

Auditing Procedures Report

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

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name CLEON	County MANISTEE
Fiscal Year End 03/31/2007	Opinion Date 06/22/2007	Date Audit Report Submitted to State 09/30/2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

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

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

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

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) WILSON, WARD CPA FIRM		Telephone Number 231-276-7668		
Street Address PO BOX 205		City INTERLOCHEN	State MI	Zip 49643
Authorizing CPA Signature 		Printed Name ROBERT WARD		License Number 1101028281

CLEON TOWNSHIP
MANISTEE COUNTY, MICHIGAN

COPEMISH, MICHIGAN

AUDIT REPORT

For Year Ended
March 31, 2007

Wilson, Ward CPA Firm
PO Box 205
Interlochen, MI 49643
(231) 276-7668

June 22, 2007

Cleon Township Board
Manistee County, MI

The primary purpose of this letter is to prepare, for management, information which delineates those items encountered during the course of the audit which were either not related to the financial, internal control and compliance reports or were not material enough to comment on relative to them. However, these items might be significant when viewed from a management perspective or in the longer term. This letter is intended only for the use of management and any other parties not informed of these matters might misconstrue their meanings.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of Cleon Township. Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding assets and for maintaining the structure of the internal control system to help assure the proper recording of transactions. Our consideration of the system of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Cleon Township are listed in Note 1. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into the Cleon Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, of transactions for which there is a lack of authoritative guidance or consensus.

Management Judgements and Accounting Estimates

Some accounting estimates are utilized in financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

Disagreements with Management

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

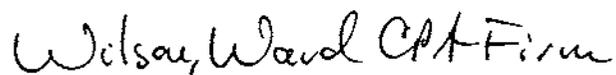
Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by Cleon Township that could potentially cause future financial statements to be materially misstated, even though we have concluded such adjustments are not material to the current financial statements. Our audit adjustments, individually and in the aggregate, have a significant effect on the financial reporting process.

The office has excellent records, with information clearly shown and readily available. In the test of controls, all internal controls are being used wisely with double checks on all amounts, distributions and deposits.

This information is intended solely for the use of the Cleon Township Board and management of Cleon Township and is not intended to be and should not be used by anyone other than those specific parties.

Sincerely,



Wilson, Ward CPA Firm

CLEON TOWNSHIP
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INTRODUCTORY SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

Cleon Township
Copemish, Michigan

We have audited the financial statements of Cleon Township as of and for the year ended March 31, 2007, and have issued our report thereon dated June 22, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cleon Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Cleon Township's response to the findings identified in our audit are described above. We did not audit Cleon Township's response and, accordingly, we express no opinion on it.

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

Wilson, Ward CPA Firm

Interlochen, MI
June 22, 2007

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Cleon Township Board
Copemish, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cleon Township, Manistee County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cleon Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Cleon Township as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with Government Auditing Standards, we have also issued our report dated June 22, 2007, on our consideration of the Cleon Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information 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 Cleon Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables 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.

Wilson, Ward CPA Firm
Interlochen, MI
June 22, 2007

Cleon Township

Management Discussion and Analysis

This discussion and analysis provides an overview of the Township's financial activities for the fiscal year ended March 31, 2007. Please read it in conjunction with the Township's financial statements.

Financial Highlights:

- The Township's net assets changed slightly with a 7.3 percent increase attributed to frugal township operations.

Using this Annual Report:

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Fund Financial Statements present a short-term view; they tell us how the taxpayer's resources were spent during the year, as well as how much is available for future spending. Fund Financial Statements also report the Township's operations in more detail than the Government-Wide Financial Statements by providing information about the Township's most significant funds. The Fiduciary Fund Statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township's Most Significant Funds:

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of funds.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas where the Township is operating in either a trust or agency status. These funds have no

equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis 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 general 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 revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Township as a Whole:

The following table shows current year net assets:

Assets	
Cash	279,561
Other Current Assets	80,014
Capital Assets Net	<u>180,528</u>
Total Assets	540,103
Liabilities and Net Assets	
Liabilities	80,942
Net Assets	<u>459,161</u>
Total Liabilities and Net Assets	540,103

The Township's combined net assets increased 7.3% from a year ago - increasing from \$427,824 to \$459,161. This was primarily due to prudent township operations

	2007
Revenues	
Taxes	87,505
State Grants	47,761
Interest and Rental	4,350
Charges for Services	5,579
Other	<u>42,897</u>
Total Revenue	188,092
Expenditure	<u>156,755</u>
Excess Revenue	31,337

The Township's real governmental revenues increased by approximately \$18,414. This increase, which represents 16 percent, was primarily due to prudent township operations.

