

# 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 Clyde	County St. Clair County
Fiscal Year End June 30, 2007	Opinion Date August 9, 2007	Date Audit Report Submitted to State August 10, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

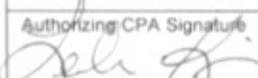
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

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

- 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.
- 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.
- The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
- The local unit has adopted a budget for all required funds.
- A public hearing on the budget was held in accordance with State statute.
- 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.
- The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
- The local unit only holds deposits/investments that comply with statutory requirements.
- 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).
- 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.
- The local unit is free of repeated comments from previous years.
- The audit opinion is UNQUALIFIED.
- The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
- The board or council approves all invoices prior to payment as required by charter or statute.
- To our knowledge, bank reconciliations that were reviewed were performed timely.

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Lehn L. King, C.P.A.	Telephone Number 989-635-3113		
Street Address 3531 Main Street	City Marlette	State MI	Zip 48453
Authorizing CPA Signature 	Printed Name Lehn King	License Number A248781	

*Township of Clyde*  
**St. Clair County, Michigan**

Audited Financial Report  
June 30, 2007

LEHN L. KING  
CERTIFIED PUBLIC ACCOUNTANT

3531 MAIN STREET  
MARLETTE, MICHIGAN 48453

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Phone 989-635-3113  
Fax 989-635-5580

August 9, 2007

Members of the Township Board  
**Township of Clyde**  
St. Clair County, Michigan

Members of the Township Board:

In accordance with your request, I have made an examination of the financial statements of Clyde Township for the fiscal year ended June 30, 2007. During the course of my examination, the following item came to my attention:

1. The Township should establish and maintain an accurate list of open performance bonds. This needs to be done on a perpetual basis. Also it is my recommendation that a forfeiture policy for the delinquent bonds be implemented in order to strengthen internal control.
2. In order to strengthen the internal control, there needs to be a better audit trail from the dispatch sheets to the quarterly payroll time sheets and vice versa. For the control to be effective there needs to be a listing of hours for the wages earned and an ability to reference those hours to the dispatch sheets. That way a person can trace the hours from the dispatch sheets to the hours being paid for on the quarterly payroll checks.

From an overall viewpoint, the Clyde Township is in good financial condition. I thank the Township officials for the cooperation I received in the completion of this examination. Should you have any questions in connection with the above, please contact me at your convenience.

Sincerely,

*Lehn King*

Lehn L. King  
Certified Public Accountant

**Township of Clyde**  
 Annual Financial Report  
 For The Fiscal Year Ended June 30, 2007

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Phone 989-635-3113  
Fax 989-635-5580

Members of the Township Board  
**Township of Clyde**  
St. Clair County, Michigan

**Independent Auditor's Report**

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

I 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 I 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. I believe that the audit provides a reasonable basis for my opinions.

In my 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, each major fund, and the aggregate remaining fund information of the Township of Clyde, Michigan as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2007 on our consideration of the Township of Clyde's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I 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, I did not audit the information and express no opinion on it.

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

*Lehn King*

Lehn L. King  
Certified Public Accountant

August 9, 2007

# Township of Clyde

North Street, Michigan

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## MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Clyde's financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the Township's financial statements.

### Financial Highlights

The Township is in a good financial position with a General Fund Balance of \$988,052.

### Using this Report

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No.34. GASB Statement 34 implements a new model of financial reporting for state and local governments designed to enhance the usefulness of the Township's annual report.

### The Township as a Whole

The Township of Clyde's fund balances are as follows:

	<u>June 30,</u> <u>2007</u>	<u>June 30,</u> <u>2006</u>
General Fund	\$ 988,052	\$ 967,039
Fire Fund	(58,672)	(83,180)
Building Department Fund	18,942	42,857
Water Fund (Working Capital)	<u>410,463</u>	<u>408,028</u>
Total for Township	<u>\$ 1,358,785</u>	<u>\$ 1,334,744</u>

# Township of Clyde

## North Street, Michigan

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### Governmental Activities

The Township of Clyde's Revenues and Expenditures for the year ended June 30, 2007 can be summarized as follows:

	<u>General Fund</u>	<u>Fire Millage Fund</u>	<u>Building Department Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>Fund Balance - Beginning of Year</b>	\$ 967,040	\$ (83,180)	\$ 42,857	\$ -	\$ 926,717
<b>Revenue Collected</b>					
Intergovernmental Revenue	400,489	-	-	-	400,489
Property Taxes	152,307	38,594	-	-	190,901
Special Assessment	15,936	-	-	-	15,936
Charges for Services	39,284	-	37,692	313,931	390,907
Interest Earnings	54,095	-	-	85,616	139,711
Other	43,831	58,981	-	-	102,812
<b>Total Revenue Collected</b>	<u>705,942</u>	<u>97,575</u>	<u>37,692</u>	<u>399,547</u>	<u>1,240,756</u>
<b>Expenditures</b>					
General Government	342,612	-	-	-	342,612
Public Safety	103,217	-	61,607	-	164,824
Public Works	197,675	-	-	399,845	597,520
Recreation & Culture	9,128	-	-	-	9,128
Capital Outlay	32,297	73,067	-	-	105,364
Debt Service	-	-	-	10,475	10,475
<b>Total Expenditures</b>	<u>684,929</u>	<u>73,067</u>	<u>61,607</u>	<u>410,320</u>	<u>467,579</u>
<b>Fund Balance - End of Year</b>	<u>\$ 988,053</u>	<u>\$ (58,672)</u>	<u>\$ 18,942</u>	<u>\$ (10,773)</u>	<u>\$ 1,699,894</u>

