ 324,981</u>	<u>\$ 147,593</u>	<u>\$ 151,554</u>	<u>\$ 508,085</u>	<u>\$ 1,088,541</u>	<u>\$ 2,079,332</u>	<u>\$ 5,686,789</u>

CHARTER TOWNSHIP OF GENOA
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Grand River Water New User Fund	Genoa-Oceola Phase I Sewer New User Fund	Genoa-Oceola Phase II Sewer New User Fund	Lake Edgewood West Water Construction Fund	Future Development Fire Fund	Total
REVENUES						
New user tap-in fees	\$ 47,345	\$ 24,812	\$ 19,453	\$	\$	\$ 91,610
Special assessments - principal			16,166			16,166
Special assessments - interest			14,549			14,549
Interest	17,422	22,160	44,341	31	72	84,026
Total revenues	64,767	46,972	94,509	31	72	206,351
EXPENDITURES						
Professional services	9,025	1,700	2,075		1,605	14,405
Expansion and construction	184,880					184,880
Total expenditures	193,905	1,700	2,075		1,605	199,285
Excess of revenues over (under) under expenditures	(129,138)	45,272	92,434	31	(1,533)	7,066
OTHER FINANCING SOURCES (USES)						
Transfers in					200,000	200,000
Transfers (out)				(7,645)		(7,645)
Total other financing sources (uses)				(7,645)	200,000	192,355
Net change in fund balance	(129,138)	45,272	92,434	(7,614)	198,467	199,421
FUND BALANCE, JULY 1, 2006	1,077,487	1,773,176	1,771,072	7,614		4,629,349
FUND BALANCE, MARCH 31, 2007	\$ 948,349	\$ 1,818,448	\$ 1,863,506	\$	\$ 198,467	\$ 4,828,770

CHARTER TOWNSHIP OF GENOA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
OPERATING REVENUES				
User charges	\$ 502,297	\$ 263,884	\$ 170,781	\$ 936,962
OPERATING EXPENSES				
Water and sewer usage		65,305	167,496	232,801
Repairs, maintenance	166,351	52,423	181	218,955
Contracted labor	229,142	107,971		337,113
Supplies	24,685	9,600		34,285
Utilities and telephone	70,143	40,760		110,903
Administration	30,110	10,437	9,501	50,048
Professional fees	27,136	14,357	1,000	42,493
Groundwater exceedence	27,262	21,861		49,123
Insurance	12,523	5,344		17,867
Depreciation	241,329	117,631		358,960
Director	15,211	7,320		22,531
Sludge disposal	21,053	11,913		32,966
Licenses, fees, permits	4,924	4,482		9,406
Total operating expenses	869,869	469,404	178,178	1,517,451
Operating (loss)	(367,572)	(205,520)	(7,397)	(580,489)
NON-OPERATING REVENUES AND (EXPENSES)				
Connection fees	14,700	61,135	1,000	76,835
Interest income - special assessments	57,288	278,898	4,836	341,022
Interest income - reserved accounts	37,895			37,895
Interest income - general	1,564	195	1,936	3,695
Interest expense - bonds	(36,957)	(97,748)		(134,705)
Other revenue (expense), net	6,742	(1,210)	646	6,178
Total non-operating revenues and (expense)	81,232	241,270	8,418	330,920
Net income (loss)	(286,340)	35,750	1,021	(249,569)
RETAINED EARNINGS, JULY 1, 2006	10,816,017	7,898,040	234,681	18,948,738
RETAINED EARNINGS, MARCH 31, 2007	\$ 10,529,677	\$ 7,933,790	\$ 235,702	\$ 18,699,169

CHARTER TOWNSHIP OF GENOA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Oak Pointe Water and Sewer Systems Fund	Lake Edgewood Water and Sewer Systems Fund	Pine Creek Water and Sewer Systems Fund	Totals
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Receipts from customers	\$ 567,597	\$ 268,532	\$ 191,183	\$ 1,027,312
Payments to vendors	(661,514)	(350,086)	(169,868)	(1,181,468)
Other receipts/disbursements	6,742	(1,210)	646	6,178
Net cash from (used in) operating activities	<u>(87,175)</u>	<u>(82,764)</u>	<u>21,961</u>	<u>(147,978)</u>
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection fees	14,700	61,135	1,000	76,835
Repayment of principal on bonds	(155,000)			(155,000)
Special assessment collections	218,917	262,185	57,586	538,688
Collections City of Brighton - contract receivable		17,200		17,200
Payment on City of Brighton - contract payable			(69,660)	(69,660)
Interest received from special assessments and reserved accounts	95,183	278,898	4,836	378,917
Interest paid on bonds	(36,957)	(97,748)		(134,705)
Additions to systems	<u>(42,908)</u>	<u></u>	<u></u>	<u>(42,908)</u>
Net cash from (used in) capital and related financing activities	<u>93,935</u>	<u>521,670</u>	<u>(6,238)</u>	<u>609,367</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Interest received from operations	1,564	195	1,936	3,695
Loans to other funds	(82,341)	(7,118)	(9,108)	(98,567)
Loans from other funds	<u>11,460</u>	<u>2,989</u>	<u></u>	<u>14,449</u>
Net cash from (used in) investing activities	<u>(69,317)</u>	<u>(3,934)</u>	<u>(7,172)</u>	<u>(80,423)</u>
Net increase (decrease) in cash and cash equivalents	(62,557)	434,972	8,551	380,966
CASH AND CASH EQUIVALENTS AT JULY 1, 2006	<u>1,598,383</u>	<u>1,925,565</u>	<u>320,091</u>	<u>3,844,039</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2007	<u>\$ 1,535,826</u>	<u>\$ 2,360,537</u>	<u>\$ 328,642</u>	<u>\$ 4,225,005</u>

INDIVIDUAL
FUNDS

GENERAL
FUND

CHARTER TOWNSHIP OF GENOA
 GENERAL FUND
 BALANCE SHEET
 MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents		\$ 1,818,302
State shared revenue receivable		263,851
Taxes receivable		99,768
Accounts receivable - rent		17,176
Other receivables		12,207
Due from other funds		162,178
Due from area utilities		56,616
Prepaid expenditures		<u>29,997</u>
 Total assets		 <u><u>\$ 2,460,095</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 133,014	
Accrued payroll and compensated absences	50,573	
Due to area utilities	8,111	
Due to other funds	1,116	
Deferred revenue	<u>543,930</u>	
 Total liabilities		 \$ 736,744