The Township's Funds:

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

The General Fund pays for most of the Township's governmental services. The amount transferred from the General Fund for Fire Services is supported by an operational budget approved by the Township Board and included the use of reserve funds.

General Fund Budgetary Highlights:

Over the course of the year the Township Board was able to maintain the township departments within their prescribed budgets. Some budget increases were necessary, the most significant to the Planning Commission. This increase was approved to facilitate completion of a new zoning ordinance.

Capital Asset and Debt Administration:

Capital Assets

The Township made no major capital improvements in 2007.

	Asset	Depreciation	Accumulated Depreciation
General Fixed Assets			
Buildings	149,494	3,737	21,177
Land	52,211	0	0
Equipment	259,866	0	259,866
Total General Fixed Assets	461,571	3,737	281,043

Debt

The Township acquired additional debt in 2007. Existing long-term debt was reduced with the final payment on the Fire Station. Changes in the long-term debt are schedules below:

Bonds Payable	Beginning	Additions	Retirements	Ending
2006 GO bond	0	225,000	0	225,000

Note that even though the bond debt was perfected during this fiscal year, the construction in progress is a draw down process to which only a portion of the debt was paid out therefor the work in progress and debt numbers on the Statement of Net Assets only provides for those amount as of the end of the fiscal year.

Economic Factors and Next Year's Budgets and Rates:

Cleon Townships 2007-2008 budget calls for the allocated millages to support general, fire, cemetery and the addition of the town hall renovation bond.

General Overview of the Accomplishments of Cleon Township in the 2006-2007 Fiscal Year:

The Township finances have been managed very closely during this fiscal year. This is reflected in a slight increase of the General Fund balance. The Township is in a very healthy state as a whole.

Contacting the Township's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact our office at (231) 378-2616.

CLEON TOWNSHIP
STATEMENT OF NET ASSETS
MARCH 31, 2007

ASSETS	
Cash, investments and cash equivalents	\$279,561
Receivables (net)	0
Prepaid Expenditures	0
Internal balances	0
Inventories	80,014
Capital Assets, net	<u>180,528</u>
Total Assets	<u><u>540,103</u></u>
LIABILITIES	
Accounts payable	742
Deferred revenue	0
Due to Other Agencies	0
Noncurrent liabilities:	
Due within one year	9,844
Due in more than one year	<u>70,356</u>
Total Liabilities	80,942
NET ASSETS	
Invested in capital assets, net of related debt	180,342
Unrestricted (deficit)	<u>278,819</u>
Total Net Assets	<u><u>459,161</u></u>
Total Liabilities and Net Assets	<u><u>\$540,103</u></u>

CLEON TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007

	General Fund	Other Non-major Funds	Total
ASSETS			
Cash, investments and cash equivalents	\$129,324	\$150,237	\$279,561
Receivables (net)	0	0	0
Prepaid Expenditures	0		0
Internal balances	0	0	0
Inventories	0	0	0
Total Assets	129,324	150,237	279,561
LIABILITIES			
Accounts payable	669	73	742
Internal balances	0		
Accrued payables	0		
Deferred revenue	0	0	0
Total Liabilities	669	73	742
FUND BALANCE			
Unrestricted (deficit)	128,654	150,165	278,819
Total Fund Balance	128,654	150,165	278,819
Total Liabilities and Fund Balance	\$129,324	\$150,237	\$279,561

Amounts reported for Governmental Funds Balance Sheet are different because:

Balance per above		\$278,819
Add Capital Assets	260,542	
Less Long Term Debt	80,200	
Balance per Statement of Net Assets		\$459,161

