

CALEDONIA CHARTER TOWNSHIP
SHIAWASSEE COUNTY, MICHIGAN

ANNUAL FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

DECEMBER 31, 2007

Auditing Procedures Report

Issued under Public Act 2 of 1968, as amended.

Unit Name	Caledonia Charter Township	County	SHIAWASSEE	Type	TOWNSHIP	MuniCode	78-1-040
Opinion Date	June 10, 2008	Audit Submitted	7/26/8	Fiscal Year	December 31, 2007		

If a local unit of government (authorities & 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, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GA5B 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 560,299.00
General Fund Expenditure:	\$ 531,133.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 260,850.00
Governmental Activities Long-Term Debt (see instructions):	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Geraldine	Last Name	Terry, CPA	Ten Digit License Number	1101026880		
CPA Street Address	217 N Washington St.	City	Owosso	State MI	Zip Code 48867	Telephone	+1 (989) 723-8227
CPA Firm Name	Demis and Wenzlick, P.C.	Unit's Street Address	135 N. State Road	City	Owosso	Zip Code	48867

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CALEDONIA CHARTER TOWNSHIP
LIST OF TOWNSHIP OFFICIALS
DECEMBER 31, 2007

Joe DeCaire	Supervisor
Marcy Brady	Clerk
Renee Essenburg	Treasurer
Ron Gunther	Assessor
Doug Piggott	Planning
Rob Kehoe	Building Inspector
Ed Bruckman	Trustee
Geraldine Hagadorn	Trustee
Joe Janca	Trustee
Rock Holzheuer	Trustee



DEMIS and WENZLICK, P.C.

Certified Public Accountants

217 N. Washington Street
Pabst Building, Suite 201
Owosso, MI 48867

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James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
Lori S. Chant, C.P.A.
Geraldine Terry, C.P.A.

Tracy Bublitz
Vickie Clayton
Carol Demis
Jeannette Gaitskill
Kathy Kimmerer
Erica Marks
Janis Mead
Tammy Pappas
David Pullen
Dean Roach
Vicki Schuler
Joyce Simmons
Barbara Wenzlick
Bruce Wenzlick

INDEPENDENT AUDITOR'S REPORT

Caledonia Charter Township
Members of the Township Board
Shiawassee County, Michigan

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, major funds, and the aggregate remaining fund information of the Caledonia Charter Township as of December 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 supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Caledonia Charter Township's basic financial statements. The introductory section and the other supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are 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 our opinion, is fairly stated in all material respects to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Dennis and Wengler, P.C.

Certified Public Accountants

Owosso, Michigan
June 10, 2008

CALEDONIA CHARTER TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Caledonia Charter Township's (the Township's) financial performance and position, providing an overview of the activities for the year ended December 31, 2007. This analysis should be read in conjunction with the Independent Auditor's Report and with the Township's financial statements, which follow this section. The fiscal year ended December 31, 2007 represents the first year the Township has reported under the provisions of the Governmental Accounting Standards Board (GASB) No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by GASB Statement No. 37 Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments – Omnibus and Statement No. 38 Certain Financial Statement Note Disclosures. Therefore, this discussion and analysis does not provide comparisons with previous years.

Financial Results

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2007:

Total Revenues of the Township were \$560,299 for the year. Major sources of revenues are as follows:

State shared revenue, one of our largest revenue sources in the General Fund was \$299,676, which is a small decrease from 2006 of \$3,786.

Property tax revenues were \$161,254, an increase of \$4,552 over prior year.

Licenses and Permits fees collected amounted to \$45,877 for the year.

Township Expenditures were \$531,133 for the year including transfers to the Fire Fund of \$119,904.

Overall, fund balance for the General Fund increased by \$29,166 to \$260,850 as of December 31, 2007.

Using this Annual Report

This annual report consists of series of financial statements. The statement of net assets and the statement of activities provide information about the activities of Caledonia Charter Township as a whole and represent a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of Caledonia Charter Township in more detail than the government-wide financial statements by providing information about the Township's most significant funds.