FUND BALANCE

	<u>1,723,351</u>
 Total liabilities and fund balance	 <u><u>\$ 2,460,095</u></u>

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	\$ 3,056,185	\$ 3,158,858	\$ 102,673
EXPENDITURES	2,345,925	2,166,941	178,984
Excess of revenues over (under) expenditures	710,260	991,917	281,657
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(675,000)	(675,000)	
Net changes in fund balance	35,260	316,917	281,657
FUND BALANCE, JULY 1, 2006	1,406,434	1,406,434	
FUND BALANCE, MARCH 31, 2007	\$ 1,441,694	\$ 1,723,351	\$ 281,657

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF REVENUES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Taxes	\$ 905,000	\$ 907,094	\$ 2,094
Penalties and interest on taxes	2,500	1,350	(1,150)
State grant		36,252	36,252
Election reimbursement	12,194	12,195	1
Cemetery sales		2,400	2,400
Dog license		1,523	1,523
Tax collection fees	341,500	353,779	12,279
Licenses and permits	12,000	10,722	(1,278)
Cable franchise fees	165,000	173,443	8,443
Trailer fees	2,500	2,672	172
State shared revenues	830,000	811,922	(18,078)
Application fees	60,000	55,228	(4,772)
Refuse collection fees	450,000	458,663	8,663
Printing fees	1,300	1,033	(267)
Utility administration fees	25,000	25,000	
Liquor law administration fees	3,300	3,500	200
Land transfer - taxes	148,162	148,162	
Metro Act	13,500	12,207	(1,293)
Street lights	629	629	
Rent	50,000	55,426	5,426
Interest	32,000	80,395	48,395
Miscellaneous	1,600	5,263	3,663
	<u>1,600</u>	<u>5,263</u>	<u>3,663</u>
Total revenues	<u>\$ 3,056,185</u>	<u>\$ 3,158,858</u>	<u>\$ 102,673</u>

CHARTER TOWNSHIP OF GENOA
GENERAL FUND
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

EXPENDITURES	Budget	Actual	Variance Favorable (Unfavorable)
Salaries - trustees	\$ 18,750	\$ 17,371	\$ 1,379
Salary - supervisor	35,625	35,625	
Salary - manager	70,000	64,541	5,459
Salaries - elections	45,000	45,202	(202)
Salaries - contractual	175,000	160,210	14,790
Professional services - legal	75,000	100,666	(25,666)
Salary - clerk	34,875	34,875	
Professional services - auditor	13,000	12,425	575
Professional services - engineers	55,000	21,856	33,144
Tax roll preparation - Livingston County	5,000	3,734	1,266
Salaries - board of review	2,500	2,039	461
Refunds and charge backs	5,000	1,909	3,091
Salary - treasurer	34,875	34,875	
Repairs and maintenance - equipment	35,000	31,120	3,880
Insurance	165,000	115,353	49,647
Public utilities	14,200	12,928	1,272
Salaries - other	150,000	147,314	2,686
Retirement - pensions	57,000	54,644	2,356
Office supplies	55,000	63,476	(8,476)
Telephone	9,000	9,500	(500)
Travel	2,500	1,655	845
Auto lease and allowance	8,000	7,140	860
Escrow loss	2,000		2,000
Dues	15,000	10,840	4,160
Regional meeting fees	20,000	12,729	7,271
Application fees	60,000	60,039	(39)
Salary - ordinance enforcement	28,000	26,389	1,611
Road improvements	165,000	170,848	(5,848)
Refuse	601,000	598,012	2,988
Dust control	30,000	25,441	4,559
Storm water mandate	8,000	5,070	2,930
White Pines street lighting	600	468	132
Fire substation	12,000	9,996	2,004
Parks and recreation	90,000	89,460	540
Drain advances	31,000	25,106	5,894
Capital outlay	95,000	113,172	(18,172)
Payroll taxes	43,000	40,913	2,087
MESC taxes	5,000		5,000
Contingencies	75,000		75,000
Total expenditures	\$ 2,345,925	\$ 2,166,941	\$ 178,984

LIQUOR LAW ENFORCEMENT
FUND

CHARTER TOWNSHIP OF GENOA
LIQUOR LAW ENFORCEMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS		<u>\$ 13,319</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES		
Due to other funds		\$ 9,324

FUND BALANCE		<u>3,995</u>
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Total liabilities and fund balance		<u>\$ 13,319</u>
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CHARTER TOWNSHIP OF GENOA
LIQUOR LAW ENFORCEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Liquor license fees	\$	\$ 11,998	\$
Interest		41	
	9,065	12,039	2,974
EXPENDITURES			
Inspection fees		4,950	
Payroll taxes		379	
Administration		3,500	
Retirement		495	
Miscellaneous		100	
	9,395	9,424	(29)
Net change in fund balance	(330)	2,615	2,945
FUND BALANCE, JULY 1, 2006	1,380	1,380	
FUND BALANCE, MARCH 31, 2007	\$ 1,050	\$ 3,995	\$ 2,945

ROAD IMPROVEMENT
FUND

CHARTER TOWNSHIP OF GENOA
ROAD IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,149,362
Prepaid expenditures	<u>115,000</u>
Total assets	<u>\$ 1,264,362</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 115,000
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FUND BALANCE

	<u>1,149,362</u>
Total liabilities and fund balance	<u>\$ 1,264,362</u>

CHARTER TOWNSHIP OF GENOA
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	<u>\$</u>	<u>\$ 26,674</u>	<u>\$</u>
Total revenues	<u>25,000</u>	<u>26,674</u>	<u>1,674</u>
EXPENDITURES			
Project costs		<u>115,978</u>	
Total expenditures	<u>120,300</u>	<u>115,978</u>	<u>4,322</u>
Excess of revenues over (under) expenditures	(95,300)	(89,304)	5,996
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>100,000</u>	
Net change in fund balance	4,700	10,696	5,996
FUND BALANCE, JULY 1, 2006	<u>1,138,666</u>	<u>1,138,666</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 1,143,366</u>	<u>\$ 1,149,362</u>	<u>\$ 5,996</u>

REIMBURSABLE
ROAD PROJECTS
FUND

CHARTER TOWNSHIP OF GENOA
REIMBURSABLE ROAD PROJECTS FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$	494,284
Special assessments receivable		<u>540,123</u>
Total assets	\$	<u><u>1,034,407</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	4,601
Deferred revenues		<u>529,319</u>
Total liabilities		533,920