CLEON TOWNSHIP
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2007

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues			
Taxes and Penalties	\$50,939	\$36,566	\$87,505
Licenses and Permits	2,247		2,247
Federal Grants	0	80,200	80,200
State Grants	47,761		47,761
Charges for Services	40	3,291	3,331
Fines and Forfeits	0		0
Interest and Rentals	1,986	2,364	4,350
Other Revenue	4,890	38,007	42,897
Total Revenues	107,863	160,429	268,292
Expenditures			
Current			
Legislative	17,600		17,600
General Government	55,098		55,098
Public Safety	5,078	49,954	55,031
Public Works	4,220	13,616	17,836
Health and Welfare			0
Recreation and Cultural	4,054		4,054
Other	3,400		3,400
Capital Outlay		80,014	80,014
Debt Service	0		0
Total Expenditures	89,449	143,583	233,032
Excess of Revenues Over (Under) Expenditures	18,414	16,846	35,260
Other Financing Sources (Uses)			
Transfers In	0	0	0
Transfers (Out)	0	0	0
Bond Proceeds	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	18,414	16,846	35,260
Fund Balance April 1, 2006	110,240	133,319	243,559
Fund Balance March 31, 2007	\$128,654	\$150,165	\$278,819

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

Net Change in Fund Balances - Total Governmental Funds	\$35,260
Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimate useful lives as depreciation.	\$3,737
Repayment of bond interest is an expenditure in governmental funds, but not in the statement of activities.	0
Proceeds from Financing booked as revenue	80,200
Construction Work In Progress booked as an asset	(80,014)
Change in Net Assets of Governmental Activities	\$31,337

CLEON TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cleon Township have been prepared in accordance with generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

A. Reporting Entity

Cleon Township is a local unit of government located in Manistee County. The Township is governed by an elected five member board. Services are provided to approximately 700 residents and include fire protection and general community enrichment services.

The criteria established by Statement 14 of the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, the financial statements of certain other governmental organizations are not included in the financial statements of the Township.

B. Government - Wide Financial Statements

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

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

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

CLEON TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township collects property taxes between July 1 and February 15. After this time, the taxes become delinquent and must be paid at the County Treasurer's office. The County pays the Township for uncollected taxes from the proceeds of revolving tax notes. Personal property taxes are the responsibility of the Township to collect. Delinquent real property taxes receivable are offset by deferred revenue on the Township's balance sheet, as these accounts are not normally received within sixty days of year-end, and are therefore not available to finance operations.

Revenues are recognized in the accounting period in which they become susceptible to accrual; that is when they become both measurable and available to finance expenditures of the fiscal period. Property taxes and state-shared revenue associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current period. All other revenue items are considered to be available only when the cash is received by the government.

The local unit reports the following major governmental funds:

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

Special Revenue Funds Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major special revenue fund maintained by the Township is the Fire Fund.

CLEON TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the tax fund and the related funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary fund relates to charges to customers for sales and services, including tap fees intended to recover current costs such as labor and material to hook up new customers. The portion of charges intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

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

Accounts Receivable - Accounts Receivable are recorded in the Water Fund at the time customers are billed for current services. Uncollected delinquent accounts are placed on the customer's tax bill in the summer and any amounts not collected by the Township are turned over to the County.

CLEON TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets — Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Generally, capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of capital assets are maintained in the vehicle pool. However, the bulk of these assets are used and maintained within the proprietary fund and hence are rolled into the water and sewer fund for the reporting of business-type expenses.

Depreciation has been provided on these fixed assets using the straight line method over their estimated useful lives.

- Furniture and Office Equipment 5 years
- Maintenance Equipment 7 years
- Park Equipment and Structures 10 years
- Buildings and Improvements 30 years
- Water & Sewer Fun 10-50 years
- Motor Vehicle Fund 5-10 years

NOTE 2-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets

The General Fund and Special Revenue Fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis. It is used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Township for these budgetary funds were adopted at the activity level.

Encumbrance accounting is not used and appropriations lapse at year-end.

CLEON TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

B. Budget Compliance

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the current year, the Township did not incur expenditures in excess of the amounts appropriated.

NOTE 3- DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943 as amended by act No. 217, Public Acts of 1982 and Public Act 196 of 1997, states the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

1. In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection 2.
3. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.
4. In banker's acceptances of United States banks.
5. In mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township maintains all its surplus funds with local banks in the form of savings/checking accounts and certificates of deposit. Interpreting FDIC rules regarding the \$100,000 insurance limit to apply separately to the demand and time deposits of public units, GASB statement 3 risk disclosures for the Township are as follows:

CLEON TOWNSHIP
Notes to Financial Statements
For the Year Ended March 31, 2007

- Category 1 Insured or collateralized with securities held by the entity or its agent in the entity's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in entity's name.
- Category 3 Un-collateralized

