

# Auditing Procedures Report

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

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Village of Emmett	County St. Clair County
Fiscal Year End March 31, 2007	Opinion Date June 29, 2007	Date Audit Report Submitted to State July 2, 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 | <b>Check each applicable box below.</b> (See instructions for further detail.) |
|-----|----|--|
1.   All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  2.   There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  3.   The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  4.   The local unit has adopted a budget for all required funds.
  5.   A public hearing on the budget was held in accordance with State statute.
  6.   The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  7.   The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  8.   The local unit only holds deposits/investments that comply with statutory requirements.
  9.   The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  10.   There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  11.   The local unit is free of repeated comments from previous years.
  12.   The audit opinion is UNQUALIFIED.
  13.   The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  14.   The board or council approves all invoices prior to payment as required by charter or statute.
  15.   To our knowledge, bank reconciliations that were reviewed were performed timely.

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

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

<b>We have enclosed the following:</b>	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 989-635-3115	
Street Address 3531 Main Street		City Marlette	State MI
Authorizing CPA Signature 		Printed Name Lehn King	Zip 48453
		License Number A248781	

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

June 29, 2007

Members of the Village Council  
**Village of Emmett**

Council Members:

In accordance with your request, I have made an examination of the financial statements of the Village of Emmett for the fiscal year ended, March 31, 2007. During the course of my examination, no material items came to my attention.

1. All paid bills must be approved in the minutes. Authorization to pay bills stems from Council approval. Thus, one should be able to trace paid bills to the minutes. To do this, identification of the actual bills to be paid must be part of the minutes. The motion to pay bills must identify the specific bills that are to be paid.
2. Per P.A. 621 of 1968, the Council does not have authorization to spend monies that would exceed the current budget. The budget must be amended prior to the expenditure exceeding the budgeted item.

From an overall viewpoint, the Village of Emmett is in good financial condition. The financial records maintained by the administrative clerk and treasurer are in good order.

I thank the Village officials and employees for the cooperation I received in the completion of this examination.

Sincerely,

*Lehn King*

Lehn L. King  
Certified Public Accountant

# *Village of Emmett*

**St. Clair County, Michigan**

Audited Financial Report

March 31, 2007

**Village of Emmett**  
 Annual Financial Report  
 For The Fiscal Year Ended March 31, 2007

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

Members of the Village Council  
**Village of Emmett**  
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 Village of Emmett, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Emmett, 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 Village of Emmett, 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 Village of Emmett, 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 Village has 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 29, 2007

**VILLAGE OF EMMETT**  
**3119 Main Street**  
**Emmett, Michigan**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS LETTER**

Our discussion and analysis of the Village of Emmett's financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2007. Please read it in conjunction with the Village's financial statements.

**Financial Highlights**

The Village is in a good financial position with a General Fund Balance of \$49,836.

**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 Village's annual report.

**The Village as a Whole**

The Village of Emmett ended the fiscal year March 31, 2007, with fund balances in the following Funds:

	<u>March 31,</u> <u>2007</u>	<u>March 31,</u> <u>2006</u>
General Fund	\$ 49,836	\$ 49,664
Major Streets Fund	109,557	90,664
Local Streets Fund	62,071	53,763
Fire Fund	48,229	38,208
Recreation Fund	7,480	8,102
Total for the Village	<u>\$ 277,173</u>	<u>\$ 240,401</u>

**VILLAGE OF EMMETT**  
**3119 Main Street**  
**Emmett, Michigan**

**Governmental Activities**

The Village of Emmett's Revenues and Expenditures can be summarized as follows:

	<u>General Fund</u>	<u>Street Funds</u>	<u>Fire Fund</u>	<u>Recreation Fund</u>
<b>Fund Balance - Beginning of Year</b>	\$ 49,664	\$ 144,426	\$ 38,208	\$ 8,102
<b>Revenue Collected</b>				
State Revenue / Grants	20,124	35,166	8,800	-
Property Taxes	44,346	-	-	-
Stand By Fees	-	-	116,874	-
Other	8,039	1,910	7,333	6,377
Total Revenue Collected	<u>72,509</u>	<u>37,076</u>	<u>133,007</u>	<u>6,377</u>
<b>Expenditures</b>				
General Government	36,366	-	-	-
Public Safety	14,651	-	88,722	-
Public Works	13,220	9,875	-	-
Recreation & Culture	-	-	-	6,999
Capital Outlay	-	-	9,264	-
Debt Service	8,100	-	25,000	-
Transfers	-	-	-	-
Total Expenditures	<u>72,337</u>	<u>9,875</u>	<u>122,986</u>	<u>6,999</u>
<b>Fund Balance - End of Year</b>	<u>\$ 49,836</u>	<u>\$ 171,627</u>	<u>\$ 48,229</u>	<u>\$ 7,480</u>

