

Auditing Procedures Report

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

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

We affirm that:

We are certified public accountants licensed to practice in Michigan.

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

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

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

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

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

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

VILLAGE OF EDMORE

Montcalm County

FINANCIAL STATEMENTS

February 28, 2007

VILLAGE OF EDMORE

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	5
Reconciliation of Fund Balances of Governmental Funds to Net Assets of Governmental Activities	6
Statement of Revenues, Expenditures and Changes in Fund Balances	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Proprietary Funds:	
Statement of Net Assets.....	9
Statement of Revenues, Expenses and Changes in Net Assets.....	10
Statement of Cash Flows.....	11
Fiduciary Funds:	
Statement of Net Assets.....	12
Notes to Financial Statements	14
REQUIRED SUPPLEMENTAL INFORMATION:	
Budgetary Comparison Schedule – General Fund.....	27
Budgetary Comparison Schedule – Special Revenue Fund – Major Street Fund	28
Budgetary Comparison Schedule – Special Revenue Fund – Local Street Fund	29
Budgetary Comparison Schedule – Special Revenue Fund – Police Fund	30
Budgetary Comparison Schedule – Special Revenue Fund – Economic Development Fund.....	31
OTHER SUPPLEMENTAL INFORMATION:	
General Fund:	
Detailed Schedule of Revenues	33
Detailed Schedule of Expenditures	34
Fiduciary Funds:	
Combining Statement of Changes in Assets and Liabilities	37

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INDEPENDENT AUDITORS' REPORT

To the Village Council
Village of Edmore
Montcalm County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Edmore, as of and for the year ended February 28, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Edmore's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Edmore, as of February 28, 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.

The budgetary comparison schedules as identified in the table of contents are not a required part of the basic financial statements but are supplemental information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Edmore's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Village has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not a required part of, the financial statements.

Berthiaume & Co.

April 18, 2007

BASIC FINANCIAL STATEMENTS

VILLAGE OF EDMORE

STATEMENT OF NET ASSETS

February 28, 2007

	<i>Primary Government</i>			<i>Component</i>
	<i>Governmental</i>	<i>Business-type</i>	<i>Total</i>	<i>Unit</i>
	<i>Activities</i>	<i>Activities</i>		<i>Downtown</i>
				<i>Development</i>
				<i>Authority</i>
Assets:				
Cash and cash equivalents	\$ 1,439,918	\$ 864,822	\$ 2,304,740	\$ 206,659
Investments	-	-	-	-
Receivables	449,180	20,400	469,580	38,093
Capital assets:				
Nondepreciable capital assets	110,026	15,804	125,830	-
Depreciable capital assets, net	416,738	724,096	1,140,834	-
Total assets	<u>2,415,862</u>	<u>1,625,122</u>	<u>4,040,984</u>	<u>244,752</u>
Liabilities:				
Accounts payable and accrued expenses	6,264	2,974	9,238	-
Deferred revenue	-	108,682	108,682	-
Total liabilities	<u>6,264</u>	<u>111,656</u>	<u>117,920</u>	<u>-</u>
Net assets:				
Invested in capital assets, net of related debt	526,764	739,900	1,266,664	-
Restricted for:				
Streets	491,452	-	491,452	-
Unrestricted	<u>1,391,382</u>	<u>773,566</u>	<u>2,164,948</u>	<u>244,752</u>
Total net assets	<u>\$ 2,409,598</u>	<u>\$ 1,513,466</u>	<u>\$ 3,923,064</u>	<u>\$ 244,752</u>

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

VILLAGE OF EDMORE

STATEMENT OF ACTIVITIES

Year Ended February 28, 2007

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
PRIMARY GOVERNMENT:					
<i>Governmental activities:</i>					
General government	\$ 162,408	\$ 44,049	\$ -	\$ 10,385	\$ (107,974)
Public safety	102,550	10,378	8,361	-	(83,811)
Public works	213,833	17,337	104,531	69,328	(22,637)
Community and economic development	77,591	77,213	-	-	(378)
Recreation and culture	17,448	-	-	-	(17,448)
Interest on long-term debt	400	-	-	-	(400)
Total governmental activities	<u>574,230</u>	<u>148,977</u>	<u>112,892</u>	<u>79,713</u>	<u>(232,648)</u>
<i>Business-type activities:</i>					
Sewer	119,414	93,447	-	-	(25,967)
Water	158,002	130,048	-	-	(27,954)
Total business-type activities	<u>277,416</u>	<u>223,495</u>	<u>-</u>	<u>-</u>	<u>(53,921)</u>
Total primary government	<u>\$ 851,646</u>	<u>\$ 372,472</u>	<u>\$ 112,892</u>	<u>\$ 79,713</u>	<u>\$ (286,569)</u>
COMPONENT UNIT:					
Downtown development authority	<u>\$ 98,395</u>	<u>\$ 7,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91,205)</u>
Total component units	<u>\$ 98,395</u>	<u>\$ 7,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (91,205)</u>

continued

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

	<i>Primary Government</i>			<i>Component</i>
	<i>Governmental</i>	<i>Business-</i>	<i>Total</i>	<i>Unit</i>
	<i>Activities</i>	<i>type</i>		<i>Downtown</i>
		<i>Activities</i>		<i>Development</i>
				<i>Authority</i>
<i>Changes in net assets:</i>				
Net (Expense) Revenue	\$ (232,648)	\$ (53,921)	\$ (286,569)	\$ (91,205)
 General revenues:				
Taxes:				
Property taxes, levied for general purpose	249,345	-	249,345	-
Property taxes captured by component unit	-	-	-	75,920
Payment in lieu of property taxes	7,503	-	7,503	-
Franchise taxes	1,162	-	1,162	-
Grants and contributions not restricted to specific programs	122,330	-	122,330	-
Unrestricted investment earnings	67,114	30,481	97,595	7,337
Special item - Gain on sale of capital asset	22,708	-	22,708	-
Total general revenues, contributions and special items	<u>470,162</u>	<u>30,481</u>	<u>500,643</u>	<u>83,257</u>
Change in net assets	237,514	(23,440)	214,074	(7,948)
Net assets, beginning of year	<u>2,172,084</u>	<u>1,536,906</u>	<u>3,708,990</u>	<u>252,700</u>
Net assets, end of year	<u>\$ 2,409,598</u>	<u>\$ 1,513,466</u>	<u>\$ 3,923,064</u>	<u>\$ 244,752</u>

