

Auditing Procedures Report

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

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Frankenmuth	County Saginaw
Fiscal Year End 3-31-07	Opinion Date 7-22-07	Date Audit Report Submitted to State 9-5-07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

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

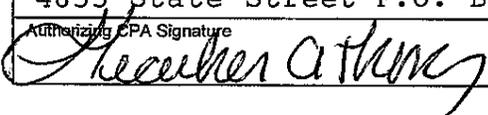
YES NO

Check each applicable box below. (See instructions for further detail.)

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

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	<input checked="" type="checkbox"/>	
The letter of Comments and Recommendations	<input type="checkbox"/>	n/a no issues this year
Other (Describe)	<input type="checkbox"/>	
Certified Public Accountant (Firm Name) Gardner, Provenzano, Schauman & Thomas		Telephone Number 989-790-3900
Street Address 4855 State Street P.O. Box 6457		City Saginaw
		State MI
		Zip 48608
Authorizing CPA Signature 	Printed Name Heather A. Thomas	License Number 1101024719

TOWNSHIP OF FRANKENMUTH
Saginaw County, Michigan

FINANCIAL STATEMENTS
March 31, 2007

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	
Management's Discussion and Analysis	1
Government-wide Statement of Net Assets	6
Government-wide Statement of Activities	7
Balance Sheet Governmental Funds	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Fund Types	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	11
Statement of Net Assets Business-Type Funds	12
Statement of Revenues, Expenditures and Changes in Net Assets Business-Type Funds	13
Statement of Cash Flows Business-Type Funds	14
Notes to Financial Statements	15
Budgetary Comparison Schedule-General Fund	24
Budgetary Comparison Schedule-Police	25
Budgetary Comparison Schedule-Road	26
Budgetary Comparison Schedule-Garbage	27



Gardner | Provenzano Schauman & Thomas

CERTIFIED PUBLIC ACCOUNTANTS

Frederick C. Gardner
Giacamo Provenzano
James R. Schauman
Heather A. Thomas

INDEPENDENT AUDITOR'S REPORT

July 22, 2007

To the Township Board
Township of Frankenmuth
Saginaw County, Michigan

We have audited the accompanying financial statements of the governmental activities, business type activities and each major fund of Township of Frankenmuth, Saginaw County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township'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 our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities and each major fund of the Township of Frankenmuth, Saginaw County, Michigan as of March 31, 2007, and the respective changes in financial position and cash flows where applicable, of these activities and funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Township Board
Township of Frankenmuth
Saginaw County, Michigan
Page Two

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

Gardner, Provenzano, Schauman & Thomas, P.C.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWNSHIP OF FRANKENMUTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Township of Frankenmuth's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2007.

Overview of the Financial Statements

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

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

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

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

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

TOWNSHIP OF FRANKENMUTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Overview of the Financial Statements (continued)

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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds – Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long and short-term financial information.

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

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's budget.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, net assets increased by \$189,745 to \$3,400,692 at March 31, 2007.

The largest portion of the Township's net assets (55%) reflects unrestricted net assets that may be used to meet the government's ongoing obligations. The second largest portion of net assets (45%) reflects its investments in capital assets less any debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide service to citizens. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWNSHIP OF FRANKENMUTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS (continued)

	Government Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Assets						
Current assets	\$ 967,896	\$ 834,014	\$ 896,947	\$ 940,340	\$ 1,864,843	\$ 1,774,354
Noncurrent assets	155,839	154,447	3,002,964	3,183,154	3,158,803	3,337,601
Total Assets	\$ 1,123,735	\$ 988,461	\$ 3,899,911	\$ 4,123,494	\$ 5,023,646	\$ 5,111,955
Liabilities						
Current liabilities	\$ 12,155	\$ 13,060	\$ 183,733	\$ 183,733	\$ 195,888	\$ 196,793
Long-term liabilities	-	-	1,427,066	1,704,215	1,427,066	1,704,215
Total Liabilities	12,155	13,060	1,610,799	1,887,948	1,622,954	1,901,008
Investment in capital assets-net	137,430	140,836	1,392,164	1,295,205	1,529,594	1,436,041
Unrestricted	974,150	834,565	896,948	940,341	1,871,098	1,774,906
Total Net assets	\$ 1,111,580	\$ 975,401	\$ 2,289,112	\$ 2,235,546	\$ 3,400,692	\$ 3,210,947

