

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 Mussey Township	County St. Clair County
Fiscal Year End March 31, 2007	Opinion Date June 22, 2007	Date Audit Report Submitted to State July 5, 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 Zip MI 48453
Authorizing CPA Signature 		Printed Name Lehn King	License Number A248781

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

June 22, 2007

Members of the Township Board
Mussey Township
St. Clair County, Michigan

Board Members:

In accordance with your request, I have made an examination of the financial statements of Mussey Township for the fiscal year ended March 31, 2007. During the course of my examination, the following material items came to my attention:

- 1) In the review of the minutes,
 - a. When making a motion to approve the minutes, the motion should specify the date of the minutes approved. Also, when making a motion to pay the bills the motion should identify the actual bills being approved. This could be done by inserting into the minutes the list of bills that are being approved, or to make reference to the list, such as from check number to check number in the amount of \$_____.
 - b. Per P.A. 621 of 1968, the Board does not have authorization to spend money until the budget is officially enacted by the Board. This must be done prior to April 1. This budget should be included with the minutes of the Township. The budget must be amended prior to the expenditure exceeding the budgeted item. The Building Inspection Fund did not have a budget for the year ending March 31,2007.
- 2) The Treasurer is required to maintain a running record of all cash accounts. The Treasurer is required to reconcile these cash accounts to the bank statements on a monthly basis. Then, each month, the Clerk and Treasurer are to compare the cash balances to see that they agree. This division of duty is to strengthen internal control and safeguard the assets of the Township.
- 3) It is my opinion that the Tax Account should be zeroed out as of the end of the fiscal year. The Tax Account is a Trust and Agency Account and should distribute the funds to the appropriate Agency or Government Fund within a reasonable amount of time. The tax collection bank accounts should be reconciled on a monthly basis. It is important to reconcile the bank statements with the Quickbooks Accounting Program. This Quickbooks Program, in turn, should balance with the entities in which the money is to be paid.
- 4) Currently, there is a Due to Cemetery Perpetual Care Fund from the Cemetery Fund of \$8,421.18. In my opinion, the Board should transfer the money to the Cemetery Perpetual Care Fund or seek legal council as to the procedures of leaving the funds in the Cemetery Fund.
- 5) There were instances in which funds were received by the Township, but were not deposited into the bank on a timely basis. It is important to deposit receipted funds when they are received to strengthen internal control and to safeguard the Township assets.
- 6) The following are some comments I have regarding the building department accounting procedures.
 - a. By Statute, the Treasurer is required to receive and take charge of all funds coming into the Township. The money collected for the building permits should come directly to the Treasurer's office. She should receipt the incoming money and promptly deposit it in the appropriate bank account.
 - b. The Clerk is to maintain accurate records accounting for the activity of the building department. A file should be kept of all permits in "permit number order". As the permits are paid the receipt number (issued by the Treasurer) should be put on the permit, receipt, deposit ticket, and in the memo of Quickbooks. This would allow for an Audit Trail going from the collection of money to the entry in Quickbooks.
 - c. As the Inspector turns in his list of inspections to be paid, it is important for internal control to have a system in place to check-off each of these inspections from the permits, so that the Inspector does not receive payment multiple times for the same inspection fee collected by the Township. This would assure that the Township collects revenue for any failed inspection or additional inspections not collected on the original permit.

- d. A file should be kept of all open bonds. A copy of the permit should be made at the time the bond is collected. The copy is put in a file for open bonds and kept in permit number order. As the bonds are paid off the bonds are pulled from the open file and put in a closed bond file in the order in which they were paid. All notations or notes regarding the bonds, while they are open, would be attached or noted on this copy. Thus, at any time, the amount of open bonds listed in Quickbooks should match the sum of open bonds in this file.
- e. The Board needs to establish a policy regarding old bonds. There needs to be a policy as to the date bonds are to be forfeited to the General Fund. Work needs to be done to clean up the open bonds; forfeit to the general fund old inactive bonds and create a file of current open bonds. From the date of the change forward, adhere to the policy of the forfeiture of old bonds.

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 Mussey

St. Clair County, Michigan

Audited Financial Report
March 31, 2007

Township of Mussey
 Annual Financial Report
 For The Fiscal Year Ended March 31, 2007

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Members of the Township Board
Mussey Township
St. Clair County, Michigan

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mussey, 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 of Mussey, 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. 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, each major fund, and the aggregate remaining fund information of the Township of Mussey, Michigan as of March 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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 Mussey, 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.

As described in Note 1, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of April 1, 2004.