# Township of Clyde

## North Street, Michigan

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### Economic Factors and Next Year's Budget and Rates

The Township of Clyde's 2007/2008 adopted budget is as follows:

	<b>General Fund</b>	<b>Bldg Dept. Fund</b>
	<b>June 30,</b>	<b>June 30,</b>
	<b>2008</b>	<b>2008</b>
Budgeted Balance Forward	-	-
<b>Revenue</b>		
Property Taxes	190,500	-
Park Millage	23,000	-
Intergovernmental Revenue	374,000	-
Charges for Services	19,850	31,560
Sale of Capital Assets	-	
Interest Income	49,650	
Other	66,000	-
Total Funds Available	723,000	31,560
<b>Expenditures</b>		
General Government	343,682	-
Public Safety - Fire	95,900	-
Public Safety - Building Department	-	54,245
Public Safety - Other	13,745	-
Public Works - Roads & Drains	185,245	-
Parks & Recreation	32,000	-
Capital Outlay	-	-
Transfers	-	-
Total Expenditures	670,572	54,245
<b>Net Over/Under Budget</b>	<b>\$ 52,428</b>	<b>\$ (22,685)</b>

The Township of Clyde's General Fund budget for next year is approximately the same budget as a year ago.

### Contacting the Township

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Township office at 3350 Vincent Road, North Street, Michigan

Township of Clyde Supervisor

**Township of Clyde**  
Statement of Net Assets (Deficit)  
June 30, 2007

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>Assets</u></b>			
Cash & Cash Equivalents	\$ 826,241.29	\$ 546,289.15	\$ 1,372,530.44
Accounts Receivable	105,701.34	754,800.72	860,502.06
Due From Other Funds	194,508.38	-	194,508.38
Capital Assets			
Nondepreciable Capital Assets	233,223.10	-	233,223.10
Depreciable Capital Assets	761,270.17	2,838,266.60	3,599,536.77
Total Assets	2,120,944.28	4,139,356.47	6,260,300.75
<b><u>Liabilities</u></b>			
Accounts Payable	70,486.71	58,644.35	129,131.06
Deferred Revenue	37,729.04	-	37,729.04
Bonds Payable	11,241.91	-	11,241.91
Due To Other Funds	58,672.24	-	58,672.24
Accrued Interest Payable	-	-	-
Current Portion of Long-Term Debt	-	-	-
Noncurrent Liabilities:			
Long-Term Debt	-	131,329.44	131,329.44
<u>Total Liabilities</u>	178,129.90	189,973.79	368,103.69
<b>Net Assets (Deficit)</b>			
Invested in Capital Assets - Net of Related Debt	994,493.27	2,706,937.16	3,701,430.43
Unrestricted	948,321.11	1,242,445.52	2,190,766.63
<u>Total Net Assets (Deficit)</u>	<u>\$ 1,942,814.38</u>	<u>\$ 3,949,382.68</u>	<u>\$ 5,892,197.06</u>

The notes are an integral part of the statements.

**Township of Clyde**  
Statement of Activities  
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue & Changes in Net Assets			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	Primary Government		<u>Totals</u>
					<u>Governmental Activities</u>	<u>Business-type Activities</u>	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 357,222.24	\$ 30,927.50	\$ -	\$ -	\$ (326,294.74)	\$ -	\$ (326,294.74)
Public Safety	240,777.45	46,048.15	-	58,981.00	(135,748.30)	-	(135,748.30)
Public Works	201,286.35	-	-	-	(201,286.35)	-	(201,286.35)
Recreation & Culture	23,800.63	-	-	-	(23,800.63)	-	(23,800.63)
Interest on Long-Term Debt	-	-	-	-	-	-	-
<u>Total Governmental Activities</u>	<u>823,086.67</u>	<u>76,975.65</u>	<u>-</u>	<u>58,981.00</u>	<u>(687,130.02)</u>	<u>-</u>	<u>(687,130.02)</u>
Business-type Activities	399,845.03	313,931.38	-	-	-	(85,913.65)	(85,913.65)
Interest on Long-Term Debt	10,474.63	-	-	-	-	(10,474.63)	(10,474.63)
<u>Total Business-type Activities</u>	<u>410,319.66</u>	<u>313,931.38</u>	<u>-</u>	<u>58,981.00</u>	<u>-</u>	<u>(96,388.28)</u>	<u>(96,388.28)</u>
<b>Total Primary Government</b>	<b><u>\$ 1,233,406.33</u></b>	<b><u>\$ 390,907.03</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 117,962.00</u></b>	<b><u>\$ (687,130.02)</u></b>	<b><u>\$ (96,388.28)</u></b>	<b><u>\$ (783,518.30)</u></b>
<b>General Revenues:</b>							
Property Taxes & Special Assessments					\$ 206,836.89	\$ -	\$ 206,836.89
Intergovernmental Revenues					400,489.42	-	400,489.42
Interest					54,094.99	85,616.21	139,711.20
Other Revenues					43,831.12	-	43,831.12
Transfers					-	-	-
Total General Revenues, Special Items & Transfers					<u>705,252.42</u>	<u>85,616.21</u>	<u>790,868.63</u>
<b>Change in Net Assets</b>					18,122.40	(10,772.07)	7,350.33
<b>Net Assets (Deficit) - Beginning of Year</b>					<u>1,924,691.98</u>	<u>3,960,154.75</u>	<u>5,884,846.73</u>
<b>Net Assets (Deficit) - End of Year</b>					<b><u>\$ 1,942,814.38</u></b>	<b><u>\$ 3,949,382.68</u></b>	<b><u>\$ 5,892,197.06</u></b>