C. Deposits

	Category 1	Category 3
	Insured	Uninsured
Cash	\$200,000	\$ 77,167

NOTE 4 - SUMMARY OF CAPITAL ASSETS

Capital asset activity of the primary government for the current year is summarized as follows:

A Governmental Activities

	<i>Beginning</i>	<i>Additions</i>	<i>Deletions</i>	<i>Ending Balance</i>
<i>Capital Assets Being Depreciated</i>				
Building	149,494			149,494
Land	52,211			52,211
Vehicles Equip	<u>259,866</u>			<u>259,866</u>
Total	461,571			461,571
<i>Accumulated Depreciation</i>				
Building	17,440	3,737		21,177
Land	0			0
Vehicles Equip	<u>259,866</u>			<u>259,866</u>
Total	277,306	3,737		281,043
Net General Assets	184,265			180,528

NOTE 5 - LONG TERM DEBT

The township resolved to finance the Town Hall Renovations on November 8, 2006 with a Bond subordinated by the USDA as authorized by township residents with a special election on November 5, 2005. The Town Hall renovations commenced in the latter part of the fiscal year and is currently a work in progress. The debt repayment schedule is perfected but will not commence until the 2007-2008 fiscal year. The payments are submitted on April 1 and October 1 of the year, with the principal portion due with the October payment. Interest rate is 4.375% per annum.

Beginning balance	\$225,000
Debt Payment	\$ 0
Ending Balance	\$225,000

Year	Payment	Interest	Principal
2007	\$15,844	9,844	6,000
2008	\$13,582	9,582	4,000
2009	\$13,406	9,406	4,000
2010	\$13,232	9,232	4,000
2011	\$13,056	9,056	4,000
2012-16	\$67,218	42,218	25,000
2017-21	\$68,268	36,268	32,000
2022-26	\$66,744	28,744	38,000
2027-31	\$67,556	19,556	48,000
2032-36	\$68,138	8,138	60,000

NOTE 6- RETIREMENT PLANS

The township has no retirement plan.

NOTE 7- RISK MANAGEMENT

The Township pays an annual premium to Michigan Municipal Underwriters for its general insurance coverage through the Michigan Township Participating Plan. The Township carries coverage for property damage, liability, wrongful acts, automobile, crime. Also, the Township carries worker's compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8-USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

SUPPLEMENTAL DATA SECTION

To the Township Board
Cleon Township, MI

We have audited the combined financial statements of Cleon Township for the year ended March 31, 2007. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Wilson, Ward CPA Firm

Interlochen, MI
June 22, 2007

GENERAL FUND

Cleon Township
Balance Sheet
General Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$129,324
Accounts Receivable	0
Taxes Receivable	0
Due From Other Agencies	0
Due From Other Funds	0
Total Assets	<u>\$129,324</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	\$669
Accrued Salaries & Wages	0
Deferred Revenue	0
Due To Other Funds	0
Compensated Absences	0
Total Liabilities	<u>669</u>
Fund Balance	
Reserved for Equipment Replacement	0
Unreserved	<u>128,655</u>
Total Fund Balance	<u>128,655</u>
Total Liabilities and Fund Balance	<u>\$129,324</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	General Fund <u>March 31, 2007</u>
<u>Revenue</u>	
Taxes	\$42,609
Admin Fees	8,329
Licenses and Permits	2,247
Charges for Services	40
Interest & Rentals	1,986
Other Revenues	4,317
Donations	0
State Shared Revenue	47,761
Grants	0
Reimbursements	<u>573</u>
Total Revenues	107,863
 <u>Expenditures</u>	
Current	
Legislative	17,600
General Government	55,098
Planning and Zoning	5,078
Public Works	4,220
Zonning Board	4,054
Other	<u>3,400</u>
Total Expenditures	<u>89,449</u>
Excess Revenue (Expenditures)	18,414
Operating Transfers In (out)	0
Fund Balance - Beginning of Year	110,240
Prior Period Adjustment	<u>0</u>
Fund Balance - End of Year	<u><u>\$128,654</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs Actual
General Fund
For the Year Ended March 31, 2007