Lehn King

Lehn L. King
Certified Public Accountant

June 22, 2007

Township of Mussey

Capac, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER

Our discussion and analysis of the Township of Mussey's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 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 \$416,407.

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 Mussey's fund balances are as follows:

	<u>March 31,</u> <u>2007</u>	<u>March 31,</u> <u>2006</u>
General Fund	\$ 416,407	\$ 342,296
Fire Department Fund	261,225	236,913
Building Inspection Fund	6,344	9,364
Cemetery Fund	10,320	2,068
Total for Township	<u>\$ 694,296</u>	<u>\$ 590,641</u>

Township of Mussey

Capac, Michigan

Governmental Activities

The Township of Mussey's Revenues and Expenditures can be summarized as follows:

	General Fund	Fire Department Fund	Building Inspection Fund	Cemetery Fund	Total Governmental Activities
Fund Balance - Beginning of Year	\$ 342,296	\$ 236,913	\$ 9,364	\$ 2,068	\$ 590,641
Revenue Collected					
Intergovernmental Revenue	141,877	-	-	-	141,877
Property Taxes	130,150	170,536	-	-	300,686
Permits & Fees	3,935	-	27,367	-	31,302
Charges for Services	-	35,778	-	18,216	53,994
Loan Proceeds	-	-	-	-	-
Transfers In	-	-	-	128	128
Other	24,194	3,535	246	-	27,975
Total Revenue Collected	300,156	209,849	27,613	18,344	555,962
Expenditures					
General Government	138,573	-	-	-	138,573
Public Safety	7,829	109,703	30,633	-	148,165
Public Works	38,704	-	-	-	38,704
Cemetery	-	-	-	24,807	24,807
Recreation & Culture	1,324	-	-	-	1,324
Capital Outlay	-	-	-	-	-
Debt Service	30,000	75,834	-	-	105,834
Transfers Out	9,615	-	-	(14,715)	(5,100)
Total Expenditures	226,045	185,537	30,633	10,092	452,307
Fund Balance - End of Year	\$ 416,407	\$ 261,225	\$ 6,344	\$ 10,320	\$ 694,296

Economic Factors and Next Year's Budget and Rates

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

	General Fund		Fire Fund		Cemetery Fund	
	March 31,		March 31,		March 31,	
	2008	2007	2008	2007	2008	2007
Revenue						
Property Taxes	134,000	100,000	-	-	-	-
Intergovernmental Revenue	134,000	130,000	-	-	-	-
Charges for Services	-	-	191,700	191,700	15,000	15,000
Other	44,712	51,665	-	-	5,200	5,000
Total Revenue Collected	312,712	281,665	191,700	191,700	20,200	20,000
Expenditures						
General Government	188,837	186,618	-	-	-	-
Public Safety	26,802	7,250	100,150	100,150	27,975	29,475
Public Works	56,500	56,500	-	-	-	-
Capital Outlay	-	-	13,550	13,550	10,000	-
Debt Service	17,000	30,000	87,000	87,000	-	-
Transfers	10,000	10,000	-	-	(10,000)	(10,000)
Total Expenditures	299,139	290,368	200,700	200,700	27,975	19,475
Net Over/Under Budget	\$ 13,573	\$ (8,703)	\$ (9,000)	\$ (9,000)	\$ (7,775)	\$ 525

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 135 N. Main Street, Capac, Michigan or by telephone at (810) 395-4915.

Michael Lauwers
Township of Mussey Supervisor

Township of Mussey
Statement of Net Assets (Deficit)
March 31, 2007

	Primary Government
	Governmental Activities
<u>Assets</u>	
Cash & Cash Equivalents	\$ 235,426.94
Property Taxes Receivable	28,693.98
Other Accounts Receivable	8,900.00
Due From Other Funds	456,411.55
Capital Assets (Net of Accumulated Depreciation)	586,730.89
Total Assets	1,316,163.36
<u>Liabilities</u>	
Accounts Payable	\$ 26,715.50
Due To Other Funds	8,421.19
Current Portion of Long-Term Debt	81,717.98
Noncurrent Liabilities:	
Long-Term Debt	82,216.74
Total Liabilities	199,071.41
Net Assets (Deficit)	
Invested in Capital Assets - Net of Related Debt	422,796.17
Unrestricted	694,295.78
Total Net Assets (Deficit)	\$ 1,117,091.95

The notes are an integral part of the statements.