VILLAGE OF EDMORE

GOVERNMENTAL FUNDS

BALANCE SHEET

February 28, 2007

	<i>General Fund</i>	<i>Major Street Fund</i>	<i>Local Street Fund</i>	<i>Police Fund</i>	<i>Economic Development Fund</i>	<i>Total Governmental Funds</i>
Assets:						
Cash and cash equivalents	\$ 462,413	\$ 232,582	\$ 241,144	\$ 15,852	\$ 384,440	\$ 1,336,431
Accounts receivable	7,089	-	-	-	-	7,089
Notes receivable	-	-	-	-	374,471	374,471
Due from other governmental units	37,850	13,090	4,955	-	-	55,895
Due from other funds	<u>11,608</u>	<u>-</u>	<u>3,273</u>	<u>-</u>	<u>-</u>	<u>14,881</u>
Total assets	<u>\$ 518,960</u>	<u>\$ 245,672</u>	<u>\$ 249,372</u>	<u>\$ 15,852</u>	<u>\$ 758,911</u>	<u>\$ 1,788,767</u>
Liabilities and Fund Balances:						
Liabilities:						
Accrued expenses	\$ 2,380	\$ 89	\$ 229	\$ 1,816	\$ -	\$ 4,514
Due to other funds	-	3,273	-	-	-	3,273
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>374,471</u>	<u>374,471</u>
Total liabilities	<u>2,380</u>	<u>3,362</u>	<u>229</u>	<u>1,816</u>	<u>374,471</u>	<u>382,258</u>
Fund balances:						
Unreserved:						
General fund	516,580	-	-	-	-	516,580
Special revenue funds	<u>-</u>	<u>242,310</u>	<u>249,143</u>	<u>14,036</u>	<u>384,440</u>	<u>889,929</u>
Total fund balances	<u>516,580</u>	<u>242,310</u>	<u>249,143</u>	<u>14,036</u>	<u>384,440</u>	<u>1,406,509</u>
Total liabilities and fund balances	<u>\$ 518,960</u>	<u>\$ 245,672</u>	<u>\$ 249,372</u>	<u>\$ 15,852</u>	<u>\$ 758,911</u>	<u>\$ 1,788,767</u>

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

VILLAGE OF EDMORE

RECONCILIATION OF FUND BALANCES OF THE GOVERNMENT FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

February 28, 2007

Total fund balances for governmental funds			\$ 1,406,509
Total net assets reported for governmental activities in the statement of of net assets is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Governmental capital assets		537,217	
Less accumulated depreciation		<u>(139,034)</u>	398,183
Deferred revenues reported in the governmental funds are recognized as revenues for the governmental activities.			
Notes receivable			374,471
The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.			<u>230,435</u>
Net assets of governmental activities			<u><u>\$ 2,409,598</u></u>

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

VILLAGE OF EDMORE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended February 28, 2007

	<i>General Fund</i>	<i>Major Street Fund</i>	<i>Local Street Fund</i>	<i>Police Fund</i>	<i>Economic Development Fund</i>	<i>Total Governmental Funds</i>
Revenues:						
Property taxes	\$ 259,566	\$ -	\$ -	\$ -	\$ -	\$ 259,566
Licenses and permits	1,497	-	-	-	-	1,497
Federal grants	-	-	-	4,881	-	4,881
State grants	122,330	72,493	32,038	1,813	-	228,674
Contributions from other units	69,328	-	-	1,667	-	70,995
Charges for services	29,950	-	-	-	250	30,200
Fines and forfeits	-	-	-	1,389	-	1,389
Interest and rents	40,627	6,609	7,370	654	20,653	75,913
Other revenue	26,552	-	-	8,005	53,156	87,713
Total revenues	<u>549,850</u>	<u>79,102</u>	<u>39,408</u>	<u>18,409</u>	<u>74,059</u>	<u>760,828</u>
Expenditures:						
Current						
General government	113,610	-	-	-	-	113,610
Public safety	-	-	-	93,163	-	93,163
Public works	143,379	19,643	21,081	-	-	184,103
Community and economic development	56	-	-	-	77,535	77,591
Recreation and culture	12,112	-	-	-	-	12,112
Other	45,041	-	-	-	-	45,041
Capital outlay	79,713	-	13,374	-	-	93,087
Debt service						
Principal	-	-	-	8,164	-	8,164
Interest and fees	-	-	-	400	-	400
Total expenditures	<u>393,911</u>	<u>19,643</u>	<u>34,455</u>	<u>101,727</u>	<u>77,535</u>	<u>627,271</u>
Excess (deficiency) of revenues over expenditures	<u>155,939</u>	<u>59,459</u>	<u>4,953</u>	<u>(83,318)</u>	<u>(3,476)</u>	<u>133,557</u>
Other financing sources (uses):						
Transfers in	-	-	18,123	83,501	-	101,624
Transfers out	<u>(83,501)</u>	<u>(18,123)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,624)</u>
Total other financing sources (uses)	<u>(83,501)</u>	<u>(18,123)</u>	<u>18,123</u>	<u>83,501</u>	<u>-</u>	<u>-</u>
Net change in fund balances	72,438	41,336	23,076	183	(3,476)	133,557
Fund balances, beginning of year	<u>444,142</u>	<u>200,974</u>	<u>226,067</u>	<u>13,853</u>	<u>387,916</u>	<u>1,272,952</u>
Fund balances, end of year	<u>\$ 516,580</u>	<u>\$ 242,310</u>	<u>\$ 249,143</u>	<u>\$ 14,036</u>	<u>\$ 384,440</u>	<u>\$ 1,406,509</u>