FUND BALANCE

		<u>500,487</u>
Total liabilities and fund balance	\$	<u><u>1,034,407</u></u>

CHARTER TOWNSHIP OF GENOA
REIMBURSABLE ROAD PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments	\$	\$ 256,016	\$
Interest		2,395	
Miscellaneous		101	
Total revenues	251,076	258,512	7,436
EXPENDITURES			
Road and lake projects			
Lake Chemung weed	12,000	7,563	4,437
Prairie View Road	46,159	46,159	
Rolling Meadows Road	9,000	4,535	4,465
Homestead		1,805	(1,805)
Other	300		300
Pardee Lake	15,000	5,313	9,687
Total expenditures	82,459	65,375	17,084
Excess of revenues over (under) expenditures	168,617	193,137	24,520
OTHER FINANCING SOURCES			
Transfers in	150,000	150,000	
Net change in fund balance	318,617	343,137	24,520
FUND BALANCE, JULY 1, 2006	157,350	157,350	
FUND BALANCE, MARCH 31, 2007	\$ 475,967	\$ 500,487	\$ 24,520

FUTURE DEVELOPMENT - PARKS
PATHS AND RECREATION FUND

CHARTER TOWNSHIP OF GENOA
 FUTURE DEVELOPMENT - PARKS, PATHS AND RECREATION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	\$ 18,100	\$ 18,856	756
EXPENDITURES			
Bike path project costs	5,300	4,427	873
Excess of revenues over (under) expenditures	12,800	14,429	1,629
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	200,000	
Net change in fund balance	212,800	214,429	1,629
FUND BALANCE, JULY 1, 2006	729,315	729,315	
FUND BALANCE, MARCH 31, 2007	\$ 942,115	\$ 943,744	\$ 1,629

BUILDING AND GROUNDS
RESERVE
FUND

CHARTER TOWNSHIP OF GENOA
 BUILDINGS AND GROUNDS RESERVE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest	\$ 1,000	\$ 963	\$ (37)
OTHER FINANCING SOURCES			
Transfers in	25,000	25,000	
Net change in fund balance	26,000	25,963	(37)
FUND BALANCE, JULY 1, 2006	25,353	25,353	
FUND BALANCE, MARCH 31, 2007	\$ 51,353	\$ 51,316	\$ (37)

UTILITIES / DPW
FUND

CHARTER TOWNSHIP OF GENOA
 UTILITIES/DPW FUND
 BALANCE SHEET
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

ASSETS

ASSETS

Cash	\$	38,646
Due from others		76,122
Due from other funds		24,454
Inventory		5,069
		<hr/>
Total assets	\$	<u><u>144,291</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$	523
Accrued wages		11,088
Due to other funds		131,563
		<hr/>
Total liabilities	\$	143,174

FUND BALANCE

Total liabilities and fund balance		<hr/> <u><u>1,117</u></u>
	\$	<u><u>144,291</u></u>

CHARTER TOWNSHIP OF GENOA
 UTILITIES/DPW SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Administration fees	\$ 298,050	\$ 257,724	\$ (40,326)
EXPENDITURES			
Salaries	130,000	128,703	1,297
Auto reimbursement/truck expense	7,400	5,723	1,677
Professional services	4,000	3,700	300
Repairs and maintenance	1,500	922	578
Insurance	49,000	43,773	5,227
Pension	13,300	12,895	405
Payroll taxes	11,000	9,865	1,135
Office supplies and postage	13,000	7,046	5,954
Computer	5,000	3,273	1,727
Tools	12,000	7,866	4,134
Conferences	750	581	169
Telephone	8,550	2,510	6,040
Sinking fund - transfer	10,000		10,000
Rental expense	3,375	3,375	
Uniforms	1,900	1,375	525
Administrative fees	25,000	25,000	
Meter services - contractor	1,000		1,000
Total expenditures	296,775	256,607	40,168
Net change in fund balance	1,275	1,117	(158)
FUND BALANCE, JULY 1, 2006			
FUND BALANCE, MARCH 31, 2007	\$ 1,275	\$ 1,117	\$ (158)

DORR ROAD
WATER AND SEWER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
DORR ROAD WATER AND SEWER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 146,849
Special assessments receivable	<u>354,900</u>
Total assets	<u>\$ 501,749</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 354,900
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FUND BALANCE

	<u>146,849</u>
Total liabilities and fund balance	<u>\$ 501,749</u>

CHARTER TOWNSHIP OF GENOA
DORR ROAD WATER AND SEWER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 25,350	\$
Special assessments - interest		22,017	
Interest		<u>1,983</u>	
Total revenues	<u>39,777</u>	<u>49,350</u>	<u>9,573</u>
EXPENDITURES			
Debt - principal			
Debt - interest		<u>13,950</u>	
Total expenditures	<u>13,950</u>	<u>13,950</u>	
Net change in fund balance	25,827	35,400	9,573
FUND BALANCE, JULY 1, 2006	<u>111,449</u>	<u>111,449</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 137,276</u>	<u>\$ 146,849</u>	<u>\$ 9,573</u>

TRI-LAKES ROAD DEBT
SERVICE FUND

CHARTER TOWNSHIP OF GENOA
TRI-LAKES ROAD DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 149,468
Special assessments receivable	<u>365,882</u>
Total assets	<u>\$ 515,350</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 360,871
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FUND BALANCE

Total liabilities and fund balance	<u>154,479</u>
	<u>\$ 515,350</u>

CHARTER TOWNSHIP OF GENOA
 TRI-LAKES ROAD DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 65,438	\$
Special assessments - interest		19,840	
Interest - investments		2,591	
Other income		1,709	
	<u>75,525</u>	<u>89,578</u>	<u>14,053</u>
EXPENDITURES			
Debt - principal			
Debt - interest		6,252	
Miscellaneous		2,875	
	<u>63,354</u>	<u>9,127</u>	<u>54,227</u>
Net change in fund balance	12,171	80,451	68,280
FUND BALANCE, JULY 1, 2006	<u>74,028</u>	<u>74,028</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 86,199</u>	<u>\$ 154,479</u>	<u>\$ 68,280</u>

GENOA-OCEOLA PHASE I
SEWER DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 493,712
Special assessments receivable	444,417
Due from other funds	<u>9,304</u>
Total assets	<u><u>\$ 947,433</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 424,649
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FUND BALANCE

522,784

Total liabilities and fund balance	<u><u>\$ 947,433</u></u>
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CHARTER TOWNSHIP OF GENOA
 GENOA - OCEOLA PHASE I SEWER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Special assessments - principal	\$	\$ 212,490	\$
Special assessments - interest		51,369	
Interest - investments		6,670	
	<u>229,697</u>	<u>270,529</u>	<u>40,832</u>
EXPENDITURES			
Debt - principal			
Debt - interest		20,423	
Miscellaneous		520	
	<u>27,546</u>	<u>20,943</u>	<u>6,603</u>
Net change in fund balance	202,151	249,586	47,435
FUND BALANCE, JULY 1, 2006	<u>273,198</u>	<u>273,198</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 475,349</u>	<u>\$ 522,784</u>	<u>\$ 47,435</u>