Township of Mussey
Statement of Activities
For the Year Ended March 31, 2007

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense) Revenue & Changes in Net Assets
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 167,737.39	\$ 18,216.00	\$ -	\$ -
Public Safety	171,758.55	67,079.99	-	-
Public Works	38,703.74	-	-	-
Recreation & Culture	1,324.00	-	-	-
Interest on Long-Term Debt	10,315.12	-	-	-
<u>Total Governmental Activities</u>	<u>\$ 389,838.80</u>	<u>\$ 85,295.99</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues:				
Property Taxes				\$ 300,686.54
Intergovernmental Revenue				141,876.65
Interest				14,523.27
Other Revenues				13,580.09
Transfers				5,100.00
Total General Revenues, Special Items & Transfers				475,766.55
Change in Net Assets				171,223.74
Net Assets (Deficit) - Beginning of Year				945,868.21
Net Assets (Deficit) - End of Year				\$ 1,117,091.95

The notes are an integral part of the statements.

Township of Mussey

Governmental Funds

Balance Sheet

March 31, 2007

	General Fund	Fire Department Fund	Building Inspection Fund	Cemetery Fund	Total Governmental Funds
<u>Assets</u>					
Cash & Certificates of Deposit	\$ 173,400.54	\$ 10,225.48	\$ 33,059.72	\$ 18,741.20	\$ 235,426.94
Property Taxes Receivable	12,301.81	16,392.17	-	-	28,693.98
Other Accounts Receivable	-	8,900.00	-	-	8,900.00
Due From Other Funds	230,704.50	225,707.05	-	-	456,411.55
	<u>\$ 416,406.85</u>	<u>\$ 261,224.70</u>	<u>\$ 33,059.72</u>	<u>\$ 18,741.20</u>	<u>\$ 729,432.47</u>
<u>Liabilities & Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$ -	\$ -	\$ 26,715.50	\$ -	\$ 26,715.50
Due To Other Funds	-	-	-	8,421.19	8,421.19
	<u>-</u>	<u>-</u>	<u>26,715.50</u>	<u>8,421.19</u>	<u>35,136.69</u>
<u>Fund Equity</u>					
Fund Balances					
- Unreserved & Undesignated	416,406.85	261,224.70	6,344.22	10,320.01	694,295.78
	<u>416,406.85</u>	<u>261,224.70</u>	<u>6,344.22</u>	<u>10,320.01</u>	<u>694,295.78</u>
Total Liabilities & Fund Equity	<u>\$ 416,406.85</u>	<u>\$ 261,224.70</u>	<u>\$ 33,059.72</u>	<u>\$ 18,741.20</u>	<u>\$ 729,432.47</u>

The notes are an integral part of the statements.

Township of Mussey
Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended March 31, 2007

Total Fund Balances for Governmental Funds \$ 694,295.78

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 586,730.89

Long-Term Bonds Payable are not due and payable in the current
period and are not reported in the Funds (163,934.72)

Net Assets of Governmental Activities \$ 1,117,091.95

Township of Mussey
 Governmental Funds
 Statement of Revenues, Expenditures, And Changes
 in Fund Balances
 For The Year Ended March 31, 2007

	General Fund	Fire Department Fund	Building Inspection Fund	Cemetery Fund	Total Governmental Funds
<u>Revenues</u>					
Property Taxes	\$ 130,150.40	\$ 170,536.14	\$ -	\$ -	\$ 300,686.54
Intergovernmental Revenue	141,876.65	-	-	-	141,876.65
Charges for Services	-	35,778.00	-	18,216.00	53,994.00
Permits & Fees	3,934.99	-	27,367.00	-	31,301.99
Interest Earnings	13,402.15	746.48	246.20	128.44	14,523.27
Other Revenues	10,791.63	2,788.46	-	-	13,580.09
<u>Total Revenues</u>	<u>300,155.82</u>	<u>209,849.08</u>	<u>27,613.20</u>	<u>18,344.44</u>	<u>555,962.54</u>
<u>Expenditures</u>					
General Government	138,573.40	-	-	24,806.75	163,380.15
Public Safety	7,829.00	109,703.54	30,633.38	-	148,165.92
Publics Works	38,703.74	-	-	-	38,703.74
Recreation & Culture	1,324.00	-	-	-	1,324.00
Capital Outlay	-	-	-	-	-
Debt Service - Principal	27,631.31	67,887.58	-	-	95,518.89
Debt Service - Interest	2,368.69	7,946.43	-	-	10,315.12
<u>Total Expenditures</u>	<u>216,430.14</u>	<u>185,537.55</u>	<u>30,633.38</u>	<u>24,806.75</u>	<u>457,407.82</u>
Excess of Revenues Over (Under) Expenditures	83,725.68	24,311.53	(3,020.18)	(6,462.31)	98,554.72
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In (Out)	(9,615.14)	-	-	14,715.14	5,100.00
Net Change in Fund Balances	74,110.54	24,311.53	(3,020.18)	8,252.83	103,654.72
<u>Fund Balances - Beginning of Year</u>	<u>342,296.31</u>	<u>236,913.17</u>	<u>9,364.40</u>	<u>2,067.18</u>	<u>590,641.06</u>
<u>Fund Balances - End of Year</u>	<u>\$ 416,406.85</u>	<u>\$ 261,224.70</u>	<u>\$ 6,344.22</u>	<u>\$ 10,320.01</u>	<u>\$ 694,295.78</u>

The notes are an integral part of the statements.