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue						
Program revenue						
Charges for services	\$ 487,598	\$ 473,528	\$ 169,545	\$ 242,911	\$ 657,143	\$ 716,439
General revenue						
Property taxes	76,036	72,648	-	-	76,036	72,648
State Shared revenue	139,774	140,435	-	-	139,774	140,435
Interest	36,396	22,159	45,535	31,236	81,931	53,395
Miscellaneous	16,406	11,116	-	-	16,406	11,116
Total Revenue	756,210	719,886	215,080	274,147	971,290	994,033
Program Expense						
Legislative	79,889	84,009	-	-	79,889	84,009
General government	76,416	75,732	-	-	76,416	75,732
Public safety	269,936	270,155	-	-	269,936	270,155
Public works	193,790	272,024	-	-	193,790	272,024
Water	-	-	161,514	173,384	161,514	173,384
Total Program Expenses	620,031	701,920	161,514	173,384	781,545	875,304
Change in Net Assets	\$ 136,179	\$ 17,966	\$ 53,566	\$ 100,763	\$ 189,745	\$ 118,729

The Township's net assets increased by \$189,745 for the year ended March 31, 2007. This increase was primarily due to the Water funds collection of special assessment revenue in excess of the year's debt payment and less than anticipated expenditures on roads.

FINANCIAL ANALYSIS OF BUSINESS-TYPE FUNDS

The water general fund saw an increase in operating revenue before transfers of \$4,519. This fund transferred \$25,000 out to water district 8 to subsidize that fund. The remaining funds collected special assessments to service debt payments.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The Township's general fund balance has, by design, gradually declined over the past 8 years from a level equaling 1.6 times General Fund annual expenditures to a present level that represents approximately 98% of the 2007 budgeted expenditures.

In an effort to spread State revenue sharing to other funds and minimize the special assessment charged to our taxpayers the general fund had made transfers as follows:

	<u>2007</u>	<u>2006</u>
Road Fund	\$ 75,000	\$ 50,000
Police Protection	25,000	55,000
Fire Equipment	-	5,000
Building Fund	-	25,000
Total	<u>\$ 100,000</u>	<u>\$ 135,000</u>

State Revenue Sharing provides approximately 51% of General Fund revenues.

Taxable Value for Frankenmuth Township increased from \$88.0 million in 2006 to \$91.5 million, an increase of approximately 3.9%.

The Police Fund, Garbage Pickup Fund, and Fire Equipment Fund are all funded through special assessments. Police and Fire Equipment are spread equally over properties having building structures on them requiring these types of protection, and the Garbage Pickup Fund is spread equally over properties having residences. Assessments for 2007 were \$202, \$100, and \$42 respectively, and are projected to be the same for 2008.

The Road Fund is funded through a Road Millage of 2 mills, adjusted by Headlee. This raises approximately \$174,000 annually, which combined with the General Fund subsidy, provides approximately \$225,000 annually for road construction. With the proposed increase in charges by the Road Commission in 2007 the Township will limit the start of new road projects until current projects under progress are completed.

The Building Fund will not have funds added to it at the present time as there are no present plans to relocate from the present location in the City/Township building. Future decisions will be made whether to keep this fund, or to return the balance to the General Fund.

FINAL BUDGET VERSUS ACTUAL

General Fund Interest

- Generally interest income is budgeted on a conservative basis because of the unknown as to where interest rates will be. Presently, 75% of the Township's funds are invested in 4-9 month CDs at 4.75% to 4.90% interest and the balance of the funds are swept into a Municipal Investment Fund realizing 4.93% interest. Monthly interest is allocated to the various funds based on their relative value.

Township Board

- The actual results for the line item in expenditures for the Township Board were less than budgeted by \$5,403. Legal fees were less than anticipated due to a lawsuit that did not materialize. In addition, less was spent for equipment and furniture for the move to the new office location.

Planning and Zoning

- The planning and zoning line item was less than budgeted by \$8,572. Wages were less than anticipated due to fewer meetings required. In addition, the ordinance enforcement officer took another position and could not perform at the anticipated level, which reduced the need for supplies, legal fees and publishing.

Management believes the changes from the first budget adopted and final budget adopted were not significant.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Township business-type funds paid \$183,733 of principal on long-term debt. There were no capital asset additions this year.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report provides taxpayers and other interested parties with the Township's general financial overview and accountability. If you require further information please contact the Township Office at P.O. Box 245, Frankenmuth, MI 48734.

TOWNSHIP OF FRANKENMUTH
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 March 31, 2007

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 941,213	\$ 894,793	\$ 1,836,006
Taxes receivable	3,798	-	3,798
Other receivables	22,885	2,154	25,039
Total current assets	<u>967,896</u>	<u>896,947</u>	<u>1,864,843</u>
Other assets:			
Special assessments receivable	<u>18,409</u>	<u>558,329</u>	<u>576,738</u>
Capital assets:			
Capital assets	212,665	3,470,947	3,683,612
Less accumulated depreciation	<u>(75,235)</u>	<u>(1,026,312)</u>	<u>(1,101,547)</u>
Net fixed assets	<u>137,430</u>	<u>2,444,635</u>	<u>2,582,065</u>
Total Assets	<u>\$ 1,123,735</u>	<u>\$ 3,899,911</u>	<u>\$ 5,023,646</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	\$ 12,155	\$ -	\$ 12,155
Current portion of long-term liabilities	-	183,733	183,733
Total current liabilities	<u>12,155</u>	<u>183,733</u>	<u>195,888</u>
Long-term liabilities:			
Bonds and loans payable	-	868,738	868,738
Deferred revenue-special assessments	-	558,328	558,328
Total long-term liabilities	<u>-</u>	<u>1,427,066</u>	<u>1,427,066</u>
Net assets:			
Invested in capital assets net of related debt	137,430	1,392,164	1,529,594
Unrestricted	974,150	896,948	1,871,098
Total net assets	<u>1,111,580</u>	<u>2,289,112</u>	<u>3,400,692</u>
Total Liabilities and Net Assets	<u>\$ 1,123,735</u>	<u>\$ 3,899,911</u>	<u>\$ 5,023,646</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
 GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2007

