

Auditing Procedures Report

Issued under P.A. 2 of 1988, 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 Wheatland Township	County Mecosta
Fiscal Year End 06/30/2007	Opinion Date 09/14/2007	Date Audit Report Submitted to State November 21, 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) Baird, Cotter and Bishop, P.C.		Telephone Number (231) 775-9789	
Street Address 134 W. Harris Street		City Cadillac	State Zip MI 49601
Authorizing CPA Signature 	Printed Name Michael D. Cool, C.P.A.		License Number 1101023146

WHEATLAND TOWNSHIP, MECOSTA COUNTY

REMUS, MICHIGAN

JUNE 30, 2007

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

JUNE 30, 2007

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REMUS, MICHIGAN

JUNE 30, 2007

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September 14, 2007

INDEPENDENT AUDITORS' REPORT

To the Township Board
Wheatland Township
Mecosta County
Remus, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wheatland Township, Michigan, as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wheatland Township, Michigan, management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Wheatland Township, Michigan, as of June 30, 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 September 14, 2007, on our consideration of Wheatland Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages iii through x and 32-33, 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 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 Wheatland Township, Michigan, basic financial statements. The combining and individual nonmajor fund financial statements, and other supplementary information 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 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.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

Wheatland Township, a general law township located in Mecosta County has implemented the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34). The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the Wheatland Township board's discussion and analysis of the financial results for the fiscal year ended June 30, 2007.

Financial Highlights

- ◆ The assets of the Township exceeded its liabilities at the close of the fiscal year by \$2,315,320. Of this amount, \$678,004 may be used to meet the township's ongoing obligations to citizens and creditors.
- ◆ As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$990,742 an increase of \$108,608 in comparison with the prior year. About 37.42% is available for spending at the Township's discretion.
- ◆ The Township's total debt decreased by \$31,000 during the fiscal year.

Overview of the Financial Statements

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

Government-Wide Financial Statements The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business. These statements are calculated using full accrual accounting and more closely represent those presented by business and industry. The entire Township's assets and liabilities, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation.

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

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

Both of the government-wide financial statements distinguish functions of the Township's that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities)

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

Fund Financial Statements

The fund level statements are reported on a modified accrual basis in that only those assets that are “measurable” and “currently available” are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources.

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

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

Proprietary Funds – The Township maintains one proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund since it is considered to be a major fund of the Township.

Component Units The Township’s financial statements include reporting on a separate legal entity for which the Township has some level of financial responsibility. This fund is shown in a separate column. The Township’s component unit is the Downtown Development Authority.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

Government-Wide Financial Analysis

The Statement of Net Assets is the first statement in the Government-Wide Financial Statements section of this document. This statement is useful for providing an indicator of the Township’s financial position over

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

time. The Net Assets of the Township are \$2,315,320 at June 30, 2007, meaning the Township's assets were greater than its liabilities by this amount.

*Wheatland Township
Net Assets as of June 30, 2007*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Assets			
Current and Other Assets	\$ 1,120,182	\$ 64,323	\$ 1,184,505
Capital Assets	1,323,894	59,676	1,383,570
Total Assets	<u>\$ 2,444,076</u>	<u>\$ 123,999</u>	<u>\$ 2,568,075</u>
Liabilities			
Long-term Liabilities	\$ 225,072	\$ 0	\$ 225,072
Other Liabilities	27,633	50	27,683
Total Liabilities	<u>252,705</u>	<u>50</u>	<u>252,755</u>
Net Assets			
Invested in capital assets net of related debt	1,094,822	59,676	1,154,498
Restricted	482,818	0	482,818
Unrestricted	613,731	64,273	678,004
Total Net Assets	<u>2,191,371</u>	<u>123,949</u>	<u>2,315,320</u>
Total Liabilities and Net Assets	<u>\$ 2,444,076</u>	<u>\$ 123,999</u>	<u>\$ 2,568,075</u>

The most significant portions of the Township's Net Assets are cash and investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others) less any related debt that is outstanding that the Township used to acquire the asset. The Township has \$678,004 in unrestricted Net Assets. These assets represent resources that are available for appropriation, but are limited by Township policies regarding their use.

At the end of the current fiscal year, the Township is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

The total net assets of the Township increased by \$28,232 or 1.23% in this fiscal year, which is an indicator that the Township experienced positive financial growth during the year. As a result, the Township ended the fiscal year in better condition than when the year began.

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

The following table illustrates and summarizes the results of the changes in the net assets for the Township. The condensed information was derived from the government-wide Statement of Activities.

Wheatland Township
Change in Net Assets
for the Fiscal Year Ended June 30, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$ 49,244	\$ 309,540	\$ 358,784
Operating Grants and Contributions	2,803	0	2,803
Capital Grants and Contributions	6,500	0	6,500
General Revenues			
Property Taxes	153,292	0	153,292
State Grants	129,250	0	129,250
Interest Earnings	60,500	1,001	61,501
Other	8,244	0	8,244
Total Revenues	<u>\$ 409,833</u>	<u>\$ 310,541</u>	<u>\$ 720,374</u>
<u>Expenses</u>			
Legislative	\$ 2,700	\$ 0	\$ 2,700
General Government	134,778	0	134,778
Public Safety	89,019	0	89,019
Public Works	38,780	0	38,780
Recreation and Culture	66,371	0	66,371
Community and Economic Development	6,694	0	6,694
Other Functions	6,399	0	6,399
Interest on Long-Term Debt	11,366	0	11,366
Sewer	0	336,035	336,035
Total Expenses	<u>\$ 356,107</u>	<u>\$ 336,035</u>	<u>\$ 692,142</u>
Change in Net Assets	\$ 53,726	\$ (25,494)	\$ 28,232
NET ASSETS – Beginning of Year	<u>2,137,645</u>	<u>149,443</u>	<u>2,287,088</u>
NET ASSETS – End of Year	<u>\$ 2,191,371</u>	<u>\$ 123,949</u>	<u>\$ 2,315,320</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

Governmental Activities

During the fiscal year ended June 30, 2007, the Township's net assets increased by \$53,726 or 2.51% in the governmental funds. The majority of this increase represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses. This is true despite the fact that GASB 34 now requires the Township to maintain a record of annual depreciation expense and the accumulation of depreciation expense over time. The net increase in accumulated depreciation expense is a reduction in net assets.

The most significant part of the revenue for all governmental activities of Wheatland Township comes from property taxes. The Township levied a millage for fire protection, in addition to the operating millages, this fiscal year. The Township levied 1.25 mills for operating purposes, 1.9388 mills for fire protection, 0.8 mills for library operating purposes, and 0.44 mills for library debt.

State shared revenue is collected by the State of Michigan and distributed to local governments by formula allocation of portions of the State sales tax and motor fuel and weight taxes.

Capital grants represent grant dollars, whether federal, state, or local, that the Township has secured in order to assist in capital asset construction and infrastructure improvement within the Township. The grant received during the current fiscal year assisted the Township in acquiring additional fire equipment to assist in more effective fire protection.

The Township's governmental activities expenses are dominated by general government expenses that total 35.71% of total expenses. The Township spent \$134,778 in fiscal year 2007 on general government expenses. Public Safety represented the next largest expense at \$89,019 followed by Recreation and Culture at \$66,371. These represent 23.59% and 17.59% respectively. Depreciation expense totaled \$76,630.

Business-Type Activities

These activities accounted for a decrease of \$25,494 in the Township's Net Assets.

The Business-Type activities of the Township includes the Sewer Fund, which provides sewer utility services to Township residents as well as commercial customers.

Financial Analysis of the Government's Funds

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

At the end of the current fiscal year, Wheatland Township's governmental funds reported combined ending fund balances of \$990,742. Approximately 42.31% of this total amount (\$419,189) constitutes unreserved

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

fund balance. The remainder of the fund balance is reserved for specific purposes and is therefore not available for new appropriation. For example, the fund balance that is reserved for fire protection must be used for expenditures that relate to fire protection.