Township of Mussey

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 March 31, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 103,654.72

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 -

Repayment of Bond Principal is an Expenditure in the Governmental
Funds, but not in the Statement of Activities (where it
reduces Long-Term Debt) 95,518.89

Loan Proceeds are recognized as revenue in the Governmental Funds,
but not in the Statement of Activities -

Depreciation is an Expenditure for the Statement of
Activities, but is not reported in the Governmental Funds (27,949.87)

Net Assets of Governmental Activities \$ 171,223.74

The notes are an integral part of the statements.

Township of Mussey
Statement of Net Assets (Deficit)
Fiduciary Funds
March 31, 2007

<u>Assets</u>	<u>Trust Funds</u>	<u>Agency Fund</u>
Cash & Certificate of Deposit	\$ 100,000.00	\$ 523,557.58
Due From Other Funds	8,421.19	-
	<hr/>	<hr/>
<u>Total Assets</u>	108,421.19	<u>\$ 523,557.58</u>
<u>Liabilities</u>		
Due To Other Funds	-	\$ 456,411.55
Due To Others	-	41,679.77
Due To Other Governmental Agencies	-	25,466.26
	<hr/>	<hr/>
<u>Total Liabilities</u>	-	<u>\$ 523,557.58</u>
<u>Net Assets</u>		
Held in Trust for Cemetery Perpetual Care	108,421.19	
Unreserved - Undesignated	-	
	<hr/>	
<u>Total Net Assets</u>	<u>\$ 108,421.19</u>	

The notes are an integral part of the statements.

Township of Mussey
Statement of Changes in Net Assets
Fiduciary Funds
March 31, 2007

	Other Trust Funds
<u>Additions</u>	
Interest Income - Perpetual Care	\$ 5,100.00
Sale of Lots - Perpetual Care	-
<u>Total Additions</u>	<u>5,100.00</u>
<u>Deductions</u>	
Administrative Expense	-
Contribution To (From) Other Funds	5,100.00
<u>Total Deductions</u>	<u>5,100.00</u>
<u>Net Increase</u>	-
 <u>Net Assets - Beginning of Year</u>	 <u>108,421.19</u>
<u>Net Assets - End of Year</u>	 <u>\$ 108,421.19</u>

The notes are an integral part of the statements.

Township of Mussey
Notes to the Financial Statements
For The Year Ended March 31, 2007

The accounting methods and procedures adopted by the Township of Mussey, 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 Mussey 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 Mussey (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Component Units - In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

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.

Building Inspection Fund – This fund is set up for the monitoring of Township construction. It is primarily funded through the collection of permits for the various types of construction.

Fire Department Fund – This fund accounts for the operation of the fire department and provides for the accumulation of funds for equipment replacement. Funding is provided primarily through fire run charges and contracts with Lynn and Emmett Townships.

Cemetery Fund – The Cemetery Fund provides for the administration of the grave openings, burials, and general maintenance of the local cemetery. Funding is provided primarily through grave openings and lot sales.

Township of Mussey
Notes to the Financial Statements
For The Year Ended March 31, 2007

Additionally, the Township reports the following fund types:

Current Tax Collection Fund - The Current Tax Collection Fund accounts for the collection and disbursement of local property taxes.

Cemetery Perpetual Care Fund - The purpose of this fund is to account for money which is set aside for the future maintenance expenses of the Township cemeteries.

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. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

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 does not have any contracts or agreements with its employees or elected officials which require the payment of compensation during absence from duty nor do any such benefits vest to the right of the employee or elected official.

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 \$2,000 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.

Township of Mussey
Notes to the Financial Statements
For The Year Ended March 31, 2007

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

Buildings & Building Improvements	20 to 50 years
Machinery & Equipment	3 to 25 years

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, 2004, 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 as well as assets previously reported in the General Fixed Assets Account Group. 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 Mussey
Notes to the Financial Statements
For The Year Ended March 31, 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. Budgets must be adopted for the General Fund and Special Revenue Funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. Public hearings must be held before budget adoptions.