CALEDONIA CHARTER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Township as a Whole

The following table shows, in a condensed format, the net assets of the Township as of December 31, 2007:

Current Assets	\$2,252,324
Investment in Subsidiary (Utility Authority)	4,308,316
Capital Assets (Net of Depreciation)	<u>2,132,991</u>
 Total Assets	 <u>\$8,693,631</u>
 Current Liabilities	 \$ 118,546
Non Current Assets/Long-Term (Fire Truck)	<u>(150,000)</u>
 Total Liabilities	 <u>\$ 268,546</u>
 Net Assets	 <u>\$8,425,085</u>

The following table shows the change in net assets for the year ended December 31, 2007:

Program Revenues:	
Charges for Services	\$ 186,540
 General Revenues:	
State Shared Revenues	299,676
Property Tax Revenue	161,791
Metro Act Funds	7,584
Licenses and Permits	45,877
Investment Income	171,395
Other General Revenues	<u>63,594</u>
 Total Revenues	 <u>\$ 890,580</u>
 Program Expenses:	
General Government	\$ 339,975
Public Safety (Fire)	203,414
Water and Sewer	<u>153,158</u>
 Total Expenses	 <u>\$ 696,547</u>
 Change in Net Assets (Before Change in Subsidiary)	 \$ 194,033
 Change in Value of Subsidiary	 <u>(66,383)</u>
 Change in Net Assets	 <u>\$ 127,650</u>

CALEDONIA CHARTER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Township's Funds

The analysis of the Township's governmental funds begins on Page 10 following the government-wide financial statements. The fund financial statements provide detailed information about all the general government funds. The analysis of the Sewer and Water Enterprise Funds is presented separately. Caledonia Charter Township's Board of Trustees has the ability to create funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millages and special assessments.

The General Fund pays for the majority of the Township's governmental services. The Fire Funds and the Fire Capital Acquisition Fund pay equipment, fire wages, insurance, etc. Funds are transferred from the General Fund to the Fire Fund to cover the Township's share of the expenses. For the year \$119,904 was transferred from General Fund to the Fire Fund. Fire services are provided by the joint operated Corunna-Caledonia Fire Department.

The General Fund paid \$89,111 for road maintenance during the year.

General Fund Budgetary Highlights

Budgeted revenues for the General Fund for 2007 were \$534,016 compared to actual received of \$560,299.

Budgeted expenditures were \$563,992 compared to actual of \$411,229 (not including transfers).

Budgeted interfund transfers were \$150,000 incoming to General and \$100,000 outgoing to Fire Fund.

Capital Assets

At the end of the fiscal year, the Township had approximately \$1,445,050 (valued at historical cost) in assets which includes building, land, furniture, equipment, fire equipment, fire vehicles, office equipment and software. Accumulated depreciation recorded for the general township assets was \$650,688. The Sewer and Water Enterprise Fund assets were approximately \$717,586 (valued at historical cost). Accumulated depreciation record for Enterprise Funds assets was \$714,891.

During the year of 2007, the Township started a waterline extension project along East M-21 which will be completely paid for by existing Township funds. At December 31, 2007, the Township has spent \$1,335,934 on the project (included in Construction in Progress). The project will be completed in early 2008.

CALEDONIA CHARTER TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Current Economic Factors

Revenue sharing is one of the most significant budgetary concerns at this time. The State of Michigan is experiencing significant budget problems, and as they look for solutions, revenue sharing continues to be under attack.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we encourage you to contact a Township official at the Township Hall at (989) 743-5300.

CALEDONIA CHARTER TOWNSHIP
 GOVERNMENT-WIDE STATEMENT OF NET ASSETS
 DECEMBER 31, 2007

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash & Cash Equivalents	\$ 884,276	\$1,278,574	\$2,162,850
Receivables	20,547	1,720	22,267
Internal Balances	16,057		16,057
Due from Other Gov't Units	51,150		51,150
Investment in Subsidiary		4,308,316	4,308,316
Capital Assets (Net)	<u>794,362</u>	<u>1,338,629</u>	<u>2,132,991</u>
TOTAL ASSETS	<u>\$1,766,392</u>	<u>\$6,927,239</u>	<u>\$8,693,631</u>
LIABILITIES			
Accounts Payable	\$ 42,739	\$	\$ 42,739
Accrued & Other Liabilities	5,140		5,140
Deferred Revenue	51,917		51,917
Noncurrent Liabilities:			
Due within one year	18,750		18,750
Due in more than one year	<u>150,000</u>	<u> </u>	<u>150,000</u>
TOTAL LIABILITIES	<u>\$ 268,546</u>	<u>\$ </u>	<u>\$ 268,546</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 625,612	\$2,053,520	\$2,679,132
Reserved for Restricted Assets	120,812	41,485	162,297
Unreserved:			
Unreserved	<u>751,422</u>	<u>4,832,234</u>	<u>5,583,656</u>
TOTAL NET ASSETS	<u>\$1,497,846</u>	<u>\$6,927,239</u>	<u>\$8,425,085</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 GOVERNMENT WIDE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2007