General Fund – The General Fund increased its fund balance by \$28,680 which brings the fund balance to \$419,189, all of which is unreserved. Various General Fund functions ended the year with expenditures above budgeted amounts. The differentials were funded by greater than anticipated revenues and available fund balance.

Fire and Rescue Fund – The Fire and Rescue Fund increased its fund balance by \$2,809 which brings the fund balance to \$16,059. The entire fund balance is designated for Fire and Rescue operations.

Fire Equipment Fund – The Fire Equipment Fund increased its fund balance by \$71,596 which brings the fund balance to \$236,802. The entire fund balance is reserved for Fire Equipment.

The Township levied a fire millage on the 2006 tax roll. This resulted in \$65,911 in tax related revenues during the current fiscal year.

Library Fund – The Library Fund decreased its fund balance by \$1,545 which brings the fund balance to \$13,986. The fund balance is reserved for Library operations.

Housing Rehabilitation Fund – The Housing Rehabilitation Fund's fund balance increased \$27,714 which brings the total to \$212,611. The entire fund balance is reserved for housing rehabilitation programs.

Road Capital Projects Fund – The Road Capital Projects Fund's fund balance increased \$12,327 which brings the total to \$72,676. The entire fund balance is designated for road improvements.

Proprietary Fund The Township's proprietary funds provide virtually the same information as the government-wide statements; however more detail may be found in the fund financial statements.

Sewer Fund – The Sewer Fund ended this fiscal year with \$123,949 in unrestricted net assets. The net assets of the fund decreased \$25,494.

Capital Assets and Debt Administration

Capital Assets. The Township's investment in capital assets for governmental activities as of June 30, 2007 amounted to \$1,383,570 net of accumulated depreciation. The total net decrease in the Township's investment in capital assets for the current fiscal year was 5.34%.

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

Capital assets summarized below include any items purchased with a cost greater than \$5,000 individually (for purchases after June 30, 2003) and that have a useful life greater than one year. A summary of capital asset categories is illustrated below:

*Wheatland Township
Capital Assets as of June 30, 2007*

	Governmental Activities	Business-Type Activities	Total Primary Government
Land and Land Improvements	\$ 170,642	\$ 0	\$ 170,642
Sewer Connection Lines	0	563,290	563,290
Buildings	1,224,430	0	1,224,430
Building Improvements	15,012	0	15,012
Books	71,015	0	71,015
Machinery and Equipment	153,723	71,628	225,351
Vehicles	475,315	0	475,315
Subtotal	<u>2,110,137</u>	<u>634,918</u>	<u>2,745,055</u>
Less Accumulated Depreciation	<u>786,243</u>	<u>575,242</u>	<u>1,361,485</u>
Net Capital Assets	<u>\$ 1,323,894</u>	<u>\$ 59,676</u>	<u>\$ 1,383,570</u>

Major capital asset events during the current fiscal year included the following:

- ◆ Library books at a cost of \$5,307.
- ◆ A truck donated by the Department of Natural Resources to enhance the Township's fire protection at a value of \$6,500.
- ◆ Sewer connection line additions of \$13,261.

Long-Term Debt At the end of the current fiscal year, the Township had total installment debt outstanding of \$229,072. The entire balance of this debt is backed by the full faith and credit of the government. Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Economic Condition and Outlook

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means potential further reductions in state-shared revenues.

These factors were considered in preparing the Township's budgets for the 2007-08 fiscal year.

WHEATLAND TOWNSHIP, MECOSTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2007

Request for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need any additional information, contact Wheatland Township at P.O. Box 229, 201 S. Sheridan Ave., Remus, Michigan 49340.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2007

	<u>Primary Government</u>		Total	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Downtown Development Authority</u>
<u>Assets</u>				
Cash	\$ 992,126	\$ 32,869	\$ 1,024,995	\$ 92,665
Receivables				
Accounts	500	31,454	31,954	0
Taxes	186	0	186	0
Mortgages	107,620	0	107,620	0
Prepaid Expenses	1,529	0	1,529	0
Due from Other Governments	18,221	0	18,221	0
 Total Assets	 1,120,182	 64,323	 1,184,505	 92,665
 Capital Assets	 2,110,137	 634,918	 2,745,055	 0
Less Accumulated Depreciation	(786,243)	(575,242)	(1,361,485)	0
 Total Capital Assets	 1,323,894	 59,676	 1,383,570	 0
 TOTAL ASSETS	 \$ 2,444,076	 \$ 123,999	 \$ 2,568,075	 \$ 92,665

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF NET ASSETS

JUNE 30, 2007

	<u>Primary Government</u>		Total	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Downtown Development Authority</u>
<u>Liabilities and Net Assets</u>				
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$ 3,410	\$ 50	\$ 3,460	\$ 0
Payroll Liabilities	2,541	0	2,541	0
Due to Other Governments	15,869	0	15,869	0
Accrued Interest Payable	1,813	0	1,813	0
Current Portion of Non Current Liabilities	4,000	0	4,000	0
Total Current Liabilities	27,633	50	27,683	0
<u>Non Current Liabilities</u>				
Bonds Payable	229,072	0	229,072	0
Less Current Portion of Non Current Liabilities	(4,000)	0	(4,000)	0
Total Non Current Liabilities	225,072	0	225,072	0
Total Liabilities	252,705	50	252,755	0
<u>Net Assets</u>				
<u>Invested in Capital Assets</u>				
Net of Related Debt	1,094,822	59,676	1,154,498	0
<u>Restricted for:</u>				
Housing Programs	212,611	0	212,611	0
Debt Service	16,347	0	16,347	0
Perpetual Care	3,072	0	3,072	0
Fire Equipment	236,802	0	236,802	0
Library Operations	13,986	0	13,986	0
Unrestricted	613,731	64,273	678,004	92,665
Total Net Assets	2,191,371	123,949	2,315,320	92,665
TOTAL LIABILITIES AND NET ASSETS				
	\$ 2,444,076	\$ 123,999	\$ 2,568,075	\$ 92,665

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Downtown Development Authority	
					Governmental Activities	Business-type Activities		Total
<u>Primary Government</u>								
Governmental Activities								
Legislative	\$ 2,700	\$ 0	\$ 0	\$ 0	\$ (2,700)	\$ 0	\$ (2,700)	\$ 0
General Government	134,778	13,737	0	0	(121,041)	0	(121,041)	0
Public Safety	89,019	29,388	0	6,500	(53,131)	0	(53,131)	0
Public Works	38,780	4,000	2,803	0	(31,977)	0	(31,977)	0
Recreation and Culture	66,371	2,119	0	0	(64,252)	0	(64,252)	0
Community and Economic Development	6,694	0	0	0	(6,694)	0	(6,694)	0
Other Functions	6,399	0	0	0	(6,399)	0	(6,399)	0
Interest on Long Term Debt	11,366	0	0	0	(11,366)	0	(11,366)	0
Total Governmental Activities	356,107	49,244	2,803	6,500	(297,560)	0	(297,560)	0
Business-type Activities								
Sewer	336,035	309,540	0	0	0	(26,495)	(26,495)	0
Total Business-type Activities	336,035	309,540	0	0	0	(26,495)	(26,495)	0
Total Primary Government	\$ 692,142	\$ 358,784	\$ 2,803	\$ 6,500	(297,560)	(26,495)	(324,055)	0
Component Unit								
Downtown Development Authority	\$ 7,323	\$ 650	\$ 0	\$ 0				(6,673)
<u>General Revenues</u>								
Property Taxes					153,292	0	153,292	26,617
State Grants					129,250	0	129,250	0
Interest Earnings					60,500	1,001	61,501	1,236
Other Revenues					8,244	0	8,244	5,060
Intergovernmental Revenue					0	0	0	19,449
Total General Revenues					351,286	1,001	352,287	52,362
Change in Net Assets					53,726	(25,494)	28,232	45,689
<u>NET ASSETS - Beginning of Year</u>					2,137,645	149,443	2,287,088	46,976
<u>NET ASSETS - End of Year</u>					\$ 2,191,371	\$ 123,949	\$ 2,315,320	\$ 92,665