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 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. Budgets for the General Fund and the Special Revenue Funds are presented in the required supplemental information.

During the year ended March 31, 2007, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Total <u>Appropriations</u>		Amount of <u>Expenditures</u>		Budget <u>Variance</u>
<u>General Fund</u>					
Elections	\$ 4,500		\$ 5,618		\$ 1,118
General Administration	27,950		28,229		279
Tax Collection Expense	1,500		1,660		160
<u>Fire Department Fund</u>					
Fire Salaries & Wages	34,000		34,270		270
Education	4,800		6,455		1,655
Utilities	6,700		8,070		1,370
<u>Cemetery Fund</u>					
Contracted Services	16,375		16,465		90

A budget was not adopted for the Building Inspection Fund

Township of Mussey
Notes to the Financial Statements
For The Year Ended March 31, 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 three banks for the deposit of Township funds. The investment policy adopted by the Board is 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:

	Governmental Activities	Fiduciary - Trust & Agency Funds	Total Primary Government
Cash & Cash Equivalents	\$ 235,427	\$ 623,558	\$ 858,985

The breakdown between deposits and investments is as follows:

	Primary Government
Bank Deposits (Checking & Savings Accounts, CDs)	\$ 858,985

The bank balance of the primary government's deposits is \$858,985, of which \$277,677 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:

Investment Type	(1)	(2)	(3)	Carrying Amount	Market Value
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 Mussey
Notes to the Financial Statements
For The Year Ended March 31, 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 must 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 originally levied the following taxes:

General Government Services	<u>0.8589</u> mills
Fire	<u>1.5027</u> mills

5. Capital Assets

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

	<u>Balance April 1, 2006</u>	<u>Additions</u>	<u>Disposals & Adjustments</u>	<u>Balance March 31, 2007</u>
Governmental Activities:				
Capital Assets Being Depreciated:				
Buildings & Improvements	\$ 200,210	\$ -	\$ -	\$ 200,210
Machinery & Equipment	<u>546,306</u>	<u>-</u>	<u>-</u>	<u>546,306</u>
Total Capital Assets being Depreciated	746,516	-	-	746,516
Accumulated Depreciation:				
Buildings & Improvements	5,821	4,357	-	10,178
Machinery & Equipment	<u>126,015</u>	<u>23,593</u>	<u>-</u>	<u>149,608</u>
Total Accumulated Depreciation	<u>131,836</u>	<u>27,950</u>	<u>-</u>	<u>159,786</u>
Net Capital Assets Being Depreciated	<u>\$ 614,680</u>	<u>\$ (27,950)</u>	<u>\$ -</u>	<u>\$ 586,730</u>

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

Governmental Activities:	
General Government	\$ 4,357
Public Safety	<u>23,593</u>
Total Governmental Activities	<u>\$ 27,950</u>

6. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

None

Township of Mussey
Notes to the Financial Statements
For The Year Ended March 31, 2007

7. Long -Term Debt

The following is a summary of the debt outstanding of the Township as of March 31, 2007:

	<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>
Governmental Activities						
General Obligation Bonds & Contracts						
Installment Loan - Fire Hall						
Amount of Issue - \$550,000						
Maturing through July 21, 2007						
	4.75%	\$48,851 - \$51,172	\$ 99,600	\$ (59,355)	\$ 40,245	\$ 40,245
Installment Loan - 2004 Fire Truck						
Amount of Issue - \$245,075						
Maturing through March 12, 2010						
	3.39%	\$38,798 - \$44,267	\$ 163,946	\$ (40,256)	\$ 123,690	\$ 41,473
Total Governmental Activities			<u>\$ 263,546</u>	<u>\$ (99,611)</u>	<u>\$ 163,935</u>	<u>\$ 81,718</u>

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

<u>Years Ending March 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 81,718	\$ 5,988	\$ 87,706
2009	42,897	2,955	45,852
2010	39,320	1,567	40,887
Total	<u>\$ 163,935</u>	<u>\$ 10,510</u>	<u>\$ 174,445</u>

8. 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:

	<u>Due From Other Funds</u>		<u>Due To Other Funds</u>
General Fund	\$ 230,705	Tax Collection Fund	\$ 230,705
Fire Department Fund	225,707	Tax Collection Fund	225,707
Cemetery Perpetual Care Fund	8,421	Cemetery Fund	8,421
Total	<u>\$ 464,833</u>		<u>\$ 464,833</u>

Township of Mussey
Notes to the Financial Statements
For The Year Ended March 31, 2007

8. Interfund Receivables, Payables, & Transfers - Continued

Interfund Transfers reported in the Fund Statements are as follows:

	<u>Operating Transfers In</u>		<u>Operating Transfers Out</u>
Cemetery Fund	\$ 9,615	General Fund	\$ 9,615
Cemetery Fund	5,100	Cemetery Perpetual Care Fund	5,100

9. Post Employment Benefits

The Township does not provide any post employment benefits.