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

VILLAGE OF EDMORE

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

Year Ended February 28, 2007

Net change in fund balances - total governmental funds \$ 133,557

Total change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Capital outlay	93,087	
Less depreciation expense	<u>(21,724)</u>	71,363

Governmental funds report loans given as expenditures. However, in the statement of activities, these loans are recorded as notes receivable

Loans given		76,962
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Collection of certain items recorded as deferred revenue are considered current financial resources in the governmental funds. In the statement of activities, these items have been recorded as revenue in previous years.

Note repayments		(53,155)
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Repayments of principal on long-term obligations are expenditures in governmental but the payments reduce long-term liabilities in the statement of net assets.

		8,164
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The net revenue (expense) of the internal service fund is reported with governmental activities.

	<u>623</u>	
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Change in net assets of governmental activities \$ 237,514

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

VILLAGE OF EDMORE

PROPRIETARY FUNDS STATEMENT OF NET ASSETS

February 28, 2007

	<i>Business-type Activities</i>			<i>Governmental</i>
	<i>Enterprise funds</i>			<i>Activities</i>
	<i>Sewer</i>	<i>Water</i>	<i>Total</i>	<i>Internal</i>
	<i>Fund</i>	<i>Fund</i>	<i>Enterprise</i>	<i>Service</i>
	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 290,153	\$ 574,669	\$ 864,822	\$ 103,487
Accounts receivable	9,929	10,471	20,400	117
Total current assets	<u>300,082</u>	<u>585,140</u>	<u>885,222</u>	<u>103,604</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable capital assets	13,050	2,754	15,804	-
Depreciable capital assets, net	<u>99,595</u>	<u>624,501</u>	<u>724,096</u>	<u>128,581</u>
Total noncurrent assets	<u>112,645</u>	<u>627,255</u>	<u>739,900</u>	<u>128,581</u>
Total assets	<u>412,727</u>	<u>1,212,395</u>	<u>1,625,122</u>	<u>232,185</u>
Liabilities:				
Current liabilities:				
Accrued expenses	1,358	1,616	2,974	1,750
Deferred revenue	<u>-</u>	<u>108,682</u>	<u>108,682</u>	<u>-</u>
Total current liabilities	<u>1,358</u>	<u>110,298</u>	<u>111,656</u>	<u>1,750</u>
Net assets:				
Invested in capital assets, net of related debt	112,645	627,255	739,900	128,581
Unrestricted	<u>298,724</u>	<u>474,842</u>	<u>773,566</u>	<u>101,854</u>
Total net assets	<u>\$ 411,369</u>	<u>\$1,102,097</u>	<u>\$ 1,513,466</u>	<u>\$ 230,435</u>

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

VILLAGE OF EDMORE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended February 28, 2007

	<i>Business-type Activities</i>			<i>Governmental</i>
	<i>Enterprise funds</i>			<i>Activities</i>
	<i>Sewer</i>	<i>Water</i>	<i>Total</i>	<i>Internal</i>
<i>Fund</i>	<i>Fund</i>	<i>Enterprise</i>	<i>Service</i>	
	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>
Operating revenues:				
Charges for services	\$ 92,031	\$ 111,893	\$ 203,924	\$ -
Penalties	1,416	1,645	3,061	-
Equipment rental	-	-	-	62,081
Other	-	16,510	16,510	-
Total operating revenues	<u>93,447</u>	<u>130,048</u>	<u>223,495</u>	<u>62,081</u>
Operating expenses:				
Personnel	40,910	44,813	85,723	32,788
Fringe benefits	21,533	23,656	45,189	17,552
Supplies	1,295	8,475	9,770	5,951
Contracted services	32,554	20,743	53,297	500
Telephone	704	1,470	2,174	-
Mileage	109	-	109	-
Dues and membership fees	-	62	62	-
Education and training	-	475	475	-
Insurance	2,079	3,082	5,161	5,730
Utilities	3,411	9,909	13,320	-
Repairs and maintenance	611	3,759	4,370	5,190
Equipment rental	8,975	8,505	17,480	-
Depreciation	7,233	33,053	40,286	20,852
Total operating expenses	<u>119,414</u>	<u>158,002</u>	<u>277,416</u>	<u>88,563</u>
Operating income (loss)	<u>(25,967)</u>	<u>(27,954)</u>	<u>(53,921)</u>	<u>(26,482)</u>
Non-operating revenues				
(expenses):				
Interest income	9,184	21,297	30,481	4,397
Gain on sale of asset	-	-	-	22,708
Total non-operating revenues (expenses)	<u>9,184</u>	<u>21,297</u>	<u>30,481</u>	<u>27,105</u>
Net income (loss)	(16,783)	(6,657)	(23,440)	623
Net assets, beginning of year	<u>428,152</u>	<u>1,108,754</u>	<u>1,536,906</u>	<u>229,812</u>
Net assets, end of year	<u>\$ 411,369</u>	<u>\$ 1,102,097</u>	<u>\$ 1,513,466</u>	<u>\$ 230,435</u>