**VILLAGE OF EMMETT**  
**3119 Main Street**  
**Emmett, Michigan**

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

<b>2007 / 2008 Budget</b>	<b>General Fund</b>	<b>Street Funds</b>	<b>Fire Fund</b>	<b>Recreation Fund</b>
Revenue	\$ 29,877	\$ 36,894	\$ 99,743	\$ 5,720
Expenditures	<u>70,129</u>	<u>21,684</u>	<u>90,286</u>	<u>6,277</u>
Net Difference	<u>\$ (40,252)</u>	<u>\$ 15,210</u>	<u>\$ 9,457</u>	<u>\$ (557)</u>

The Village of Emmett's budget for next year is approximately the same budget as a year ago.

**Contacting the Village**

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Village office at 3119 Main Street, Michigan.

Pat Vernier  
Village of Emmett President

**Village of Emmett**  
Statement of Net Assets (Deficit)  
March 31, 2007

	<u>Primary Governmental Activities</u>
<b><u>Assets</u></b>	
Cash & Cash Equivalents	\$ 279,173.08
Capital Assets	
Nondepreciable Capital Assets	1.00
Net Depreciable Capital Assets	<u>488,964.88</u>
Total Assets	768,138.96
<b><u>Liabilities</u></b>	
Performance Bonds	2,000.00
Accrued Interest Payable	-
Current Portion of Long-Term Debt	23,803.00
Noncurrent Liabilities:	
Long-Term Debt	<u>148,748.00</u>
<u>Total Liabilities</u>	<u>174,551.00</u>
<b>Net Assets (Deficit)</b>	
Invested in Capital Assets - Net of Related Debt	316,414.88
Restricted:	
Reserved for Park Lights	1,100.00
Unrestricted	<u>276,073.08</u>
<u>Total Net Assets (Deficit)</u>	<u><u>\$ 593,587.96</u></u>

The notes are an integral part of the statements.

**Village of Emmett**  
Statement of Activities  
For the Year Ended March 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants &amp;</u> <u>Contributions</u>	<u>Capital</u> <u>Grants &amp;</u> <u>Contributions</u>	<u>Revenue &amp; Changes</u> <u>in Net Assets</u> <u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Primary Government:					
Governmental Activities:					
General Government	\$ 38,801.89	\$ 6,600.00	\$ -	\$ -	\$ (32,201.89)
Public Safety	133,444.78	122,434.02	-	8,800.00	(2,210.76)
Public Works	25,303.88	-	35,166.44	-	9,862.56
Recreation & Culture	9,268.00	1,180.00	-	-	(8,088.00)
Interest on Long-Term Debt	10,254.00	-	-	-	(10,254.00)
<u>Total Governmental Activities</u>	217,072.55	130,214.02	35,166.44	8,800.00	(42,892.09)
Total Primary Government	<u>\$ 217,072.55</u>	<u>\$ 130,214.02</u>	<u>\$ 35,166.44</u>	<u>\$ 8,800.00</u>	<u>\$ (42,892.09)</u>
<b>General Revenues:</b>					
Property Taxes					\$ 45,338.35
State Shared Revenues					20,124.00
Interest					2,974.12
Other Revenues					6,353.78
Transfers					-
Total General Revenues, Special Items & Transfers					<u>74,790.25</u>
<b>Change in Net Assets</b>					31,898.16
<b>Net Assets (Deficit) - Beginning of Year</b>					<u>561,689.80</u>
<b>Net Assets (Deficit) - End of Year</b>					<u>\$ 593,587.96</u>

The notes are an integral part of the statements.

## Village of Emmett

Balance Sheet  
Governmental Funds  
March 31, 2007

<u>Assets</u>	<u>General Fund</u>	<u>Major Streets Fund</u>	<u>Local Streets Fund</u>	<u>Fire Fund</u>	<u>Recreation Fund</u>	<u>Total Governmental Funds</u>
Cash & Cash Equivalents	\$ 51,835.73	\$ 109,556.92	\$ 62,071.09	\$ 48,229.40	\$ 7,479.94	\$ 279,173.08
Due From Other Funds	-	-	-	-	-	-
<u>Total Assets</u>	<u>\$ 51,835.73</u>	<u>\$ 109,556.92</u>	<u>\$ 62,071.09</u>	<u>\$ 48,229.40</u>	<u>\$ 7,479.94</u>	<u>\$ 279,173.08</u>
 <b><u>Liabilities &amp; Fund Equity</u></b>						
<b><u>Liabilities</u></b>						
Performance Bond	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00
Due To Other Funds	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>2,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000.00</u>
 <b><u>Fund Equity</u></b>						
Fund Balances:						
Reserved for Park Lights	-	-	-	-	1,100.00	1,100.00
Unreserved - Undesignated	49,835.73	109,556.92	62,071.09	48,229.40	6,379.94	276,073.08
<u>Total Fund Equity</u>	<u>49,835.73</u>	<u>109,556.92</u>	<u>62,071.09</u>	<u>48,229.40</u>	<u>7,479.94</u>	<u>277,173.08</u>
<u>Total Liab. &amp; Fund Equity</u>	<u>\$ 51,835.73</u>	<u>\$ 109,556.92</u>	<u>\$ 62,071.09</u>	<u>\$ 48,229.40</u>	<u>\$ 7,479.94</u>	<u>\$ 279,173.08</u>

The notes are an integral part of the statements.

**Village of Emmett**  
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 & Equipment Fund** \$ 277,173.08

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 488,965.88

Long-term bonds payable are not due and payable in the current period and are not reported in the Funds (172,551.00)

Accrued Interest Payable is not reported in the Funds -

**Net Assets of Governmental Activities** \$ 593,587.96

**Village of Emmett**  
Statement of Revenues, Expenditures  
And Changes in Fund Balances  
Governmental Fund  
For The Year Ended March 31, 2007

	General Fund	Major Streets Fund	Local Streets Fund	Fire Fund	Recreation Fund	Totals Governmental Funds
<b>Revenues</b>						
Property Taxes & ACT 51 Revenue	\$ 44,346.15	\$ 26,776.60	\$ 8,389.84	\$ -	\$ 992.20	\$ 80,504.79
State Shared Revenue	20,124.00	-	-	-	-	20,124.00
Fire Contract	-	-	-	116,874.02	-	116,874.02
Interest Earnings	698.61	1,450.89	459.54	347.80	17.28	2,974.12
<u>Miscellaneous Revenues</u>						
Licenses, Permits & Fees	500.00	-	-	5,560.00	1,180.00	7,240.00
Donations	-	-	-	-	3,500.00	3,500.00
Rent	6,100.00	-	-	-	-	6,100.00
Grant Proceeds	-	-	-	8,800.00	-	8,800.00
Miscellaneous	740.38	-	-	1,425.69	687.71	2,853.78
<u>Total Miscellaneous Revenues</u>	<u>7,340.38</u>	<u>-</u>	<u>-</u>	<u>15,785.69</u>	<u>5,367.71</u>	<u>28,493.78</u>
<u>Total Revenues</u>	<u>72,509.14</u>	<u>28,227.49</u>	<u>8,849.38</u>	<u>133,007.51</u>	<u>6,377.19</u>	<u>248,970.71</u>
<b>Expenditures</b>						
General Government	36,365.99	-	-	-	-	36,365.99
Public Safety	14,651.34	-	-	88,721.75	-	103,373.09
Public Works	13,220.31	-	-	-	-	13,220.31
Highways, Streets, & Bridges	-	3,205.10	6,670.19	-	-	9,875.29
Recreation & Culture	-	-	-	-	6,999.11	6,999.11
Capital Outlay	-	-	-	9,263.96	-	9,263.96
Debt Service :						
Principal	3,266.00	-	-	19,580.00	-	22,846.00
Interest	4,834.00	-	-	5,420.00	-	10,254.00
<u>Total Expenditures</u>	<u>72,337.64</u>	<u>3,205.10</u>	<u>6,670.19</u>	<u>122,985.71</u>	<u>6,999.11</u>	<u>212,197.75</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	171.50	25,022.39	2,179.19	10,021.80	(621.92)	36,772.96
<u>Operating Transfers In (Out)</u>	<u>-</u>	<u>(6,129.10)</u>	<u>6,129.10</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	171.50	18,893.29	8,308.29	10,021.80	(621.92)	36,772.96
<b>Fund Balances - Beginning of Year</b>	49,664.23	90,663.63	53,762.80	38,207.60	8,101.86	240,400.12
<b>Fund Balances - End of Year</b>	<u>\$ 49,835.73</u>	<u>\$ 109,556.92</u>	<u>\$ 62,071.09</u>	<u>\$ 48,229.40</u>	<u>\$ 7,479.94</u>	<u>\$ 277,173.08</u>

The notes are an integral part of the statements.

**Village of Emmett**  
 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** \$ 36,772.96

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 9,263.96

Repayment of Bond Principal is an Expenditure in the Governmental Funds, but not in the Statement of Activities (where it reduces Long-Term Debt) 22,846.00

Interest Expense is reported in the Statement of Activities when a Liability is incurred; they are reported in the Governmental Funds only when payment is due -

Depreciation is an Expenditures for the Statement of Activities, but is not reported in the Governmental Funds (36,984.76)

**Net Assets of Governmental Activities** \$ 31,898.16

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

The accounting methods and procedures adopted by the Village of Emmett, 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 Village's Comprehensive Annual Financial Report.

**1. Summary of Significant Accounting Policies**

**Financial Reporting Entity**

The Village of Emmett was incorporated under the laws of the State of Michigan in 1850. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Village (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 Village (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 Village reports the following major governmental funds:

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

**Major Streets Fund** – The Major Streets Fund accounts for maintenance and improvement activities for streets designated as “major” within the Village. Funding is provided primarily through State-shared gas and weight taxes.

**Local Streets Fund** – The Local Streets Fund accounts for maintenance and improvement activities for streets designated as “local” within the Village. Funding is provided primarily through State-shared gas and weight taxes.

**Fire Fund** – The Fire Fund's purpose is to provide emergency response to the locally contracted areas. Funding is provided primarily from the contracts with the local areas including Kenockee Township, Wales Township, Riley Township, Emmett Township, and the Village of Emmett.

**Recreation Fund** - The fund is for the development and maintenance of the Village Park. Funding is provided primarily from donations, usage fees, and county taxes.

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

**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 Village. 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 Village 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 Village's investments.

**Investments** - Debt securities are valued at cost since it is generally the policy of the Village 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 Village 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.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased. 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 Village 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.

**Village of Emmett**  
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:

Infrastructure	25 years
Buildings & Building Improvements	20 to 39 years
Machinery & Equipment	3 to 20 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 Village 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 Village'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 Village'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 Village'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 Village 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.

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

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

**Budgetary Information**

The Village 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, Debt Service Funds, Capital Project 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 Village actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Village Council 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 Major Special Revenue Funds are presented in the required supplemental information.

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

During the year ended March 31, 2007, the Village 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>			
Planning & Zoning	\$ -	\$ 3,799	\$ 3,799
Department of Public Works	4,294	4,771	477
Street Lighting	8,429	8,449	20
<b>Major Streets Fund</b>			
Miscellaneous	47	616	569
Transfer to Local Streets Fund	-	6,129	6,129
<b>Local Streets Fund</b>			
Wages & Payroll Taxes	603	612	9
Routine Maintenance	1,978	5,426	3,448
Miscellaneous	169	314	145
<b>Fire Fund</b>			
Fire Wages	17,900	19,276	1,376
Utilities	3,700	3,962	262
Rent	-	6,100	6,100
Miscellaneous	-	1,338	1,338
Debt Service - Principal	-	19,580	19,580
Debt Service - Interest	-	5,420	5,420
Capital Outlay	-	9,264	9,264
<b>Recreation Fund</b>			
Park Grounds	650	4,509	3,859

### 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.

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

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

	<b>Governmental Activities</b>	<b>Total Primary Government</b>
Cash & Cash Equivalents	\$ 279,173	\$ 279,173

The Village's deposits are in accordance with statutory authority. As of March 31, 2007 the balance sheet carrying amount of cash deposits was \$279,173. The bank balance as of March 31, 2007 was \$279,273, of which \$100,000 was covered by FDIC insurance.

All cash deposits and investments of the Village are held by the Village in the Village's name.

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

<b>Investment Type</b>	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>Carrying Amount</b>	<b>Market Value</b>
Risk Categorized Operating Funds		NONE			
US Treasury Bonds					
Investment in Deferred Compensation Plans					
Total Risk-Categorized Investments					

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

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

**4. Capital Assets**

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

	<u>Balance</u> <u>April 1, 2006</u>	<u>Additions</u>	<u>Disposals &amp;</u> <u>Adjustments</u>	<u>Balance</u> <u>March 31, 2007</u>
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated - Land	\$ 1	\$ -	\$ -	\$ 1
Capital Assets Being Depreciated:				
Infrastructure	55,207	-	-	55,207
Buildings & Building Improvements	101,131	-	-	101,131
Machinery & Equipment	551,560	9,264	-	560,824
Total Capital Assets being Depreciated	707,898	9,264	-	717,162
Accumulated Depreciation:				
Infrastructure	8,972	2,208	-	11,180
Buildings & Building Improvements	8,602	2,742	-	11,344
Machinery & Equipment	173,639	32,035	-	205,674
Total Accumulated Depreciation	191,213	36,985	-	228,198
<b>Net Capital Assets</b>	<u>\$ 516,685</u>	<u>\$ (27,721)</u>	<u>\$ -</u>	<u>\$ 488,964</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 2,436
Public Safety	30,072
Public Works	2,208
Recreation & Culture	2,269
Total Governmental Activities	<u>\$ 36,985</u>

**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:

**None**

Interfund Transfers reported in the Fund Statements are as follows:

	<u>Transferred</u> <u>From</u>		<u>Transferred</u> <u>To</u>
Major Street Fund	\$ 6,129	Local Street Fund	\$ 6,129
Total	<u>\$ 6,129</u>		<u>\$ 6,129</u>

**Village of Emmett**  
Notes to the Financial Statements  
For The Year Ended March 31, 2007

**6. Long-Term Debt**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
General Obligation Bonds & Contracts						
May 7, 2001 Note Payable Capac State Bank Due Annually in installments of \$25,000 Amount of issue - \$175,000, Secured by Fire Truck Maturing through May 5, 2011	4.80%	\$25,000	\$ 109,919	\$ (19,580)	\$ 90,339	\$ 20,664
July 9, 2002 Land Contract purchase of Village Hall Due Monthly in installments of \$650.00 Amount of issue - \$95,000 Maturing through July 2023	5.75%	\$650	\$ 85,478	\$ (3,266)	\$ 82,212	\$ 3,139
<b>Total Governmental Activities</b>			<u>\$ 195,397</u>	<u>\$ (22,846)</u>	<u>\$ 172,551</u>	<u>\$ 23,803</u>

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

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2008	\$ 23,803	\$ 8,999	\$ 32,802
2009	24,980	7,821	32,801
2010	26,215	6,586	32,801
2011	27,512	5,289	32,801
2012-2016	23,754	16,867	40,621
2017-2021	29,592	9,414	39,006
2022-2024	16,695	1,207	17,902
<b>Total</b>	<u>\$ 172,551</u>	<u>\$ 56,183</u>	<u>\$ 228,734</u>

**7. Risk Management**

The Village 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 Village 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**

**Village of Emmett**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 General Fund  
 For The Year Ended March 31, 2007

<u>Revenues</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
<u>Taxes</u>				
Current Property Tax	\$ 39,000.00	\$ 42,106.00	\$ 44,346.15	\$ 2,240.15
<u>State Shared Revenue</u>	13,380.00	20,080.00	20,124.00	44.00
<u>Licenses, Permits &amp; Fees</u>				
Zoning & Land Splits	400.00	-	500.00	500.00
Fines & Forfeitures	-	-	-	-
<u>Total Licenses, Permits, &amp; Fees</u>	400.00	-	500.00	500.00
<u>Miscellaneous Revenue</u>				
Refunds & Reimbursements	20.00	-	125.38	125.38
Rent	8,054.00	6,600.00	6,100.00	(500.00)
Other Revenue	700.00	570.00	615.00	45.00
<u>Total Miscellaneous Revenues</u>	8,774.00	7,170.00	6,840.38	(329.62)
<u>Interest Earnings</u>	284.00	477.00	698.61	221.61
<u>Total Revenues</u>	\$ 61,838.00	\$ 69,833.00	\$ 72,509.14	\$ 2,676.14

**Village of Emmett**  
Required Supplemental Information  
Budgetary Comparison Schedule  
General Fund  
For The Year Ended March 31, 2007

<b>Expenditures</b>	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance with Amended Budget</b>
<b><u>General Government</u></b>				
Salaries & Payroll Taxes	\$ 32,100.00	\$ 30,239.00	\$ 24,545.25	\$ 5,693.75
General Administration	3,350.00	4,020.00	3,502.24	517.76
Professional Fees	4,800.00	3,630.00	2,594.50	1,035.50
Insurance	6,200.00	5,724.00	5,724.00	-
<b><u>Total General Government</u></b>	<b>46,450.00</b>	<b>43,613.00</b>	<b>36,365.99</b>	<b>7,247.01</b>
<b><u>Public Safety</u></b>				
Fire Contract	10,852.00	10,852.00	10,852.46	(0.46)
Planning & Zoning	1,100.00	-	3,798.88	(3,798.88)
<b><u>Total Public Safety</u></b>	<b>11,952.00</b>	<b>10,852.00</b>	<b>14,651.34</b>	<b>(3,799.34)</b>
<b><u>Public Works</u></b>				
Department of Public Works	12,700.00	4,294.00	4,771.23	(477.23)
Street Lighting	8,463.00	8,429.00	8,449.08	(20.08)
<b><u>Total Public Works</u></b>	<b>21,163.00</b>	<b>12,723.00</b>	<b>13,220.31</b>	<b>(497.31)</b>
Debt Service - Principal	4,000.00	4,000.00	3,266.00	734.00
Debt Service - Interest	5,000.00	5,000.00	4,834.00	166.00
Capital Outlay	85,676.00	-	-	-
<b><u>Total Expenditures</u></b>	<b>174,241.00</b>	<b>76,188.00</b>	<b>72,337.64</b>	<b>3,850.36</b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b>(112,403.00)</b>	<b>(6,355.00)</b>	<b>171.50</b>	<b>6,526.50</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Excess of Revenues &amp; Other Sources Over (Under) Expenditures &amp; Other Uses</u></b>	<b>(112,403.00)</b>	<b>(6,355.00)</b>	<b>171.50</b>	<b>6,526.50</b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b>-</b>	<b>-</b>	<b>49,664.23</b>	<b>49,664.23</b>
<b><u>Fund Balance - End of Year</u></b>	<b>\$ (112,403.00)</b>	<b>\$ (6,355.00)</b>	<b>\$ 49,835.73</b>	<b>\$ 56,190.73</b>

**Village of Emmett**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Major Streets Fund  
 For The Year Ended March 31, 2007

<b><u>Revenues</u></b>	<b><u>Original Budget</u></b>	<b><u>Amended Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Amended Budget</u></b>
State Shared Rev. - Gas & Wt. Tax	\$ 20,625.00	\$ 20,167.00	\$ 26,776.60	\$ 6,609.60
Interest Income	790.00	1,169.00	1,450.89	281.89
<b><u>Total Revenues</u></b>	<b><u>21,415.00</u></b>	<b><u>21,336.00</u></b>	<b><u>28,227.49</u></b>	<b><u>6,891.49</u></b>
<b><u>Expenditures</u></b>				
Wages & Payroll Taxes	615.00	688.00	687.87	0.13
Routine Maintenance	7,300.00	1,598.00	1,585.00	13.00
Winter Maintenance	300.00	400.00	316.25	83.75
Miscellaneous	185.00	47.00	615.98	(568.98)
<b><u>Total Expenditures</u></b>	<b><u>8,400.00</u></b>	<b><u>2,733.00</u></b>	<b><u>3,205.10</u></b>	<b><u>(472.10)</u></b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b>13,015.00</b>	<b>18,603.00</b>	<b>25,022.39</b>	<b>6,419.39</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	(6,129.10)	(6,129.10)
<b><u>Net Change in Fund Balance</u></b>	<b>13,015.00</b>	<b>18,603.00</b>	<b>18,893.29</b>	<b>290.29</b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b><u>90,663.63</u></b>	<b><u>90,663.63</u></b>	<b><u>90,663.63</u></b>	<b><u>-</u></b>
<b><u>Fund Balance - End of Year</u></b>	<b><u>\$ 103,678.63</u></b>	<b><u>\$ 109,266.63</u></b>	<b><u>\$ 109,556.92</u></b>	<b><u>\$ 290.29</u></b>

**Village of Emmett**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Local Streets Fund  
 For The Year Ended March 31, 2007

<b><u>Revenues</u></b>	<b><u>Original Budget</u></b>	<b><u>Amended Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Amended Budget</u></b>
State Shared Rev. - Gas & Wt. Tax	\$ 15,000.00	\$ 15,150.00	\$ 8,389.84	\$ (6,760.16)
Interest Income	240.00	454.00	459.54	5.54
<b><u>Total Revenues</u></b>	<b><u>15,240.00</u></b>	<b><u>15,604.00</u></b>	<b><u>8,849.38</u></b>	<b><u>(6,754.62)</u></b>
<b><u>Expenditures</u></b>				
Wages & Payroll Taxes	620.00	603.00	612.21	(9.21)
Routine Maintenance	3,390.00	1,978.00	5,426.40	(3,448.40)
Winter Maintenance	-	400.00	317.25	82.75
Miscellaneous	185.00	169.00	314.33	(145.33)
<b><u>Total Expenditures</u></b>	<b><u>4,195.00</u></b>	<b><u>3,150.00</u></b>	<b><u>6,670.19</u></b>	<b><u>(3,520.19)</u></b>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	<b><u>11,045.00</u></b>	<b><u>12,454.00</u></b>	<b><u>2,179.19</u></b>	<b><u>(10,274.81)</u></b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	6,129.10	6,129.10
<b><u>Net Change in Fund Balance</u></b>	<b><u>11,045.00</u></b>	<b><u>12,454.00</u></b>	<b><u>8,308.29</u></b>	<b><u>(4,145.71)</u></b>
<b><u>Fund Balance - Beginning of Year</u></b>	<b><u>53,762.80</u></b>	<b><u>53,762.80</u></b>	<b><u>53,762.80</u></b>	<b><u>-</u></b>
<b><u>Fund Balance - End of Year</u></b>	<b><u>\$ 64,807.80</u></b>	<b><u>\$ 66,216.80</u></b>	<b><u>\$ 62,071.09</u></b>	<b><u>\$ (4,145.71)</u></b>

**Village of Emmett**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Fire 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>
<b><u>Revenues</u></b>				
Fire Contract	\$ 87,066.00	\$ 87,066.00	\$ 116,874.02	\$ 29,808.02
Charges for Services	-	-	5,560.00	5,560.00
Grant Proceeds	-	-	8,800.00	8,800.00
Reimbursements & Refunds	100.00	3,270.00	1,425.69	(1,844.31)
Interest Earnings	100.00	66.00	347.80	281.80
<b><u>Total Revenues</u></b>	<u>87,266.00</u>	<u>90,402.00</u>	<u>133,007.51</u>	<u>42,605.51</u>
<b><u>Expenditures</u></b>				
Fire Wages	25,000.00	17,900.00	19,276.33	(1,376.33)
Payroll Taxes	3,500.00	3,400.00	2,965.13	434.87
Gas & Operating Supplies	35,000.00	41,508.00	32,769.29	8,738.71
Insurance	18,500.00	17,961.00	17,961.00	-
Utilities	1,900.00	3,700.00	3,962.10	(262.10)
Classes & Training	2,000.00	4,845.00	3,600.00	1,245.00
Administration	800.00	880.00	750.00	130.00
Rent	-	-	6,100.00	(6,100.00)
Miscellaneous	-	-	1,337.90	(1,337.90)
Debt Service - Principal	-	-	19,580.00	(19,580.00)
Debt Service - Interest	-	-	5,420.00	(5,420.00)
Capital Outlay	-	-	9,263.96	(9,263.96)
<b><u>Total Expenditures</u></b>	<u>86,700.00</u>	<u>90,194.00</u>	<u>122,985.71</u>	<u>(32,791.71)</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	566.00	208.00	10,021.80	9,813.80
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balances</u></b>	566.00	208.00	10,021.80	9,813.80
<b><u>Fund Balance - Beginning of Year</u></b>	<u>38,207.60</u>	<u>38,207.60</u>	<u>38,207.60</u>	<u>-</u>
<b><u>Fund Balance - End of Year</u></b>	<u>\$ 38,773.60</u>	<u>\$ 38,415.60</u>	<u>\$ 48,229.40</u>	<u>\$ 9,813.80</u>

**Village of Emmett**  
 Required Supplemental Information  
 Budgetary Comparison Schedule  
 Recreation 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>
<b><u>Revenues</u></b>				
Donations	\$ 3,300.00	\$ 4,600.00	\$ 3,500.00	\$ (1,100.00)
County Taxes	950.00	992.00	992.20	0.20
League Fees	-	-	1,180.00	1,180.00
Sale of Fixed Assets	8,000.00	9,000.00	-	(9,000.00)
Interest Earnings	15.00	17.00	17.28	0.28
Other Revenues	-	-	687.71	687.71
<b><u>Total Revenues</u></b>	<u>12,265.00</u>	<u>14,609.00</u>	<u>6,377.19</u>	<u>(8,231.81)</u>
<b><u>Expenditures</u></b>				
Wages & Payroll Taxes	2,015.00	2,277.00	1,573.56	703.44
Park Grounds	1,400.00	650.00	4,508.55	(3,858.55)
Insurance	900.00	917.00	917.00	-
Supplies	8,240.00	2,500.00	-	2,500.00
Capital Outlay	-	-	-	-
<b><u>Total Expenditures</u></b>	<u>12,555.00</u>	<u>6,344.00</u>	<u>6,999.11</u>	<u>(655.11)</u>
<b><u>Excess of Revenues Over (Under) Expenditures</u></b>	(290.00)	8,265.00	(621.92)	(8,886.92)
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In (Out)	-	-	-	-
<b><u>Net Change in Fund Balances</u></b>	(290.00)	8,265.00	(621.92)	(8,886.92)
<b><u>Fund Balances - Beginning of Year</u></b>	8,101.86	8,101.86	8,101.86	-
<b><u>Fund Balances - End of Year</u></b>	<u>\$ 7,811.86</u>	<u>\$ 16,366.86</u>	<u>\$ 7,479.94</u>	<u>\$ (8,886.92)</u>

## **Other Supplemental Information**

**Village of Emmett**  
Other Supplemental Information  
Schedule of Indebtedness  
March 31, 2007

**Note Payable for Purchase of Fire Truck**  
**Interest Payable May 7**

**Dated May 7, 2001**  
**Original Issue \$175,000**

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Outstanding</u>		<u>Remaining Annual Interest Payable</u>
		<u>March 31,</u>		
		<u>2007</u>	<u>2006</u>	
4.80%	5/7/2006	\$ -	\$ 19,580	\$ -
4.80%	5/7/2007	20,664	20,664	4,336
4.80%	5/7/2008	21,656	21,656	3,344
4.80%	5/7/2009	22,695	22,695	2,305
4.80%	5/7/2010	23,784	23,784	1,216
4.80%	5/7/2011	1,540	1,540	74
<u>Total Notes Payable</u>		<u>\$ 90,339</u>	<u>\$ 109,919</u>	<u>\$ 11,275</u>

**Land Contract to Purchase Village Hall**  
**Payable to Dan & Deb Greenia**

**Dated July 9, 2002**  
**Original Issue \$95,000**

**Payment of \$650 due on the 9th of each month**

<u>Interest Rate</u>	<u>Contract Due For The Year Ending</u>	<u>Principal Outstanding</u>		<u>Remaining Annual Interest Payable</u>
		<u>March 31,</u>		
		<u>2007</u>	<u>2006</u>	
5.75%	2007	\$ -	\$ 3,266	\$ -
5.75%	2008	3,139	3,139	4,663
5.75%	2009	3,324	3,324	4,477
5.75%	2010	3,520	3,520	4,281
5.75%	2011	3,728	3,728	4,073
5.75%	2012	3,948	3,948	3,853
5.75%	2013	4,181	4,181	3,620
5.75%	2014	4,428	4,428	3,373
5.75%	2015	4,690	4,690	3,112
5.75%	2016	4,967	4,967	2,835
5.75%	2017	5,260	5,260	2,542
5.75%	2018	5,570	5,570	2,231
5.75%	2019	5,899	5,899	1,902
5.75%	2020	6,247	6,247	1,554
5.75%	2021	6,616	6,616	1,185
5.75%	2022	7,007	7,007	795
5.75%	2023	7,421	7,421	381
5.75%	2024	2,267	2,267	31
<u>Total Installment Purchase Contract Payable</u>		<u>\$ 82,212</u>	<u>\$ 85,478</u>	<u>\$ 44,908</u>
<u>Total General Obligation Notes &amp; Contracts</u>		<u>\$ 172,551</u>	<u>\$ 195,397</u>	<u>\$ 56,183</u>