GENOA-OCEOLA PHASE II
SEWER DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents		\$ 536,970
Special assessments receivable		<u>786,634</u>
Total assets		<u><u>\$ 1,323,604</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Deferred revenues		\$ 761,013
FUND BALANCE		<u>562,591</u>
Total liabilities and fund balance		<u><u>\$ 1,323,604</u></u>

CHARTER TOWNSHIP OF GENOA
 GENOA - OCEOLA PHASE II SEWER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 199,130	\$
Special assessments - interest		19,233	
Interest - investments		22,946	
Total revenues	203,194	241,309	38,115
EXPENDITURES			
Debt - principal		256,163	
Debt - interest		13,378	
Miscellaneous		400	
Total expenditures	282,685	269,941	12,744
Net change in fund balance	(79,491)	(28,632)	50,859
FUND BALANCE, JULY 1, 2006	591,223	591,223	
FUND BALANCE, MARCH 31, 2007	\$ 511,732	\$ 562,591	\$ 50,859

GRAND RIVER WATER
DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GRAND RIVER WATER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 317,454
Special assessments receivable	<u>748,651</u>
Total assets	<u>\$ 1,066,105</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 741,124
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FUND BALANCE

Total liabilities and fund balance	<u>324,981</u>
	<u>\$ 1,066,105</u>

CHARTER TOWNSHIP OF GENOA
 GRAND RIVER WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 105,875	\$
Special assessments - interest		41,220	
Interest - investments		5,220	
	<u>150,644</u>	<u>152,315</u>	<u>1,671</u>
EXPENDITURES			
Debt - principal			
Debt - interest		14,463	
Miscellaneous		500	
	<u>129,426</u>	<u>14,963</u>	<u>114,463</u>
Total expenditures			
Net change in fund balance	21,218	137,352	116,134
FUND BALANCE, JULY 1, 2006	<u>187,629</u>	<u>187,629</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 208,847</u>	<u>\$ 324,981</u>	<u>\$ 116,134</u>

GRAND OAKS WATER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
GRAND OAKS WATER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 139,585
Special assessments receivable	<u>298,364</u>
Total assets	<u>\$ 437,949</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 290,356
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FUND BALANCE

Total liabilities and fund balance	<u>147,593</u>
	<u>\$ 437,949</u>

CHARTER TOWNSHIP OF GENOA
 GRAND OAKS WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 24,196	\$
Special assessments - interest		18,213	
Interest - investments		3,834	
	<u>35,725</u>	<u>46,243</u>	<u>10,518</u>
EXPENDITURES			
Debt - principal			
Debt - interest		7,699	
Professional services		500	
	<u>8,199</u>	<u>8,199</u>	
Total expenditures	<u>8,199</u>	<u>8,199</u>	
Net change in fund balance	27,526	38,044	10,518
FUND BALANCE, JULY 1, 2006	<u>109,549</u>	<u>109,549</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 137,075</u>	<u>\$ 147,593</u>	<u>\$ 10,518</u>

GRAND RIVER ROAD
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
GRAND RIVER ROAD DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 143,755
Special assessments receivable	<u>782,593</u>
Total assets	<u>\$ 926,348</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 774,794
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FUND BALANCE

	<u>151,554</u>
Total liabilities and fund balance	<u>\$ 926,348</u>

CHARTER TOWNSHIP OF GENOA
 GRAND RIVER ROAD DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 64,566	\$
Special assessments - interest		51,369	
Interest - investments		645	
	<u>106,011</u>	<u>116,580</u>	<u>10,569</u>
EXPENDITURES			
Debt - principal			
Debt - interest		23,812	
Agent fees		830	
	<u>24,662</u>	<u>24,642</u>	<u>20</u>
Net change in fund balance	81,349	91,938	10,589
FUND BALANCE, JULY 1, 2006	<u>59,616</u>	<u>59,616</u>	
FUND BALANCE, MARCH 31, 2007	<u>\$ 140,965</u>	<u>\$ 151,554</u>	<u>\$ 10,589</u>

LAKE EDGEWOOD
WEST WATER
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

<u>ASSETS</u>	
ASSETS	
Cash and cash equivalents	\$ 434,643
Special assessments receivable	<u>2,020,933</u>
Total assets	<u><u>\$ 2,455,576</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES	
Deferred revenues	\$ 1,947,491
FUND BALANCE	<u>508,085</u>
Total liabilities and fund balance	<u><u>\$ 2,455,576</u></u>

CHARTER TOWNSHIP OF GENOA
 LAKE EDGEWOOD - WEST WATER DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessments - principal	\$	\$ 156,293	\$
Special assessments - interest		141,037	
Interest - investments		5,862	
Total revenues	251,777	303,192	51,415
EXPENDITURES			
Debt - principal			
Debt - interest		67,108	
Agent fees		200	
Total expenditures	67,608	67,308	300
Excess of revenues over (under) expenditures	184,169	235,884	51,715
OTHER FINANCING SOURCES (USES)			
Transfer in		7,645	7,645
Net change in fund balance	184,169	243,529	59,360
FUND BALANCE, JULY 1, 2006	264,556	264,556	
FUND BALANCE, MARCH 31, 2007	\$ 448,725	\$ 508,085	\$ 59,360

MARION HOWELL OCEOLA GENOA
PLANT EXPANSION
DEBT SERVICE
FUND

CHARTER TOWNSHIP OF GENOA
MARION HOWELL OCEOLA GENOA PLANT EXPANSION
DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents

\$ 1,088,541

FUND BALANCE

FUND BALANCE

\$ 1,088,541

CHARTER TOWNSHIP OF GENOA
MARION HOWELL OCEOLA GENOA PLANT EXPANSION DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest - income	\$ 31,400	\$ 39,134	\$ 7,734
EXPENDITURES			
Debt - principal			
Debt - interest		24,025	
Miscellaneous		78	
Professional fees		200	
	128,406	24,303	104,103
Total expenditures			
Net change in fund balance	(97,006)	14,831	111,837
FUND BALANCE, JULY 1, 2006	1,073,710	1,073,710	
FUND BALANCE, MARCH 31, 2007	\$ 976,704	\$ 1,088,541	\$ 111,837

GENOA - OCEOLA
PLANT EXPANSION
DEBT SERVICE FUND

CHARTER TOWNSHIP OF GENOA
GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND
BALANCE SHEET
MARCH 31, 2007

		<u>ASSETS</u>	
ASSETS			
Cash and cash equivalents			\$ 1,969,332
Due from other funds			<u>110,000</u>
Total assets			<u>\$ 2,079,332</u>
		<u>FUND BALANCE</u>	
FUND BALANCE			<u>\$ 2,079,332</u>