10. 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.

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.

Required Supplemental Information

Township of Mussey
 Required Supplemental Information
 Budgetary Comparison Schedule
 General Fund
 For The Year Ended March 31, 2007

Revenues	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Property Taxes	\$ 100,000.00	\$ 100,000.00	\$ 130,150.40	\$ 30,150.40
State Shared Revenues	130,000.00	130,000.00	134,079.00	4,079.00
Lot Split Fees	900.00	900.00	-	(900.00)
Licenses, Permits & Fees	4,700.00	4,700.00	3,934.99	(765.01)
Interest Earnings	2,100.00	2,100.00	13,402.15	11,302.15
Parks & Recreation Millage Funds	7,500.00	7,500.00	7,797.65	297.65
Other Revenues	6,200.00	6,200.00	10,791.63	4,591.63
Total Revenues	\$ 251,400.00	\$ 251,400.00	\$ 300,155.82	\$ 48,755.82
Expenditures				
General Government				
Township Board	\$ 2,000.00	\$ 2,000.00	\$ 1,368.19	\$ 631.81
Clerk	12,725.00	12,725.00	10,974.04	1,750.96
Treasurer	13,146.00	13,174.50	12,243.76	930.74
Supervisor	9,825.00	9,825.00	9,799.96	25.04
Assessor	20,000.00	20,000.00	19,886.70	113.30
Board of Review	1,500.00	1,500.00	975.00	525.00
Elections	4,500.00	4,500.00	5,617.60	(1,117.60)
General Administration	26,482.00	27,949.50	28,228.59	(279.09)
Professional Services	5,575.00	5,825.00	5,210.14	614.86
Pension & Payroll Taxes	5,500.00	5,500.00	3,505.08	1,994.92
Insurance	15,000.00	15,000.00	12,797.00	2,203.00
Tax Collection Expense	5,500.00	7,616.00	7,595.99	20.01
Memberships & Dues	3,400.00	3,400.00	2,820.85	579.15
Township Hall Expense	20,500.00	20,500.00	17,550.50	2,949.50
Total General Government	145,653.00	149,515.00	138,573.40	10,941.60
Public Safety				
Planning & Zoning	7,250.00	7,250.00	6,630.00	620.00
Liquor License Control	1,200.00	1,200.00	1,199.00	1.00
Total Public Safety	8,450.00	8,450.00	7,829.00	621.00
Public Works				
Refuse Removal	6,500.00	6,500.00	4,755.00	1,745.00
Roads & Ditches	50,000.00	50,000.00	33,948.74	16,051.26
Total Public Works	56,500.00	56,500.00	38,703.74	17,796.26
Recreation & Culture	7,500.00	7,500.00	1,324.00	6,176.00
Capital Outlay	2,000.00	2,000.00	-	2,000.00
Debt Service:				
Principal	27,631.31	27,631.31	27,631.31	-
Interest	2,368.69	2,368.69	2,368.69	-
Total Expenditures	250,103.00	253,965.00	216,430.14	37,534.86
Excess of Revenues Over (Under) Expenditures	1,297.00	(2,565.00)	83,725.68	86,290.68
Other Financing Sources (Uses)				
Net Operating Transfers In (Out)	(10,000.00)	(10,000.00)	(9,615.14)	384.86
Excess of Rev. & Operating Transfers In Over Expenditures & Operating Transfers Out	(8,703.00)	(12,565.00)	74,110.54	86,675.54
Fund Balance - Beginning of Year	62,000.00	62,000.00	342,296.31	280,296.31
Fund Balance - End of Year	\$ 53,297.00	\$ 49,435.00	\$ 416,406.85	\$ 366,971.85