	Program Revenue	Governmental Activities	Business Type Activities	Total
		Net (Expense) Revenue and Changes in Net Assets	Net (Expense) Revenue and Changes in Net Assets	Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services			
FUNCTIONS/PROGRAMS				
Governmental Activities:				
Legislative	\$ 79,889	\$ -	\$ (79,889)	\$ (79,889)
General government	76,416	36,259	(40,157)	(40,157)
Public safety	269,936	197,944	(71,992)	(71,992)
Public works	193,790	253,395	59,605	59,605
Total Governmental Activities	<u>620,031</u>	<u>487,598</u>	<u>(132,433)</u>	<u>(132,433)</u>
Business-Type Activities:				
Water	<u>161,514</u>	<u>169,545</u>	<u>-</u>	<u>8,031</u>
Total Government	<u>\$ 781,545</u>	<u>\$ 657,143</u>	<u>(132,433)</u>	<u>8,031</u>
General Revenues:				
Property taxes		76,036	-	76,036
State revenue sharing		139,774	-	139,774
Interest		36,396	45,535	81,931
Miscellaneous		16,406	-	16,406
Total General Revenues		<u>268,612</u>	<u>45,535</u>	<u>314,147</u>
Change in net assets		136,179	53,566	189,745
Net assets, Beginning of Year		975,401	2,235,546	3,210,947
Net assets, End of Year		<u>\$ 1,111,580</u>	<u>\$ 2,289,112</u>	<u>\$ 3,400,692</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
BALANCE SHEET - GOVERNMENTAL FUNDS
March 31, 2007

	General	Police	Road	Garbage	Building	Fire Equipment	Cemetery	Total
<u>Assets</u>								
Cash and investments	\$ 256,396	\$ 101,657	\$ 314,436	\$ 114,115	\$ 91,910	\$ 30,815	\$ 31,884	\$ 941,213
Taxes receivable	3,798	-	-	-	-	-	-	3,798
Due from other governments	22,885	-	-	-	-	-	-	22,885
Special assessments receivable	-	7,071	6,568	3,300	-	1,470	-	18,409
Total Assets	\$ 283,079	\$ 108,728	\$ 321,004	\$ 117,415	\$ 91,910	\$ 32,285	\$ 31,884	\$ 986,305
<u>Liabilities and Fund Equity</u>								
<u>Liabilities:</u>								
Accounts payable	\$ -	\$ -	\$ -	\$ 12,155	\$ -	\$ -	\$ -	\$ 12,155
Total liabilities	-	-	-	12,155	-	-	-	12,155
<u>Fund equity:</u>								
Fund balances:								
Unreserved:								
Undesignated	283,079	108,728	321,004	105,260	91,910	32,285	31,884	974,150
Total fund equity	283,079	108,728	321,004	105,260	91,910	32,285	31,884	974,150
Total Liabilities and Fund Equity	\$ 283,079	\$ 108,728	\$ 321,004	\$ 117,415	\$ 91,910	\$ 32,285	\$ 31,884	\$ 986,305

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
March 31, 2007

Total fund balances - governmental funds	\$ 974,150
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds balance sheet	
Capital assets at cost	212,665
Accumulated depreciation	(75,235)
Total net assets - governmental activities	<u>\$ 1,111,580</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2007