CHARTER TOWNSHIP OF GENOA
 GENOA-OCEOLA PLANT EXPANSION DEBT SERVICE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest - income	\$ 51,400	\$ 58,964	\$ 7,564
EXPENDITURES			
Debt - principal		33,334	
Debt - interest		200	
Miscellaneous			
Total expenditures	33,534	33,534	
Net change in fund balance	17,866	25,430	7,564
FUND BALANCE, JULY 1, 2006	2,053,902	2,053,902	
FUND BALANCE, MARCH 31, 2007	\$ 2,071,768	\$ 2,079,332	\$ 7,564

GRAND RIVER WATER
NEW USER CAPITAL
PROJECT FUND

CHARTER TOWNSHIP OF GENOA
GRAND RIVER WATER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
MARCH 31, 2007

		<u>ASSETS</u>	
ASSETS			
Cash and cash equivalents			<u>\$ 948,349</u>
		<u>FUND BALANCE</u>	
FUND BALANCE			<u>\$ 948,349</u>

CHARTER TOWNSHIP OF GENOA
 GRAND RIVER WATER NEW USER CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

REVENUES		
New user tap - in fees	\$ 47,345	
Interest income	17,422	
	<u> </u>	
Total revenues		\$ 64,767
EXPENDITURES		
Expansion costs	15,000	
Professional services	9,025	
Construction	169,880	
	<u> </u>	
Total expenditures		<u>193,905</u>
Net change in fund balance		(129,138)
FUND BALANCE, JULY 1, 2006		<u>1,077,487</u>
FUND BALANCE, MARCH 31, 2007		<u><u>\$ 948,349</u></u>

GENOA-OCEOLA PHASE I SEWER
NEW USER CAPITAL
PROJECT FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL
PROJECT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 817,448
Due from G/O SWATH	281,000
Due from other funds	<u>720,000</u>
Total assets	<u>\$ 1,818,448</u>

FUND BALANCE

FUND BALANCE	<u>\$ 1,818,448</u>
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CHARTER TOWNSHIP OF GENOA
 GENOA - OCEOLA PHASE I SEWER NEW USER CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

REVENUES	
New user tap - in fees	\$ 24,812
Interest income	<u>22,160</u>
Total revenues	\$ 46,972
EXPENDITURES	
Professional services	<u>1,700</u>
Net change in fund balance	45,272
FUND BALANCE, JULY 1, 2006	<u>1,773,176</u>
FUND BALANCE, MARCH 31, 2007	<u><u>\$ 1,818,448</u></u>

GENOA-OCEOLA PHASE II
SEWER NEW USER CAPITAL
PROJECT FUND

CHARTER TOWNSHIP OF GENOA
GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL PROJECT FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$ 1,607,022
Special assessments receivable	281,303
Due from G/O SWATH	<u>250,000</u>
 Total assets	 <u>\$ 2,138,325</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Deferred revenues	\$ 274,819
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FUND BALANCE

1,863,506

Total liabilities and fund balance	<u>\$ 2,138,325</u>
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CHARTER TOWNSHIP OF GENOA
 GENOA - OCEOLA PHASE II SEWER NEW USER CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

REVENUES		
New user tap - in fees	\$ 19,453	
Special assessments - Principal	16,166	
Special assessments - Interest	14,549	
Interest - investments	<u>44,341</u>	
Total revenues		\$ 94,509
EXPENDITURES		
Professional services		<u>2,075</u>
Net change in fund balance		92,434
FUND BALANCE, JULY 1, 2006		<u>1,771,072</u>
FUND BALANCE, MARCH 31, 2007		<u><u>\$ 1,863,506</u></u>

LAKE EDGEWOOD -
WEST WATER
CONSTRUCTION CAPITAL PROJECT
FUND

CHARTER TOWNSHIP OF GENOA
 LAKE EDGEWOOD - WEST WATER CONSTRUCTION CAPITAL PROJECT FUND
 STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

REVENUES		
Interest income	\$	31
EXPENDITURES		
Excess of revenues over (under) expenditures		31
OTHER FINANCING SOURCES (USES)		
Transfer (out)		(7,645)
Net change in fund balance		(7,614)
FUND BALANCE, JULY 1, 2006		7,614
FUND BALANCE, MARCH 31, 2007	\$	

FUTURE DEVELOPMENT - FIRE
CAPITAL PROJECTS
FUND

CHARTER TOWNSHIP OF GENOA
FUTURE DEVELOPMENT - FIRE
CAPITAL PROJECTS FUND
BALANCE SHEET
MARCH 31, 2007

	<u>ASSETS</u>	
ASSETS		
Cash and cash equivalents		<u>\$ 198,467</u>
	<u>FUND BALANCE</u>	
FUND BALANCE		<u>\$ 198,467</u>

CHARTER TOWNSHIP OF GENOA
 FUTURE DEVELOPMENT - FIRE
 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest	\$	\$ 72	\$ 72
EXPENDITURES			
Project costs		<u>1,605</u>	<u>(1,605)</u>
Excess of revenues over (under) expenditures		(1,533)	(1,533)
OTHER FINANCING SOURCES			
Transfers in	<u>200,000</u>	<u>200,000</u>	
Net change in fund balance	200,000	198,467	(1,533)
FUND BALANCE, JULY 1, 2006			
FUND BALANCE, MARCH 31, 2007	<u>\$ 200,000</u>	<u>\$ 198,467</u>	<u>\$ (1,533)</u>

OAK POINTE
WATER AND SEWER SYSTEMS
FUND

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

CURRENT ASSETS

Cash	\$ 15,587	
Accounts receivable - operations	126,763	
Due from other funds	102,201	
Inventory	<u>11,100</u>	
Total current assets		\$ 255,651

RESTRICTED ASSETS

Cash and cash equivalents - future improvements	276,226	
Cash and cash equivalents - debt service	1,244,013	
Special assessments receivable	1,249,864	
Due from county	<u>26,314</u>	
Total restricted assets		2,796,417

PROPERTY, PLANT AND EQUIPMENT

Land	358,855	
Water system	4,602,493	
Sewer system	<u>8,736,122</u>	
	13,697,470	
Less accumulated depreciation	<u>3,794,470</u>	
Net property, plant and equipment		9,903,000

OTHER ASSETS

Due from Brownfield Authority		<u>270,453</u>
Total assets		<u>\$ 13,225,521</u>

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 13,180
Due to other funds	<u>977,664</u>

Total current liabilities		\$ 990,844
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CURRENT LIABILITIES (from restricted assets)