Township of Mussey
 Required Supplemental Information
 Budgetary Comparison Schedule
 Fire Department Fund
 For The Year Ended March 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Property Taxes	\$ 168,000.00	\$ 168,000.00	\$ 170,536.14	\$ 2,536.14
Charges for Services	20,400.00	20,400.00	35,778.00	15,378.00
Interest Earnings	-	-	746.48	746.48
Contributions / Miscellaneous	-	-	2,788.46	2,788.46
<u>Total Revenues</u>	<u>\$ 188,400.00</u>	<u>\$ 188,400.00</u>	<u>\$ 209,849.08</u>	<u>\$ 21,449.08</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Salaries & Wages	\$ 34,000.00	\$ 34,000.00	\$ 34,270.00	\$ (270.00)
Operating Supplies	38,270.00	38,270.00	13,200.92	25,069.08
Education	4,800.00	4,800.00	6,454.90	(1,654.90)
Communications	10,000.00	10,000.00	3,602.32	6,397.68
Insurance	20,000.00	20,000.00	15,224.00	4,776.00
Utilities	6,700.00	6,700.00	8,070.49	(1,370.49)
Repairs & Maintenance	38,000.00	38,000.00	28,880.91	9,119.09
<u>Total Public Safety</u>	<u>151,770.00</u>	<u>151,770.00</u>	<u>109,703.54</u>	<u>42,066.46</u>
<u>Capital Outlay</u>				
	-	-	-	-
<u>Debt Service:</u>				
Principal	68,631.32	68,631.32	67,887.58	743.74
Interest	8,368.68	8,368.68	7,946.43	422.25
<u>Total Debt Service</u>	<u>77,000.00</u>	<u>77,000.00</u>	<u>75,834.01</u>	<u>1,165.99</u>
<u>Total Expenditures</u>	<u>228,770.00</u>	<u>228,770.00</u>	<u>185,537.55</u>	<u>43,232.45</u>
<u>Excess of Revenues Over (Under) Expenditures</u>				
	(40,370.00)	(40,370.00)	24,311.53	64,681.53
<u>Other Financing Sources (Uses)</u>				
Net Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Operating Transfers In Over Expenditures & Operating Transfers Out</u>				
	(40,370.00)	(40,370.00)	24,311.53	64,681.53
<u>Fund Balance - Beginning of Year</u>				
	50,370.00	50,370.00	236,913.17	186,543.17
<u>Fund Balance - End of Year</u>				
	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 261,224.70</u>	<u>\$ 251,224.70</u>

Township of Mussey
 Required Supplemental Information
 Budgetary Comparison Schedule
 Building Inspection Fund
 For The Year Ended March 31, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Revenues</u>				
Permit Fees	\$ -	\$ -	\$ 27,367.00	\$ 27,367.00
Interest Earnings	-	-	246.20	246.20
Other Revenues	-	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>27,613.20</u>	<u>27,613.20</u>
<u>Expenditures</u>				
Inspectors Fees	\$ -	\$ -	\$ 28,549.45	\$ (28,549.45)
Deferred Comp / Payroll Taxes	-	-	1,098.92	(1,098.92)
Supplies	-	-	985.01	(985.01)
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>30,633.38</u>	<u>(30,633.38)</u>
<u>Excess of Revenues Over (Under) Expenditures</u>				
	-	-	(3,020.18)	(3,020.18)
<u>Other Financing Sources (Uses)</u>				
Net Operating Transfers In (Out)	-	-	-	-
<u>Excess of Revenues & Operating Transfers In Over Expenditures & Operating Transfers Out</u>				
	-	-	(3,020.18)	(3,020.18)
<u>Fund Balance - Beginning of Year</u>				
	-	-	9,364.40	9,364.40
<u>Fund Balance - End of Year</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,344.22</u>	<u>\$ 6,344.22</u>

Township of Mussey
 Required Supplemental Information
 Budgetary Comparison Schedule
 Cemetery Fund
 For The Year Ended March 31, 2007

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<u>Revenues</u>				
Sale of Lots & Grave Openings	\$ 15,000.00	\$ 15,000.00	\$ 18,216.00	\$ 3,216.00
Interest Earnings	-	-	128.44	128.44
<u>Total Revenues</u>	\$ 15,000.00	\$ 15,000.00	\$ 18,344.44	\$ 3,344.44
<u>Expenditures</u>				
Salary & Wages	\$ 11,100.00	\$ 11,100.00	\$ 7,450.00	\$ 3,650.00
Contract Services	16,375.00	16,375.00	16,465.14	(90.14)
Supplies	2,000.00	2,000.00	891.61	1,108.39
Miscellaneous	-	-	-	-
<u>Total Expenditures</u>	29,475.00	29,475.00	24,806.75	4,668.25
<u>Excess of Revenues Over (Under) Expenditures</u>				
	(14,475.00)	(14,475.00)	(6,462.31)	8,012.69
<u>Other Financing Sources (Uses)</u>				
Net Operating Transfers In (Out)	15,000.00	15,000.00	14,715.14	(284.86)
<u>Excess of Revenues & Operating Transfers In Over Expenditures & Operating Transfers Out</u>				
	525.00	525.00	8,252.83	7,727.83
<u>Fund Balance - Beginning of Year</u>				
	2,000.00	2,000.00	2,067.18	67.18
<u>Fund Balance - End of Year</u>				
	\$ 2,525.00	\$ 2,525.00	\$ 10,320.01	\$ 7,795.01