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

VILLAGE OF EDMORE

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

Year Ended February 28, 2007

	<i>Business-type Activities</i>			<i>Governmental</i>
	<i>Enterprise funds</i>			<i>Activities</i>
	<i>Sewer</i>	<i>Water</i>	<i>Total</i>	<i>Internal</i>
<i>Fund</i>	<i>Fund</i>	<i>Enterprise</i>	<i>Service</i>	
	<i>Fund</i>	<i>Fund</i>	<i>Funds</i>	<i>Funds</i>
Cash flow from operating activities:				
Cash received from customers	\$ 93,497	\$ 114,017	\$ 207,514	\$ -
Cash received for interfund services				62,081
Cash payments to employees	(40,910)	(44,813)	(85,723)	(32,788)
Cash payments to suppliers for goods and services	(71,557)	(80,417)	(151,974)	(35,011)
Net cash provided (used) by operating activities	(18,970)	(11,213)	(30,183)	(5,718)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	(83,465)
Proceeds from the sale of assets	-	-	-	22,708
Net cash used by capital and related financing activities	-	-	-	(60,757)
Cash flows from investing activities:				
Interest received	9,184	21,297	30,481	4,397
Net cash provided by investing activities	9,184	21,297	30,481	4,397
Net increase (decrease) in cash and cash equivalents	(9,786)	10,084	298	(62,078)
Cash and cash equivalents, beginning of year	299,939	564,585	864,524	165,565
Cash and cash equivalents, end of year	\$ 290,153	\$ 574,669	\$ 864,822	\$ 103,487
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (25,967)	\$ (27,954)	\$ (53,921)	\$ (26,482)
Adjustments:				
Depreciation	7,233	33,053	40,286	20,852
Change in assets and liabilities:				
Accounts receivable	50	180	230	(117)
Accounts payable and accrued expenses	(286)	(281)	(567)	29
Deferred revenue	-	(16,211)	(16,211)	-
Net cash provided (used) by operating activities	\$ (18,970)	\$ (11,213)	\$ (30,183)	\$ (5,718)

The accompanying notes are an integral part of this statement.

VILLAGE OF EDMORE

FIDUCIARY FUNDS STATEMENT OF NET ASSETS

February 28, 2007

Assets:	
Cash and cash equivalents	\$ <u>30,816</u>
Total assets	<u>30,816</u>
Liabilities:	
Accounts payable and accrued expenses	19,208
Due to Other Funds	<u>11,608</u>
Total liabilities	<u>30,816</u>
Net Assets:	
Unrestricted	<u>-</u>
Total net assets	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

BASIC FINANCIAL STATEMENTS

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS

February 28, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Edmore conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity:

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Village and its component units. In evaluating the Village as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Village may be financially accountable and, as such, should be included within the Village's financial statements. The Village (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the Village. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units discussed below are included in the Village's reporting entity because of their operational or financial relationship with the Village.

Discretely Presented Component Units - The component unit column in the government-wide financial statements includes the financial data of the Village's one component unit. This unit is reported in a separate column to emphasize that it is legally separate from the Village. The component unit is described as follows:

Downtown Development Authority - The members of the governing board of the Downtown Development Authority (DDA) are appointed by the Village Council. The budgets and expenditures of the Downtown Development Authority must be approved by the Village Council. The Village also has the ability to significantly influence operations of the Downtown Development Authority. Complete separate financial statements of the Downtown Development Authority are not prepared.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements:

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 the 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

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

by the provider have been met. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

The statement of net assets and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component units. These statements distinguish between activities that are governmental and those that are business-type activities. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses.

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village’s net assets are reported in three parts (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the Village’s functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The Village does not allocate indirect costs. In creating the government-wide financial statements the Village has eliminated inter fund transactions.

The government-wide focus is on the sustainability of the Village as an entity and the change in the Village’s net assets resulting from current year activities.

Fund Financial Statements:

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

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.

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

Property taxes, franchise fees, 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 assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 proprietary funds 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 non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds are accounted for on a spending or economic resources measurement focus and the accrual basis of accounting as are the proprietary funds.

The Village reports the following major governmental funds:

The **General Fund** is the primary operating fund of the Village. It is used to account for all financial resources, except for those required to be accounted for in another fund.

The **Major Street Fund** is used to account for the maintenance and construction of the Village's major street system.

The **Local Street Fund** is used to account for the maintenance and construction of the Village's local street system.

The **Police Fund** is used to account for revenue sources used to fund the Village's police department.

The **Economic Development Fund** is used to account for loans and repayments (revolving loans) to local business to encourage economic growth in the Village.

The Village reports the following major enterprise funds:

The **Sewer Fund** is used to account for the revenues and expenses for the operation of a sewer system.

The **Water Fund** is used to account for the revenues and expenses for the operation of a water system.

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

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 Village has elected not to follow subsequent private-sector guidance.

Assets, Liabilities and Equity:

Deposits and Investments – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short term investments with a maturity of three months or less when acquired. Investments, if any, are stated at fair value. For purposes of the statement of cash flows, the Village considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Interfund Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds.” These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Village defines capital assets as assets with an initial individual cost in excess of \$1,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. Public domain (infrastructure) assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Land improvements	15-20 years
Vehicles	5-10 years
Equipment	5-20 years
Distribution systems	25-50 years
Infrastructure	5-25 years

Long-term Obligations – In the government-wide financial statements and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets.

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.

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

Use of Estimates:

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

Eliminations and Reclassifications:

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Property Taxes:

Village property taxes are attached as an enforceable lien on property as of July 1. Taxes are levied July 1 and are due without penalty on or before September 14.

The 2006 taxable valuation of the Village totaled \$ 21,567,668, on which ad valorem taxes levied consisted of 11.1429 mills for the Village’s operating purposes and 1.4791 mills for rubbish collection.