Special assessment bonds - Homestead	45,000
Special assessment bonds - Tri-Lakes	155,000
Special assessment bonds refunding - Water improvement system	65,000
Special assessment bonds - NE Tri-Lakes	<u>40,000</u>

Total current liabilities (from restricted assets)		305,000
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LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - Tri-Lakes	620,000
Special assessment bonds (refunding) - Water improvement system	490,000
Special assessment bonds - NE Tri-Lakes	<u>290,000</u>

Total long-term liabilities (from restricted assets)		<u>1,400,000</u>
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Total liabilities		2,695,844
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FUND EQUITY

Retained earnings - reserved	10,050,608
Retained earnings - unreserved	<u>479,069</u>

Total fund equity		<u>10,529,677</u>
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Total liabilities and fund equity		<u>\$ 13,225,521</u>
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CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF FUND EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2006	\$ 10,219,011	\$ 597,006	\$ 10,816,017
Depreciation expense	(241,329)		(241,329)
Operating (loss) excluding depreciation expense		(126,243)	(126,243)
Interest income - special assessments and reserves	95,183		95,183
Interest income - operations		1,564	1,564
Interest expense - bonds	(36,957)		(36,957)
Connection fees	14,700		14,700
Other revenue and (expense), net	<u> </u>	<u>6,742</u>	<u>6,742</u>
ENDING BALANCES MARCH 31, 2007	<u>\$ 10,050,608</u>	<u>\$ 479,069</u>	<u>\$ 10,529,677</u>

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE NINE MONTHS ENDED MARCH 31, 2007

OPERATING REVENUE	
User charges	<u>\$ 502,297</u>
OPERATING EXPENSES	
Repairs, maintenance	166,351
Contracted labor	229,142
Supplies	24,685
Utilities and telephone	70,143
Administration	30,110
Professional fees	27,136
Insurance	12,523
Director	15,211
Groundwater exceedence expenses	27,262
Depreciation	241,329
Sludge disposal	21,053
Licenses, fees, permits	<u>4,924</u>
Total operating expenses	<u>869,869</u>
Operating (loss)	<u>(367,572)</u>
NON-OPERATING REVENUES AND (EXPENSES)	
Connection fees	14,700
Interest income - special assessments	57,288
Interest income - reserved accounts	37,895
Interest income - general	1,564
Other revenue	7,703
Other expenses	(961)
Interest fees expense - bonds	<u>(36,957)</u>
Total non-operating revenues	<u>81,232</u>
Net (loss)	<u>\$ (286,340)</u>

CHARTER TOWNSHIP OF GENOA
OAK POINTE – WATER AND SEWER SYSTEMS FUND
SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –
EXCLUDING TAP-IN FEES AND DEPRECIATION
FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 184,646	\$ 317,651	\$ 502,297
EXPENSES			
Repairs, maintenance	23,308	143,043	166,351
Contracted labor	110,253	118,889	229,142
Supplies	14,430	10,255	24,685
Utilities and telephone	16,343	53,800	70,143
Administration	12,398	17,712	30,110
Professional fees	13,578	13,558	27,136
Insurance	5,247	7,276	12,523
Groundwater exceedence expenses		27,262	27,262
Director	4,690	10,521	15,211
Sludge disposal		21,053	21,053
Licenses, fees, permits	1,124	3,800	4,924
Total expenses	<u>201,371</u>	<u>427,169</u>	<u>628,540</u>
Net revenues over (under) expenses	<u>\$ (16,725)</u>	<u>\$ (109,518)</u>	<u>\$ (126,243)</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

CHARTER TOWNSHIP OF GENOA
OAK POINTE - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Receipts from customers	\$ 567,597	
Payments to vendors	(661,514)	
Other receipts	<u>6,742</u>	
Net cash (used in) operating activities		\$ (87,175)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of principal on bonds	(155,000)	
Special assessment collections	218,917	
Interest received from special assessments and reserved accounts	95,183	
Interest paid on bonds	(36,957)	
Additions to systems	(42,908)	
Connection fees	<u>14,700</u>	
Net cash from capital and related investing activities		93,935
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Interest received from operating fund	1,564	
Loans to other funds	(82,341)	
Loans from other funds	<u>11,460</u>	
Net cash (used in) investing activities		<u>(69,317)</u>
Net (decrease) in cash and cash equivalents		(62,557)
CASH AND CASH EQUIVALENTS AT JULY 1, 2006		<u>1,598,383</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2007		<u>\$ 1,535,826</u>
Reconciliation of Operating (Loss) to Net Cash From (Used In) Operating Activities		
Operating (loss)		\$ (367,572)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities		
Depreciation expense		241,329
Other receipts		6,742
Change in assets and liabilities		
Receivables, net		65,300
Payables, net		(6,096)
Checks issued in excess of available cash		<u>(26,878)</u>
Net cash from (used in) operating activities		<u>\$ (87,175)</u>

LAKE EDGEWOOD
WATER AND SEWER SYSTEMS
FUND

CHARTER TOWNSHIP OF GENOA
 LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
 BALANCE SHEET
 MARCH 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 103,840	
Accounts receivable - operations	100,621	
Due from other funds	<u>132,907</u>	
Total current assets		\$ 337,368

RESTRICTED ASSETS

Cash and cash equivalents - debt service	1,628,306	
Cash and cash equivalents - future improvements	628,391	
Special assessments receivable	3,180,196	
Contract receivable - City of Brighton	172,000	
Due from county	<u>72,429</u>	
Total restricted assets		5,681,322

PROPERTY, PLANT AND EQUIPMENT

Land	260,009	
Sewer system	<u>7,703,745</u>	
	7,963,754	
Less accumulated depreciation	<u>1,376,638</u>	
Net property, plant and equipment		<u>6,587,116</u>

Total assets		\$ <u>12,605,806</u>
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LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 27,016
Due to other funds	11,632
Due to others	<u>13,368</u>

Total current liabilities \$ 52,016

CURRENT LIABILITIES (from restricted assets)

Special assessment bonds - phase I	110,000
Special assessment bonds - phase II	20,000
Special assessment bonds - phase III	15,000
Contract payable (Liv.Cty.) - extension of water	25,000
Contract payable (Liv.Cty.) - sewer west extension	<u>265,000</u>

Total current liabilities (from restricted assets) 435,000

LONG-TERM LIABILITIES (from restricted assets)

Special assessment bonds - phase I	240,000
Special assessment bonds - phase II	115,000
Special assessment bonds - phase III	130,000
Contract payable (Liv.Cty.) - extension of water	255,000
Contract payable (Liv.Cty.) - sewer west extension	<u>3,445,000</u>

Total long-term liabilities (from restricted assets) 4,185,000

Total liabilities 4,672,016

FUND EQUITY

Retained earnings - reserved	8,012,192
Retained earnings - unreserved - (deficit)	<u>(78,402)</u>

Total fund equity 7,933,790

Total liabilities and fund equity \$ 12,605,806

CHARTER TOWNSHIP OF GENOA
 LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
 STATEMENT OF FUND EQUITY
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2006	\$ 7,887,538	\$ 10,502	\$ 7,898,040
Depreciation expense	(117,631)		(117,631)
Connection fees	61,135		61,135
Operating (loss) excluding depreciation expense		(87,889)	(87,889)
Interest income - general		195	195
Interest income - special assessments and reserves	278,898		278,898
Interest expense - bonds	(97,748)		(97,748)
Other revenue/expense, net	<u> </u>	<u>(1,210)</u>	<u>(1,210)</u>
ENDING BALANCES MARCH 31, 2007	<u>\$ 8,012,192</u>	<u>\$ (78,402)</u>	<u>\$ 7,933,790</u>

CHARTER TOWNSHIP OF GENOA
 LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
 STATEMENT OF REVENUES AND EXPENSES
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

OPERATING REVENUE	
User charges	\$ <u>263,884</u>
OPERATING EXPENSES	
Repairs, maintenance	52,423
Contracted labor	107,971
Supplies	9,600
Licenses, fees, permits	4,482
Utilities and telephone	40,760
Administration	10,437
Professional fees	14,357
Insurance	5,344
Purchases of water - City of Brighton	65,305
Groundwater exceedence expenses	21,861
Depreciation expense	117,631
Sludge disposal	11,913
Director	<u>7,320</u>
Total operating expenses	<u>469,404</u>
Operating (loss)	<u>(205,520)</u>
NON-OPERATING REVENUES AND (EXPENSES)	
Connection fees	61,135
Interest income - special assessments and reserves	278,898
Interest income - general	195
Interest expense - bonds	(97,748)
Other income	295
Other expense	<u>(1,505)</u>
Total non-operating revenues	<u>241,270</u>
Net income	<u>\$ 35,750</u>

CHARTER TOWNSHIP OF GENOA
 LAKE EDGEWOOD – WATER AND SEWER SYSTEMS FUND
 SCHEDULE OF REVENUES AND EXPENSES – OPERATIONS ONLY –
 EXCLUDING TAP-IN FEES AND DEPRECIATION
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
REVENUES			
User charges	\$ 70,905	\$ 192,979	\$ 263,884
EXPENSES			
Repairs, maintenance		52,423	52,423
Contracted labor		107,971	107,971
Supplies	70	9,530	9,600
Utilities and telephone		40,760	40,760
Administration	3,210	7,227	10,437
Professional fees	2,325	12,032	14,357
Insurance		5,344	5,344
Purchases of water – City of Brighton	65,305		65,305
Groundwater exceedence expenses		21,861	21,861
Licenses, fees permits		4,482	4,482
Sludge disposal		11,913	11,913
Director		7,320	7,320
Total expenses	<u>70,910</u>	<u>280,863</u>	<u>351,773</u>
Net revenues over (under) expenses	<u>\$ (5)</u>	<u>\$ (87,884)</u>	<u>\$ (87,889)</u>

This schedule is prepared to present revenues and expenses related to current operations only (excludes tap-in fees and depreciation) and as such does not present the results of operations on the basis of generally accepted accounting principles but is presented for supplemental information.

CHARTER TOWNSHIP OF GENOA
LAKE EDGEWOOD - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash from users	\$ 268,532
Cash paid to vendors	(350,086)
Other disbursements	<u>(1,210)</u>
Net cash (used in) operating activities	\$ (82,764)
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessment collections - principal	262,185
Collections City of Brighton - contract receivables	17,200
Interest received on special assessments and reserves	278,898
Interest paid on bonds	(97,748)
Connection fees	<u>61,135</u>
Net cash from capital and related financing activities	521,670
CASH FLOWS FROM INVESTING ACTIVITIES	
Loans to other funds	(7,118)
Loans from other funds	2,989
Interest income from investments	<u>195</u>
Net cash (used in) investing activities	<u>(3,934)</u>
Net increase in cash and cash equivalents	434,972
CASH AND CASH EQUIVALENTS AT JULY 1, 2006	<u>1,925,565</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2007	<u>\$ 2,360,537</u>
Reconciliation of Operating (Loss) to Net Cash From (Used In) Operating Activities	
Operating (loss)	\$ (205,520)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities	
Depreciation expense	117,631
Other income (expense), net	(1,210)
Change in assets and liabilities	
Receivables, net	(8,720)
Payables, net	1,687
Due to others	<u>13,368</u>
Net cash (used in) operating activities	<u>\$ (82,764)</u>

PINE CREEK
WATER AND SEWER SYSTEMS
FUND

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 160,354
Accounts receivable - operations	56,153
Due from other funds	<u>12,484</u>

Total current assets \$ 228,991

RESTRICTED ASSETS

Cash - debt service	168,288
Due from county	1,399
Special assessments receivable	<u>104,714</u>

Total restricted assets 274,401

Total assets \$ 503,392

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 55,540	
Due to other funds	<u>3,170</u>	

Total current liabilities		\$ 58,710
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CURRENT LIABILITIES (from restricted assets)

Current portion - contract payable - City of Brighton	69,660	
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LONG-TERM LIABILITIES (from restricted assets)

Contract payable - City of Brighton	<u>139,320</u>	
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Total liabilities (from restricted assets)		<u>208,980</u>
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Total liabilities		267,690
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FUND EQUITY

Retained earnings - reserved	130,520	
Retained earnings - unreserved	<u>105,182</u>	

Total fund equity		<u>235,702</u>
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Total liabilities and fund equity		<u>\$ 503,392</u>
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CHARTER TOWNSHIP OF GENOA
 PINE CREEK - WATER AND SEWER SYSTEMS FUND
 STATEMENT OF FUND EQUITY
 FOR THE NINE MONTHS ENDED MARCH 31, 2007

	<u>Reserved Retained Earnings</u>	<u>Unreserved Retained Earnings</u>	<u>Total Fund Equity</u>
BEGINNING BALANCES JULY 1, 2006	\$ 124,684	\$ 109,997	\$ 234,681
Operating (loss)		(7,397)	(7,397)
Interest income - operations		1,936	1,936
Interest income - special assessments	4,836		4,836
Connection fees	1,000		1,000
Other revenue		646	646
	<u> </u>	<u> </u>	<u> </u>
ENDING BALANCES MARCH 31, 2007	<u>\$ 130,520</u>	<u>\$ 105,182</u>	<u>\$ 235,702</u>