	<u>Program Revenues</u>		<u>Net (Expenses) Revenues And Changes in Net Assets</u>		<u>Totals</u>
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Gov't Activities</u>	<u>Business Type Activities</u>	
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT					
Governmental Activities:					
General Gov't.	\$290,792	\$ 1,900	\$ (288,892)	\$	\$ (288,892)
Public Safety-Fire	203,414	35,325	(168,089)		(168,089)
Public Works	37,223		(37,223)		(37,223)
Recreation & Culture	4,050		(4,050)		(4,050)
Interest on LT Debt	<u>7,910</u>		<u>(7,910)</u>		<u>(7,910)</u>
TOTAL GOV'T ACT.	<u>\$543,389</u>	<u>\$ 37,225</u>	<u>\$ (506,164)</u>	<u>\$</u>	<u>\$ (506,164)</u>
Business-Type Activities:					
Sewer	\$146,293	\$143,315	\$	\$ (2,978)	\$ (2,978)
Water	<u>6,865</u>	<u>6,000</u>	<u></u>	<u>(865)</u>	<u>(865)</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$153,158</u>	<u>\$149,315</u>	<u>\$</u>	<u>\$ (3,843)</u>	<u>\$ (3,843)</u>
TOTAL PRIMARY GOVT.	\$	\$	\$ (506,164)	\$ (3,843)	\$ (510,007)
General Revenues:					
Property Taxes			\$ 161,791	\$	\$ 161,791
Metro Act			7,584		7,584
State Shared Revenue			299,676		299,676
Unrestricted Investment Earnings			71,940	99,455	171,395
Licenses & Permits			45,877		45,877
Miscellaneous Other Revenue			<u>17,717</u>	<u></u>	<u>17,717</u>
TOTAL GENERAL REVENUES AND TRANSFERS			<u>\$ 604,585</u>	<u>\$ 99,455</u>	<u>\$ 704,040</u>
Change in Net Assets			\$ 98,421	\$ 95,612	\$ 194,033
Change in Investment Subsidiary				(66,383)	(66,383)
Net Assets – Beginning			<u>1,399,425</u>	<u>6,898,010</u>	<u>8,297,435</u>
NET ASSETS – ENDING			<u>\$1,497,846</u>	<u>\$6,927,239</u>	<u>\$8,425,085</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Fire Capital Acquisition</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
ASSETS					
Cash & Cash Equiv.	\$287,959	\$237,939	\$75,536	\$282,842	\$ 884,276
Receivables	734	330	19,057	426	20,547
Due from Other Funds	16,057	32,671			48,728
Due from State of Michigan	<u>51,150</u>				<u>51,150</u>
TOTAL ASSETS	<u>\$355,900</u>	<u>\$270,940</u>	<u>\$94,593</u>	<u>\$283,268</u>	<u>\$1,004,701</u>
LIABILITIES & FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 10,068	\$ 32,671	\$	\$	\$ 42,739
Due to Other Funds	32,671				32,671
Deferred Revenues	51,917				51,917
Payroll Taxes Payable	394				394
Accrued Interest Payable			4,746		4,746
Current Portion-Bonds Payable			<u>18,750</u>		<u>18,750</u>
TOTAL LIABILITIES	<u>\$ 95,050</u>	<u>\$ 32,671</u>	<u>\$23,496</u>	<u>\$</u>	<u>\$ 151,217</u>
FUND BALANCE					
Unreserved	\$260,850	\$238,269	\$	\$283,268	\$ 782,387
Reserved-Capital Acquisition			<u>71,097</u>		<u>71,097</u>
TOTAL FUND BALANCE	<u>\$260,850</u>	<u>\$238,269</u>	<u>\$71,097</u>	<u>\$283,268</u>	<u>\$ 853,484</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$355,900</u>	<u>\$270,940</u>	<u>\$94,593</u>	<u>\$283,268</u>	<u>\$1,004,701</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 RECONCILIATION OF THE BALANCE SHEET
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2007

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS \$ 853,484

Total Net Assets Reported for Governmental Activities in the
Statement of Net Assets is different because:

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

The Cost of Capital Assets	\$1,445,050	
Accumulated Depreciation	<u>(650,688)</u>	
Capital Assets, Net	\$ 794,362	794,362

Long-Term liabilities are not due and payable in the current period. Therefore
are not reported on the Governmental Funds Balance Sheet

Long-Term Liabilities at year end Consist of:

Note Payable Fire Truck Loan	<u>(150,000)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES \$1,497,846

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Fire Capital Acquisition</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
REVENUES					
Taxes	\$ 161,791	\$	\$	\$	\$ 161,791
Licenses & Permits	45,877				45,877
State Shared Revenues/ Highway Funds	299,676				299,676
Metro Act	7,584				7,584
Charges for Services	1,900		35,325		37,225
Fines & Forfeitures					
Interest & Rentals	38,429	10,300	22,552	13,334	84,615
Other Revenue	<u>5,042</u>				<u>5,042</u>
TOTAL REVENUES	\$ 560,299	\$ 10,300	\$ 57,877	\$ 13,334	\$ 641,810
EXPENDITURES					
Current:					
Legislative	\$ 133,072	\$	\$	\$	\$ 133,072
General Gov't.	147,005				147,005
Public Safety	32,512	119,904	5,998		158,414
Public Works	94,590				94,590
Recreation & Culture	4,050				4,050
Capital Outlay					
Principal – LTD			18,750		18,750
Interest Expense			<u>7,910</u>		<u>7,910</u>
TOTAL EXPENDITURES	\$ <u>411,229</u>	\$ <u>119,904</u>	\$ <u>32,658</u>	\$ _____	\$ <u>563,791</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ <u>149,070</u>	\$ <u>(109,604)</u>	\$ <u>25,219</u>	\$ <u>13,334</u>	\$ <u>78,019</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	\$	\$ 119,904	\$	\$	\$ 119,904
Transfers Out	<u>(119,904)</u>				<u>(119,904)</u>
TOTAL FINANCING SOURCES & USES	\$(119,904)	\$ 119,904	\$	\$	\$
 Net Change in Fund Balance	 \$ 29,166	 \$ 10,300	 \$25,219	 \$ 13,334	 \$ 78,019
Fund Balance-Beginning	<u>231,684</u>	<u>227,969</u>	<u>45,878</u>	<u>269,934</u>	<u>775,465</u>
FUND BALANCE – ENDING	\$ <u>260,850</u>	\$ <u>238,269</u>	\$ <u>71,097</u>	\$ <u>283,268</u>	\$ <u>853,484</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

Net Change in Fund Balances – Total Governmental Funds	\$78,019
<p>Total Change in Net Assets Reported for Governmental Activities in The Statement of Activities is different because:</p>	
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.</p>	
Depreciation Expense	\$(70,600)
Capital Outlay	<u>72,252</u>
Repayments of Long-Term Debt	<u>18,750</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$98,421</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 103,859	\$1,174,715	\$1,278,574
Receivables	<u>673</u>	<u>1,047</u>	<u>1,720</u>
TOTAL CURRENT ASSETS	<u>\$ 104,532</u>	<u>\$1,175,762</u>	<u>\$1,280,294</u>
Capital Assets	\$ 513,450	\$1,540,070	\$2,053,520
Less: Accumulated Depreciation	<u>(513,450)</u>	<u>(201,441)</u>	<u>(714,891)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$ _____</u>	<u>\$1,338,629</u>	<u>\$1,338,629</u>
OTHER ASSETS:			
Investment in Subsidiary Owosso-Caledonia Utility Authority	<u>\$4,308,316</u>	<u>\$ _____</u>	<u>\$4,308,316</u>
TOTAL OTHER ASSETS	<u>\$4,308,316</u>	<u>\$ _____</u>	<u>\$4,308,316</u>
TOTAL ASSETS	<u>\$4,412,848</u>	<u>\$2,514,391</u>	<u>\$6,927,239</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 513,450	\$1,540,070	\$2,053,520
Other Unrestricted	<u>3,899,398</u>	<u>974,321</u>	<u>4,873,719</u>
TOTAL NET ASSETS	<u>\$4,412,848</u>	<u>\$2,514,391</u>	<u>\$6,927,239</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities <u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services	\$ 143,315	\$	\$ 143,315
Connection & Tap Charges		<u>6,000</u>	<u>6,000</u>
TOTAL OPERATING REVENUES	<u>\$ 143,315</u>	<u>\$ 6,000</u>	<u>\$ 149,315</u>
OPERATING EXPENSE:			
Operation of Plant	\$ 146,260	\$	\$ 146,260
Other Services & Charges	33	61	94
Depreciation/Amortization		<u>6,804</u>	<u>6,804</u>
	<u>\$ 146,293</u>	<u>\$ 6,865</u>	<u>\$ 153,158</u>
OPERATING INCOME (LOSS)	\$ (2,978)	\$ (865)	\$ (3,843)
NON-OPERATING REVENUES (EXPENSES)			
Interest & Investment Revenues	<u>\$ 2,830</u>	<u>\$ 96,625</u>	<u>\$ 99,455</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 2,830</u>	<u>\$ 96,625</u>	<u>\$ 99,455</u>
INCOME (LOSS) BEFORE TRANSFERS	\$ (148)	\$ 95,760	\$ 95,612
Transfers In-Other Funds			
Transfers In-Component			
Transfers Out-Component			
Transfers Out-Other Funds			
Change in Value of Subsidiary	\$ (66,383)	\$	\$ (66,383)
Change in Net Assets	(148)	95,760	95,612
Net Assets – Beginning of Year	<u>4,479,379</u>	<u>2,418,631</u>	<u>6,898,010</u>
NET ASSETS – END OF YEAR	<u>\$4,412,848</u>	<u>\$2,514,391</u>	<u>\$6,927,239</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007

		Business-Type Activities <u>Enterprise Funds</u>	
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipt from Customer	\$ 143,056	\$ 6,000	\$ 149,056
Payments to Suppliers	(146,260)		(146,260)
Other Receipts (Payments)	<u>(32)</u>	<u>(61)</u>	<u>(93)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (3,236)	\$ 5,939	\$ 2,703
 CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Revenue	\$ 2,830	\$ 108,769	\$ 111,599
Capital Assets – Water Main	<u> </u>	<u>(1,295,695)</u>	<u>(1,295,695)</u>
NET CASH USED IN INVESTING ACTIVITIES	\$ 2,830	\$(1,186,926)	\$(1,184,096)
 NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	 \$ (406)	 \$(1,180,987)	 \$(1,181,393)
 CASH & CASH EQUIVALENTS- BEGINNING OF YEAR-RESTATED	 <u>104,265</u>	 <u>2,355,702</u>	 <u>2,459,967</u>
 CASH & CASH EQUIVALENTS END OF YEAR	 \$ <u>103,859</u>	 \$ <u>1,174,715</u>	 \$ <u>1,278,574</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2007

	Business-Type Activities <u>Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$(69,361)	\$ (865)	\$(70,226)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation		6,804	6,804
Amortization			
Change in Assets & Liabilities:			
Receivables/Prepays	(258)		(258)
Accounts Payable			
Change in Value of Subsidiary	<u>66,383</u>	_____	<u>66,383</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>(3,236)</u>	\$ <u>5,939</u>	\$ <u>2,703</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2007

	<u>Agency Funds</u>
ASSETS:	
Cash	\$40,043
TOTAL ASSETS	<u>\$40,043</u>
 LIABILITIES:	
Due to Other Funds	\$16,017
Due to Other Governmental Units	<u>24,026</u>
TOTAL LIABILITIES	<u>\$40,043</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE A – DESCRIPTION OF TOWNSHIP OPERATIONS, FUND TYPES AND ACCOUNT GROUPS

The Township of Caledonia, Shiawassee County, Michigan was originally organized as a Township under provision of the constitution and general law of the State of Michigan. The Township operates under an elected Township Board which currently consists of a Supervisor, Clerk, Treasurer, and four (4) Trustees and provides services to its residents in many areas including general government, fire protection and sewer utility services.

REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America; GASB Statement 14. The Financial Reporting Entity; and Statement on Michigan Governmental Accounting and Auditing No. 5, these financial statements present the financial activities of the Caledonia Charter Township (primary government), and its component unit (Corunna-Caledonia Fire Board). Blended component units, although legally separate entities, are, in substance, part of the governments operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government. All component units of the Caledonia Charter Township are blended in the Township's audit and are not audited separately.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters consider the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also give to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

BLENDED COMPONENT UNIT

Corunna-Caledonia Fire Department – Caledonia Charter Township, in conjunction with the City of Corunna, has entered into an agreement that created the Corunna-Caledonia Fire Department. The Fire Department is governed by a five (5) member board. The Township and the City each appoint two individuals to the governing board. The appointed board members select an additional individual to serve on the Board as an at-large member. The Board's majority alternatives between the Township and the City every four years based on the appointment of the at-large member.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE A – DESCRIPTION OF TOWNSHIP OPERATIONS, FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

BLENDED COMPONENT UNIT (CONTINUED)

Based on the agreement creating the Fire Department, the Township is responsible for 50% of the annual expenditures of the Department, while the City of Corunna's share is also 50%. The City of Corunna acts as the fiscal agent to the Fire Department and is reimbursed by the Township from the Special Revenue Fire Fund for the Township's share of operating expenditures. The Special Revenue Fire Capital Acquisition Fund accounts for the Township's share of revenue generated from fire runs and the Township's portion of the repayment of loan proceeds borrowed to finance the acquisition of a fire truck.