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY

REMUS, MICHIGAN

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2007

	General Fund	Fire and Rescue Fund	Fire Equipment Fund	Library Fund
<u>Assets</u>				
Cash	\$ 420,068	\$ 16,053	\$ 236,729	\$ 14,591
Prepaid Expenses	901	0	0	628
Receivables (Net, Where Applicable of Allowances for Uncollectables)				
Accounts	0	500	0	0
Taxes	61	0	73	31
Mortgages	0	0	0	0
Due from Other Governments	18,221	0	0	0
TOTAL ASSETS	\$ 439,251	\$ 16,553	\$ 236,802	\$ 15,250
<u>Liabilities and Fund Balance</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 2,391	\$ 494	0	\$ 525
Payroll Withholdings Payable	1,802	0	0	739
Due to Other Governments	15,869	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	20,062	494	0	1,264
<u>Fund Balance</u>				
Reserved for Housing Programs	0	0	0	0
Reserved for Debt Service	0	0	0	0
Reserved for Perpetual Care	0	0	0	0
Reserved for Fire Equipment	0	0	236,802	0
Reserved for Library Operations	0	0	0	13,358
Reserved for Prepaid Expenses	901	0	0	628
Designated for				
Fire and Rescue Operations	0	16,059	0	0
Road Improvements	0	0	0	0
Unreserved, Undesignated	418,288	0	0	0
Total Fund Balances	419,189	16,059	236,802	13,986
TOTAL LIABILITIES AND FUND BALANCE	\$ 439,251	\$ 16,553	\$ 236,802	\$ 15,250

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

Housing Rehabilitation Fund	Road Capital Projects Fund	Non- Major Funds	Total Governmental Funds
\$ 212,611	\$ 72,676	\$ 19,398	\$ 992,126
0	0	0	1,529
0	0	0	500
0	0	21	186
107,620	0	0	107,620
0	0	0	18,221
<u>\$ 320,231</u>	<u>\$ 72,676</u>	<u>\$ 19,419</u>	<u>\$ 1,120,182</u>
\$ 0	\$ 0	\$ 0	\$ 3,410
0	0	0	2,541
0	0	0	15,869
107,620	0	0	107,620
<u>107,620</u>	<u>0</u>	<u>0</u>	<u>129,440</u>
212,611	0	0	212,611
0	0	16,347	16,347
0	0	3,072	3,072
0	0	0	236,802
0	0	0	13,358
0	0	0	1,529
0	0	0	16,059
0	72,676	0	72,676
0	0	0	418,288
<u>212,611</u>	<u>72,676</u>	<u>19,419</u>	<u>990,742</u>
<u>\$ 320,231</u>	<u>\$ 72,676</u>	<u>\$ 19,419</u>	<u>\$ 1,120,182</u>

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

JUNE 30, 2007

Total Governmental Fund Balances	\$ 990,742
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term receivables are not available to pay current period expenditures and therefore are deferred in governmental funds	
Mortgages Receivable	107,620
Capital assets used in governmental activities are not financial resources and are not reported in the funds	
The cost of the capital assets is	2,110,137
Accumulated depreciation is	<u>(786,243)</u>
	1,323,894
Long term liabilities are not due and payable in the current period and are not reported in the funds	
Bonds Payable	(229,072)
Accrued Interest Payable	<u>(1,813)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,191,371</u></u>

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2007

	General Fund	Fire and Rescue Fund	Fire Equipment Fund	Library Fund
<u>Revenues</u>				
Taxes	\$ 46,724	\$ 0	\$ 65,911	\$ 27,170
State Grants	107,809	6,500	0	24,244
Charges for Services	4,700	29,388	0	1,323
Interest and Rents	40,981	72	12,695	136
Other Revenue	2,396	4,880	0	1,764
Total Revenues	202,610	40,840	78,606	54,637
<u>Expenditures</u>				
Legislative	2,700	0	0	0
General Government	106,945	0	0	0
Public Safety	0	53,031	7,010	0
Public Works	14,299	0	0	0
Recreation and Culture	2,177	0	0	56,182
Community and Economic Development	0	0	0	0
Other Functions	6,399	0	0	0
Debt Service				
Principal	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	132,520	53,031	7,010	56,182
Excess (Deficiency) of Revenues Over Expenditures	70,090	(12,191)	71,596	(1,545)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	15,000	0	0
Transfers Out	(41,410)	0	0	0
Total Other Financing Sources (Uses)	(41,410)	15,000	0	0
Net Change in Fund Balance	28,680	2,809	71,596	(1,545)
<u>Fund Balance - Beginning of Year</u>	390,509	13,250	165,206	15,531
<u>Fund Balance - End of Year</u>	\$419,189	\$ 16,059	\$ 236,802	\$ 13,986

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

Housing Rehabilitation Fund	Road Capital Projects Fund	Non- Major Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 15,983	\$ 155,788
0	0	0	138,553
0	0	0	35,411
13,092	2,327	1,738	71,041
21,316	0	0	30,356
34,408	2,327	17,721	431,149
0	0	0	2,700
0	0	0	106,945
0	0	0	60,041
0	0	24,481	38,780
0	0	0	58,359
6,694	0	0	6,694
0	0	0	6,399
0	0	31,000	31,000
0	0	11,623	11,623
6,694	0	67,104	322,541
27,714	2,327	(49,383)	108,608
0	10,000	16,410	41,410
0	0	0	(41,410)
0	10,000	16,410	0
27,714	12,327	(32,973)	108,608
184,897	60,349	52,392	882,134
\$ 212,611	\$ 72,676	\$ 19,419	\$ 990,742

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2007

Net change in Fund Balances Total Governmental Funds \$ 108,608

Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation.

Depreciation Expense	(76,630)
Capital Outlay	11,807

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued Interest Payable - Beginning of Year	2,070
Accrued Interest Payable - End of Year	(1,813)

Repayments of principal on long-term debt are an expenditure in the governmental funds, but not in the statement of activities (where they are a reduction of liabilities)	31,000
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Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:

Deferred Revenue - Beginning of Year	(128,936)
Deferred Revenue - End of Year	<u>107,620</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 53,726</u></u>
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The notes to the financial statements are an integral part of this statement.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF NET ASSETS
PROPRIETARY FUND

JUNE 30, 2007

<u>ASSETS</u>	<u>Sewage Disposal</u>
<u>Current Assets</u>	
Cash	\$ 32,869
Receivables (Net, Where Applicable, of Allowances for Uncollectables):	
Accounts	<u>31,454</u>
Total Current Assets	<u>64,323</u>
<u>Capital Assets</u>	
Sewer Lines and Connections	563,290
Machinery and Equipment	<u>71,628</u>
	634,918
Less Accumulated Depreciation	<u>(575,242)</u>
Net Capital Assets	<u>59,676</u>
TOTAL ASSETS	<u>\$ 123,999</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>Current Liabilities</u>	
Accounts Payable	<u>\$ 50</u>
<u>Net Assets</u>	
Invested in Capital Assets	59,676
Unrestricted	<u>64,273</u>
Total Net Assets	<u>123,949</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 123,999</u>

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

JUNE 30, 2007

	<u>Sewage Disposal</u>
<u>Operating Revenues</u>	
Charges for Services	\$ 150,179
Rental	159,361
Total Operating Revenues	<u>309,540</u>
<u>Operating Expenses</u>	
Personal Services	4,000
Contracted Services	19,117
Telephone	1,779
Insurance	7,122
Operating Supplies and Expense	7,844
Heat, Light and Power	122,026
Licenses	1,525
Depreciation	13,261
Lease	159,361
Total Operating Expenses	<u>336,035</u>
Operating Income (Loss)	(26,495)
<u>Nonoperating Revenues (Expenses)</u>	
Interest Income	<u>1,001</u>
Change in Net Assets	(25,494)
<u>Net Assets - Beginning of Year</u>	<u>149,443</u>
<u>Net Assets - End of Year</u>	<u>\$ 123,949</u>