	General	Police	Road	Garbage	Building	Fire	Cemetery	Total
Revenues:								
Property taxes	\$ 76,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,036
Licenses and permits	1,495	-	-	-	-	-	-	1,495
State revenue sharing	139,389	385	-	-	-	-	-	139,774
Charges for services:								
Property tax administration	33,369	-	-	-	-	-	-	33,369
Interest	14,048	3,246	9,085	4,528	4,378	1,074	37	36,396
Special assessments	1,375	163,873	174,570	78,825	-	34,071	-	452,714
Miscellaneous	9,384	-	4,262	10	-	-	2,800	16,406
Total revenues	275,066	167,504	187,917	83,363	4,378	35,145	2,837	766,210
Expenditures:								
Legislative								
Township Board	79,899	-	-	-	-	-	-	79,899
General government								
Supervisor	11,382	-	-	-	-	-	-	11,382
Elections	3,894	-	-	-	-	-	-	3,894
Assessor	10,563	-	-	-	-	-	-	10,563
Clerk	11,896	-	-	-	-	-	-	11,896
Board of Review	1,054	-	-	-	-	-	-	1,054
Treasurer	14,571	-	-	-	-	-	-	14,571
Building and grounds	12,745	-	-	-	5,870	-	-	18,615
Cemetery	1,036	-	-	-	-	-	-	1,036
Public safety								
Fire protection	30,075	-	-	-	-	35,363	-	65,428
Police protection	-	194,380	-	-	-	-	-	194,380
Planning and zoning	10,128	-	-	-	-	-	-	10,128
Public works								
Highways and streets	-	-	110,269	-	-	-	-	110,269
Street lighting	4,473	-	-	-	-	-	-	4,473
Sanitation	-	-	-	79,047	-	-	-	79,047
Total expenditures	191,706	194,380	110,269	79,047	5,870	35,363	-	616,625
Excess (deficiency) of revenues over expenditures	83,360	(26,876)	77,648	4,316	(1,492)	(208)	2,837	139,585
Other financing sources (uses)								
Operating transfers in	-	25,000	75,000	-	-	-	-	100,000
Operating transfers out	(100,000)	-	-	-	-	-	-	(100,000)
Total other financing sources (uses)	(100,000)	25,000	75,000	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other sources	(16,640)	(1,876)	152,648	4,316	(1,492)	(208)	2,837	139,585
Fund Balances, Beginning	299,719	110,604	168,356	100,944	93,402	92,493	29,047	834,565
Fund Balances, Ending	\$ 283,079	\$ 108,728	\$ 321,004	\$ 105,260	\$ 91,910	\$ 32,285	\$ 31,884	\$ 974,150

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED MARCH 31, 2007

Net Changes in Fund Balances-Total Governmental Funds	\$	139,585
Amounts reported for governmental activities in the Statement of Activities are different because,		
<p style="margin-left: 40px;">Governmental funds report capital outlays as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation</p>		
Depreciation Expense		(3,406)
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>136,179</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
STATEMENT OF NET ASSETS - BUSINESS-TYPE FUNDS
March 31, 2007

	Water General	Water District #5	Water District #6	Water District #7	Water District #8	Water District #9	Water District #11	Water District #12	Total
<u>Assets</u>									
Current assets:									
Cash and investments	\$ 158,377	\$ 89,088	\$ 625	\$ 71,066	\$ 1,406	\$ 15,925	\$ 151,442	\$ 406,864	\$ 894,793
Due from other governments	2,154	-	-	-	-	-	-	-	2,154
Total current assets	160,531	89,088	625	71,066	1,406	15,925	151,442	406,864	896,947
Other assets:									
Special assessments receivable	-	26,656	4,135	14,704	59,843	10,598	208,456	233,937	558,329
Total other assets	-	26,656	4,135	14,704	59,843	10,598	208,456	233,937	558,329
Capital assets:									
Capital assets	569,773	254,784	109,372	184,300	647,032	138,685	653,243	913,758	3,470,947
Less accumulated depreciation	(325,209)	(82,809)	(36,129)	(59,903)	(190,102)	(41,604)	(130,648)	(159,908)	(1,026,312)
Net capital assets	244,564	171,975	73,243	124,397	456,930	97,081	522,595	753,850	2,444,635
Total Assets	\$ 405,095	\$ 287,719	\$ 78,003	\$ 210,167	\$ 518,179	\$ 123,604	\$ 882,493	\$ 1,394,651	\$ 3,899,911
<u>Liabilities and Net Assets</u>									
Current liabilities:									
Current portion of long-term liabilities	\$ -	\$ -	\$ 10,000	\$ 13,733	\$ 42,900	\$ 7,100	\$ 45,000	\$ 65,000	\$ 183,733
Total current liabilities	-	-	10,000	13,733	42,900	7,100	45,000	65,000	183,733
Long-term liabilities:									
Bonds and loans payable	-	-	-	13,738	107,250	17,750	275,000	455,000	868,738
Deferred revenue - special assessment	-	26,656	4,135	14,704	59,843	10,598	208,456	233,936	558,328
Total long-term liabilities	-	26,656	4,135	28,442	167,093	28,348	483,456	688,936	1,427,066
Net assets:									
Invested in capital assets, net of related debt	244,564	171,975	63,243	96,926	306,780	72,231	202,595	233,850	1,392,164
Unrestricted	160,531	89,088	625	71,066	1,406	15,925	151,442	406,865	896,948
Total net assets	405,095	261,063	63,868	167,992	308,186	88,156	354,037	640,715	2,289,112
Total Liabilities and Net Assets	\$ 405,095	\$ 287,719	\$ 78,003	\$ 210,167	\$ 518,179	\$ 123,604	\$ 882,493	\$ 1,394,651	\$ 3,899,911