The delinquent real property taxes of the Village are purchased by Montcalm County. The delinquent real property taxes are received soon enough after year end to be recorded as revenue in the current year.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information:

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Village Manager submits to the Village Council a proposed operating budget by fund for each year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to March 1, the budget is legally enacted by adoption of the Village Council.
4. Any revision that alters the total expenditures of any fund must be approved by the Village.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the General Fund and major Special Revenue Funds budgets as originally adopted and amended by the Village Council is included in the required supplemental information.
7. All annual appropriations lapse at fiscal year end.

Excess of Expenditures over Appropriations in Budgeted Funds:

During the year, the Village did not incur expenditures that were in excess of the amounts budgeted.

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

NOTE 3: CASH AND INVESTMENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency of instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Village Council is in accordance with Public Act 196 of 1997. The Village's deposits and investments have been made in accordance with statutory authority.

The Village's deposits are subject to several types of risk, which are presented in more detail as follows:

Custodial Credit Risk of Bank Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned. The Village does not have a deposit policy for custodial credit risk. At year end, the Village had \$945,546 of bank deposits (certificates of deposit, checking, and savings accounts), of which \$647,574 was covered by federal depository insurance and the remainder was uninsured and uncollateralized.

NOTE 4: NOTES RECEIVABLE

The Economic Development Fund makes low and non-interest bearing loans to businesses located within the Village's Downtown Development District. The balance of these notes at February 28, 2007 was \$374,471. This balance was recorded on the statement of net assets as a receivable. No allowance has been made for uncollectible amounts because all are currently considered collectable.

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

NOTE 5: DEFERRED REVENUE IN GOVERNMENTAL FUNDS

Governmental funds report deferred revenue in connection with receivables for revenue that is 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 are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total Deferred Revenue</u>
Primary Government:			
Notes receivable	\$ 374,471	\$ -	\$ 374,471

Only the unearned component of deferred revenue is carried forward to the government-wide statement of net assets.

NOTE 6: CAPITAL ASSETS

Primary Government and Component Unit capital asset activity for the year ended February 28, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Depreciable capital assets:				
Buildings and improvements	\$ 82,933	\$ -	\$ -	\$ 82,933
Land improvements	175,988	43,087	-	219,075
Equipment	255,249	65,380	(32,900)	287,729
Vehicles	223,931	18,085	(16,886)	225,130
Total depreciable capital assets	<u>738,101</u>	<u>126,552</u>	<u>(49,786)</u>	<u>814,867</u>
Accumulated depreciation	<u>(405,339)</u>	<u>(42,576)</u>	<u>49,786</u>	<u>(398,129)</u>
Net depreciable capital assets	332,762	83,976	-	416,738
Nondepreciable capital assets:				
Land	<u>60,026</u>	<u>50,000</u>	<u>-</u>	<u>110,026</u>
Governmental activities, capital assets, net	<u>\$ 392,788</u>	<u>\$ 133,976</u>	<u>\$ -</u>	<u>\$ 526,764</u>

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

NOTE 6: CAPITAL ASSETS, continued

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Business-type activities:				
Depreciable capital assets:				
Equipment	\$ 121,169	\$ -	\$ -	\$ 121,169
Distribution system	<u>2,086,691</u>	<u>-</u>	<u>-</u>	<u>2,086,691</u>
	<u>2,207,860</u>	<u>-</u>	<u>-</u>	<u>2,207,860</u>
Accumulated depreciation	<u>(1,443,478)</u>	<u>(40,286)</u>	<u>-</u>	<u>(1,483,764)</u>
Depreciable capital assets, net	764,382	(40,286)	-	724,096
Nondepreciable capital assets:				
Land	<u>15,804</u>	<u>-</u>	<u>-</u>	<u>15,804</u>
Business-type activities, capital assets, net	<u>\$ 780,186</u>	<u>\$ (40,286)</u>	<u>\$ -</u>	<u>\$ 739,900</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	\$ 3,755
Public safety	9,388
Public works	24,099
Recreation and culture	<u>5,334</u>
Total governmental activities	<u>\$ 42,576</u>
Business-type activities:	
Sewer	\$ 7,233
Water	<u>33,053</u>
Total business-type activities	<u>\$ 40,286</u>

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

NOTE 7: DEFERRED REVENUE IN WATER FUND

On September 8, 1997, the Village entered into a "Water Service Contract" with Home Township. The purpose of the contract is for the Village of Edmore to provide public water service within a designated service area on a retail basis to meet the potable water needs of certain businesses and residents in the Township. In conjunction with this contract the Village and the Township entered into a separate Water Main Construction Agreement with Hitachi Magnetics Corporation and General Electric Corporation. In association with this connection Hitachi Magnetics and General Electric were required to pay the Village a sum of \$240,100. This amount was recorded on the Water Fund balance sheet as a Deferred Revenue because the contract stipulates that if the contract is terminated during the first ten years, a portion of the project/construction costs paid by General Electric Company and Hitachi Magnetic Corporation (plus interest) are to be reimbursed to them pro-rated based on the years the contract actually stayed in effect. As of February 28, 2007, the balance of the deferred revenue (unearned portion of the \$240,100 receipt plus interest) is \$108,692.

NOTE 8: LONG-TERM LIABILITIES

The Village may issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment.

Capital leases are direct obligations and pledge the full faith and credit of the Village.