<u>Revenue</u>	<u>Budget Beginning April 01, 2006</u>	<u>Budget Year Ended March 31, 2007</u>	<u>Actual Year Ended March 31, 2007</u>	<u>Variance Favorable (Unfavorable)</u>
Current Property Taxes	\$39,058	\$39,058	\$42,526	\$3,468
Delinquent Tax	0	0	0	0
Penalties on Taxes	100	100	83	(17)
Admin Fees	5,800	5,800	8,329	2,529
Licenses and Permits	4,727	4,727	2,247	(2,480)
State Shared Revenues	48,000	48,000	47,761	(239)
Use Fees	500	500	250	(250)
Charge for Services	150	150	40	(110)
Earned Interest	800	800	1,986	1,186
Rents and Royalties	0	0	0	0
Grants	0	0	0	0
Reimbursements	100	100	573	473
Misc	1,760	1,760	4,067	2,307
Total Revenues	<u>100,995</u>	<u>100,995</u>	<u>107,863</u>	<u>6,868</u>
 <u>Expenditure</u>				
Legislative				
Township Board:				
Salaries and Wages	2,700	2,700	2,280	420
Supplies and Maintenance	1,800	1,800	2,122	(322)
Professional Services	5,000	5,000	1,657	3,343
Mileage	100	100	84	16
Printing and Advertising	300	300	397	(97)
Postage	0	0	0	0
Insurance and Bonds	5,500	5,500	5,423	77
Dues	700	700	781	(81)
Misc	4,679	4,679	4,856	(177)
Capital Outlay	0	0	0	0
Total Township Board	<u>20,779</u>	<u>20,779</u>	<u>17,600</u>	<u>3,179</u>
 General Government:				
Township Supervisor:				
Salaries and Wages	6,640	6,640	6,630	10
Office Supplies	50	50	0	50
Misc	375	375	189	187
Mileage	100	100	271	(171)
Total Township Supervisor	<u>\$7,165</u>	<u>\$7,165</u>	<u>\$7,089</u>	<u>\$76</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Budget Beginning April 01, 2006	Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Elections:				
Salaries and Wages	\$1,200	\$1,200	\$1,454	(\$254)
Office Supplies	600	600	673	(73)
Mileage	300	300	275	25
Misc	850	850	541	309
Capital Outlay	0	0	0	0
Total Elections	2,950	2,950	2,943	7
Legal:				
Professional Services	0	0	0	0
Total Legal	0	0	0	0
Assessor:				
Contractual	7,500	7,500	7,575	(75)
Supplies	600	600	767	(167)
Mileage and Travel	0	0	0	0
Misc	1,600	1,600	804	796
Capital Outlay	0	0	0	0
Total Assessor	9,700	9,700	9,146	554
Clerk:				
Salaries and Wages	10,620	10,620	10,585	35
Office Supplies	300	300	217	83
Mileage	200	200	390	(190)
Capital Outlay	0	0	0	0
Misc	1,085	1,085	759	326
Total Clerk	12,205	12,205	11,950	581
Board of Review:				
Salaries	880	880	690	190
Supplies	25	25	0	25
Education	225	225	120	105
Misc	55	55	43	12
Total Board of Review	\$1,185	\$1,185	\$853	\$332

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Budget Beginning <u>April 01, 2006</u>	Budget Year Ended <u>March 31, 2007</u>	Actual Year Ended <u>March 31, 2007</u>	Variance Favorable (Unfavorable)
Treasurer:				
Salaries and Wages	\$11,210	\$11,210	\$10,830	\$380
Office Supplies	300	300	199	101
Telephone	0	0	0	0
Mileage	350	350	510	(160)
Misc	2,170	2,170	1,951	219
Capital Outlay	0	0	0	0
Printing	0	0	0	0
Total Treasurer	<u>14,030</u>	<u>14,030</u>	<u>13,490</u>	<u>540</u>
Township Hall and Grounds:				
Prof Services	0	0	0	0
Mileage	0	0	0	0
Insurance and Bonds	0	0	0	0
Public Utilities	6,700	6,700	6,722	(22)
Repairs	700	700	250	450
Capital Outlay	3,500	3,500	2,348	1,152
Misc.	275	275	305	(30)
Total Township Hall	<u>11,175</u>	<u>11,175</u>	<u>9,626</u>	<u>1,549</u>
Total General Government	<u>\$58,410</u>	<u>\$58,410</u>	<u>\$55,098</u>	<u>\$4,192</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2007