Other Supplemental Information

Township of Mussey
 Other Supplemental Information
 Combining Statement of Net Assets
 Fiduciary Funds
 March 31, 2007

	<u>Other Trust Funds</u>			<u>Agency</u>
	<u>Cemetery Perpetual Care</u>			<u>Fund</u>
	<u>Expendable</u>	<u>Nonexpendable</u>	<u>Totals</u>	<u>Tax</u>
<u>Trust</u>	<u>Trust</u>	<u>Collection</u>		
				<u>Fund</u>
<u>Assets</u>				
Cash & Certificate of Deposit	\$ -	\$ 100,000.00	\$ 100,000.00	\$ 523,557.58
Due From Other Funds	-	8,421.19	8,421.19	-
<u>Total Assets</u>	<u>-</u>	<u>108,421.19</u>	<u>108,421.19</u>	<u>523,557.58</u>
<u>Liabilities & Fund Balance</u>				
<u>Liabilities</u>				
Due To Other Funds	-	-	-	456,411.55
Due To Others	-	-	-	41,679.77
Due To Other Governmental Agencies	-	-	-	25,466.26
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 523,557.58</u>
<u>Net Assets</u>				
Held in Trust for Cemetery Perpetual Care	-	108,421.19	108,421.19	
Unreserved - Undesignated	-	-	-	
<u>Total Liabilities & Net Assets</u>	<u>\$ -</u>	<u>\$ 108,421.19</u>	<u>\$ 108,421.19</u>	

Township of Mussey
 Other Supplemental Information
 Combining Statement of Changes in Net Assets
 Fiduciary Funds
 March 31, 2007

	Other Trust Funds		
	Cemetery Perpetual Care		Totals
	Expendable Trust	Nonexpendable Trust	
<u>Additions</u>			
Interest Income - Perpetual Care	\$ 5,100.00	\$ -	\$ 5,100.00
Sale of Lots - Perpetual Care	-	-	-
<u>Total Additions</u>	<u>5,100.00</u>	<u>-</u>	<u>5,100.00</u>
<u>Deductions</u>			
Administrative Expense	-	-	-
Contribution To (From) Other Funds	5,100.00	-	5,100.00
<u>Total Deductions</u>	<u>5,100.00</u>	<u>-</u>	<u>5,100.00</u>
<u>Net Increase</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Assets - Beginning of Year</u>	<u>-</u>	<u>108,421.19</u>	<u>108,421.19</u>
<u>Net Assets - End of Year</u>	<u>\$ -</u>	<u>\$ 108,421.19</u>	<u>\$ 108,421.19</u>

Township of Mussey
 Other Supplemental Information
 Schedule of Indebtedness
 March 31, 2007

Capac State Bank
Note Payable for Construction of Fire Hall
Annual Payment Due July 21

Dated: July 9, 2003
Original Issue: \$550,000

<u>Interest Rate</u>	<u>Contract Due For The Year Ending</u>	<u>Principal Outstanding March 31,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2007</u>	<u>2006</u>	
4.75%	7/21/2006	\$ -	\$ 59,355	\$ -
4.75%	7/21/2007	40,245	40,245	1,627
<u>Total Note Payable</u>		<u>\$ 40,245</u>	<u>\$ 99,600</u>	<u>\$ 1,627</u>

Capac State Bank
Note Payable for Purchase of 2004 Fire Truck
Annual Payment Due March 12

Dated: March 12, 2004
Original Issue: \$245,075

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding March 31,</u>		<u>Remaining Annual Interest Payable</u>
		<u>2007</u>	<u>2006</u>	
3.39%	3/12/2007	\$ -	\$ 40,256	\$ -
3.39%	3/12/2008	41,473	41,473	4,361
3.39%	3/12/2009	42,897	42,897	2,955
3.39%	3/12/2010	39,320	39,320	1,567
<u>Total Notes Payable</u>		<u>\$ 123,690</u>	<u>\$ 163,946</u>	<u>\$ 8,883</u>
<u>Total Notes Payable & Installment Contracts</u>		<u>\$ 163,935</u>	<u>\$ 263,546</u>	<u>\$ 10,510</u>