TOWNSHIP OF FRANKENMUTH
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUSINESS-TYPE FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	Water General	Water District #5	Water District #6	Water District #7	Water District #8	Water District #9	Water District #11	Water District #12	Total
Operating revenues:									
Service charges	\$ 11,913	\$ -	\$ -	\$ 2,400	\$ -	\$ -	\$ 800	\$ -	\$ 15,113
Total operating revenues	<u>11,913</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>800</u>	<u>-</u>	<u>15,113</u>
Less operating expenses:									
Administration fees	-	178	36	114	407	67	1,184	1,308	3,294
Professional fees	1,307	200	200	200	200	200	1,047	200	3,554
Total operating expenses before depreciation	<u>1,307</u>	<u>378</u>	<u>236</u>	<u>314</u>	<u>607</u>	<u>267</u>	<u>2,231</u>	<u>1,508</u>	<u>6,848</u>
Operating income (loss) before depreciation	10,606	(378)	(236)	2,086	(607)	(267)	(1,431)	(1,508)	8,265
Less: depreciation	<u>(14,244)</u>	<u>(6,370)</u>	<u>(2,734)</u>	<u>(4,608)</u>	<u>(16,176)</u>	<u>(3,467)</u>	<u>(16,331)</u>	<u>(22,844)</u>	<u>(86,774)</u>
Operating income (loss)	<u>(3,638)</u>	<u>(6,748)</u>	<u>(2,970)</u>	<u>(2,522)</u>	<u>(16,783)</u>	<u>(3,734)</u>	<u>(17,762)</u>	<u>(24,352)</u>	<u>(78,509)</u>
Non-operating revenues and (expenses)									
Special assessments	-	13,650	4,232	10,124	29,566	3,422	45,095	48,343	154,432
Interest income	8,157	3,706	357	3,446	310	1,005	7,881	20,673	45,535
Interest expense	-	-	(1,145)	(1,026)	(10,940)	(1,811)	(20,075)	(31,395)	(66,392)
Paying agent fees	-	-	(400)	-	-	(400)	(300)	(400)	(1,500)
Total non-operating revenues and (expenses)	<u>8,157</u>	<u>17,356</u>	<u>3,044</u>	<u>12,544</u>	<u>18,936</u>	<u>2,216</u>	<u>32,601</u>	<u>37,221</u>	<u>132,075</u>
Income (loss) before transfer	4,519	10,608	74	10,022	2,153	(1,518)	14,839	12,869	53,566
Operating transfers in	-	-	-	-	25,000	-	-	-	25,000
Operating transfers out	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
Change in net assets	(20,481)	10,608	74	10,022	27,153	(1,518)	14,839	12,869	53,566
Net Assets, Beginning of year	425,576	250,455	63,794	157,970	281,033	89,674	339,198	627,846	2,235,546
Net Assets, End of Year	<u>\$ 405,095</u>	<u>\$ 261,063</u>	<u>\$ 63,868</u>	<u>\$ 167,992</u>	<u>\$ 308,186</u>	<u>\$ 88,156</u>	<u>\$ 354,037</u>	<u>\$ 640,715</u>	<u>\$ 2,289,112</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
STATEMENT OF CASH FLOWS - BUSINESS-TYPE FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

	Water General	Water District #5	Water District #6	Water District #7	Water District #8	Water District #9	Water District #11	Water District #12	Total
Cash flows from operating activities:									
Cash received from customers	\$ 9,760	\$ -	\$ -	\$ 3,200	\$ -	\$ -	\$ 800	\$ -	\$ 13,760
Cash payments to suppliers	(1,307)	(378)	(236)	(314)	(607)	(267)	(2,231)	(1,508)	(6,848)
Net cash provided (used) for operating activities	8,453	(378)	(236)	2,886	(607)	(267)	(1,431)	(1,508)	6,912
Cash flows from capital and related financing activities:									
Proceeds from special assessments	-	13,649	4,232	10,124	29,566	3,424	45,095	48,343	154,433
Principal paid on loans and bonds	-	-	(10,000)	(13,733)	(42,900)	(7,100)	(45,000)	(65,000)	(183,733)
Interest paid on loans and bonds	-	-	(1,544)	(1,026)	(10,940)	(2,211)	(20,375)	(31,795)	(67,891)
Transfers in (out)	(25,000)	-	-	-	25,000	-	-	-	-
Net cash provided (used) for capital and related financing activities	(25,000)	13,649	(7,312)	(4,635)	726	(5,887)	(20,280)	(48,452)	(97,191)
Cash flows from investing activities:									
Interest income	8,157	3,706	357	3,446	310	1,003	7,880	20,673	45,532
Net cash provided (used) for investing activities	8,157	3,706	357	3,446	310	1,003	7,880	20,673	45,532
Net increase (decrease) in cash and cash equivalents	(8,390)	16,977	(7,191)	1,697	429	(5,151)	(13,831)	(29,287)	(44,747)
Cash and Cash Equivalents, Beginning of the year	166,767	72,111	7,816	69,369	977	21,076	165,273	436,151	939,540
Cash and Cash Equivalents, End of the year	\$ 158,377	\$ 89,088	\$ 625	\$ 71,066	\$ 1,406	\$ 15,925	\$ 151,442	\$ 406,864	\$ 894,793
Reconciliation of operating income to net cash provided (used) for operating activities:									
Operating income (loss)	\$ (3,638)	\$ (6,748)	\$ (2,970)	\$ (2,522)	\$ (16,783)	\$ (3,734)	\$ (17,762)	\$ (24,352)	\$ (78,509)
Depreciation	14,244	6,370	2,734	4,608	16,176	3,467	16,331	22,844	86,774
Other receivables	(2,153)	-	-	800	-	-	-	-	(1,353)
Net cash provided (used) for operating activities	\$ 8,453	\$ (378)	\$ (236)	\$ 2,886	\$ (607)	\$ (267)	\$ (1,431)	\$ (1,508)	\$ 6,912