	Budget Beginning April 01, 2006	Budget Year Ended March 31, 2007	Actual Year Ended March 31, 2007	Variance Favorable (Unfavorable)
Planning and Zoning:				
Salaries and Wages	\$5,000	\$5,000	\$4,830	\$170
Supplies	50	50	0	50
Mileage	200	200	165	35
Printing	0	0	0	0
Misc	175	175	82	93
Total Planning and Zoning	5,425	5,425	5,078	347
Planning and Zoning Admin:				
Salaries and Wages	4,470	4,470	3,425	1,045
Supplies	50	50	0	50
Mileage	150	150	160	(10)
Printing	600	600	164	436
Misc	1,830	1,830	305	1,525
Total Planning & Zoning Admin	7,100	7,100	4,054	3,046
Public Works:				
Roads	0	0	0	0
Sanitation	4,850	4,850	4,220	630
Sewer	0	0	0	0
Misc	0	0	0	0
Total Public Works	4,850	4,850	4,220	630
Zoning Board of Appeals:				
Salaries	360	360	0	360
Misc	0	0	0	0
Total Zoning Board of Appeals	360	360	0	360
Other Expenses:				
Audit	0	0	0	0
Employee Benefits	3,205	3,205	3,000	205
Library	400	400	400	0
Contingency	0	0	0	0
Total Other Expenditures	3,605	3,605	3,400	205
Total Expenditures	117,679	117,679	106,599	8,914
OTHER FINANCING SOURCES				
Operating Transfers In(Out)			0	
Excess Revenue & Other Financing Uses Over (Under) Expenditures			18,414	
Fund Balance - Beginning of Year			110,240	
Fund Balance - End of Year			\$128,655	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

**Cleon Township
Combining Balance Sheet
Special Revenue Funds**

As Of March 31, 2007

	Fire Fund	Building Inspector Fund	Cemetery Fund	Road Fund	Total
Assets					
Cash in Bank	\$105,429	\$0	\$6,381	\$9,992	\$121,802
Certificate of Deposit	21,173	0	1,500	5,576	28,249
Taxes Receivable	0	0	0	0	0
Due From GF	0	0	0		0
Total Assets	126,601	0	7,881	15,568	150,050
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	73	0	0	0	73
Due to General Fund	0				0
Total Liabilities	73	0	0	0	73
Fund Balance					
Reserved for Equipment Replacement	0				0
Unreserved	126,528	0	7,881	15,568	149,977
Total Fund Balance	126,528	0	7,881	15,568	149,977
Total Liabilities and Fund Balance	\$126,601	\$0	\$7,881	\$15,568	\$150,050

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
 Combining Statement of Revenues, Expenditures & Changes in Fund Balance
 Special Revenue Funds

For The Year Ended March 31, 2007

<u>Revenues</u>	Fire Fund	Building Inspector Fund	Cemetery Fund	Road Fund	Total
Property Taxes	\$30,479	\$0	\$6,087	\$0	\$36,566
Delinquent Property Taxes	0	0	0	0	0
Charges For Services	0	3,291	0	0	3,291
Interest	2,003	22	93	245	2,364
Grants	0	0	0	0	0
Miscellaneous	31,671	0	3,510	2,826	38,007
Total Revenue	<u>64,153</u>	<u>3,314</u>	<u>9,691</u>	<u>3,071</u>	<u>80,229</u>
<u>Expenditures</u>					
Public Welfare	49,954	0	0	0	49,954
Contractual	0	0	2,775	0	2,775
Miscellaneous	0	5,335	5,506	0	10,841
Total Expenditures	<u>49,954</u>	<u>5,335</u>	<u>8,281</u>	<u>0</u>	<u>63,570</u>
Excess Revenue (Expenditures)	14,200	(2,021)	1,409	3,071	16,659
Transfer In (Out)	0	0	0	0	0
Fund Balance - Beginning of Year	<u>112,329</u>	<u>2,021</u>	<u>6,472</u>	<u>12,497</u>	<u>133,319</u>
Fund Balance - End of Year	<u>\$126,528</u>	<u>\$0</u>	<u>\$7,881</u>	<u>\$15,568</u>	<u>\$149,978</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Balance Sheet
Fire Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$105,429
Certificate of Deposit	21,173
Taxes Receivable	<u>0</u>
Total Assets	<u>126,601</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	73
Due to General Fund	<u>0</u>
Total Liabilities	73
Fund Balance	
Reserved for Equipment Replacement	0
Unreserved	<u>126,528</u>
Total Fund Balance	<u>126,528</u>
Total Liabilities and Fund Balance	<u>\$126,601</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Fund