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF REVENUES AND EXPENSES
FOR THE NINE MONTHS ENDED MARCH 31, 2007

OPERATING REVENUE		
User charges		\$ 170,781
OPERATING EXPENSES		
Water - sewer usage	\$ 167,496	
Administration	9,501	
Professional fees	1,000	
Repairs	<u>181</u>	
Total operating expenses		<u>178,178</u>
Operating (loss)		(7,397)
NON-OPERATING REVENUES		
Interest income - operations	1,936	
Interest income - special assessments	4,836	
Connection fees	1,000	
Other revenue	<u>646</u>	
Total non-operating revenues		<u>8,418</u>
Net income		<u>\$ 1,021</u>

CHARTER TOWNSHIP OF GENOA
PINE CREEK - WATER AND SEWER SYSTEMS FUND
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2007

CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Cash from users	\$ 191,183
Cash paid to vendors	(169,868)
Other receipts	<u>646</u>
Net cash from operating activities	\$ 21,961
CASH FLOWS FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessments collections	57,586
Interest received from special assessments	4,836
Payment on contract payable - City of Brighton	(69,660)
Connection fees	<u>1,000</u>
Net cash (used in) capital and related financing activities	(6,238)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	
Interest received from operating fund	1,936
Net loans with other funds	<u>(9,108)</u>
Net cash (used in) investing activities	<u>(7,172)</u>
Net increase in cash and cash equivalents	8,551
CASH AND CASH EQUIVALENTS AT JULY 1, 2006	<u>320,091</u>
CASH AND CASH EQUIVALENTS AT MARCH 31, 2007	<u>\$ 328,642</u>
Reconciliation of Operating (Loss) to Net Cash From (Used In) Operating Activities	
Operating (loss)	\$ (7,397)
Adjustments to reconcile operating (loss) to net cash from (used in) operating activities	
Other receipts	646
Change in assets and liabilities	
Receivables, net	20,402
Payables, net	<u>8,310</u>
Net cash from operating activities	<u>\$ 21,961</u>

DEPOSIT TRUST
FUND

CHARTER TOWNSHIP OF GENOA
DEPOSIT TRUST FUND
BALANCE SHEET
MARCH 31, 2007

<u>ASSETS</u>	
ASSETS	
Cash and cash equivalents	<u>\$ 68,887</u>
<u>LIABILITIES</u>	
LIABILITIES	
Due to other funds	\$ 389
Deposits - escrows	<u>68,498</u>
Total liabilities	<u>\$ 68,887</u>

CURRENT TAX
FUND

CHARTER TOWNSHIP OF GENOA
CURRENT TAX FUND
BALANCE SHEET
MARCH 31, 2007

		<u>ASSETS</u>	
ASSETS			
Cash and cash equivalents			<u>\$ 9,265</u>
		<u>LIABILITIES</u>	
LIABILITIES			
Due to other funds		\$ 8,942	
Due to others		<u>323</u>	
Total liabilities			<u>\$ 9,265</u>

TRUST AND AGENCY
FUND

CHARTER TOWNSHIP OF GENOA
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2007

		<u>ASSETS</u>	
ASSETS			
Cash and cash equivalents			\$ 335
			<u>335</u>
		<u>LIABILITIES</u>	
LIABILITIES			
Due to other funds			\$ 39
Due to others			296
			<u>296</u>
Total liabilities			\$ 335
			<u>335</u>

UTILITY ESCROW
FUND

CHARTER TOWNSHIP OF GENOA
UTILITY ESCROW FUND
BALANCE SHEET
MARCH 31, 2007

		<u>ASSETS</u>	
ASSETS			
Cash and cash equivalents			<u>\$ 187,717</u>
		<u>LIABILITIES</u>	
LIABILITIES			
Due to other funds			\$ 129,689
Due to others			<u>58,028</u>
	Total liabilities		<u>\$ 187,717</u>



PFEFFER ■ HANNIFORD ■ PALKA

Certified Public Accountants

John M. Pfeffer, C.P.A.
Patrick M. Hanniford, C.P.A.
Kenneth J. Palka, C.P.A.

Members:

*AICPA Private Practice Companies Section
MACPA*

225 E. Grand River - Suite 104
Brighton, Michigan 48116-1575
(810) 229-5550
FAX (810) 229-5578

July 7, 2007

Charter Township of Genoa
Honorable Board Members
2911 Dorr Road
Brighton, MI 48116

Dear Board Members:

While conducting the audit for the nine months ending March 31, 2007 for the township we came across a few items which we would like to discuss with you.

1. While auditing collections of new user fees for water and sewer we found one instance where the new user fee related to the Pine Creek District was underpaid \$200 by one customer. Collections of water and sewer fees should be reviewed closely for the correct amount.
2. We noticed sales tax was charged on various phone invoices throughout the nine months. It appears the issue was resolved in March 2007.
3. While auditing the payroll area we found various matters regarding timesheets and policies:
 - a. Timesheets are filled-out by hourly and salaried personnel. Based on township policy, timesheets should have two signatures - employee and supervisor approving timesheet.
 - We found some timesheets with only an hourly employee's signature and no approval by a supervisor.
 - We found some timesheets for hourly employees with only a supervisor's signature (i.e. employee signature was missing).
 - b. Timesheets for extra meetings are signed by the manager approving payment to an individual (typically a board member) however; the payee does not sign these timesheets. We suggest a signature be required from the payee.

- c. Timesheets for hourly personnel do not require any type of “time in” and “time-out” representations by the employee. The employee simply states number of hours worked for each day.
- It was difficult to audit and verify the hours worked by hourly employees.
 - We recommend the Township consider implementing a policy of requiring hourly personnel to “Time in” and “Time out” on their time sheets.
- d. Timesheets for salaried personnel are often signed only by the employee with no supervisor’s signature.
- A revised overall policy for timesheet approvals should be considered. We suggest the Township manager be designated as the person responsible for reviewing all timesheets. The manager would sign the timesheet giving approval after the employee had signed. The manager’s timesheet would be approved and signed by an elected official. The intent of the policy is for better review procedures whereas no employee and (or) department head is approving his or her own timesheet.

This letter does not affect our report dated July 7, 2007 on the financial statements of the Charter Township of Genoa.

The comments are not intended to be a criticism of any department or any one individual.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and recommendations with various township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Board of Trustees and management of the Charter Township of Genoa and is not intended to be and should not be used by anyone other than the specified parties.

Pfeffer, Hanniford & Palka, P.C.

PFEFFER, HANNIFORD & PALKA
Certified Public Accountants