The following is a summary of long-term liabilities transactions for the year ended February 28, 2007:

	<u><i>Beginning Balance</i></u>	<u><i>Additions</i></u>	<u><i>Retirements</i></u>	<u><i>Ending Balance</i></u>	<u><i>Due Within One Year</i></u>
Governmental activities:					
Capital lease payable:					
2005 Police car purchase	\$ 8,164	\$ -	\$ (8,164)	\$ -	\$ -
Total governmental activities					
- long-term liabilities	<u>\$ 8,164</u>	<u>\$ -</u>	<u>\$ (8,164)</u>	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

NOTE 9: DISAGGREGATED RECEIVABLE AND PAYABLE BALANCES

Receivables and payables as of year end for the Village's governmental and business-type activities in the aggregate are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Unit - D.D.A.</u>
Receivables:			
Taxes	\$ -	\$ -	\$ 38,093
Accounts	7,206	20,400	-
Notes	374,471	-	-
Intergovernmental	55,895	-	-
Due from agency funds	11,608	-	-
Total receivables	<u>\$ 449,180</u>	<u>\$ 20,400</u>	<u>\$ 38,093</u>
Accounts payable and accrued expenses:			
Accounts	\$ -	\$ -	\$ -
Payroll and related liabilities	6,264	2,974	-
Total accounts payable and accrued expenses	<u>\$ 6,264</u>	<u>\$ 2,974</u>	<u>\$ -</u>

NOTE 10: INTERFUND BALANCES AND TRANSFERS

The composition of interfund receivable and payable balances at February 28, 2007 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Local Street Fund	Major Street Fund	<u>\$ 3,273</u>

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year. The 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.

Interfund transfers reported in the fund statements were as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Police Fund	\$ 83,501
Major Street Fund	Local Street Fund	18,123
	Total	<u>\$ 101,624</u>

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

Transfers are used to (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 various funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11: RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees (workers' compensation); and certain medical benefits provided to employees.

The Village manages its risk liability with products administered through the Michigan Municipal League. Liability and property risk, by participating in Liability and Property Pool, workers compensation, by participating in the Worker's Compensation Fund, health insurance, by participating in Municipal Benefit Services, and unemployment, by participating in the Unemployment Compensation Fund. All these plans are self-sustaining through member premiums and provide, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 12: DEFINED CONTRIBUTION PENSION PLAN

The Village has a defined contribution pension plan administered by The Equitable Life Assurance Society of the United States. All employees that have reached age 18, worked at least six months in the last five plan years, and made more than \$450 in the plan year are eligible for benefits. The Village contributes 10% of each eligible employee's pay to the plan. For the fiscal year ended February 28, 2007, the Village made contributions of \$25,264 into the pension plan.

NOTE 13: POST EMPLOYMENT BENEFITS

The Village currently does not provide post employment benefits other than its pension plan.

VILLAGE OF EDMORE

NOTES TO FINANCIAL STATEMENTS, CONTINUED

February 28, 2007

NOTE 14: COMPONENT UNIT REPORTING

A Balance Sheet as of February 28, 2007, and Statement of Revenues, Expenditures, and Changes in Fund balance for the year then ended for Downtown Development Authority follows:

BALANCE SHEET

Assets:

Cash and cash equivalents	\$	206,659
Taxes receivable		<u>38,093</u>
Total assets	\$	<u><u>244,752</u></u>

Liabilities and Fund Balances:

Liabilities:

Accounts payable	\$	<u>-</u>
Total liabilities		<u>-</u>

Fund Balances:

Unreserved		<u>244,752</u>
Total fund balances		<u>244,752</u>
Total liabilities and fund balances	\$	<u><u>244,752</u></u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Revenues:

Property taxes	\$	75,920
Interest and rents		7,337
Other revenue		<u>7,190</u>
Total revenues		<u>90,447</u>

Expenditures:

Current		
Community and economic development		<u>98,395</u>
Total expenditures		<u>98,395</u>
Excess (deficiency) of revenues over expenditures		(7,948)
Fund balances, beginning of year		<u>252,700</u>
Fund balances, end of year	\$	<u><u>244,752</u></u>

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF EDMORE

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended February 28, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Actual</i>
	<i>Original</i>	<i>Final</i>		<i>Over (Under)</i>
				<i>Final Budget</i>
Revenues:				
Property taxes	\$ 252,200	\$ 293,793	\$ 259,566	\$ (34,227)
Licenses and permits	1,700	1,700	1,497	(203)
State grants	115,000	122,708	122,330	(378)
Contributions from other units	-	69,328	69,328	-
Charges for services	24,900	30,513	29,950	(563)
Interest and rents	16,400	40,680	40,627	(53)
Other revenue	36,100	26,151	26,552	401
Total revenues	<u>446,300</u>	<u>584,873</u>	<u>549,850</u>	<u>(35,023)</u>
Expenditures:				
Current				
General government	116,590	134,961	113,610	(21,351)
Public works	132,625	144,013	143,379	(634)
Community and economic development	100	100	56	(44)
Recreation	19,645	19,645	12,112	(7,533)
Other	60,325	45,090	45,041	(49)
Capital outlay	<u>25,000</u>	<u>81,828</u>	<u>79,713</u>	<u>(2,115)</u>
Total expenditures	<u>354,285</u>	<u>425,637</u>	<u>393,911</u>	<u>(31,726)</u>
Excess (deficiency) of revenues over expenditures	<u>92,015</u>	<u>159,236</u>	<u>155,939</u>	<u>(3,297)</u>
Other financing sources (uses):				
Transfers out	<u>(135,000)</u>	<u>(137,827)</u>	<u>(83,501)</u>	<u>54,326</u>
Total other financing sources (uses)	<u>(135,000)</u>	<u>(137,827)</u>	<u>(83,501)</u>	<u>54,326</u>
Net change in fund balance	(42,985)	21,409	72,438	51,029
Fund balance, beginning of year	<u>444,142</u>	<u>444,142</u>	<u>444,142</u>	<u>-</u>
Fund balance, end of year	<u>\$ 401,157</u>	<u>\$ 465,551</u>	<u>\$ 516,580</u>	<u>\$ 51,029</u>

VILLAGE OF EDMORE

SPECIAL REVENUE FUND – MAJOR STREET FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended February 28, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Actual</i>
	<i>Original</i>	<i>Final</i>		<i>Over (Under)</i>
				<i>Final Budget</i>
Revenues:				
State grants	\$ 70,800	\$ 73,431	\$ 72,493	\$ (938)
Interest and rents	2,500	7,000	6,609	(391)
Total revenues	73,300	80,431	79,102	(1,329)
Expenditures:				
Current				
Public works	34,947	34,289	19,643	(14,646)
Total expenditures	34,947	34,289	19,643	(14,646)
Excess (deficiency) of revenues over expenditures	38,353	46,142	59,459	13,317
Other financing sources:				
Transfers out	(17,500)	(18,158)	(18,123)	35
Total other financing sources	(17,500)	(18,158)	(18,123)	35
Net change in fund balance	20,853	27,984	41,336	13,352
Fund balance, beginning of year	200,974	200,974	200,974	-
Fund balance, end of year	<u>\$ 221,827</u>	<u>\$ 228,958</u>	<u>\$ 242,310</u>	<u>\$ 13,352</u>

VILLAGE OF EDMORE

SPECIAL REVENUE FUND – LOCAL STREET FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended February 28, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Actual</i>
	<i>Original</i>	<i>Final</i>		<i>Over (Under)</i>
				<i>Final Budget</i>
Revenues:				
State grants	\$ 32,500	\$ 32,100	\$ 32,038	\$ (62)
Interest and rents	2,400	7,369	7,370	1
Other revenue	50	50	-	-
Total revenues	<u>34,950</u>	<u>39,519</u>	<u>39,408</u>	<u>(61)</u>
Expenditures:				
Current				
Public works	27,377	24,990	21,081	(3,909)
Capital outlay	<u>9,150</u>	<u>13,374</u>	<u>13,374</u>	<u>-</u>
Total expenditures	<u>36,527</u>	<u>38,364</u>	<u>34,455</u>	<u>(3,909)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,577)</u>	<u>1,155</u>	<u>4,953</u>	<u>3,848</u>
Other financing sources:				
Transfers in	<u>17,500</u>	<u>18,158</u>	<u>18,123</u>	<u>(35)</u>
Total other financing sources	<u>17,500</u>	<u>18,158</u>	<u>18,123</u>	<u>(35)</u>
Net change in fund balance	15,923	19,313	23,076	3,813
Fund balance, beginning of year	<u>226,067</u>	<u>226,067</u>	<u>226,067</u>	<u>-</u>
Fund balance, end of year	<u>\$ 241,990</u>	<u>\$ 245,380</u>	<u>\$ 249,143</u>	<u>\$ 3,813</u>

VILLAGE OF EDMORE

SPECIAL REVENUE FUND – POLICE FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended February 28, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Actual</i>
	<i>Original</i>	<i>Final</i>		<i>Over (Under)</i>
				<i>Final Budget</i>
Revenues:				
Federal grants	\$ -	\$ 4,881	\$ 4,881	\$ -
State grants	1,800	1,813	1,813	-
Contributions from other units	5,000	2,500	1,667	(833)
Fines and forfeits	-	1,389	1,389	-
Interest and rents	600	900	654	(246)
Other revenue	4,250	8,006	8,005	1
Total revenues	<u>11,650</u>	<u>19,489</u>	<u>18,409</u>	<u>(1,078)</u>
Expenditures:				
Current				
Public safety	99,371	99,371	93,163	(6,208)
Debt service				
Principal	8,164	8,164	8,164	-
Interest and fees	400	400	400	-
Total expenditures	<u>107,935</u>	<u>107,935</u>	<u>101,727</u>	<u>(6,208)</u>
Excess (deficiency) of revenues over expenditures	<u>(96,285)</u>	<u>(88,446)</u>	<u>(83,318)</u>	<u>5,130</u>
Other financing sources:				
Transfers in	<u>100,000</u>	<u>94,772</u>	<u>83,501</u>	<u>(11,271)</u>
Total other financing sources	<u>100,000</u>	<u>94,772</u>	<u>83,501</u>	<u>(11,271)</u>
Net change in fund balance	3,715	6,326	183	(6,141)
Fund balance, beginning of year	<u>226,067</u>	<u>226,067</u>	<u>13,853</u>	<u>(212,214)</u>
Fund balance, end of year	<u>\$ 229,782</u>	<u>\$ 232,393</u>	<u>\$ 14,036</u>	<u>\$ (218,355)</u>

VILLAGE OF EDMORE

SPECIAL REVENUE FUND – ECONOMIC DEVELOPMENT FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended February 28, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Actual</i>
	<i>Original</i>	<i>Final</i>		<i>Over (Under)</i>
				<i>Final Budget</i>
Revenues:				
Charges for services	\$ -	\$ 250	\$ 250	\$ -
Interest and rents	14,500	21,500	20,653	(847)
Loan repayments	-	-	53,156	53,156
Total revenues	<u>14,500</u>	<u>21,750</u>	<u>74,059</u>	<u>52,309</u>
Expenditures:				
Current				
Community and economic development	<u>300</u>	<u>77,535</u>	<u>77,535</u>	<u>-</u>
Total expenditures	<u>300</u>	<u>77,535</u>	<u>77,535</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	14,200	(55,785)	(3,476)	52,309
Fund balance, beginning of year	<u>387,916</u>	<u>387,916</u>	<u>387,916</u>	<u>-</u>
Fund balance, end of year	<u>\$ 402,116</u>	<u>\$ 332,131</u>	<u>\$ 384,440</u>	<u>\$ 52,309</u>

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF EDMORE

GENERAL FUND

DETAILED SCHEDULE OF REVENUES

Year Ended February 28, 2007

Current Taxes:

Property taxes	\$ 249,316
Penalties and interest on taxes	29
Administration fees	2,718
Payment in lieu of taxes	7,503
	<u>259,566</u>

Licenses and permits:

Business licenses and permits	335
CATV franchise fees	1,162
	<u>1,497</u>

State Grants:

State revenue sharing - sales tax	<u>122,330</u>
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Contribution from other units:

Contribution from Downtown Development Authority	<u>69,328</u>
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Charges for services:

Refuse collection fees	17,337
Cemetery fees	11,863
Zoning/Variance/Appeals fees	650
Other	100
	<u>29,950</u>

Interest and rents:

Interest	27,427
Rents	13,200
	<u>40,627</u>

Other Revenue:

Cemetery lots/perpetual care	3,125
Contributions and donations	10,385
Refunds and rebates	10,374
Other	2,668
	<u>26,552</u>

Total revenues	<u>\$ 549,850</u>
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VILLAGE OF EDMORE

GENERAL FUND

DETAILED SCHEDULE OF EXPENDITURES

Year Ended February 28, 2007

General Government:

Village Council:

Personnel	\$	3,735
Fringe benefits		143
Supplies		706
Contracted services		767
Dues and memberships		2,248
Printing and publications		566
Other		5,480
		<u>13,645</u>

Village Manager:

Personnel		14,119
Fringe benefits		3,270
Supplies		1,620
Contracted services		1,049
Telephone		1,550
Dues and memberships		75
Education and training		100
Other		100
		<u>21,883</u>

Office Administration and Accounting:

Personnel		8,325
Fringe benefits		1,366
Supplies		3,527
Contracted services		8,680
Telephone		1,329
Mileage		150
		<u>23,377</u>

Clerk:

Personnel		675
Fringe benefits		16
Supplies		211
Printing and publications		754
		<u>1,656</u>

Audit:

Contracted services		<u>2,050</u>
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Treasurer:

Personnel		495
Fringe benefits		24
Supplies		300
Contracted services		450
		<u>1,269</u>

VILLAGE OF EDMORE

GENERAL FUND

DETAILED SCHEDULE OF EXPENDITURES, CONTINUED

Year Ended February 28, 2007

General Government, continued:

Elections:

Contracted services	430
	<u>430</u>

Hall and Grounds:

Supplies	154
Utilities	3,060
	<u>3,214</u>

Attorney:

Contracted services	<u>1,025</u>
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Cemetery:

Personnel	22,944
Fringe benefits	2,976
Supplies	1,290
Utilities	74
Equipment rental	15,797
	<u>43,081</u>

Other Governmental Services:

Contracted services	<u>1,980</u>
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Total general government 113,610

Public Works:

Department of Public Works:

Personnel	23,051
Fringe benefits	5,715
Supplies	1,056
Contracted services	10,213
Telephone	1,332
Utilities	5,462
Equipment rental	4,045
	<u>50,874</u>

Street Lights:

Utilities	<u>22,253</u>
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Refuse:

Personnel	14,587
Fringe benefits	2,342
Supplies	2,150
Contracted services	36,000
Equipment rental	15,173
	<u>70,252</u>

Total public works 143,379

VILLAGE OF EDMORE

GENERAL FUND

DETAILED SCHEDULE OF EXPENDITURES, CONTINUED

Year Ended February 28, 2007

Community and Economic Development:

Planning Commission

Printing and publications	<u>56</u>
Total community and public development	<u>56</u>

Recreation:

Parks and Recreation:

Personnel	4,066
Fringe benefits	845
Supplies	170
Contracted services	3,940
Utilities	1,573
Equipment rental	<u>1,518</u>
Total recreation	<u>12,112</u>

Other:

Insurance and bonds	12,818
Employee benefits	18,392
Retirement	6,285
Payroll taxes	4,818
Unemployment insurance	<u>2,728</u>
Total other	<u>45,041</u>

Capital Outlay:

General government	10,385
Public works	<u>69,328</u>
Total capital outlay	<u>79,713</u>

Total expenditures	<u>393,911</u>
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Other Financing Uses:

Transfers to other funds	<u>83,501</u>
Total other financing uses	<u>83,501</u>

Total expenditures and other financing uses	<u>\$ 477,412</u>
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VILLAGE OF EDMORE

FIDUCIARY FUNDS – AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

Year Ended February 28, 2007

	<u>March 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>February 28, 2007</u>
<u>CURRENT TAX COLLECTION</u>				
Assets:				
Cash and cash equivalents	\$ 51	\$ 258,581	\$ 258,581	\$ 51
Liabilities:				
Due to other funds	\$ 51	\$ 258,581	\$ 258,581	\$ 51
<u>PAYROLL FUND</u>				
Assets:				
Cash and cash equivalents	\$ 10,821	\$ 413,905	\$ 408,484	\$ 16,242
Liabilities:				
Accrued expenses	\$ 1,818	\$ 411,351	\$ 408,484	\$ 4,685
Due to other funds	9,003	2,554	-	11,557
	<u>\$ 10,821</u>	<u>\$ 413,905</u>	<u>\$ 408,484</u>	<u>\$ 16,242</u>
<u>GLENN CURTIS ESTATE</u>				
Assets:				
Cash and cash equivalents	\$ 41,934	\$ 143,228	\$ 170,639	\$ 14,523
Liabilities:				
Accounts payable	\$ 41,934	\$ 143,228	\$ 170,639	\$ 14,523
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets:				
Cash and cash equivalents	\$ 52,806	\$ 815,714	\$ 837,704	\$ 30,816
Liabilities:				
Accounts payable	\$ 41,934	\$ 143,228	\$ 170,639	\$ 14,523
Accrued expenses	1,818	411,351	408,484	4,685
Due to other funds	9,054	258,581	258,581	11,608
Total liabilities	<u>\$ 52,806</u>	<u>\$ 813,160</u>	<u>\$ 837,704</u>	<u>\$ 30,816</u>