For The Year Ended March 31, 2007

	Actual
<u>Revenues</u>	
Property Taxes	\$30,479
Delinquent Tax	0
Interest	2,003
Grants	0
Miscellaneous	<u>31,671</u>
Total Revenue	<u>64,153</u>
 <u>Expenditures</u>	
Salaries	4,163
Administrative	2,273
Insurance	10,967
Building Maintenance	6,526
Equipment Supplies	26,024
Miscellaneous	0
Other	<u>0</u>
Total Expenditures	<u>49,954</u>
 Excess Revenues (Expenditures)	 14,200
 Transfer In (out)	 0
 Fund Balance - Beginning of Year	 <u>112,329</u>
 Fund Balance - End of Year	 <u><u>\$126,528</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Balance Sheet
Building Inspector Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$0
Due From Other Funds (General)	<u>0</u>
Total Assets	<u><u>0</u></u>
<u>Liabilities and Fund Balance</u>	
Liabilities	0
Unreserved Fund Balance	<u>0</u>
Total Liabilites and Fund Balance	<u><u>\$0</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Building Inspector Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Inspection Fees	\$3,291
Interest	22
Total Revenues	<u>3,314</u>
 <u>Expenditures</u>	
Payroll	2,592
Miscellaneous	2,743
Total Expenditures	<u>5,335</u>
Excess Revenue (Expenditures)	(2,021)
Transfer In (Out)	0
Fund Balance - Beginning of Year	<u>2,021</u>
Fund Balance - End of Year	<u><u>\$0</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Balance Sheet
Cemetery Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank	\$6,381
Certificate of Deposit	1,500
Taxes Receivable	0
Due from General Fund	0
Total Assets	<u>7,881</u>
 <u>Liabilities and Fund Balance</u>	
Liabilities	0
Due to Improvement Fund	0
 Fund Balance	
Reserved for Equipment Replacement	0
Unreserved	<u>7,881</u>
Total Fund Balance	<u>7,881</u>
 Total Liabilities and Fund Balance	 <u>\$7,881</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Cemetery Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Property Tax	\$6,087
Charges for Services	3,510
Interest	93
Total Revenue	<u>9,691</u>
 <u>Expenditures</u>	
Contractual	2,775
Misc	5,506
Total Expenditures	<u>8,281</u>
Excess Revenues (Expenditures)	1,409
Transfer In (Out)	<u>0</u>
Fund Balance - Beginning of Year	6,472
Fund Balance - End of Year	<u><u>\$7,881</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Balance Sheet
Road Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank	\$9,992
Certificate of Deposit	5,576
Taxes Receivable	0
Due from General Fund	0
Total Assets	<u>15,568</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Due to Improvement Fund	0
Fund Balance	
Reserved for Equipment Replacement	0
Unreserved	15,568
Total Fund Balance	<u>15,568</u>
Total Liabilities and Fund Balance	<u>\$15,568</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Road Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Property Tax	\$0
Delinquent Tax	0
Interest	245
Other	2,826
Total Revenue	3,071
<u>Expenditures</u>	
Misc. Expenditures	0
Capital Expenditures	0
Total Expenditures	0
Excess Revenues (Expenditures)	3,071
Transfer In (Out)	0
Fund Balance - Beginning of Year	12,497
Fund Balance - End of Year	\$15,568

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Construction Fund

Cleon Township
Balance Sheet
Construction Fund

As Of March 31, 2007

<u>Assets</u>	
Cash In Bank and Investments	\$187
Certificate of Deposit	0
Taxes Receivable	0
Total Assets	<u>187</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	0
Due to General Fund	0
Total Liabilities	<u>0</u>
Fund Balance	
Unreserved	187
Total Fund Balance	<u>187</u>
Total Liabilities and Fund Balance	<u>\$187</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Cleon Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Construction Fund

For The Year Ended March 31, 2007

<u>Revenues</u>	
Property Tax	\$0
Delinquent Tax	0
Interest	0
Grant	80,200
Total Revenue	80,200
<u>Expenditures</u>	
Misc. Expenditures	16
Capital Expenditures	79,997
Total Expenditures	80,014
Excess Revenues (Expenditures)	187
Transfer In (Out)	0
Fund Balance - Beginning of Year	0
Fund Balance - End of Year	\$187

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS