AUDITED FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTAL INFORMATION
OTHER FINANCIAL INFORMATION
AND SUPPLEMENTAL REPORTS

GREENLAND TOWNSHIP
ONTONAGON COUNTY
March 31, 2007

Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

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

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☒Twp ☐Village ☐Other	Greenland Township	Ontonagon

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
3/31/2007	8/31/2007	9/27/2007

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. Potential – page 54 item 5
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	x	
The letter of Comments and Recommendations	x	
Other (Describe)		

Certified Public Accountant (Firm Name)	Telephone Number
Roger J. Kolehmainen PC CPA	(906) 932-3600

Street Address	City	State	Zip
1445 East Cloverland Drive	Ironwood	MI	49938

Authorizing CPA Signature	Printed Name	License Number
RJKolehmainen	Roger J. Kolehmainen	1617066

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MANAGEMENT'S DISCUSSION AND ANALYSIS
GREENLAND TOWNSHIP

Year ended March 31, 2007

Management's Discussion and Analysis

This section of the Greenland Township's annual financial report presents our discussion and analysis of the Township's financial performance during the year ended March 31, 2007. It is to be read in conjunction with the Township's financial statements, which immediately follow. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Government* and is intended to provide the financial results for the fiscal year ending March 31, 2007.

Government-wide Financial Statements

The Government-wide financial statements appear first in the financial report. These financial statements include the statement of net assets and the statement of activities. They report information about the Township as a whole and its component unit. The statements are prepared using the accrual basis of accounting which is the accounting used by most private sector businesses. The statement of net assets includes all of the Township's assets and liabilities. All current year revenues and expenses are reported in the statement of activities. These new statement that have not been required or provided in past years but are now required based on government auditing and accounting standards The two statements report the governmental activities of the Township that include all services performed by the Township. These activities are funded mostly by State revenue sharing, property taxes, landfill fees and charges for services.

The statement of net assets, as stated previously, shows the Township's assets and liabilities. The corresponding balance between the amounts calculates the net assets or deficit of the Township. This statement measures the financial strength of the Township; the greater the net asset figure, the healthier the Township generally is. This shows if the Township will be able to fund their current obligations and shows what they have available for future use.

The statement of activities shows the current year change in net assets on revenue less expenditure basis. It generally shows the operating results for a given year of the Township. Any excess of revenues over expenditures results in a surplus for the year that in turn increases the net assets (or reduces a deficit) available to fund future needs of the Township. Any deficiency of revenues over expenditures results in a deficit for the year that in turn reduces the net assets (or increases a deficit) of the Township.

Fund Financial Statements

The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. In the basic financial statements, the emphasis of the fund financial statements is on major funds. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. In order to provide the reader with information to better understand the long-term impact of the government's near-term financing decisions, a reconciliation between the government-wide financial statements is included as part of the basic financial statements.

The Township maintains three governmental funds. Information is presented separately in the government fund balance sheets and governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Fire Fund (considered major funds) and the Township's Special Revenue Funds – Housing Program Fund (considered a non-major fund). The Township adopted an annual budget for the general fund and the Special Revenue Fund (non-major fund). To demonstrate compliance with this budget, a budgetary comparison statement has been provided for the general fund and is included in the "Required Supplemental Information" section of this report. Budgetary comparisons for other individual funds are presented under the "Other Financial Information" section of this report.

The Township has a component unit, Downtown Development Authority, which is included in the enclosed the Government-wide financial statements and the governmental funds financial statements. The financial statements are prepared on accrual method of accounting.

Proprietary Funds

Proprietary Funds provide services for which the Township charges customers a fee. The Township has one proprietary fund types-enterprise fund. The enterprise fund of the Township is used to report the same functions as the business-type activities in the government-wide financial statements. The Sewer Fund is presented in both the government-wide financial statements and the fund financial statements and is considered a major fund. Enterprise funds are used to account for operations very similar to business enterprises, where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefits of parties outside the government. The fiduciary funds for the Township are the Tax Collection Fund and Pension Fund. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. This fund is presented separately in the fund financial statements section of the basic financial statements.

Notes to Financial Statements

Notes to the financial statements are included in the financial statements, and provide additional information that is essential for a full understanding of the data provide in the government-wide and the fund financial statements.

Government-wide Financial Statements-Condensed Financial Information

Statement of Net Assets

The following is a condensed statement of net assets with a detailed analysis of the statement below as of March 31, 2007 and 2006.

	March 31, 2007			
		Primary Government		
	Governmental	Business-Type		Component
ASSETS	Activities	Activities	Total	Unit
Current Assets:				
Cash and other assets	$117,242	$28,537	$145,779	$64,672
Other assets	41,160	37,880	79,040	4,240
Non-current Assets				
Restricted cash	76,567	95,730	172,297	
Capital Assets, net	143,065	1,914,380	2,057,445	
TOTAL ASSETS	$378,034	$2,076,527	2,454,561	$68,912

MANAGEMENT'S DISCUSSION AND ANALYSIS
GREENLAND TOWNSHIP
(Unaudited)

	Primary Government			
LIABILITIES	Governmental Activities	Business-Type Activities	Total	Component Unit
Current Liabilities	$73,156	$48,974	$122,130	$120
Non-current Liabilities		566,300	566,300	
TOTAL LIABILITES	$73,156	$615,274	$688,430	$120
NET ASSETS				
Investment in capital assets, net of related debt	91,228	1,334,080	1,425,308	
Restricted	76,567		76,567	
Unrestricted	137,083	127,173	264,256	68,792
TOTAL NET ASSETS	$304,878	$1,461,253	1,766,131	$68,792
TOTAL LIABILITIES AND NET ASSETS	$378,034	$2,076,527	$2,454,561	$68,912

For governmental activities, net assets increased by $28,111 during the fiscal year. For business-type activities, net assets decreased by $47,568 during the year.

March 31, 2006

	Primary Government			
ASSETS	Governmental Activities	Business-Type Activities	Total	Component Unit
Current Assets:				
Cash and other assets	$135,255	$33,454	$168,709	$23,085
Other assets	72,509	28,552	101,061	873
Non-current Assets				
Restricted cash	73,245	98,249	171,494	
Capital Assets, net	97,258	1,978,510	2,075,768	7,200
TOTAL ASSETS	$378,267	$2,138,765	2,517,032	$31,158
LIABILITIES				
Current Liabilities	$101,500	$48,644	$150,144	$17,689
Non-current Liabilities		581,300	581,300	
TOTAL LIABILITES	$101,500	$629,944	$731,444	$17,689
NET ASSETS				
Investment in capital assets, net of related debt	97,258	1,364,629	1,461,887	7,200
Restricted	73,245		73,245	
Unrestricted	106,264	144,192	250,456	6,269
TOTAL NET ASSETS	$276,767	$1,508,821	1,785,588	$13,469
TOTAL LIABILITIES AND NET ASSETS	$378,267	$2,138,765	$2,517,032	$31,158

MANAGEMENT'S DISCUSSION AND ANALYSIS
GREENLAND TOWNSHIP
(Unaudited)

Results of Operations

The results of operations for Greenland Township as a whole are reported in the statement of activities. This statement reports the changes in net assets for both governmental and business-type activities. The following is a condensed statement of activities for the years ended March 31, 2007 and 2006.

	March 31, 2007			
	Primary Government			
	Governmental	Business-Type		Component
REVENUES:	Activities	Activities	Total	Unit
Program Revenues:				
Charges for services	$25,391	$82,424	$107,815	$650
General Revenues:				
Property taxes	34,418		34,418	8,379
State-shared revenues	65,021		65,021	
Landfill fees	38,433		38,433	
Investment income	2,806	1,887	4,693	760
Other income	40,172		40,172	46,758
TOTAL REVENUES	$206,241	$84,311	$290,552	$56,547
EXPENSES:				
Program Expenses:				
Governmental activities	$178,130		$178,130	$1,224
Business-type activities		$131,879	131,879	
TOTAL EXPENSES	$178,130	$131,879	$310,009	$1,224
Increase (Decrease) in Net Assets	$28,111	($47,568)	($19,457)	$55,323
Net Assets 3/31/2006	276,767	1,508,821	1,785,588	13,469
Net Assets 3/31/2007	$304,878	$1,461,253	$1,766,131	$68,792

MANAGEMENT'S DISCUSSION AND ANALYSIS
GREENLAND TOWNSHIP
(Unaudited)
March 31, 2006

	Primary Government			
REVENUES:	Governmental Activities	Business-Type Activities	Total	Component Unit
Program Revenues:				
Charges for services	$16,529	$65,074	$81,603	$329
General Revenues:				
Property taxes	33,262		33,262	7,376
State-shared revenues	66,156		66,156	
Landfill fees	49,688		49,688	
Investment income	2,646	1,441	4,087	295
Other income	12,593	240	12,833	
TOTAL REVENUES	$180,874	$66,755	$247,629	$8,000
EXPENSES:				
Program Expenses:				
Governmental activities	$125,998		$125,998	$7,432
Business-type activities		$122,723	122,723	
TOTAL EXPENSES	$125,998	$122,723	$248,721	$7,432
Increase (Decreased) in Net Assets	$54,876	($55,968)	($1,092)	$568
Net Assets 3/31/2005	221,891	1,564,789	1,786,680	12,901
Net Assets 3/31/2006	$276,767	$1,508,821	$1,785,588	$13,469

Governmental Activities

Property taxes and other tax revenues comprise $41,786 or approximately 20 percent of total governmental revenues. The Township also received $66,396 (32%); $38,433 (18%) and $21,493 (10%) in State shared revenues, landfill fees and stumpage sales, respectively, during the fiscal year.

The Township expended $223,938 on governmental programs and services. The largest expense category was for general government services in the amount of $153,097 or 68%. Included in this total were capital improvements and equipment additions amounting to $54,167.

Business-Type Activities

Business-type activities decreased the Township's net assets by $47,568. Charges for services for water and sewer activities for the year were $82,424 and expenditures amounted to $131,879.

MANAGEMENT'S DISCUSSION AND ANALYSIS
GREENLAND TOWNSHIP
(Unaudited)

Financial Analysis of Governmental Funds

As previously noted, the Township uses fund accounting to ensure and demonstrate compliance with finance-related requirement.

Governmental Funds

The focus of the Township's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Township's financing requirements. 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 year. The Township's governmental funds reported combined ending fund balances of $161,813 of which $76,567 is reserved for various road, building projects and cemetery activities, with the remaining $85,246 available for discretionary spending.

Proprietary Fund

The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net asset of the Sewer Fund as of March 31, 2007 was $127,173.

Capital Assets and Debt Administration

The Township's investment in capital assets, net of accumulated depreciation for its governmental and business-type activities as of March 31, 2007 was $2,057,445.

Major capital expenditures for governmental funds were for Township's renovations to the newly acquired town hall and computers acquisitions. The Proprietary Fund acquired a new lift station pump at year end.

The Township had $580,300 in long-term revenue bonds payable as of March 31, 2007, of which $14,000 is reclassified as a short term liability.

Other Economic Factors and Next Years Budget

Economic Factors

Currently, the State of Michigan is experiencing a severe budgetary crisis. As such, it is anticipated that future state cuts will likely translate into strategic reductions of Township expenses to maintain a sound budget. Despite the poor outlook of the state's budget, the Township will continue to strive to provide good social and cultural conditions that support healthy families and maintain a safe and clean community in which to live.

Request for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Township Supervisor
Greenland Township
PO Box 204
Mass City, MI 49948

Roger J. Kolehmainen CPA PC
1445 East Cloverland Drive
Ironwood, MI 49938
(906) 932-3600

INDEPENDENT AUDITOR'S REPORT

Supervisor and Members of the Board
Greenland Township
Mass City, Michigan

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

We conducted the 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 from 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 the 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, and the aggregate remaining fund information of the Greenland Township as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated August 31, 2007, on our consideration of Greenland Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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 read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 10 are not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greenland Township's basic financial statements. The accompanying "Other Financial Information" is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 financial statements taken as a whole.

Roger J. Kolehmainen PC
Certified Public Accountant

Ironwood, Michigan
August 31, 2007

GREENLAND TOWNSHIP
STATEMENT OF NET ASSETS
March 31, 2007

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Unit
ASSETS				
Current Assets:				
Cash and cash equivalents	$117,242	$28,537	$145,779	$64,672
Accounts receivable-net	18,538	33,382	51,920	3,374
Delinquent taxes receivable	4,555		4,555	866
Due from other funds	7,636	495	8,131	
Accrued interest income		162	162	
Deferred charges	10,,431	3,841	14,272	
TOTAL CURRENT ASSETS	$158,402	$66,417	$224,819	$68,912
RESTRICTED ASSETS:				
Restricted cash	76,567	95,730	172,297	
NON-CURRENT ASSETS:				
Capital assets	152,462	3,051,597	3,204,059	
Accumulated depreciation	(9,397)	(1,143,113)	(1,152,510)	
Loan acquisition costs-net		5,896	5,896	
TOTAL NON-CURRENT ASSETS	143,065	1,914,380	2,057,445	
TOTAL ASSETS	$378,034	$2,076,527	$2,454,561	$68,912
LIABILITIES				
Current Liabilities:				
Accounts payable	$67,080	$9,305	$76,385	$120
Accrued wages/taxes	6,076	735	6,811	
Accrued interest payable		9,672	9,672	
Due to other funds		7,501	7,501	
Advance collections		7,761	7,761	
Current maturity on long-term debt		14,000	14,000	
TOTAL CURRENT LIABILITIES	$73,156	$48,974	$122,130	$120
NON-CURRENT LIABILITIES				
Bonds payable		580,300	580,300	
Current maturity on long-term debt		(14,000)	(14,000)	
TOTAL NON-CURRENT LIABILITIES		566,300	566,300	
TOTAL LIABILITES	$73,156	615,274	$688,430	$120
NET ASSETS				
Investment in capital assets, net of related debt	$91,228	I,334,080	$1,425,308	$
Reserved	76,567		76,567	
Unreserved	137,083	127,173	264,256	68,792
TOTAL NET ASSETS	$304,878	$1,461,253	$I,766,131	$68,792
TOTAL LIABILITIES & NET ASSETS	$378,034	$2,076,527	$2,454,561	$68,912

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

GREENLAND TOWNSHIP
STATEMENT OF ACTIVITIES
Year Ended MARCH 31, 2007

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue
Primary government:			
Governmental Activities			
General government	$118,727	$21,503	($97,224)
Public safety	20,586	3,888	(16,698)
Public works	15,342		(15,342)
Recreation and culture	4,890		(4,890)
Other	18,585		(18,585)
Total Governmental Activities	$178,130	$25,391	($152,739)
Business-type Activities			
Sewer	$131,879	$82,424	($49,455)
Total Business – type Activities	$131,879	$82,424	($49,455)
Total primary government	$310,009	$107,815	($202,194)
Component unit:			
Development activities	$1,224	$650	($574)
Total component unit	$1,224	$650	($574)

Changes in Net Assets

	Primary Government			
	Governmental Activities	Business – type Activities	Total	Component Unit
Net (Expense) Revenue	($152,739)	($49,455)	($202,194)	($574)
General Revenues:				
Property taxes	34,418		34,418	8,379
State-Shared revenues	65,021		65,021	
Landfill fees	38,433		38,433	
Investment income	2,806	1,887	4,693	760
Other	40,172		40,172	46,758
Total General Revenues and Transfers	$180,850	$1,887	$182,737	$55,897
Changes in Net Assets	$28,111	($47,568)	($1,092)	$55,323
Net Assets at Beginning of Year	276,767	1,508,821	1,786,680	13,469
Net Assets at End of Year	$304,878	$1,461,253	$1,785,588	$68,792

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

GREENLAND TOWNSHIP
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2007

	Primary Government				
	General	Fire Fund	Other Governmental Funds	Totals Governmental Funds	Component Unit
ASSETS					
Current Assets:					
Cash and cash equivalents	$42,104	$75,138	$	$117,242	$64,672
Accounts receivable-net	18,538			18,538	3,374
Delinquent taxes receivable	2,692	1,863		4,555	866
Due from other funds	29,251			29,251	
Deferred charges	10,431			10,431	
TOTAL CURRENT ASSETS	$103,016	$77,001	$	$180,017	$68,912
NON-CURRENT ASSETS					
Restricted cash	76,567			76,567	
TOTAL NON-CURRENT ASSETS	76,567			76,567	
TOTAL ASSETS	$179,583	$77,001	$	$256,584	$68,912
LIABILITIES					
Current Liabilities					
Accounts payable	$67,080	$	$	$67,080	$120
Accrued wages/taxes	6,076			6,076	
Due to other funds		21,615		21,615	
TOTAL CURRENT LIABILITIES	$73,156	$21,615	$	$94,771	$120
TOTAL LIABILITIES	$73,156	$21,615	$	$94,771	$120
FUND BALANCES					
Reserved	76,567			76,567	
Unreserved	29,860	55,386		85,246	68,792
TOTAL FUND BALANCES	$106,427	$55,386	$	$161,813	$68,792
TOTAL LIABILITIES AND FUND BALANCES	$179,583	$77,001	$	$256,584	$68,912

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

Total Fund Balances for Governmental Funds	$161,813
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation:	143,065
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$304,878

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

GREENLAND TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year ended March 31, 2007

	General	Fire Fund	Other Governmental Fund	Total Governmental Funds	Component Unit
REVENUES:					
Taxes	$13,583	$15,210	$	$28,793	$8,379
Other taxes	5,625			5,625	
Tax administrative fees	7,368			7,368	
State shared revenues	66,396			66,396	
Charges for services	40,946			40,946	
Interest	2,107	631	68	2,806	760
Sale of assets/stumpage	21,493			21,493	53,958
Rental income	14,135			14,135	650
Donations	15,405			15,405	
Other income	3,274			3,274	
	$190,332	$15,841	$ 68	$206,241	$63,747
EXPENDITURES					
Legislative	$15,467	$	$	$15,467	$
General government	153,097			153,097	
Public safety	20,586	396		20,982	
Public works	11,192			11,192	
Recreation and culture	4,615			4,615	
Economic development					1,224
Other	18,585			18,585	
	$223,542	$ 396	$	$223,938	$1,224
EXCESS OF REVENUES (EXPENDITURES)	(33,210)	15,445	68	(17,697)	62,523
OTHER FINANCING SOURCES (USES)					
Transfers to/from other funds	(5,707)	18,736	(13,029)		
EXCESS OF REVENUES EXPENDITURES) & OTHER FINANCING USES	($38,917)	$34,181	($12,961)	($17,697)	$62,523
Fund Balance at 3/31/2006	145,344	21,205	12,961	179,510	6,269
FUND BALANCE 3/31/2007	**$106,427**	**$55,386**	**$**	**$161,813**	**$68,792**

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

GREENLAND TOWNSHIP
RECONCILIATION OF THE GOVERNMENTAL FUND TYPE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE WITH THE STATEMENT OF ACTIVITIES

March 31, 2007

Net change in fund balances – Total Governmental Funds	($17,697)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Additions:	
Capital asset purchases capitalized	$53,505
Depreciation expense	(7,697)
Change in Net Assets of Governmental Activities	$28,111

The accompanying notes are an integral part of the financial statements

GREENLAND TOWNSHIP
STATEMENT OF NET ASSET
PROPRIETARY FUND
March 31, 2007

		Sewer
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents		$28,537
Accounts receivable-net		33,382
Due from other funds		495
Accrued interest income		162
Deferred charges		3,841
	Total Current Assets	$66,417
RESTRICTED ASSETS:		
Cash		95,730
	Total Restricted Assets	95,730
NONCURRENT ASSETS:		
Property, plant and equipment		3,051,597
Accumulated depreciation		(1,143,113)
Loan acquisition costs-net		5,896
	Total Non-Current Assets	1,914,380
	TOTAL ASSETS	$2,076,527
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable		$9,305
Accrued wages/taxes		735
Accrued interest payable		9,672
Due to other funds		7,501
Advance collections		7,761
Current maturity on long-term debt		14,000
	Total Current Liabilities	$48,974
LONG TERM LIABILITIES		
Revenue bonds payable		580,300
Less current maturity on long-term debt		(14,000)
	Total long-term liabilities	566,300
	TOTAL LIABILITIES	615,274
NET ASSETS:		
Investment in capital asset, net of related debt		1,334,080
Unreserved		127,173
	TOTAL NET ASSETS	$1,461,253
	TOTAL LIABILITIES AND NET ASSETS	$2,076,527

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

GREENLAND TOWNSHIP
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN
NET ASSETS - PROPRIETARY FUND TYPE

Year ended March 31, 2007

	Business type Activities - Enterprise Fund
	Sewer Fund
Operating revenues:	
Charges for services	$82,425
Total Operating Revenues	$82,425
Operating expenses:	
Wages and benefits	$12,111
Contractual costs/repairs	6,151
Provision for depreciation/amortization	70,756
Operating supplies	860
Utilities	4,781
Insurance	3,751
Administration	3,528
Miscellaneous	815
Total Operating Expenses	$102,753
Operating income (loss)	($20,328)
Non-operating revenues (expenses)	
Interest income	1,887
Interest expense	(29,127)
	($27,240)
Change in Net Assets	($47,568)
Net Assets - March 31, 2006	1,508,821
NET ASSETS – MARCH 31, 2007	$1,461,253

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS TYPE
GREENLAND TOWNSHIP
Year ended March 31, 2007

	Business type Activities - Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	**Sewer**
Receipts from customers	$75,407
Payments to employees and suppliers for goods and services	(34,977)
Net Cash Provided (Used) by Operating Activities	40,430
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of assets	(6,626)
Revenue bond principal/loans paid	(14,000)
Interest paid on bonds payable	(29,127)
Net Cash Provided (Used) for Capital and Related Financing Activities	(49,753)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	1,887
Net Cash Provided (Used) by Investing Activities	1,887
Net Increase (Decrease) in Cash	(7,436)
Cash and Cash Equivalents, March 31, 2006	131,703
CASH AND CASH EQUIVALENTS, March 31, 2007	**$124,267**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	($20,328)
Adjustments to reconcile income (loss) to net cash provided (used) by operating activities:	
Depreciation/amortization	70,756
Change in assets and liabilities:	
Accounts receivable	(7,017)
Due from other funds	(495)
Accrued interest income	(43)
Deferred charges	(1,773)
Accounts payable	8,807
Accrued wages/taxes	(190)
Customer advance payments	3,426
Due to other funds	(12,475)
Accrued interest payable	(238)
Net Cash Provided by Operating Activities	$40,430

Noncash investing, capital and financing activities: None

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

GREENLAND TOWNSHIP
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
Year ended March 31, 2007

Agency Funds

	Tax Collection Fund	Pension Fund	Totals
ASSETS			
Cash and cash equivalents	$4,005	$6,957	$10,962
TOTAL ASSETS	$4,005	$6,957	$10,962
LIABILITIES			
Due to Township	$631	$	$631
Due to Other Units	3,374		3,374
TOTAL LIABILITIES	$4,005	$	$4,005
NET ASSETS			
Held in trust for pension benefits		$6,957	$6,957
TOTAL NET ASSETS	$	$6,957	$6,957
TOTAL LIABILITES AND NET ASSETS	$4,005	$6,957	$10,962

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

GREENLAND TOWNSHIP
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION FUND
Year ended March 31, 2007

	Agency Funds
ADDITIONS	
Contributions	$1,917
Investment gains	477
TOTAL ADDITIONS	$2,394
DEDUCTIONS	
Administrative fees	$77
TOTAL DEDUCTIONS	$77
Changes in Net Assets	2,317
Net Assets at Beginning of Year	4,640
Net Assets at End of Year	$6,957

The accompanying notes are an integral part of the financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Township of Greenland operates with an elected board of trustees, which includes a supervisor, clerk and treasurer. The Township provides to its residents, services in many areas including public safety, highways and streets, sanitation, culture and recreation, planning and zoning, and general administrative services.

The Township complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the Township the option of electing to apply FASB pronouncements issued after November 30, 1989. The Township has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Local Unit (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. On this basis, the financial statements of the Downtown Development Authority has been included as a component unit, whereas, the local school district are not included in the financial statement of the Township. Educational services are provided to citizens through the local school district which is a separate governmental entity. Furthermore, the fire department fund raising saving account was not presented for audit and has not been included in the enclosed financial statements.

Basis of Presentation

The Statement of Net Assets and Statement of Activities display information about the reporting as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is place on major funds within the governmental and proprietary categories. A fund is considered major if it's the primary operating fund of the Township or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds in that category or type; and
b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

General Fund - is the primary operating fund of the Township and always classified as a major fund. This fund is used to account for all financial resources except those legally or administratively required to be accounted for in another fund.

Fire Fund – are used to account for tax monies received to defray major capital purchases and debt retirement payments.

Special Revenue Fund – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds report operations that provide services, which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes. The funds are used to account for utility operations in a manner similar to private business enterprises. The intent of the Township is to recover operating expenses, including depreciation, through user charges.

FIDUCIARY FUND TYPE (Not included in government-wide statements)

Agency Funds - These funds are used to account for assets held by the Township in a trustee capacity or as an agent for other governments and/or other funds. They include the Tax Collection Fund and the Pension Fund. These funds are custodial in nature and do not involve measurement of results of operations. The Pension Fund is a trust fund used to account for the accumulation of resources deposited into a defined contribution pension plan payable to retired employees.

COMPONENT UNITS

The Greenland Downtown Development Authority has been shown in the financial statements as a discretely presented component unit of Greenland Township.

MAJOR AND NONMAJOR FUNDS

The governmental and enterprise funds of the Township are further classified as major and nonmajor funds as follows:

Fund	Brief Description
MAJOR FUNDS	
1. General	See above for description.
2. Fire	Account for separate tax levy to defray capital purchases and debt retirement payments.
3. Sewer	Account for revenues and expenses of providing sewer services to the public.
NONMAJOR FUNDS	
4. Housing	Account for housing revolving loan monies.
COMPONENT UNIT	
5. Development Authority	Account for economic development activities.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end with the exception of State Shared revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used.

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the Township. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. See Note G for details of interfund transactions, including receivables and payable at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes; delinquent real property taxes and tax administrative fees. Business-type activities report utilities earnings as their major receivables. Delinquent account balances can be placed on tax rolls and can be a lien against real property, therefore, they are considered fully collectable.

Note Receivable

The General Fund provided a $35,000 loan to Greenland Downtown Development Authority in the remodeling of a commercial building to be leased as a restaurant. The Authority has agreed to make monthly payments of $306.43 at 4% interest for the term of 12 years. Payments began in July 1999. The note was paid in full as of March 31, 2007.

Inventories

An inventory of Governmental Fund and Proprietary Fund Types operating supplies are considered to be immaterial and are not recognized.

Fixed Assets

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with initial individual costs of $1,000 in capital betterments and equipment additions. All fixed assets are valued at historical cost. Capital assets for proprietary funds are recognized on assets costing over $150 and with a useful life of over three years. The Township, in adopting GASB 34, elected to capitalize asset and infrastructure improvements effective as of April 1, 2004 and subsequently.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets for governmental funds. Depreciation has been provided over the useful lives using the straight-line method of depreciation. The estimated useful lives for each major class of depreciable fixed assets are as follows:

Land	Not depreciated
Land improvements	20-50 Years
Buildings and improvements	20-50 Years
Utility Systems	50 Years
Software	5 Years
Equipment	5-20 Years
Vehicles	5-7 Years
Infrastructure (ROW)	19 Years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements. Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' statement of net assets. Depreciation has been provided over the useful lives using the straight-line method of depreciation.

Restricted Assets

Proprietary Fund Types Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of cash that can be used only to service outstanding debt and to pay for repairs and maintenance of the utility systems. The Township has deposited monies in excess of the minimal amounts required per covenants. The Governmental Fund has designated monies for future road/sidewalk improvements; building acquisition and improvements, and future cemetery care.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations of proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bond revenue notes payable. Any long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Property Taxes

Property taxes attach as an enforceable lien on property as of December 31. Taxes are levied on the ensuing December 1. The Township bills and collects its own property taxes and also collects current rolls for the County and School District. The Township records delinquent real property taxes as revenue upon levy; since the County will sell tax notes and remits monies to the various units of government shortly after year end.

Budgets

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

1. Prior to April 1, the proposed budget for each budgetary fund is submitted to the Township Board for consideration. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is held at the annual Township Board meeting to obtain taxpayers comments.

3. Public hearings are held to obtain taxpayer comments.

4. The budgets are adopted prior to the fiscal year by the majority vote of the Township Board.

5. The budgets are adopted on the modified accrual basis of accounting.

6. Any revisions to the budgeted amounts must be approved by a majority vote of the Township Board.

7. Budget appropriations lapse at the end of each fiscal year.

8. Budgeted amounts presented in the financial statements are as originally adopted and amended by the Township Board.

Formal budgets for General, Sewer and Special Revenue Funds were available except for the Fire Fund as required.

Pension

The pension cost as reported in the Statement of Fiduciary Net Assets and Statement of Changes is Fiduciary Net Assets are recorded on a cash basis due to timing differences in payments received from the Township.

Fund Equity

The unreserved fund equity for governmental funds represents the amount available for budgeting future operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Interest Expense

Interest on bonded indebtedness is recorded as expenditure as accrued.

Interest Receivables

Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- Unrestricted net assets – All other net assets that do no meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Statement

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide statements.

Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Proprietary Fund Type consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods, and/or services. It also includes are revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

In government-wide financial statements, expenses are classified by function for governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function) Debt Service
Proprietary Fund – By Operating and Non-operating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

NOTE B - CASH

Statutes authorize the Township to deposit cash in financial institutions covered by federal depository insurance and to invest in obligations of the United States Treasury, agencies and instrumentalities; commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services: United States government or agency obligation repurchases agreements; bankers' acceptances of United States banks; certain mutual funds and certain common stocks. All accounts are in the name of the Township and the Township holds certificates of deposit which are recorded in the Township records at cost. Interest is recorded when the interest is accrued.

Following is a summary of the carrying amount of cash at March 31, 2007:

Cash deposited in banks insured by federal depository insurance	$213,248
Funds in excess of insurance limits (uncollaterized)	109,219
Less outstanding items	(386)
Total	$322,081

Pension Trust Fund investments of $6,957 were invested entirely in annuity contracts in accordance with State of Michigan statutes. Market value of $6,957 as of March 31, 2007 approximates carrying value. The investments are not subject to categorization of credit risk.

NOTE C - RECEIVABLES

Accounts receivable and related allowances for uncollectible are as follows:

Fund	Receivable	Allowance	Net
General Fund	$21,230	$	$21,230
SRF-Fire Fund	$1,863	$	$1,863
Sewer Fund	$33,382	$	$33,383

General Fund - generally consists of delinquent tax monies; administrative fees; State Shared Revenues and rental income.

Sewer Fund - delinquent account balances are placed on tax rolls and can be a lien against real property. Receivables are considered to be fully collectible.

Fire Fund – generally consist of delinquent property taxes and contributions from another local unit towards debt service payments.

NOTE D - SUMMARY OF TAX ROLL

Following is a summary of the 2006 property tax roll:

	Levy	Taxes Returned Delinquent	Net Tax Collected
Real/Personal Property taxes:			
County	$238,586	$36,159	$202,427
School/SET	261,477	26,979	234,498
Township	27,038	4,734	22,304
CFR	39,849	340	39,509
Delinquent utilities	28,262	16,322	11,940
Totals:	$595,212	$84,534	$510,678

Taxable Valuation – (excludes CFR; lease Lands; and captured DDA taxes):	
Real property	$13,262,184
Personal property	1,460,900
Total	$14,723,084

NOTE E - DELINQUENT TAX RECEIVABLE

The County of Ontonagon purchases the delinquent real property taxes of the Township for the 2006 levied. The County intends to sell tax notes, the proceeds of which will be used to pay the Township for these delinquent taxes shortly after yearend. The delinquent real property taxes are recorded as current year tax revenues.

NOTE F - PUBLIC ACT 275 OF 1980 DISCLOSURE

The Township had no deficits in any funds as of March 31, 2007, which would require specific disclosure.

NOTE G - INTERFUND RECEIVABLES AND PAYABLE

The amounts of interfund receivables and payable at March 31, 2007, are as follows:

Funds	Interfund Receivable	Funds	Interfund Payable
General Fund-		Sewer Fund-	
Sewer Fund	$7,501	General Fund	$7,501
Tax Fund	135	Tax Fund-	
Fire Fund	21,615	General Fund	135
Sewer Fund-		Sewer Fund	495
Tax Fund	495	Fire Fund-	
		General Fund	21,615
TOTALS	$29,746		$29,746

NOTE H – SEWER FUND OTHER ASSETS

Sewer Fund other assets consist of legal fees incurred in connection with the 1989 Sewer Disposal System Revenue Bonds issued. These costs are being amortized using the straight-line method over the life of forty years. The current year amortization cost was $250.

NOTE I – CAPITAL ASSETS

A summary of changes in general fixed assets follow:

Governmental Activities	**Balance at March 31, 2006**	**Additions**	**Deletions**	**Balance at March 31, 2007**
Capital Assets being Depreciated				
Buildings and improvements	$1,500	$49,441	$	$50,941
Vehicles	6,545			6,545
Software	2,395			2,395
Equipment	8,998	4,726		13,724
Infrastructure-roads	79,520		663	78,857
	$98,958	$54,167	$ 663	$152,462
Less Accumulated Depreciation	(1,700)	(7,697)		(9,397)
Net	$97,258	$46,470	$ 663	$143,065

Adjust to roads was the result of a reduction in bid price upon completion of a road contract.

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

General Government	$3,272
Public Works	$4,150
Recreation & Culture	$ 275

NOTE J - ENTERPRISE FUNDS – CAPITAL ASSETS

A summary of proprietary fund type property, plant and equipment follows:

Sewer Fund

Business-Type Activities	**Balance at March 31, 2006**	**Additions**	**Deletions**	**Balance at March 31, 2007**
Capital Assets not Depreciated				
Land	$71,923	$	$	$71,923
Capital Assets being Depreciated				
Land improvements	73,668			73,668
Utility plant and buildings	2,541,754			2,541,754
Vehicle	23,496			23,496
Equipment	334,130	6,626		340,756
Subtotals	$3,044,971	$6,626	$	$3,051,597
Less Accumulated Depreciation	(1,072,607)	(70,506)		(1,143,113)
Net	$1,972,364	($63,880)	$	$1,908,484

Depreciation is computed using the straight-line method. Depreciation Expense was $70,506.

NOTE K – LIQUOR LICENSE REBATES

During the year ended March 31, 2007, the Township collected Liquor license monies of $1,375 and spent $1,901 in enforcement costs. Because the fee structure does not cover actual expenses and the Township has the ability to track revenues and expenditures, a separate fund has not been created to account for these monies. In prior years, expenditures exceeded revenues as well.

NOTE L – ACCOUNTS PAYABLE

The General Fund's accounts payable were for normal expenditures and included one outstanding road contractual expenditure totaling $51,837. The Proprietary Fund account payable balances were for normal expenditures and a pump purchase ($6,626) at year-end.

NOTE M – SUMMARY OF CHANGES IN LONG-TERM DEBT

A summary of the changes in the Township's long-term debt follows:

	Balance at April 1, 2006	**Additions**	**Deletions**	**Balance at March 31,2007**
Sewage Disposal System Revenue Bonds	$594,300	$	$14,000	$580,300

Sewage Disposal System

NOTE N – SEWER BOND PAYABLE

Revenue bonds payable in the Sewer fund were issued in 1989 for the purpose of defraying part of the cost of wastewater disposal and sewer improvements in portions of Greenland Township. Repayment of the bonds is being made through hoop up fees and monthly charges to users of the system.

Sewage Disposal System Revenue Bonds were issued for $720,000 on June 28, 1989, and they mature annually as scheduled below and bear interest at 5% per annum. The present amount of bonds outstanding as of March 31, 2007 is $580,300.

Principal installments of these bonds are subject to prepayment prior to maturity, in inverse chronological order, at the issuer's option, on any interest payment date on or after June 1, 1992, at par and accrued interest to the date fixed for prepayment.

Debt service charges until maturity are:

Year Ending March 31,	Principal	Interest	Total
2008	$14,000	$31,200	$45,200
2009	14,000	30,500	44,500
2010	15,000	29,775	44,775
2011	16,000	29,000	45,000
2012	17,000	28,175	45,175
2013	18,000	27,300	45,300
2014	19,000	26,375	45,375
2015	20,000	25,400	45,400
2016	21,000	24,375	45,375
2017	22,000	23,300	45,300
2018	23,000	22,175	45,175
2019	24,000	21,000	45,000
2020	25,000	19,775	44,775
2021	27,000	18,475	45,475
2022	28,000	17,100	45,100
2023	30,000	15,650	45,650
2024	31,000	14,125	45,125
2025	33,000	12,525	45,525
2026	34,000	10,850	44,850
2027	36,000	9,100	45,100
2028	38,000	7,250	45,250
2029	40,000	5,300	45,300
2030	35,300	3,250	38,550
2031			
	$580,300	$451,975	$1,032,275

NOTE O – EMPLOYEE RETIREMENT PLAN

Effective January 1, 1970, the Township adopted a defined contribution pension plan, administered by Manufacturers Life Insurance Company (under the direction of the Township Clerk), which provides pension benefits to elected Board Members, who have attained the age of 18. To participate, employees are required to match contributions made by the employer based upon pay range scales. The contributions are made to individual participates pension plans and are immediately vested. Investment of plan assets is the responsibility of each participant. In 2005, John Hancock Life Insurance Company replaced Manufacturer Life Insurance Company.

For the time period April 1, 2006 to March 31, 2007, actual employer contributions received amounted to $813, with employee contributions being $1,104. The amount payable from the General Fund at year end was $1,625. Plan assets held in pension investment accounts amounted to $6,957 as of March 31, 2007. Additional pension plan information was unavailable for more detailed disclosure.

NOTE P – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Township provides sewage services. Segment information as of March 31, 2007, follows:

	Sewer Utility Fund
Operating revenues	$82,424
Depreciation/amortized expense	$70,756
Operating income (loss)	($20,328)
Restrictive donations/grants	0
Operating transfers	0
Tax revenues	0
Increase (decrease) in Net Asset	($47,568)
Current capital contribution	0
Increase (decrease) in Fixed assets	$6,626
Long-term debt payable from operating revenues	$580,300
Net Assets Unreserved (deficit)	$127,173

NOTE Q – RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts; theft or, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained coverage from commercial insurance companies. The Township has comprehensive general liability coverage of $1,000,000 per occurrence and a $3,000,000 aggregate limit, with no deductible amount.

All risk management activities are accounted for in the General Fund of the Township. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

Management estimates that the amount of actual or potential claims against the Township as of March 31, 2007, will not materially affect the financial condition of the Township. Therefore, the General Fund contains no provision for estimated claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five years.

NOTE R – RESTRICTED FUND AND CASH BALANCES

The Township has designated the General Fund balance for various activities as follows:

Road repairs and improvements	$45,880
Building acquisition and improvements	13,838
Cemetery	16,849
Totals	$76,567

The General Fund has several restricted cash accounts with $76,567 set aside towards fully funding the restricted fund balance. The Proprietary Funds have established and funded ($95,730) various cash accounts in fulfilling various bond covenant agreements.

NOTE P – STATE CONSTRUCTION CODE ACT INFORMATION

During the year ended March 31, 2007, the Township collected construction code service fees of $2,513 and spent $2,513 for enforcing the code. The Township has the ability to track revenues and expenses and has elected not to establish a separate fund to account for this activity. All financial transactions are accounted for in the General Fund. There are no surplus monies available from previous years to require the reservation of any monies to any future periods.

REQUIRED SUPPLEMENTAL FINANCIAL INFORMATION

GREENLAND TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE- BUDGET TO ACTUAL
MAJOR GOVERNMENTAL FUND - GENERAL FUND
For the Year ended March 31, 2007

	Budgeted Amounts			
	ORGINAL	**FINAL**	**ACTUAL**	**VARIANCE**
REVENUES				
Taxes	$20,000	$20,000	$13,583	($6,417)
Other taxes	6,857	6,857	5,625	(1,232)
Tax administrative fees	3,000	3,000	7,368	4,368
State shared revenues	65,000	65,000	65,021	21
Liquor license fees	1,516	1,516	1,375	(141)
Charges for services/landfill	45,000	45,000	38,433	(6,567)
Building & zoning permits	1,500	1,500	2,513	1,013
Interest	271	271	2,107	1,836
Sale of stumpage			21,493	21,493
Rental income	17,000	17,000	14,135	(2,865)
Donations			15,405	15,405
Other revenue	11,500	11,500	3,274	(8,226)
	$171,644	$171,644	$190,332	$18,688
EXPENDITURES				
Legislative	$18,450	$18,450	$15,467	$2,983
General government	136,251	136,251	153,097	(16,846)
Public safety	22,463	22,463	20,586	1,877
Public works	22,000	22,000	11,192	10,808
Recreation and culture	19,729	19,729	4,615	15,114
Other	16,000	16,000	18,585	(2,585)
	$234,893	$234,893	$223,542	$11,351
EXCESS OF REVENUES (EXPENDITURES)	(63,249)	(63,249)	(33,210)	30,039
OTHER FINANCING SOURCES (USES)				
Transfers to/from other funds	19,000	19,000	(5,707)	(24,707)
EXCESS OF REVENUES EXPENDITURES) AND OTHER FINANCING USES	($44,249)	($44,249)	($38,917)	$5,332
Fund Balance at 3/31/2006	145,344	145,344	145,344	
FUND BALANCE MARCH 31, 2007	**$101,095**	**$101,095**	**$106,427**	**$5,332**

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

OTHER FINANCIAL INFORMATION

GREENLAND TOWNSHIP
MAJOR GOVERNMENTAL FUND
GENERAL FUND
DETAIL OF EXPENDITURES AND COMPARISON WITH BUDGET

Year ended March 31, 2007

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
LEGISLATIVE				
Township Board:				
Salaries			$3,355	
Pension			1,769	
Office supplies			1,458	
Operating supplies			46	
Communications			2,210	
Professional fees			5,845	
Printing and publications			458	
Repairs and maintenance			125	
Dues			201	
TOTAL LEGISLATIVE	**$18,450**	**$18,450**	**$15,467**	**$2,983**
GENERAL GOVERNMENT				
Supervisor:				
Salaries			$5,700	
Office supplies			92	
Dues			156	
Miscellaneous			86	
Equipment purchase			1,467	
TOTAL SUPERVISIOR	$9,950	$9,950	$7,501	$2,449
Election:				
Office supplies			$405	
Contractual costs			2,626	
Travel			168	
TOTAL ELECTIONS	$3,850	$3,850	$3,199	$651

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

GREENLAND TOWNSHIP
MAJOR GOVERNMENTAL FUND
GENERAL FUND
DETAIL OF EXPENDITURES AND COMPARISON WITH BUDGET
Year ended March 31, 2007

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Assessor:				
Salaries			$7,392	
Office supplies			815	
Transportation			113	
Miscellaneous			25	
TOTAL ASSESSOR	$9,217	$9,217	$8,345	$872
Clerk:				
Salary and wages			$6,729	
Office supplies			183	
Transportation			22	
Printing and publications			27	
Dues			135	
Equipment purchases			1,629	
TOTAL CLERK	$12,150	$12,150	$8,725	$3,425
BOARD OF REVIEW	$1,350	$1,350	$117	$1,233
Treasurer:				
Salary			$8,150	
Deputy wages			3,882	
Office supplies			1,748	
Contractual services			2,229	
Transportation			71	
Printing and publications			129	
Dues			260	
Equipment purchases			1,629	
Charge backs			1,656	
TOTAL TREASURER	$18,209	$18,209	$19,754	($1,545)
Cemetery:				
Wages			$1,900	
Contractual services			4,725	
Miscellaneous			201	
TOTAL CEMETERY	$7,250	$7,250	$6,826	$424

The accompanying notes are an integral part of the financial statements

GREENLAND TOWNSHIP
MAJOR GOVERNMENTAL FUND
GENERAL FUND
DETAIL OF EXPENDITURES AND COMPARISON WITH BUDGET

Year ended March 31, 2007

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Township Properties:				
Wages			$9,255	
Supplies			1,044	
Contractual costs			240	
Communications			11	
Printing and publishing			39	
Repairs and maintenance			5,704	
Utilities			32,866	
Miscellaneous			30	
Capital improvements			49,441	
	$74,275	$74,275	$98,630	($24,355)
TOTAL GENERAL GOVERNMENT	**$136,251**	**$136,251**	**$153,097**	**($16,846)**
PUBLIC SAFETY				
Fire Protection:				
Wages			$4,291	
Operating supplies			2,789	
Contractual services			190	
Printing and publishing			756	
Utilities			3,866	
Repairs and maintenance			4,280	
TOTAL FIRE PROTECTION	$18,690	$18,690	$16,172	$2,518
LIQUOR ENFORCEMENT	$1,537	$1,537	$1,901	($364)
INSPECTION & ZONING	$2,236	$2,236	$2,513	($277)
TOTAL PUBLIC SAFETY	**$22,463**	**$22,463**	**$20,586**	**$1,877**

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

GREENLAND TOWNSHIP
MAJOR GOVERNMENTAL FUND
GENERAL FUND
DETAIL OF EXPENDITURES AND COMPARISON WITH BUDGET

Year ended March 31, 2007

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
PUBLIC WORKS				
Street & Roads				
Road improvements	$10,000	$10,000	$	$10,000
Street lights	12,000	12,000	11,192	808
TOTAL PUBLIC WORKS	**$22,000**	**$22,000**	**$11,192**	**$10,808**
RECREATION & CULTURE				
Library:				
Wages			$2,650	
Supplies			172	
Transportation			16	
Communications			391	
Miscellaneous			29	
Total Library	$6,875	$6,875	$3,258	$3,617
Parks:				
Contractual costs			$250	
Operating supplies			899	
Repairs and maintenance			208	
Total Parks	$12,854	$12,854	$1,357	$11,497
TOTAL RECREATION & CULTURE	**$19,729**	**$19,729**	**$4,615**	**$15,114**

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

GREENLAND TOWNSHIP
MAJOR GOVERNMENTAL FUND
GENERAL FUND
DETAIL OF EXPENDITURES AND COMPARISON WITH BUDGET

Year ended March 31, 2007

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
OTHER	**$16,000**	**$16,000**	**$18,585**	**($2,585)**
TOTAL EXPENDITURES	**$234,893**	**$234,893**	**$223,542**	**$11,351**
TRANSFERS TO OTHER FUNDS	**$**	**$**	**$5,707**	**($5,707)**

The accompanying notes are an integral part of the financial statements

GREENLAND TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MAJOR FUND
FIRE FUND

Year ended March 31, 2007
Special Revenue Fund

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Property tax revenues	$	$	$15,210	$15,210
Interest income			631	631
	$	$	$15,841	$15,841
Expenditures:				
Contract costs	$	$	$	$
Supplies			396	(396)
	$	$	$ 396	($396)
Excess of Revenues over (under) Expenditures			15,445	15,445
Other Financing Sources (Uses):				
Transfers from other funds			18,736	18,736
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses			34,181	34,181
Fund Balance 3/31/2006	21,205	21,205	21,205	
FUND BALANCE 3/31/2007	$21,205	$21,205	$55,386	$34,181

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

BALANCE SHEET
GOVERNMENTAL FUND
NON-MAJOR FUND
GREENLAND TOWNSHIP

March 31, 2007

Special Revenue Fund

	Housing Program
ASSETS	
Cash in bank	$
Accounts receivable	
Allowance for doubtful accounts	
Prepaid expenses	
Accrued interest income	
TOTAL ASSETS	$
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$
TOTAL LIABILITIES	
FUND BALANCES	
Fund balance-unreserved	
TOTAL LIABILITIES & FUND BALANCE	$

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

GREENLAND TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NON-MAJOR FUND-HOUSING PROGRAM

Year ended March 31, 2007

Special Revenue Fund

	BUDGETED AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
Revenues:				
Interest income	$100	$100	$68	($32)
	100	100	68	(32)
Expenditures:				
Program	$13,061	$13,061	$	$13,061
Excess of Revenues over (under) Expenditures	($12,961)	($12,961)	$68	$13,029
Other Financing Sources (Uses):				
Operating transfers in (out)			(13,029)	(13,029)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	($12,96I)	($12,961)	($12,961)	$
Fund Balance 3/31/2006	12,961	12,96I	12,961	$
FUND BALANCE 3/31/2007	$	$	$	$

The accompanying notes are an integral part of the financial statements

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

Supervisor and Members of the Board
Greenland Township
Mass City, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Greenland Township as of and for the year ended March 31, 2007, which collectively comprise the Greenland Township basic financial statements and have issued our report thereon dated August 31, 2007. We conducted the 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.

Compliance

As part of obtaining reasonable assurance about whether Greenland Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing the audit, we considered the Greenland Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted one matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with assertions of management in the financial statements.

Reportable condition noted in our review is described as follows:

1. The Township Clerk Office did not maintain complete and accurate set of general ledgers for all funds in allowing for an expedient audit. Our review noted various bank accounts were not posted to the correct fund along with the opening entries from the previous year audit. Also, when certificates of deposits are redeemed and new certificates are purchased, monies should be deposited into the correct fund cash accounts and disbursed to allow for an audit trail. During the audit period, the Township Clerk position experienced a turnover which would account for the accounting errors and omissions.

   The Township Clerk should establish and maintain separate funds as required. Adjusting journal entries should be incorporated into the accounting records in allowing for the maintenance of an updated and accurate general ledger per fund.

2. The Sewer administrator is billing customers using quarterly billing statements and monthly coupons issued one year in advance of service being rendered. This inconsistent billing practice is making it difficult to establish an accurate year end account receivable balance besides attempting to levy late fees and rate increases.

   We would recommend quarterly billings be accomplished using the computer program and abolish the coupon billing method. This would result in a steadier cash flow and allow for flexibility should rate changes or late charges be assessed besides changes in property ownership.

3. The Township conducted a physical inventory of all fixed asset holdings of the Township to assure existence and condition, however, neither cost nor date of acquisition information was provided. This fixed asset listing should also be reconciled to the listing being maintained and reported upon in the audit report to provide assurances as to existence and current condition.

   While the Township has initiated actions to control and account for their fixed asset holdings, additional steps will need to be taken to assure a complete and accurate listing is in place.

4. Our audit confirmation process identified one additional fire department bank account that has not been included in the Township's annual audit. While, the source of monies and amounts has not been disclosed, it appears that it may be part of a fund raising effort of the department. Also, we identified that representatives of the Cemetery Association are allowed to solicit annual maintenance fees on an informal basis. There appears to be no accountability over whom and how much has been collected.

   Any monies solicited by an entity in the name of the Township, become part of the Township's assets and should become part of the Township's financial holdings.

   The Township Board may want to suspend any cemetery collection activities from

members outside of the Township Board oversight. A decision will need to made as to whether any special fund raising efforts are necessary in the maintenance of the cemetery and who and how will it be controlled.

We would encourage the Township Board to determine whether the monies should be incorporated into future audits of the Township or have the entities established a separate non-profit corporation, to collect and disburse monies in its own name.

5. The Township may want to strengthen controls over the Downtown Development Authority. Our review of existing files would indicate that annual appointments of board members are not being made. Upon request, Bylaws and operating guidelines and procedures could not be located. Also, after year end, the DDA Board was considering extending loans to clients that may have the appearance of being a conflict of interest.

   We recommended that both the Township and DDA Board obtain legal advice prior to conducting any additional financial activities, in perfecting all their organizational and operating procedures. Also, any pending loan awards should be evaluated to assure that arrangements are in the best interest of the DDA and the Township, and would not involve any potential conflicts of interest.

6. The Township Board in adopting the General Fund budget, under reported the beginning fund balances, therefore, not providing full disclosure to the Board or general public. Our review noted that a Fire Fund budget, General Appropriation Act and salary resolutions were not adopted for the period under audit.

   We recommend that fund balances be incorporated in budget review and adopting process. The Board needs to adopt budgets for all funds besides required resolutions.

A material weakness is a reportable condition in which the design or operation of one of more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We consider the above items 1 through 5, to be a material weakness. We noted no other material weakness involving internal control elements over financial reporting and its operations that require disclosure.

This report is intended solely for the use of management and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Members of the Board, is a matter of public record.

Roger J. Kolehmainen PC
Certified Public Accountant

August 31, 2007