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

JUNE 30, 2007

<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>Sewer Disposal</u>
Cash Flows from Operating Activities	
Cash Received from Customers and Other Revenues	\$ 303,498
Cash Payments to Suppliers for Goods and Services	(318,769)
Cash Payments to Employees for Services	<u>(4,000)</u>
Net Cash Provided (Used) by Operating Activities	<u>(19,271)</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,001</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(18,270)</u>
<u>CASH AND CASH EQUIVALENTS</u> - Beginning of Year	<u>51,139</u>
<u>CASH AND CASH EQUIVALENTS</u> - End of Year	<u>\$ 32,869</u>
 <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>	
Operating Income (Loss)	<u>\$ (26,495)</u>
Adjustments to Reconcile Operating Income to	
Net Cash Provided (Used) by Operating Activities	
Depreciation	13,261
(Increase) Decrease in Current Assets	
Accounts Receivable	(6,042)
Increase (Decrease) in Current Liabilities	
Accounts Payable	<u>5</u>
Total Adjustments	<u>7,224</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (19,271)</u>

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND

JUNE 30, 2007

<u>Assets</u>	
Cash	\$ <u>8,964</u>
<u>Liabilities</u>	
Due to Other Governments	\$ <u>8,964</u>
<u>Net Assets</u>	\$ <u>0</u>

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

COMPONENT UNIT

STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>DOWNTOWN DEVELOPMENT AUTHORITY FUND</u>
<u>ASSETS</u>	
Cash	\$ 92,665
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	<u>0</u>
<u>NET ASSETS</u>	
Unrestricted	<u>92,665</u>
TOTAL NET ASSETS	<u>\$ 92,665</u>

The accompanying notes are an integral part of the financial statements.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

COMPONENT UNIT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	TOTALS
<u>Major Component Unit</u>				
Downtown Development Authority	\$ 7,323	\$ 650	\$ 0	\$ (6,673)
 <u>GENERAL REVENUES</u>				
Property Tax				26,617
Interest Earnings				1,236
Other Revenues				5,060
Intergovernmental Revenue				19,449
Total General Revenues				52,362
Change in Net Assets				45,689
NET ASSETS - Beginning of Year				46,976
NET ASSETS - End of Year				\$ 92,665

The accompanying notes are an integral part of the financial statements.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Wheatland Township is a general law township located in Mecosta County which operates under the direction of an elected township board. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the primary government. Each discretely presented component unit has a June 30 year end.

BLENDED COMPONENT UNITS

The Township has no blended component units.

DISCRETELY PRESETED COMPONENT UNIT

Downtown Development Authority

The Remus Downtown Development Authority was established in 1995 to provide economic development in the downtown area through a Township ordinance under authority of Act No. 197 of the Public Acts of Michigan of 1975. The boundaries of the Authority are from M-20, three-quarters of a mile east and three-quarters of a mile west, also, from M-66, one mile north and one quarter mile south from the M-20/M-66 intersection. The Authority captures property taxes on all commercial property within its boundaries on increases in net taxable value over the base 1995 levels.

B. Government-wide and Fund Financial Statements

GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into the following three net asset categories.

Invested in Capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, and contributors, or imposed by law through constitutional provisions or enabling legislation.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Unrestricted net assets consist of net assets which do not meet the definition of the two preceding categories.

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 non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

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

The government-wide focus is 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. The fund financial statements are similar to the financial statements presented in the previous financial reporting model.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current period is considered to be susceptible to

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

accrual as revenue of the current period. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

The accounts of the Township are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Wheatland Township reports the following major governmental funds:

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

The *Fire and Rescue Fund* accounts for revenue sources that are designated for expenditures for fire and rescue operations.

The *Fire Equipment Fund* accounts for revenue sources that are legally restricted to expenditures for the purchase of fire fighting equipment and for other operating expenditures for provision of fire protection services.

The *Library Fund* accounts for revenue sources legally restricted for operating public library.

The *Housing Rehabilitation Fund* accounts for revenue sources legally restricted for HUD Rehabilitation Fund.

The *Road Capital Projects Fund* accounts for revenue sources for road improvements.

The Township reports the following major proprietary fund:

The *Sewer Fund* records financial activity of the Township's sewer operation. The *proprietary funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Additionally Wheatland Township reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted or board designated for expenditures for specific purposes.

The *debt service funds* account for the servicing of general long-term debt not being financed by proprietary funds.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

The *perpetual care fund* is accounted for using the accrual method of accounting. Perpetual care fund accounts for assets that are legally restricted to the extent that only the earnings, and not the principal, may be used.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Township holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from 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 revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities and Equity

1. Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The Township Board has authorized the Township Treasurer to invest in the following:

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

- (a) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law of this state or the United States.

2. *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes attach as an enforceable lien on the property as of the date they are levied. State education taxes and two-thirds of county taxes are levied and due July 1, and become delinquent after September 14. The remaining millages are levied and due December 1, and become delinquent after February 14. Collections of school and county taxes and remittances of them are accounted for in the Current Tax Collection Fund. Township property tax revenues are recognized when they become both measurable and available for use to finance Township operations. Amounts which are not expected to be collected within sixty days are treated as deferred revenues.

The 2006 taxable valuation of Wheatland Township totaled \$35,512,658, on which ad valorem taxes levied consisted of 1.2500 mills for the Wheatland Township operating purposes, 1.9388 mills for fire equipment, 0.8000 mills for library operations and 0.4400 mills for library debt service. In addition to the ad valorem taxable value above, the Industrial Facilities taxable value was \$1,495,046. These levies raised approximately \$45,508 for operating purposes, \$70,296 for fire equipment, \$29,004 for library operations and \$15,950 for library debt service. Portions of these taxes levied were captured by the Downtown Development Authority.

3. *Inventories and Prepaid Items*

Inventories are not significant and are expensed as acquired.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

4. *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. 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 date of donation.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>ASSETS</u>	<u>YEARS</u>
Buildings	50
Land and Building improvements	20
Public domain infrastructure	50
Vehicles	10
Equipment and Books	5-10

Wheatland Township qualifies as a phase 3 governmental unit in regards to the implementation of GASB 34. Phase 3 governmental units are not required to retroactively capitalize infrastructure. As a result, the Township will capitalize and depreciate infrastructure beginning July 1, 2003, in accordance with the Township's capitalization policy.

5. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures

6. Fund Equity

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

7. Use of Estimates

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

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A public hearing is held to obtain taxpayer comments. Appropriations lapse at year end. Budgeted amounts presented are as originally adopted on June 19, 2006, or an amended by the Township Board from time to time throughout the year.

The appropriated budget is prepared by fund and activity. The Township Board exercises budgetary control over expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Township because it is not, at present, considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. Funds with Expenditures in Excess of Appropriations were as follows:

	<u>APPROPRIATIONS</u>		<u>EXPENDITURES</u>
General Fund			
Public Works	\$ 12,250	\$	14,299
Housing and Rehabilitation Fund	0		6,694

These overages were funded by greater than anticipated revenues and available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Township's deposits and investments are all on deposit with Isabella Bank and Trust, Firstbank, and Flagstar Bank.

Investment rate risk. The Township will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investing pools and limiting the average maturity in accordance with the Township's cash requirement.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007

Foreign currency risk. The Township is not authorized to invest in investments, which have this type of risk.

Credit risk. The Township will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in the Township's investment policy; and pre-qualifying the financial institutions, brokers/dealer, intermediaries and advisors with which the Township will do business in accordance with the Township's investment policy.

Concentration of credit risk. The Township will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2007, \$312,730 of the government's bank balance of \$1,087,907 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year end. Category 1 includes investments that are insured or registered, or securities held by the Township or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered with securities held by the counterparty's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counterparty, or by its trust department or its agent but not in the Township's name. At year end, the Township held no investments.

A reconciliation of cash follows:

	PRIMARY GOVERNMENT	COMPONENT UNITS
Carrying amount of Deposits	\$ 1,033,959	\$ 92,665
Government-wide Statement of Net Assets		
Cash	\$ 1,024,995	\$ 92,665
Statement of Fiduciary Net Assets		
Cash	8,964	0
Total	\$ 1,033,959	\$ 92,665

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

B. Receivables

Receivables as of year end for the government's individual major funds and nonmajor, internal service, and fiduciary funds in aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Fire and Rescue	Fire Equipment	Library	Housing Rehabilitation	Sewer	Other	Total
Receivables								
Accounts	\$ 0	\$ 500	\$ 0	\$ 0	\$ 0	\$ 31,454	\$ 0	\$ 31,954
Taxes	61	0	73	31	0	0	21	186
Mortgages	0	0	0	0	203,620	0	0	203,620
Due from								
Other Governments	18,221	0	0	0	0	0	0	18,221
Less Allowance for Uncollectibles	18,282	500	73	31	203,620	31,454	21	253,981
	0	0	0	0	(96,000)	0	0	(96,000)
	\$18,282	\$ 500	\$ 73	\$ 31	\$ 107,620	\$ 31,454	\$ 21	\$ 157,981

Mortgages receivable as reported in the special revenue funds consist of mortgages resulting from loans made with H.U.D. Grant monies to assist low and moderate income families rehabilitate and improve their homes. Eligibility is determined by specific criteria, liens are placed on the property and payoffs of existing loans are made available for new loans.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Deferred Revenue	
	Unavailable	Unearned
Mortgages Receivable (Special Revenue Fund)	\$ 107,620	\$ 0

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

C. Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 16,059	\$ 0	\$ 0	\$ 16,059
Capital assets, being depreciated				
Buildings	1,224,430	0	0	1,224,430
Building Improvements	15,012	0	0	15,012
Land improvements	154,583	0	0	154,583
Books	65,708	5,307	0	71,015
Equipment	153,723	0	0	153,723
Vehicles	468,815	6,500	0	475,315
Total capital assets, being depreciated	2,082,271	11,807	0	2,094,078
Less accumulated depreciation for:				
Buildings	322,941	22,040	0	344,981
Building Improvements	9,365	751	0	10,116
Land Improvements	70,715	6,529	0	77,244
Books	27,667	6,571	0	34,238
Equipment	83,084	9,858	0	92,942
Vehicles	195,841	30,881	0	226,722
Total accumulated depreciation	709,613	76,630	0	786,243
Total capital assets, being depreciated, net	1,372,658	(64,823)	0	1,307,835
Governmental activities capital assets, net	<u>\$ 1,388,717</u>	<u>\$ (64,823)</u>	<u>\$ 0</u>	<u>\$ 1,323,894</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-Type Activities</u>				
<u>Sewer</u>				
Capital assets, being depreciated				
Machinery and Equipment	\$ 71,628	\$ 0	\$ 0	\$ 71,628
Sewer Connection Lines	563,290	0	0	563,290
Total capital assets, Sewer, being depreciated	634,918	0	0	634,918
Less accumulated depreciation for:				
Machinery and Equipment	71,628	0	0	71,628
Sewer Connection Lines	490,353	13,261	0	503,614
Total accumulated depreciation, Sewer	561,981	13,261	0	575,242
Total capital assets, Sewer being depreciated, net	72,937	(13,261)	0	59,676
Sewer capital assets, net	\$ 72,937	\$ (13,261)	\$ 0	\$ 59,676

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

<u>Governmental activities:</u>	
General Government	\$ 27,833
Public Safety	35,478
Recreation and Culture	13,319
	\$ 76,630
<u>Business-type activities:</u>	
Sewer	\$ 13,261
	\$ 13,261

The Township had no outstanding construction commitments as of June 30, 2007.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

D. Interfund Receivables, Payables and Transfers

There were no individual fund interfund receivable and payable balances at June 30, 2007.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be resolved within one year.

The following is a schedule of transfers between funds for the year ending June 30, 2007:

	TRANSFERS	
	IN	OUT
<u>General Fund</u>		
To		
Fire and Rescue Fund	\$ 0	\$ 15,000
Road Capital Projects Fund	0	10,000
Townhall Debt Fund	0	16,410
 <u>Special Revenue Fund</u>		
Fire Fund		
From		
General Fund	15,000	0
 <u>Capital Projects Fund</u>		
Road Capital Projects Fund		
From		
General Fund	10,000	0
 <u>Debt Service Fund</u>		
Townhall Debt Fund		
From		
General Fund	16,410	0
 TOTALS	\$ 41,410	\$ 41,410

Transfers are used (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

E. Intergovernmental

The following is a schedule of intergovernmental transactions between the primary government and the component unit for the year ending June 30, 2007:

<u>FUND</u>	<u>INTERGOVERNMENTAL</u>	
<u>Primary Government</u>	<u>IN</u>	<u>OUT</u>
<u>Special Revenue Fund - UDAG</u>		
To Component Unit		
Downtown Development Authority	\$ 0	\$ 19,449
TOTALS	\$ 0	\$ 19,449

F. Long-Term Debt

The following is a summary of the long-term debt transactions of the Township of Wheatland for the year ended June 30, 2007:

Governmental activities:

	<u>GENERAL OBLIGATION BONDS</u>
Long-Term Debt Payable	
At July 1, 2006	\$ 260,072
New Debt Incurred	0
Payments on Debt	(31,000)
LONG-TERM DEBT PAYABLE	
AT JUNE 30, 2007	\$ 229,072
Amount due within one year	\$ 4,000

Debt payable at June 30, 2007 consisted of the following individual issues:

Governmental Activities

General Obligation

\$255,780 Library Building and Site General Obligation Bonds due in annual installments of \$3,000 to \$15,000 through April 1, 2031; interest at 4.75%	\$ 229,072
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WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

The annual requirements to amortize debt outstanding as of June 30, 2007 are as follows:

Year Ending June 30,	Principal	Interest	Amounts Payable
2008	\$ 4,000	\$ 10,881	\$ 14,881
2009	5,000	10,689	15,689
2010	5,000	10,454	15,454
2011	6,000	10,216	16,216
2012	6,000	9,932	15,932
2013-2017	39,000	44,563	83,563
2018-2022	51,000	34,357	85,357
2023-2027	64,000	21,011	85,011
2028-2031	49,072	5,190	54,262
	\$ 229,072	\$ 157,293	\$ 386,365

G. Fund Balance Reserves and Designations

In order to comply with generally accepted accounting principles and meet certain legal requirements, the Township has reserved fund balances in various funds. In addition, certain portions of unreserved fund balances have been designated for intended future uses. These reserves and designations are detailed in the following schedule:

FUND BALANCE/NET ASSETS

Reserved

Special Revenue Funds

HUD Rehabilitation Fund	\$ 212,611
Housing Programs	
Fire Equipment Fund	
Equipment	236,802
Library Fund	
Library Operations	13,986

Debt Service Funds

Library Debt Service Fund	
Debt Service	16,347

Permanent Funds

Cemetery Trust Fund	
Endowment	3,072

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Designated	
Special Revenue Fund	
Fire and Rescue Fund	
Fire and Rescue Operations	16,059
Capital Projects Fund	
Road Capital Projects Fund	
Road Improvements	<u>72,676</u>
TOTAL FUND BALANCE	
RESERVES AND DESIGNATIONS	<u>\$ 571,553</u>

IV. OTHER INFORMATION

A. 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; and natural disasters. The Township participates in a pool of municipalities within the State of Michigan for self-insuring property and casualty, crime, general liability, errors and omissions insurance and workers' compensation. The Township pays annual premiums to the pool for the respective insurance coverage. In the event the pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessments to make up the deficiency. The Township has not been informed of any special assessments being required for the current year or the three prior years.

The Township continues to carry insurance for other risks of loss, including fidelity bonds.

B. Retirement Plan

The Township maintains a single employer 401(a) contribution pension plan administered by Burnham and Flowers. Contributions are made yearly. The Township contributed \$2,082 from the General Fund and \$1,543 from the Library Fund for the year ended June 30, 2007. The plan also allows for voluntary contributions by eligible employees. The plan covers full-time employees and elected officials.

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

C. Leases

The Township is committed under one lease for waste water treatment equipment. The lease is an operating lease with no contingent lease payments. Future minimum payments are as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>AMOUNT</u>
2008	\$ 159,361
2009	159,361
2010	159,361
2011	159,361
2012	159,361
	<hr/> <u>\$ 796,805</u> <hr/>

The Township is receiving lease income for waste water special processing services to Leprino Foods. Future minimum income is as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>AMOUNT</u>
2008	\$ 159,361
2009	159,361
2010	159,361
2011	159,361
2012	159,361
	<hr/> <u>\$ 796,805</u> <hr/>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2007

	GENERAL FUND			FIRE AND RESCUE FUND			LIBRARY FUND		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<u>Revenues</u>									
Taxes	\$ 60,400	\$ 60,400	\$ 46,724	\$ 0	\$ 0	\$ 0	\$ 26,000	\$ 26,000	\$ 27,170
State Grants	95,700	95,700	107,809	0	0	6,500	17,275	17,275	24,244
Charges for Services	5,200	5,200	4,700	28,500	30,832	29,388	2,000	2,000	1,323
Interest and Rents	12,500	12,500	40,981	0	0	72	150	150	136
Other Revenue	547	547	2,396	0	0	4,880	1,000	1,000	1,764
Total Revenues	174,347	174,347	202,610	28,500	30,832	40,840	46,425	46,425	54,637
<u>Expenditures</u>									
Legislative	2,400	2,700	2,700	0	0	0	0	0	0
General Government	101,394	113,450	106,945	0	0	0	0	0	0
Public Safety	0	0	0	50,900	54,400	53,031	0	0	0
Public Works	11,050	12,250	14,299	0	0	0	0	0	0
Recreation and Cultural	3,900	2,400	2,177	0	0	0	59,150	59,150	56,182
Other Functions	15,599	13,789	6,399	0	0	0	0	0	0
Total Expenditures	134,343	144,589	132,520	50,900	54,400	53,031	59,150	59,150	56,182
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,004	29,758	70,090	(22,400)	(23,568)	(12,191)	(12,725)	(12,725)	(1,545)
<u>Other Financing Sources (Uses)</u>									
Transfers In	0	0	0	28,000	28,000	15,000	0	0	0
Transfers Out	(37,400)	(56,500)	(41,410)	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(37,400)	(56,500)	(41,410)	28,000	28,000	15,000	0	0	0
Net Change in Fund Balance	2,604	(26,742)	28,680	5,600	4,432	2,809	(12,725)	(12,725)	(1,545)
Fund Balance - Beginning of Year	390,509	390,509	390,509	13,250	13,250	13,250	15,531	15,531	15,531
Fund Balance - End of Year	\$ 393,113	\$ 363,767	\$ 419,189	\$ 18,850	\$ 17,682	\$ 16,059	\$ 2,806	\$ 2,806	\$ 13,986

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2007

	<u>HOUSING REHABILITATION FUND</u>			<u>FIRE EQUIPMENT FUND</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>Revenues</u>						
Taxes	\$ 0	\$ 0	\$ 0	\$ 64,000	\$ 64,000	\$ 65,911
Interest and Rents	5,500	5,500	13,092	5,000	5,000	12,695
Other Revenue	0	0	21,316	0	75,000	0
Total Revenues	5,500	5,500	34,408	69,000	144,000	78,606
<u>Expenditures</u>						
Public Safety	0	0	0	56,000	56,000	7,010
Community and Economic Development	0	0	6,694	0	0	0
Total Expenditures	0	0	6,694	56,000	56,000	7,010
Net Change in Fund Balance	5,500	5,500	27,714	13,000	88,000	71,596
<u>Fund Balance - Beginning of Year</u>	184,897	184,897	184,897	165,206	165,006	165,206
<u>Fund Balance - End of Year</u>	\$ 190,397	\$ 190,397	\$ 212,611	\$ 178,206	\$ 253,006	\$ 236,802

WHEATLAND TOWNSHIP, MECOSTA COUNTY

REMUS, MICHIGAN

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2007

	Special Revenue Fund	Debt Service Funds		Permanent Fund	Total Non-Major Governmental Funds
	UDAG	Library	Township Hall	Cemetery Perpetual Care	
<u>Assets</u>					
Cash	\$ 0	\$ 16,326	\$ 0	\$ 3,072	\$ 19,398
Taxes Receivable	0	21	0	0	21
Total Assets	\$ 0	\$ 16,347	\$ 0	\$ 3,072	\$ 19,419
<u>Liabilities and Fund Balance</u>					
<u>Liabilities</u>	\$ 0	\$ 0		\$ 0	\$ 0
<u>Fund Balance</u>					
Reserved for Debt Service	0	16,347	0	0	16,347
Reserved for Perpetual Care	0	0	0	3,072	3,072
Total Fund Balances	0	16,347	0	3,072	19,419
Total Liabilities and Fund Balance	\$ 0	\$ 16,347	\$ 0	\$ 3,072	\$ 19,419

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2007

	Special Revenue Fund	Debt Service Funds		Permanent Fund	Total Non-Major Governmental Funds
	UDAG	Library	Township Hall	Cemetery Perpetual Care	
<u>REVENUES</u>					
Taxes	\$ 0	\$ 15,970	\$ 13	\$ 0	\$ 15,983
Interest and Rents	1,030	571	15	122	1,738
Total Revenues	<u>1,030</u>	<u>16,541</u>	<u>28</u>	<u>122</u>	<u>17,721</u>
<u>EXPENDITURES</u>					
Public Works					
Highways, Streets and Bridges					
Contracted Services	19,449	0	0	0	19,449
Capital Outlay	5,032	0	0	0	5,032
Debt Service					
Principal	0	4,000	27,000	0	31,000
Interest and Fiscal Charges	0	11,071	552	0	11,623
Total Expenditures	<u>24,481</u>	<u>15,071</u>	<u>27,552</u>	<u>0</u>	<u>67,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,451)	1,470	(27,524)	122	(49,383)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	0	0	16,410	0	16,410
Net Change in Fund Balance	(23,451)	1,470	(11,114)	122	(32,973)
<u>FUND BALANCE -</u>					
Beginning of Year	23,451	14,877	11,114	2,950	52,392
<u>FUND BALANCE -</u>					
End of Year	<u>\$ 0</u>	<u>\$ 16,347</u>	<u>\$ 0</u>	<u>\$ 3,072</u>	<u>\$ 19,419</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

CURRENT TAX COLLECTION FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2007

	BALANCE		BALANCE
	7/1/2006	ADDITIONS	DEDUCTIONS
			6/30/2007
<u>ASSETS</u>			
Cash	\$ 18,267	\$ 1,073,632	\$ (1,082,935) \$ 8,964
<u>LIABILITIES</u>			
Due to Other Funds	\$ 0	\$ 149,648	\$ (149,648) \$ 0
Due to Other Governments	18,267	923,984	(933,287) 8,964
TOTAL LIABILITIES	\$ 18,267	\$ 1,073,632	\$ (1,082,935) \$ 8,964

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF WHEATLAND TOWNSHIP

BALANCE SHEET

JUNE 30, 2007

<u>ASSETS</u>		
Cash		<u>\$ 92,665</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		\$ 0
<u>FUND BALANCE</u>		
Unreserved		<u>92,665</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>		<u>\$ 92,665</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY FUND
A COMPONENT UNIT OF WHEATLAND TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2007

REVENUES

Captured Property Taxes	
Mecosta County	\$ 14,456
Mecosta County - Council on Aging	1,215
Mecosta County - Emergency Medical Services	1,215
Wheatland Township	
Operating	3,076
Library	1,944
Fire and Rescue	4,711
Charges for Services	
Dues	650
Interest and Rent	
Interest	1,236
Other Income	
Miscellaneous Income	<u>24,509</u>
 Total Revenues	 <u>53,012</u>

EXPENDITURES

Economic Development	
Supplies	
Promotions and Advertising	527
Office Supplies	115
Other Services and Charges	
Contracted Services	
Director	6,000
Professional Fees	100
Streetscape	41
Miscellaneous	<u>540</u>
 Total Expenditures	 <u>7,323</u>
 Net Change in Fund Balance	 45,689

FUND BALANCE - Beginning of Year 46,976

FUND BALANCE - End of Year \$ 92,665

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2006 REGULAR TAX ROLL

SCHEDULE OF TAXES LEVIED, COLLECTED, AND RETURNED DELINQUENT
FOR THE YEAR ENDED JUNE 30, 2007

<u>TAXES LEVIED</u>	<u>MILLS</u>	<u>TAXABLE VALUATION</u>	
Taxes			
Mecosta County - Operating	5.9490	\$ 35,512,658	211,255
Less DDA Captured Taxes			(13,535)
Mecosta County - Commission on Aging	0.5000		17,752
Less DDA Captured Taxes			(1,138)
Mecosta County - EMS	0.5000		17,752
Less DDA Captured Taxes			(1,138)
Mecosta County - Hospital	0.5875		20,859
Mecosta County - State Education Tax	6.0000		213,073
Chippewa Hills Public Schools - Non-Homestead	18.0000		233,159
Chippewa Hills Public Schools - Debt Retirement	3.0000		106,314
Montabella Community Schools - Debt Retirement	5.4500		398
Montabella Community Schools - Maintenance	1.4916		109
Mecosta-Osceola Intermediate School District	4.0867		144,816
Montcalm Area Intermediate School District	3.7057		271
Montcalm Community College	2.7292		199
Wheatland Township - Operations	1.2500		44,387
Less DDA Captured Taxes			(2,844)
Wheatland Township - Fire Equipment	1.9388		68,847
Less DDA Captured Taxes			(4,411)
Wheatland Township - Library	0.8000		28,406
Less DDA Captured Taxes			(1,820)
Wheatland Township - Library Debt Retirement	0.4400		15,621
DDA Captured Taxes			
Mecosta County - Operating			13,535
(DDA Captured Taxes)			
Mecosta County - Commission on Aging			1,138
(DDA Captured Taxes)			
Mecosta County - EMS			1,138
(DDA Captured Taxes)			
Wheatland Township - Operations			2,844
(DDA Captured Taxes)			
Wheatland Township - Fire Equipment			4,411
(DDA Captured Taxes)			
Wheatland Township - Library			1,820
(DDA Captured Taxes)			
Delinquent Utility and Service Billings			
Sewer Billings and Penalty			5,596
			<u>\$ 1,128,814</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2006 REGULAR TAX ROLL

SCHEDULE OF TAXES LEVIED, COLLECTED, AND RETURNED DELINQUENT
FOR THE YEAR ENDED JUNE 30, 2007

TAXES COLLECTED

Taxes

Mecosta County - Operating	\$ 180,936
DDA Captured Taxes	13,535
Mecosta County - Commission on Aging	14,966
DDA Captured Taxes	1,138
Mecosta County - EMS	14,966
DDA Captured Taxes	1,138
Mecosta County - Hospital	18,923
Mecosta County - State Education Tax	197,572
Chippewa Hills Public Schools	318,579
Montabella Community Schools	507
Mecosta-Osceola Intermediate School District	131,342
Montcalm Area Intermediate School District	271
Montcalm Community College	199
Wheatland Township - Operations	37,421
DDA Captured Taxes	2,844
Wheatland Township - Fire Equipment	58,044
DDA Captured Taxes	4,411
Wheatland Township - Library	23,948
DDA Captured Taxes	1,820
Wheatland Township - Library Debt Retirement	14,170
Delinquent Utility and Service Billings	
Sewer Billings and Penalty	3,492
	<u>\$ 1,040,222</u>

TAXES RETURNED DELINQUENT

Taxes

Mecosta County - Operating	16,784
Mecosta County - Commission on Aging	1,648
Mecosta County - EMS	1,648
Mecosta County - Hospital	1,936
Mecosta County - State Education Tax	15,501
Chippewa Hills Public Schools	20,894
Montabella Community Schools	0
Mecosta-Osceola Intermediate School District	13,474
Montcalm Area Intermediate School District	0
Montcalm Community College	0
Wheatland Township - Operations	4,122
Wheatland Township - Fire Equipment	6,392
Wheatland Township - Library	2,638
Wheatland Township - Library Debt Retirement	1,451
Delinquent Utility and Service Billings	
Sewer Billings and Penalty	2,104
	<u>\$ 88,592</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2006 INDUSTRIAL FACILITIES TAX ROLL

SCHEDULE OF TAXES LEVIED, COLLECTED, AND RETURNED DELINQUENT
FOR THE YEAR ENDED JUNE 30, 2007

<u>TAXES LEVIED</u>	<u>MILLS</u>	<u>TAXABLE</u> <u>VALUATION</u>	
Taxes			
Mecosta County - Operating	2.9745	\$ 1,495,046	\$ 4,447
Less DDA Captured Taxes			(921)
Mecosta County - Commission on Aging	0.2500		374
Less DDA Captured Taxes			(77)
Mecosta County - EMS	0.2500		374
Less DDA Captured Taxes			(77)
Mecosta County - Hospital	0.2938		439
Mecosta County - State Education Tax	6.0000		8,970
Chippewa Hills Public Schools - Non-Homestead	9.0000		13,455
Chippewa Hills Public Schools - Debt Retirement	1.5000		2,243
Mecosta-Osceola Intermediate School District	2.0435		3,055
Wheatland Township - Operations	0.7500		1,121
Less DDA Captured Taxes			(232)
Wheatland Township - Fire Equipment	0.9694		1,449
Less DDA Captured Taxes			(300)
Wheatland Township - Library	0.4000		598
Less DDA Captured Taxes			(124)
Wheatland Township - Library Debt Retirement	0.2200		329
DDA Captured Taxes			
Mecosta County - Operating			921
(DDA Captured Taxes)			
Mecosta County - Commission on Aging			77
(DDA Captured Taxes)			
Mecosta County - EMS			77
(DDA Captured Taxes)			
Wheatland Township - Operations			232
(DDA Captured Taxes)			
Wheatland Township - Fire Equipment			300
(DDA Captured Taxes)			
Wheatland Township - Library			124
(DDA Captured Taxes)			
Delinquent Utility and Service Billings			
Sewer Billings and Penalty			0
		<u>\$</u>	<u>36,854</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2006 INDUSTRIAL FACILITIES TAX ROLL

SCHEDULE OF TAXES LEVIED, COLLECTED, AND RETURNED DELINQUENT
FOR THE YEAR ENDED JUNE 30, 2007

TAXES COLLECTED

Taxes

Mecosta County - Operating	\$	3,526
DDA Captured Taxes		921
Mecosta County - Commission on Aging		297
DDA Captured Taxes		77
Mecosta County - EMS		297
DDA Captured Taxes		77
Mecosta County - Hospital		439
Mecosta County - State Education Tax		8,970
Chippewa Hills Public Schools - Non-Homestead		13,455
Chippewa Hills Public Schools - Debt Retirement		2,243
Mecosta-Osceola Intermediate School District		3,055
Wheatland Township - Operations		889
DDA Captured Taxes		232
Wheatland Township - Fire Equipment		1,149
DDA Captured Taxes		300
Wheatland Township - Library		474
DDA Captured Taxes		124
Wheatland Township - Library Debt Retirement		329

Delinquent Utility and Service Billings

Sewer Billings and Penalty	0	\$	36,854
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TAXES RETURNED DELINQUENT

Taxes

Mecosta County - Operating	\$	0
Mecosta County - Commission on Aging		0
Mecosta County - EMS		0
Mecosta County - Hospital		0
Mecosta County - State Education Tax		0
Chippewa Hills Public Schools		0
Mecosta-Osceola Intermediate School District		0
Wheatland Township - Operations		0
Wheatland Township - Fire Equipment		0
Wheatland Township - Library		0
Wheatland Township - Library Debt Retirement		0

Delinquent Utility and Service Billings

Sewer Billings and Penalty	0	\$	0
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WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2001 GENERAL OBLIGATION BONDS PAYABLE
JUNE 30, 2007

<u>NAME OF ISSUE</u>	2001 Library Building and Site General Obligation Bonds		
<u>PURPOSE</u>	For the purpose of designing, erecting, furnishing equipping and financing a new Township Library including site development, appurtenances and attachments.		
<u>DATE OF ISSUE</u>	October 24, 2001		
<u>INTEREST PAYABLE</u>	April 1, and October 1, of each year		
<u>AMOUNT OF ISSUE</u>		\$	255,780
<u>AMOUNT REDEEMED</u>			
Prior to Current Year		\$	22,708
During Current Year			26,708
		<u>4,000</u>	<u>26,708</u>
<u>BALANCE OUTSTANDING - June 30, 2007</u>		<u>\$</u>	<u>229,072</u>

<u>DUE DATES</u>	<u>RATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
October 1, 2007		\$ 0	\$ 5,440	\$ 5,440
April 1, 2008	4.75 %	4,000	5,441	9,441
October 1, 2008		0	5,344	5,344
April 1, 2009	4.75 %	5,000	5,345	10,345
October 1, 2009		0	5,227	5,227
April 1, 2010	4.75 %	5,000	5,227	10,227
October 1, 2010		0	5,108	5,108
April 1, 2011	4.75 %	6,000	5,108	11,108
October 1, 2011		0	4,966	4,966
April 1, 2012	4.75 %	6,000	4,966	10,966
October 1, 2012		0	4,823	4,823
April 1, 2013	4.75 %	7,000	4,823	11,823
October 1, 2013		0	4,557	4,557
April 1, 2014	4.75 %	7,000	4,557	11,557
October 1, 2014		0	4,490	4,490
April 1, 2015	4.75 %	8,000	4,491	12,491
October 1, 2015		0	4,300	4,300

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2001 GENERAL OBLIGATION BONDS PAYABLE
JUNE 30, 2007

<u>DUE DATES</u>	<u>RATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
April 1, 2016	4.75 %	8,000	4,301	12,301
October 1, 2016		0	4,110	4,110
April 1, 2017	4.75 %	9,000	4,111	13,111
October 1, 2017		0	3,896	3,896
April 1, 2018	4.75 %	9,000	3,897	12,897
October 1, 2018		0	3,682	3,682
April 1, 2019	4.75 %	10,000	3,683	13,683
October 1, 2019		0	3,445	3,445
April 1, 2020	4.75 %	10,000	3,446	13,446
October 1, 2020		0	3,207	3,207
April 1, 2021	4.75 %	11,000	3,208	14,208
October 1, 2021		0	2,946	2,946
April 1, 2022	4.75 %	11,000	2,947	13,947
October 1, 2022		0	2,685	2,685
April 1, 2023	4.75 %	12,000	2,686	14,686
October 1, 2023		0	2,400	2,400
April 1, 2024	4.75 %	12,000	2,401	14,401
October 1, 2024		0	2,115	2,115
April 1, 2025	4.75 %	13,000	2,116	15,116
October 1, 2025		0	1,806	1,806
April 1, 2026	4.75 %	13,000	1,807	14,807
October 1, 2026		0	1,497	1,497
April 1, 2027	4.75 %	14,000	1,498	15,498
October 1, 2027		0	1,165	1,165
April 1, 2028	4.75 %	14,000	1,166	15,166
October 1, 2028		0	832	832
April 1, 2029	4.75 %	15,000	833	15,833
October 1, 2029		0	476	476
April 1, 2030	4.75 %	15,000	477	15,477
October 1, 2030		0	120	120
April 1, 2031	4.75 %	5,072	121	5,193
		<u>\$ 229,072</u>	<u>\$ 157,293</u>	<u>\$ 386,365</u>

WHEATLAND TOWNSHIP, MECOSTA COUNTY
REMUS, MICHIGAN

2001 GENERAL OBLIGATION BONDS PAYABLE
JUNE 30, 2007

OPTIONAL REDEMPTION

The bonds or portions of bonds in multiples of \$1,000 and maturing on or after April 2, 2002, shall be subject to redemption prior to maturity, at the option of the Township, in whole or in part in increments of \$1,000 in inverse order of maturity by lot on any interest date on or after April 1, 2002, at par and accrued interest to the date fixed for redemption, without premium.

Baird, Cotter and Bishop, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601
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September 14, 2007

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

To the Township Board
Wheatland Township
Mecosta County
Remus, Michigan

We have audited the basic financial statements of Wheatland Township as of and for the year ended June 30, 2007, and have issued our report thereon dated September 14, 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 Wheatland Townships' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wheatland Townships' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Township'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 Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting.

1) Lack of Segregation of Duties

The relatively small number of people involved in the accounting functions of the Township and the design of the accounting system as developed by the state make it difficult to adequately segregate duties. Segregation of accounting duties is a fundamental method of strengthening internal control. However, in deciding what internal control procedures should be implemented, the Board must consider the costs of implementing them and weigh those costs against the benefits to be derived from their implementation.

2) Lack of Adequate Controls to Produce Full Disclosure GAAP Basis Financial Statements.

All Michigan governments are required to prepare financial statements in accordance with generally accepted accounting principals (GAAP). This is a responsibility of the government's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting).

As is the case with many smaller and medium-sized entities, the government has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the government's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its *external* auditors, who cannot by definition be considered a part of the government's *internal* controls.

This condition was caused by the government's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the government to perform this task internally. As a result of this condition, the government lacks internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, in part, on its external auditors for assistance with this task.

The government has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its external auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

A material weakness is a significant deficiency, or a 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. We believe that the deficiencies described in (1) above (Lack of Segregation of Duties) constitute a material weaknesses.

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, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Wheatland 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*.

This report is intended solely for the information and use of management, the township board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.

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September 14, 2007

LETTER OF COMMENTS AND RECOMMENDATIONS

To the Township Board
Wheatland Township
Mecosta County
Remus, Michigan

During the course of our audit of the financial statements of Wheatland Township for the year ended June 30, 2007, we noted the following.

Budgeting Procedures

The Township needs to improve its budgeting procedures to be in compliance with the Uniform Budgeting and Accounting Act. The Housing Rehabilitation Fund and the Road Fund did not adopt budgets until part way through the year. The Housing Rehabilitation Fund spent more than expected on expenditures without appropriate amendments being made.

Any budget amendments should be clearly noted in the township board minutes including the detail of amounts and departments increased or decreased.

Additionally, all budgets must have the estimated beginning and ending fund balance amounts as a part of the budget document.

Cash Receipts

We recommend the township sequentially number all receipts issued, and all receipts be maintained in a central location.

Library Petty Cash

We recommend that the library turn in to the township clerk receipts or copies of receipts for petty cash along with the current petty cash ledger before petty cash is replenished. By doing so, the internal controls are strengthened and the petty cash expense can be posted to the proper account in the general ledger.

Bill Approval Policy

As noted in the board minutes, the township added an internal control procedure to its bill approval policy. The control is that the supervisor or one of the trustees actually initials the face of the invoice being approved for payment to verify the invoice was actually presented for approval to the township board. Currently it does not appear the control is functioning as desired. We recommend this policy be followed in the future.

Federal Employers Identification Number (FEIN)

The Township should control and limit the use of its FEIN to accounts and uses authorized by state law and activities included in its annual audit. Confirmation with the Township's bank indicated the Friends of the Library may have bank accounts using the Township's FEIN. We recommend the Friends of the Library obtain their own FEIN and discontinue use of the Township's FEIN.

We'd like to take this opportunity to thank the Wheatland Township Board for awarding our firm the audit for the year ended June 30, 2007, and to express our appreciation of the efforts put in by the various employees and elected officials of the Township. We found the cooperation and willingness to provide us the data which we requested to be refreshing and positive.

BAIRD, COTTER AND BISHOP, P.C.

Baird, Cotter & Bishop, P.C.