The notes are an integral part of the statements.

# Township of Clyde

## Governmental Funds

### Balance Sheet

June 30, 2007

	<b>Major Special Revenue Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Fire Millage Fund</b>	<b>Building Department Fund</b>	
<b><u>Assets</u></b>				
Cash & Certificates of Deposit	\$ 804,473.60	\$ -	\$ 21,767.69	\$ 826,241.29
Accounts Receivable	105,701.34	-	-	105,701.34
Note Receivable - Water Fund	131,329.44	-	-	131,329.44
Due From Other Funds	63,178.94	-	-	63,178.94
	<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 21,767.69</b>	<b>\$ 1,126,451.01</b>
 <b><u>Liabilities &amp; Fund Equity</u></b>				
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 67,660.84	\$ -	\$ 2,825.87	\$ 70,486.71
Deferred Revenue	37,729.04	-	-	37,729.04
Bonds Payable	11,241.91	-	-	11,241.91
Due To Other Funds	-	58,672.24	-	58,672.24
	<b>Total Liabilities</b>	<b>58,672.24</b>	<b>2,825.87</b>	<b>178,129.90</b>
 <b><u>Fund Equity</u></b>				
Fund Balances				
- Unreserved & Undesignated	988,051.53	(58,672.24)	18,941.82	948,321.11
<b>Total Fund Balances</b>	<b>988,051.53</b>	<b>(58,672.24)</b>	<b>18,941.82</b>	<b>948,321.11</b>
	<b>Total Liabilities &amp; Fund Equity</b>	<b>\$ -</b>	<b>\$ 21,767.69</b>	<b>\$ 1,126,451.01</b>

The notes are an integral part of the statements.

**Township of Clyde**  
Governmental Funds  
Reconciliation of Fund Balances to the  
Statement of Net Assets (Deficit)  
For The Year Ended June 30, 2007

**Total Fund Balances for Governmental Funds** \$ 948,321.11

Amounts reported for Governmental Activities in the Statement of  
Net Assets (Deficit) are different because:

Capital Assets used in Governmental Activities are not Financial  
Resources and are not reported in the Funds 994,493.27

Long-Term Bonds Payable are not due and payable in the current  
period and are not reported in the Funds -

**Net Assets of Governmental Activities** \$ 1,942,814.38

The notes are an integral part of the statements.

**Township of Clyde**  
 Governmental Funds  
 Statement of Revenues, Expenditures, And Changes  
 in Fund Balances  
 For The Year Ended June 30, 2007

	<u>Major Special Revenue Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire Millage Fund</u>	<u>Building Department Fund</u>	
<b><u>Revenues</u></b>				
Property Taxes	\$ 152,306.74	\$ 38,594.32	\$ -	\$ 190,901.06
Special Assessment	15,935.83	-	-	15,935.83
Intergovernmental Revenues	400,489.42	-	-	400,489.42
Charges for Services	39,284.01	-	37,691.64	76,975.65
Grant Proceeds	-	58,981.00	-	58,981.00
Interest Earnings	54,094.99	-	-	54,094.99
Other Revenues	43,831.12	-	-	43,831.12
<u>Total Revenues</u>	<u>705,942.11</u>	<u>97,575.32</u>	<u>37,691.64</u>	<u>841,209.07</u>
<b><u>Expenditures</u></b>				
General Government	342,612.19	-	-	342,612.19
Public Safety	103,217.47	-	61,607.22	164,824.69
Publics Works	197,675.23	-	-	197,675.23
Recreation & Culture	9,127.76	-	-	9,127.76
Capital Outlay	32,297.40	73,067.09	-	105,364.49
Debt Service - Principal	-	-	-	-
Debt Service - Interest	-	-	-	-
<u>Total Expenditures</u>	<u>684,930.05</u>	<u>73,067.09</u>	<u>61,607.22</u>	<u>819,604.36</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	21,012.06	24,508.23	(23,915.58)	21,604.71
<b><u>Other Financing Sources (Uses)</u></b>				
Operating Transfers In (Out)	-	-	-	-
<b>Net Change in Fund Balances</b>	21,012.06	24,508.23	(23,915.58)	21,604.71
<b><u>Fund Balances - Beginning of Year</u></b>	<u>967,039.47</u>	<u>(83,180.47)</u>	<u>42,857.40</u>	<u>926,716.40</u>
<b><u>Fund Balances - End of Year</u></b>	<u>\$ 988,051.53</u>	<u>\$ (58,672.24)</u>	<u>\$ 18,941.82</u>	<u>\$ 948,321.11</u>

The notes are an integral part of the statements.

**Township of Clyde**  
Governmental Funds  
Reconciliation of Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For The Year Ended June 30, 2007

**Net Change in Fund Balances - Total Governmental Funds** \$ 21,604.71

Amounts reported for Governmental Activities in the Statement of  
Activities are different because:

Governmental Funds report Capital Outlays as Expenditures;  
in the Statement of Activities, these costs are capitalized and  
allocated over their estimated useful lives as Depreciation 105,364.49

Repayment of Bond Principal is an Expenditure in the Governmental  
Funds, but not in the Statement of Activities (where it  
reduces Long-Term Debt) -

Depreciation is an Expenditure for the Statement of  
Activities, but is not reported in the Governmental Funds (108,846.80)

**Net Change in Assets of Governmental Activities** \$ 18,122.40

**Township of Clyde**  
Statement of Net Assets (Deficit)  
Proprietary Funds  
June 30, 2007

	<b>Enterprise Fund</b>
	<b>Water Fund</b>
<b><u>Assets</u></b>	
<u>Current Assets</u>	
Cash & Cash Equivalents	\$ 546,289.15
Accounts Receivable	54,147.74
Special Assessments Receivable	700,652.98
<u>Total Current Assets</u>	1,301,089.87
<u>Noncurrent Assets</u>	
Capital Assets being Depreciated	3,776,965.05
Less: Accumulated Depreciation	(938,698.45)
<u>Total Noncurrent Assets</u>	2,838,266.60
Total Assets	4,139,356.47
<b><u>Liabilities</u></b>	
<u>Current Liabilities</u>	
Accounts Payable	42,718.94
Accrued Sick Pay	11,880.30
Security Deposits	4,045.11
Accrued Interest Payable	-
Current Portion of Long-Term Debt	-
Total Current Liabilities	58,644.35
<u>Long-Term Liabilities</u>	
Note Payable - General Fund	131,329.44
Bonds Payable	-
Total Liabilities	189,973.79
<b><u>Net Assets</u></b>	
Invested in Capital Assets Net of Related Debt	2,838,266.60
Unrestricted	1,111,116.08
<u>Total Net Assets</u>	\$ 3,949,382.68

The notes are an integral part of the statements.

**Township of Clyde**  
Statement of Revenues, Expenses, And Changes in Net Assets  
Proprietary Funds  
June 30, 2007

	<b>Enterprise Fund</b>
	<b>Water Fund</b>
<b><u>Operating Revenues</u></b>	
User Charges & Penalties	\$ 208,249.72
Service Connection Charges	105,681.66
<u>Total Operating Revenues</u>	313,931.38
<b><u>Operating Expenses</u></b>	
Cost of Water	184,592.72
Operation & Maintenance	90,458.90
General & Administration	49,254.11
Depreciation	75,539.30
<u>Total Operating Expenses</u>	399,845.03
<b><u>Operating Income (Loss)</u></b>	(85,913.65)
<b><u>Nonoperating Revenues (Expenses)</u></b>	
Interest Earned	85,616.21
Interest Expense	(10,474.63)
Transfers From (To) Other Funds	-
<b>Change in Net Assets</b>	(10,772.07)
<b><u>Net Assets - Beginning of Year</u></b>	3,960,154.75
<b><u>Net Assets - End of Year</u></b>	\$ 3,949,382.68

The notes are an integral part of the statements.

**Township of Clyde**  
Statement of Cash Flows  
Proprietary Funds  
For The Year Ended June 30, 2007

	<b>Enterprise Fund</b>
	<b>Water Fund</b>
<b><u>Cash Flow From Operating Activities</u></b>	
Receipts from Customers	\$ 308,091.30
Payments for Operation, Maintenance, & Water	(267,682.44)
Payments for General & Administration	(49,254.11)
	(8,845.25)
<u>Net Cash Provided by Operating Activity</u>	(8,845.25)
<b><u>Cash Flows from Noncapital Financing Activities</u></b>	
Net Change in Prior Year Retained Earnings	-
Received "Due From Other Funds"	-
	-
<u>Net Cash Provided by Noncapital Financing Activities</u>	-
<b><u>Cash Flows from Capital &amp; Related Financing Activities</u></b>	
Interest Expense	(10,474.63)
Net Borrowings (Repayments) with Other Funds	(12,449.00)
Principal Paid on Long-Term Debt	(247,130.53)
Collection of Special Assessments	108,398.74
	(161,655.42)
<u>Net Cash Provided by Capital &amp; Related Financing Activities</u>	(161,655.42)
<b><u>Cash Flows From Investing Activities</u></b>	
Increase in Customer Deposits	745.11
Interest received on Investments	85,616.21
	86,361.32
<u>Net Increase (Decrease) in Cash &amp; Cash Equivalents</u>	(84,139.35)
<u>Cash &amp; Cash Equivalents - Beginning of Year</u>	630,428.50
<u>Cash &amp; Cash Equivalents - End of Year</u>	\$ 546,289.15
<b><u>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</u></b>	
Operating Income (Loss)	(85,913.65)
Adjustments to Reconcile Operating Income (Loss) from Operating Activities:	
Depreciation	75,539.30
Changes in Assets & Liabilities:	
Accounts Receivable	(5,840.08)
Accounts Payable	7,369.18
	(3,940.70)
<u>Net Cash Provided by Operating Activities</u>	\$ (8,845.25)

The notes are an integral part of the statements.

**Township of Clyde**  
Statement of Net Assets (Deficit)  
Fiduciary Funds  
30-Jun-07

	Fiduciary Fund		Totals June 30, 2007
	Nonexpendable	Type	
	Trust Fund	Agency Fund	
	Cemetery Perpetual Care Fund	Current Tax Collection Fund	
<b><u>Assets</u></b>			
Cash - Savings & Certificates	\$ 16,000.00	\$ 4,506.70	\$ 20,506.70
Due From Other Funds	-	-	-
<u>Total Assets</u>	<u>\$ 16,000.00</u>	<u>\$ 4,506.70</u>	<u>\$ 20,506.70</u>
<b><u>Liabilities &amp; Fund Balance</u></b>			
<b><u>Liabilities</u></b>			
Due To Other Funds	\$ -	\$ 4,506.70	\$ 4,506.70
Due To Other Governmental Units	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>4,506.70</u>	<u>4,506.70</u>
<b><u>Fund Balances</u></b>			
Held in Trust for Cemetery Perpetual Care Unreserved & Undesignated	16,000.00	-	16,000.00
	-	-	-
<u>Total Fund Balances</u>	<u>16,000.00</u>	<u>-</u>	<u>16,000.00</u>
<u>Total Liabilities &amp; Fund Balances</u>	<u>\$ 16,000.00</u>	<u>\$ 4,506.70</u>	<u>\$ 20,506.70</u>

The notes are an integral part of the statements.

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

The accounting methods and procedures adopted by the Township of Clyde, St. Clair County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

**1. Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Township of Clyde was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township of Clyde (the primary government).

**Government-wide and Fund Statements Fund**

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Township (the primary government). 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and Fiduciary Funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

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

**Fire Millage Fund** – This fund accounts for the fire millage and purchases of fire equipment.

**Building Department Fund** – The fund is setup for the monitoring of Township construction. It is primarily funded through the collection of permits for the various types of construction.

Additionally, the Township reports the following fund types:

**Agency Funds** – These funds account for assets held for others in an agency capacity.

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**1. Summary of Significant Accounting Policies - Continued**

**Measurement Focus and Basis of Accounting**

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

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become 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, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Township. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

**Cash** - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

**Investments** - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

**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.

**Property Tax Revenues** - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

**Vacation, Sick Leave, & Other Compensated Absences** - The Township has an agreement with its full-time employees which allows for various compensated absences after employees have properly vested. Any unused vacation days at the end of the calendar year are forfeited, however, unused sick days (not to exceed 60 days) carry forward to future years.

**Inventories and Prepaid Items** - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both Government-wide and Fund Financial Statements.

**Capital Assets** - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Township as assets with an initial individual 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 if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings & Building Improvements	10 to 50 years
Machinery & Equipment	10 years

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**1. Summary of Significant Accounting Policies - Continued**

**Long-Term Obligations** - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**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.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 revenue and expenses during the period. Actual results could differ from those estimates.

**Accounting Changes**

**GASB Statement No. 34** – Effective April 1, 2003, the Township implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Township's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Township's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Township's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Township. In addition, the governmental activities column includes bonds and other long-term obligations, previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather than fund types.

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**2. Stewardship, Compliance, and Accountability**

**Budgetary Information**

The Township is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Prior to July 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted.
4. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level.
5. Budget amounts are as originally adopted, and as amended by the Township Board.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budget was adopted to the department level. Budgets for these funds are shown in the supplemental schedules to this statement.

During the year ended June 30, 2007, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
<b>General Fund</b>			
Roads & Drains	\$ 187,558	\$ 197,675	\$ 10,117

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**3. Cash and Investments**

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit 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; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies 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 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.

The Township Board has designated four banks for the deposit of Township funds. The investment policy adopted by the board was in accordance with Public Act 196 of 1997. The Board has authorized investment in bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Township's deposits are in accordance with statutory authority. All cash deposits and investments of the Township are held by the Township in the Township's name.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Fiduciary - Trust &amp; Agency Funds</b>	<b>Total Primary Government</b>
Cash & Cash Equivalents	\$ 848,021	\$ 546,289	\$ 20,507	\$ 1,414,817

The breakdown between deposits and investments is as follows:

	<b>Primary Government</b>
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 1,414,817

The bank balance of the primary government's deposits is \$1,414,817, of which \$225,697 is covered by federal depository insurance and \$-0- is collateralized with U.S. Treasury securities held by the pledging financial institution's trust department in the Township's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

	<b>Category</b>			<b>Carrying Value</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	
Investments	\$ NONE	\$ NONE	\$ NONE	\$ NONE

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1      Insured or registered, or securities held by the Township or its agent in the Township's name.
- Category 2      Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
- Category 3      Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**4. Property Taxes**

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and might be paid by the following February 14.

Property taxes are recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available.

The Township levied the following taxes:

General Government Services	<u>0.7073</u> mills
Fire Equipment Millage	<u>0.2471</u> mills

**5. Interfund Receivables, Payables, & Transfers**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “Due from other funds” or “Due to other funds” on the balance sheet. The amounts of interfund receivables and payables are as follows:

	<b><u>Due From Other Funds</u></b>		<b><u>Due To Other Funds</u></b>
General Fund	\$ 4,507	Tax Collection Fund	\$ 4,507
General Fund	<u>58,672</u>	Fire Millage Fund	<u>58,672</u>
Total	<u><u>\$ 63,179</u></u>		<u><u>\$ 63,179</u></u>

Interfund Transfers reported in the Fund Statements are as follows:

**NONE**

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**6. Capital Assets**

Capital Assets activity of the Township's governmental activities (and business-type) was as follows:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Disposals &amp; Adjustments</u>	<u>Balance June 30, 2007</u>
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated - Land	\$ 229,900	\$ -	\$ -	\$ 229,900
Capital Assets Being Depreciated:				
Land Improvements	233,223	2,600	-	235,823
Buildings & Building Improvements	260,513	2,233	-	262,746
Fire Machinery & Equipment	616,965	73,067	55,833	634,199
Other Equipment	162,888	27,464	-	190,352
Total Capital Assets being Depreciated	<u>1,273,589</u>	<u>105,364</u>	<u>55,833</u>	<u>1,323,120</u>
Accumulated Depreciation:				
Land Improvements	123,614	16,099	-	139,713
Buildings & Building Improvements	145,984	7,341	-	153,325
Fire Machinery & Equipment	129,472	29,159	11,542	147,089
Other Equipment	106,443	11,956	-	118,399
Total Accumulated Depreciation	<u>505,513</u>	<u>64,555</u>	<u>11,542</u>	<u>558,526</u>
<b>Net Capital Assets</b>	<u>\$ 768,076</u>	<u>\$ 40,809</u>	<u>\$ 44,291</u>	<u>\$ 764,594</u>
<b>Business-type Activities:</b>				
Capital Assets Being Depreciated:				
Water Distribution System	\$ 3,776,965	\$ -	\$ -	\$ 3,776,965
Total Capital Assets being Depreciated	<u>3,776,965</u>	<u>-</u>	<u>-</u>	<u>3,776,965</u>
Accumulated Depreciation:				
Water Distribution System	863,159	75,539	-	938,698
Total Accumulated Depreciation	<u>863,159</u>	<u>75,539</u>	<u>-</u>	<u>938,698</u>
<b>Net Capital Assets</b>	<u>\$ 2,913,806</u>	<u>\$ (75,539)</u>	<u>\$ -</u>	<u>\$ 2,838,267</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 14,610
Public Safety	31,661
Public Works	3,611
Recreation & Culture	14,673
Total Governmental Activities	<u>\$ 64,555</u>
<b>Business-type Activities:</b>	
Water Fund	75,539
Total Business-type Activities	<u>\$ 75,539</u>

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**7. Long-Term Debt**

	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>						
Revenue Bonds & Interfund Loans						
1994 USDA Water Bonds						
Amount of Issue - \$2,726,000						
Maturing through 2008						
	5.63%	\$72,000	\$ 241,563	\$ (241,563)	\$ -	\$ -
1995 USDA Special Water Bonds						
Amount of Issue - \$306,995						
Maturing through 2012						
	5.50%	\$7,900	\$ -	\$ -	\$ -	\$ -
1999 USDA Special Water Bonds						
Amount of Issue - \$180,000						
Maturing through 2012						
	5.50%	\$10,000	\$ -	\$ -	\$ -	\$ -
Interfund Loan - Water Mains						
Amount of Issue - \$185,000						
Maturing terms not established						
	0.00%	N/A	\$ 110,864	\$ -	\$ 110,864	\$ -
Interfund Loan - Water Mains						
Amount of Issue - \$81,450						
Maturing terms not established						
	6.65%	N/A	<u>\$ 32,914</u>	<u>\$ (12,449)</u>	<u>\$ 20,465</u>	<u>\$ -</u>
<b>Total Business-type Activities</b>			<u>\$ 385,341</u>	<u>\$ (254,012)</u>	<u>\$ 131,329</u>	<u>\$ -</u>

The Interfund Loans from General to the Water Fund in the amounts of \$185,000 and \$81,450 respectively are on-demand notes. However, the Township is reporting the loans in long-term debt because it is not expected that the loans will be paid in the foreseeable future.

**Township of Clyde**  
Notes to the Financial Statements  
For The Year Ended June 30, 2007

**8. Deferred Compensation Plan**

The Township offers its employees a deferred compensation plan created in accordance with IRC Section 457. The assets of the plan were held in trust, as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Township's financial statements.

**9. Deficit Fund Balance or Retained Earnings Balances of Individual Funds**

Fire Millage Fund            (\$58,672)

**10. Post Employment Benefits**

The Township does not provide any post employment benefits.

**11. Risk Management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

**12. Contingent Liabilities**

The Township is involved in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Township that resolution of these matters will not have a material adverse effect on the financial condition of the Township.

**Required Supplemental Information**

**Township of Clyde**  
 Budgetary Comparison Schedule  
 General Fund  
 For The Year Ended June 30, 2007

	General Fund			Variance with
	Original Budget	Amended Budget	Actual	Amended Budget
<b>Revenues</b>				
Property Taxes	\$ 149,500.00	\$ 152,306.74	\$ 152,306.74	\$ -
Special Assessment	11,100.00	11,100.00	15,935.83	4,835.83
State Shared Revenues	377,498.00	377,498.00	378,657.00	1,159.00
Park Millage	21,000.00	21,832.42	21,832.42	-
Charges for Services	2,000.00	2,030.00	1,382.50	(647.50)
Fire & Emergency Services	9,000.00	9,727.93	8,356.51	(1,371.42)
Cemetery Revenues	21,000.00	29,905.00	29,545.00	(360.00)
Interest Earnings	41,000.00	60,828.87	54,094.99	(6,733.88)
Other Revenues	23,500.00	58,760.24	43,831.12	(14,929.12)
<b>Total Revenues</b>	<b>655,598.00</b>	<b>723,989.20</b>	<b>705,942.11</b>	<b>(18,047.09)</b>
<b>Expenditures</b>				
<b>General Government</b>				
Township Board	16,000.00	16,000.00	16,000.00	-
Supervisor	22,900.00	22,900.04	22,602.04	298.00
Elections	8,000.00	9,437.20	8,204.27	1,232.93
Assessor	28,720.00	29,874.67	29,157.03	717.64
Clerk & Deputy Clerk	68,273.03	69,073.07	67,415.78	1,657.29
Board of Review	1,200.00	1,437.50	1,431.50	6.00
Treasurer & Deputy Treasurer	33,350.00	34,024.89	32,438.30	1,586.59
Building & Grounds	43,736.00	44,670.14	44,206.87	463.27
Township Administration	136,665.40	140,448.59	117,008.82	23,439.77
Cemetery	8,700.00	8,972.11	4,147.58	4,824.53
<b>Total General Government</b>	<b>367,544.43</b>	<b>376,838.21</b>	<b>342,612.19</b>	<b>34,226.02</b>
<b>Public Safety</b>				
Emergency Services	87,460.00	101,774.15	88,636.00	13,138.15
Street Lights	11,000.00	11,000.00	10,787.62	212.38
Planning & Zoning	19,020.00	19,039.26	3,793.85	15,245.41
<b>Total Public Safety</b>	<b>117,480.00</b>	<b>131,813.41</b>	<b>103,217.47</b>	<b>28,595.94</b>
<b>Public Works - Roads &amp; Drains</b>	<b>186,808.00</b>	<b>187,558.00</b>	<b>197,675.23</b>	<b>(10,117.23)</b>
<b>Recreation &amp; Culture</b>	<b>11,000.00</b>	<b>12,200.00</b>	<b>9,127.76</b>	<b>3,072.24</b>
<b>Capital Outlay</b>	<b>24,000.00</b>	<b>39,432.49</b>	<b>32,297.40</b>	<b>7,135.09</b>
<b>Debt Service - Principal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service - Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>706,832.43</b>	<b>747,842.11</b>	<b>684,930.05</b>	<b>62,912.06</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(51,234.43)</b>	<b>(23,852.91)</b>	<b>21,012.06</b>	<b>44,864.97</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In (Out)	-	-	-	-
<b>Excess of Revenues &amp; Operating Transfers In Over (Under) Expenditures &amp; Operating Transfers Out</b>	<b>(51,234.43)</b>	<b>(23,852.91)</b>	<b>21,012.06</b>	<b>44,864.97</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>967,039.47</b>	<b>967,039.47</b>
<b>Fund Balance - End of Year</b>	<b>\$ (51,234.43)</b>	<b>\$ (23,852.91)</b>	<b>\$ 988,051.53</b>	<b>\$ 1,011,904.44</b>

**Township of Clyde**  
 Budgetary Comparison Schedule  
 Fire Millage Fund  
 For The Year Ended June 30, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Property Taxes	\$ 38,000.00	\$ 38,594.32	\$ 38,594.32	\$ -
Grant Proceeds	1,000.00	58,981.00	58,981.00	-
<b><u>Total Revenues</u></b>	<u>39,000.00</u>	<u>97,575.32</u>	<u>97,575.32</u>	<u>-</u>
<b><u>Expenditures</u></b>				
Capital Outlay	12,000.00	83,981.00	73,067.09	10,913.91
<b><u>Total Expenditures</u></b>	<u>12,000.00</u>	<u>83,981.00</u>	<u>73,067.09</u>	<u>10,913.91</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	27,000.00	13,594.32	24,508.23	10,913.91
<b><u>Other Financing Sources</u></b>				
Operating Transfers In (Out)	-	-	-	-
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	27,000.00	13,594.32	24,508.23	10,913.91
<b><u>Fund Balance - Beginning of Year</u></b>	<u>-</u>	<u>-</u>	<u>(83,180.47)</u>	<u>(83,180.47)</u>
<b><u>Fund Balance - End of Year</u></b>	<u>\$ 27,000.00</u>	<u>\$ 13,594.32</u>	<u>\$ (58,672.24)</u>	<u>\$ (72,266.56)</u>

**Township of Clyde**  
 Budgetary Comparison Schedule  
 Building Department Fund  
 For The Year Ended June 30, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<b><u>Revenues</u></b>				
Building Permits & Fees	\$ 60,370.00	\$ 61,368.75	\$ 37,691.64	\$ (23,677.11)
<b><u>Total Revenues</u></b>	<u>60,370.00</u>	<u>61,368.75</u>	<u>37,691.64</u>	<u>(23,677.11)</u>
<b><u>Expenditures</u></b>				
Administration	19,535.40	19,731.55	18,945.84	785.71
Inspectors' Wages & Fees	49,100.00	49,100.04	41,636.02	7,464.02
Miscellaneous	2,000.00	2,000.00	1,025.36	974.64
<b><u>Total Expenditures</u></b>	<u>70,635.40</u>	<u>70,831.59</u>	<u>61,607.22</u>	<u>9,224.37</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(10,265.40)	(9,462.84)	(23,915.58)	(14,452.74)
<b><u>Other Financing Sources</u></b>				
Operating Transfers In (Out)	-	-	-	-
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	(10,265.40)	(9,462.84)	(23,915.58)	(14,452.74)
<b><u>Fund Balance - Beginning of Year</u></b>	-	-	42,857.40	42,857.40
<b><u>Fund Balance - End of year</u></b>	<u>\$ (10,265.40)</u>	<u>\$ (9,462.84)</u>	<u>\$ 18,941.82</u>	<u>\$ 28,404.66</u>

**Other Supplemental Information**

**Township of Clyde**  
 Other Supplemental Information  
 Schedule of Indebtedness  
 June 30, 2007

**USDA Rural Development**  
**1994 FmHA Water Bonds**

**Dated: June 1, 1994**  
**Original Issue: \$2,726,000**

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2007</u>		<u>Remaining Annual Interest Payable</u>
		<u>2007</u>	<u>2006</u>	
5.63%	6/30/2007	\$ -	\$ -	\$ -
5.63%	6/30/2008	-	72,000	-
5.63%	6/30/2009	-	72,000	-
5.63%	6/30/2010	-	72,000	-
5.63%	6/30/2011	-	23,563	-
<u>Total Installment Purchase Contracts</u>		<u>\$ -</u>	<u>\$ 239,563</u>	<u>\$ -</u>

**Interfund Loan - Water Mains**

**Original Issue: \$185,000**

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2007</u>		<u>Remaining Annual Interest Payable</u>
		<u>2007</u>	<u>2006</u>	
0.00%	Not Established	\$ 110,864	\$ 110,864	\$ -
<u>Total Interfund On-Demand Loan</u>		<u>\$ 110,864</u>	<u>\$ 110,864</u>	<u>\$ -</u>

**Interfund Loan - Water Mains**

**Original Issue: \$81,450**

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding June 30, 2007</u>		<u>Remaining Annual Interest Payable</u>
		<u>2007</u>	<u>2006</u>	
6.65%	Not Established	\$ 20,465	\$ 32,914	\$ 1,330
<u>Total Interfund On-Demand Loan</u>		<u>\$ 20,465</u>	<u>\$ 32,914</u>	<u>\$ 1,330</u>
<u>Total Installment Purchase Contracts</u>		<u>\$ 131,329</u>	<u>\$ 383,341</u>	<u>\$ 1,330</u>