See accompanying notes to basic financial statements.

TOWNSHIP OF FRANKENMUTH
NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Policies

The accounting policies of the Township of Frankenmuth, Saginaw County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The financial statements of the Township contain all the Township funds that are controlled by or are dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Frankenmuth. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Joint Venture

In 1960, the Township entered into a Joint Venture with the City of Frankenmuth to form the Frankenmuth City-Township Commission. The Commission manages jointly owned property and equipment. The Township contributes to the Frankenmuth City-Township Commission based upon the adopted budget of the Commission. Contributions to the Commission for the year ended March 31, 2007 are as follows: General Fund \$12,745, Fire Fund \$30,075, Cemetery \$1,036 and Debt Service \$35,153.

Government-Wide and Fund Financial Statements

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

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

TOWNSHIP OF FRANKENMUTH
NOTES TO FINANCIAL STATEMENTS

NOTE 1—Summary of Significant Policies (continued)

Government-Wide and Fund Financial Statements (continued)

Governmental and business type funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Governmental Funds

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Special Revenue Funds

These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

TOWNSHIP OF FRANKENMUTH
NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Capital Projects Funds

These funds are used to account for the acquisition or construction of major capital assets.

Permanent Fund

The Cemetery Perpetual Care Fund is used to account for assets that are legally restricted.

Proprietary Funds

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 Water and Sewer enterprise funds are charges to customers for services. The enterprise funds also recognize as operating revenues the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The Township's 2006 tax roll millage, collection in 2007, was .86350 for the general fund and 1.98240 for the road construction fund. The taxable value was \$88,081,648.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

TOWNSHIP OF FRANKENMUTH
NOTES TO FINANCIAL STATEMENTS

NOTE 1--Summary of Significant Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Cash and Investments

Cash and investments include cash on hand, demand deposits, and certificates of deposit. Cash equivalents, for the statement of cash flows, are those certificates of deposit with a maturity of three months or less. Investments are stated at fair value.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Capital Assets

Capital assets are defined by the Township as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings, additions and improvements	40 years
Equipment	5 years

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. At this time the fund balances of governmental funds are unreserved and undesignated.

TOWNSHIP OF FRANKENMUTH
NOTES TO FINANCIAL STATEMENTS

NOTE 2--Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Township Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

NOTE 3--Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

TOWNSHIP OF FRANKENMUTH
 NOTES TO FINANCIAL STATEMENTS

NOTE 3--Deposits and Investments

The Township Board has designated one bank for deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by State law as listed above.

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

The Township's policies regarding deposits of cash are discussed in Note 1. The table presented below is designed to disclose the level of custody credit risk assumed by the Township based upon how its deposits were insured or secured with collateral at March 31, 2007. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Township or by its agent in its name

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Township's name; or collateralized with no written or approved collateral agreement

Type of Deposits	Total Bank Balance	Category 1	Category 2	Category 3	Total Carrying Value
Demand deposits	\$ 627,355	\$ 100,000	\$ -	\$ 527,355	\$ 625,375
Certificates of deposit	1,210,631	-	-	1,210,631	1,210,631
Total Deposits	<u>\$ 1,837,986</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 1,737,986</u>	<u>\$ 1,836,006</u>

TOWNSHIP OF FRANKENMUTH
NOTES TO FINANCIAL STATEMENTS

NOTE 4--Capital Assets Governmental Activities

Capital assets of the Township's Governmental activities are as follows:

	Balance Beginning	Additions	Disposals	Balance Ending
GOVERNMENTAL ACTIVITIES				
Capital assets not subject to depreciation				
Land	\$ 82,000	\$ -	\$ -	\$ 82,000
Capital assets subject to depreciation				
Building improvements	100,000	-	-	100,000
Equipment	30,665	-	-	30,665
Subtotal	130,665	-	-	130,665
Accumulated Depreciation				
Building improvements	45,000	2,500	-	47,500
Equipment	26,829	906	-	27,735
Subtotal	71,829	3,406	-	75,235
Net capital assets being depreciated	58,836	(3,406)	-	55,430
Net governmental capital assets	\$ 140,836	\$ (3,406)	\$ -	\$ 137,430

NOTE 5--Capital Assets – Business-Type Activities

A summary of business-type capital assets are as follows:

	Balance Beginning	Additions	Disposals	Balance Ending
BUSINESS-TYPE ACTIVITIES				
Capital assets subject to depreciation: Property, mains and equipment				
Water revenue	\$ 569,773	\$ -	\$ -	\$ 569,773
Water District # 5	254,784	-	-	254,784
Water District # 6	109,372	-	-	109,372
Water District # 7	184,300	-	-	184,300
Water District # 8	647,032	-	-	647,032
Water District # 9	138,685	-	-	138,685
Water District # 11	653,243	-	-	653,243
Water District # 12	913,758	-	-	913,758
Subtotal	3,470,947	-	-	3,470,947
Accumulated Depreciation				
Water revenue	310,964	14,245	-	325,209
Water District # 5	76,440	6,369	-	82,809
Water District # 6	33,394	2,735	-	36,129
Water District # 7	55,296	4,607	-	59,903
Water District # 8	173,926	16,176	-	190,102
Water District # 9	38,137	3,467	-	41,604
Water District # 11	114,317	16,331	-	130,648
Water District # 12	137,064	22,844	-	159,908
Subtotal	939,538	86,774	-	1,026,312
Net Business-type capital assets	\$ 2,531,409	\$ (86,774)	\$ -	\$ 2,444,635

TOWNSHIP OF FRANKENMUTH
 NOTES TO FINANCIAL STATEMENTS

NOTE 6--Changes in Long-Term Debt

The following is a summary of bonds and loan transactions of the Township for the year ended March 31, 2007.

Type of Debt	<u>Balance April 1, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31, 2007</u>
Bonds and loans payable	<u>\$ 1,236,204</u>	<u>\$ -</u>	<u>\$ 183,733</u>	<u>\$ 1,052,471</u>

At March 31, 2007, the long-term debt payable from proprietary funds consisted of the following:

	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Amount of Annual Maturity</u>	<u>Outstanding</u>
Water District #6 Issue amount - \$105,000	4.8 to 7.75	3/1/2006-2008	\$ 10,000	\$ 10,000
Water District #7 Issue amount - \$206,000	5.15	3/5/2006-2009	\$ 13,733	27,471
Water District #8 and #9 issue amount - \$775,000	5.00 to 7.00	4/1/2006-2010	\$50,000 to \$75,000	175,000
Water District #11 Issue amount - \$650,000	5.00 to 5.50	3/1/2006-2014	\$45,000 to \$ 50,000	320,000
Water District #12 Issue amount - \$935,000	5.10 to 7.10	3/1/2006-2015	\$35,000 to \$65,000	520,000
			Total	<u>\$ 1,052,471</u>

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of March 31, 2007 are as follows:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 183,733	\$ 56,909	\$ 240,642
2009	173,738	47,335	221,073
2010	185,000	38,254	223,254
2011	110,000	27,986	137,986
2012	110,000	22,033	132,033
2013-2015	290,000	29,687	319,687
Total	<u>\$ 1,052,471</u>	<u>\$ 222,204</u>	<u>\$ 1,274,675</u>

TOWNSHIP OF FRANKENMUTH
 NOTES TO FINANCIAL STATEMENTS

NOTE 7--Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 8--Transfers In and Transfers Out

For the fiscal year ended March 31, 2007, the Township had the following interfund transfers:

<u>Fund</u>	<u>Transfer In</u>	<u>Fund</u>	<u>Transfer Out</u>
Police	\$ 25,000	General	\$ 25,000
Road	75,000	General	75,000
Water district # 8	25,000	Water General	25,000
Total	<u>\$ 125,000</u>	Total	<u>\$ 125,000</u>

The transfers were to subsidize the funds receiving the transfer.

TOWNSHIP OF FRANKENMUTH
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property taxes	\$ 76,600	\$ 76,600	\$ 76,036	\$ (564)
Licenses and permits	1,275	1,275	1,495	220
State revenue sharing	130,000	130,000	139,389	9,389
Charges for services:				
Property tax administration	31,600	31,600	33,389	1,789
Interest	6,800	6,800	14,048	7,248
Special assessments	1,375	1,375	1,375	-
Miscellaneous	7,664	7,664	9,334	1,670
Total revenues	<u>255,314</u>	<u>255,314</u>	<u>275,066</u>	<u>19,752</u>
<u>Expenditures</u>				
Legislative:				
Township Board	85,292	85,292	79,889	(5,403)
General government:				
Supervisor	12,950	12,950	11,382	(1,568)
Elections	4,450	4,450	3,894	(556)
Assessor	10,600	10,600	10,563	(37)
Clerk	12,250	12,250	11,896	(354)
Board of Review	1,400	1,400	1,054	(346)
Treasurer	14,900	15,100	14,571	(529)
Building and grounds	12,745	12,745	12,745	-
Cemetery	1,036	1,036	1,036	-
Public safety:				
Fire protection	30,075	30,075	30,075	-
Planning and zoning	18,700	18,700	10,128	(8,572)
Public works:				
Street lighting	3,500	4,473	4,473	-
Sanitation	2,000	2,000	-	(2,000)
Total expenditures	<u>209,898</u>	<u>211,071</u>	<u>191,706</u>	<u>(19,365)</u>
Excess (deficiency) of revenues over expenditures	45,416	44,243	83,360	39,117
Other financing sources (uses):				
Operating transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(54,584)	(55,757)	(16,640)	39,117
Fund Balance, Beginning	299,719	299,719	299,719	-
Fund Balance, Ending	<u>\$ 245,135</u>	<u>\$ 243,962</u>	<u>\$ 283,079</u>	<u>\$ 39,117</u>

TOWNSHIP OF FRANKENMUTH
 BUDGETARY COMPARISON SCHEDULE - POLICE FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<u>Revenues</u>				
State revenue	\$ 385	\$ 385	\$ 385	\$ -
Interest	700	700	3,246	2,546
Special assessments	166,000	166,000	163,873	(2,127)
Total revenues	<u>167,085</u>	<u>167,085</u>	<u>167,504</u>	<u>419</u>
<u>Expenditures</u>				
Public safety				
Contracted services	191,860	194,180	194,180	-
Professional services	225	225	200	(25)
Total expenditures	<u>192,085</u>	<u>194,405</u>	<u>194,380</u>	<u>(25)</u>
Excess (deficiency) of revenues over expenditures	(25,000)	(27,320)	(26,876)	444
Other financing sources (uses):				
Operating transfers in	25,000	25,000	25,000	-
Total other financing sources (uses)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(2,320)	(1,876)	444
Fund Balance, Beginning	110,604	110,604	110,604	-
Fund Balance, Ending	<u>\$ 110,604</u>	<u>\$ 108,284</u>	<u>\$ 108,728</u>	<u>\$ 444</u>

TOWNSHIP OF FRANKENMUTH
 BUDGETARY COMPARISON SCHEDULE - ROAD FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
<u>Revenues</u>				
Interest	\$ 1,800	\$ 1,800	\$ 9,085	\$ 7,285
Special assessments	171,000	171,000	174,570	3,570
Miscellaneous	3,800	3,800	4,262	462
Total revenues	<u>176,600</u>	<u>176,600</u>	<u>187,917</u>	<u>11,317</u>
<u>Expenditures</u>				
Public works				
Contracted services	251,375	251,375	106,086	(145,289)
Professional services	225	225	200	(25)
Miscellaneous	-	-	3,983	3,983
Total expenditures	<u>251,600</u>	<u>251,600</u>	<u>110,269</u>	<u>(141,331)</u>
Excess (deficiency) of revenues over expenditures	(75,000)	(75,000)	77,648	152,648
Other financing sources (uses):				
Operating transfers in	75,000	75,000	75,000	-
Total other financing sources (uses)	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	152,648	152,648
Fund Balance, Beginning	168,356	168,356	168,356	-
Fund Balance, Ending	<u>\$ 168,356</u>	<u>\$ 168,356</u>	<u>\$ 321,004</u>	<u>\$ 152,648</u>

TOWNSHIP OF FRANKENMUTH
 BUDGETARY COMPARISON SCHEDULE - GARBAGE FUND
 FOR THE YEAR ENDED MARCH 31, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Interest	\$ 3,000	\$ 3,000	\$ 4,528	\$ 1,528
Special assessments	81,100	81,100	78,825	(2,275)
Miscellaneous	2,550	2,550	10	(2,540)
Total revenues	<u>86,650</u>	<u>86,650</u>	<u>83,363</u>	<u>(3,287)</u>
<u>Expenditures</u>				
Public works				
Contracted services	86,000	86,000	78,847	(7,153)
Professional services	225	225	200	(25)
Total expenditures	<u>86,225</u>	<u>86,225</u>	<u>79,047</u>	<u>(7,178)</u>
Excess (deficiency) of revenues over expenditures	425	425	4,316	3,891
Fund Balance, Beginning	100,944	100,944	100,944	-
Fund Balance, Ending	<u>\$ 101,369</u>	<u>\$ 101,369</u>	<u>\$ 105,260</u>	<u>\$ 3,891</u>