Joint Ventures

The Township participates in the following activities, which are considered to be joint ventures in relation to the Township, due to there being ongoing financial interest or responsibility.

Owosso Township-Caledonia Township Utility Authority – The Caledonia Charter Township is a member of the Owosso Township-Caledonia Township Utility Authority (Authority). The purpose of the Authority is to operate, maintain, administer, and manage a sewer disposal system and future water supply system for the benefit of the constituent municipalities. The wastewater treatment plant operated by the City of Owosso treats the sewage collected by the Township's sewage disposal system.

The governing body of the Authority is appointed by the constituent municipalities, and representation is based upon the purchased capacity of each municipality. The Caledonia Charter Township currently represented by three (3) of the six (6) members of the Authority Board. The annual budget of the Authority is submitted to the constituent municipalities and must be approved by a majority vote of the members-elect of the Authority.

The members of the Authority and percentage of responsibility are as follows:

Caledonia Charter Township	50%
Township of Owosso	50%

For the year ended December 31, 2007, the Caledonia Charter Township contributed \$146,260 to cover its share of operational costs and reserve activities.

An investment in the Authority is recorded to reflect the current carrying value at December 31, 2007, of the cumulative effect of the Authority's operations relating to the Township equity share in the joint venture from inception-to-date. The Caledonia Charter Township records their portion of the initial cost of construction of the Authority facilities as fixed assets in the Sewer and Water System (Enterprise) Funds.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE A – DESCRIPTION OF TOWNSHIP OPERATIONS, FUND TYPES, AND ACCOUNT
GROUPS (CONTINUED)

Joint Ventures (Continued)

The Authority bills and collects charges for sewer services on behalf of the Township. Of the total collected from Township residents, 60% is remitted to the Township and is recorded as charges for services in the financial statements. The Township uses their portion to the revenues generated from sewer charges to pay for treatment by the City of Owosso. Payments to the City of Owosso include quarterly capital charges, semi-annual debt service charges, Industrial Cost Recovery charges, and operation and maintenance charges based on the flow of sewage from the Township.

Owosso Community Airport Board – The City of Corunna along with the City of Owosso, Shiawassee County, and Owosso and Caledonia Charter Townships have entered into an agreement which created the Owosso Community Airport Board. The Airport Board is composed of one (1) member from each of the member municipalities. The airport has been reported as a fund in the financial statements of Shiawassee County. Each participating municipality shall make a direct appropriation to cover operations and development costs. The percentage share for the funding model for each municipality is Shiawassee County and the City of Owosso 33%, Owosso and Caledonia Charter Townships 13% and the City of Corunna 8%. The Township contributed \$3,046 to the Board for the year ended December 31, 2007.

Jointly Governed Organizations

The Township participates in the following activity which is considered to be a jointly governed organization in relation to the Township, due to their being no ongoing financial interest or responsibility.

Corunna Area Ambulance Service, Inc. – The City of Corunna along with the Townships of New Haven and Caledonia have entered into a service agreement with Corunna Area Ambulance Service, Inc., a Michigan non-profit corporation. The Corporation's board is composed of seven (7) members appointed by the corporation and two each from the City of Corunna and Caledonia Charter Township are elected, and one from the City of Corunna. Caledonia Charter Township, and New Haven Township are appointed. The Township is responsible to pay a per dwelling or equivalent until charges for all dwellings within the Township which is assessed to all residents on their tax bills. The Township paid \$50,575 in per dwelling charges to Corunna Area Ambulance Service, Inc., for the year ended December 31, 2007.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE A – DESCRIPTION OF TOWNSHIP OPERATIONS, FUND TYPES AND ACCOUNT
GROUPS (CONTINUED)

Corunna-Caledonia Fire Department – The City of Corunna, in conjunction with Caledonia Charter Township, has entered into an agreement that created the Corunna-Caledonia Fire Department. The Fire Department is governed by a five (5) member board. The City and the Township each appoint two individuals to the governing board. The appointed board members select an additional individual to serve on the Board as an at-large member. The Board's majority alternates between City and the Township every four years based on the appointment of the at-large member.

Based on the agreement creating the Fire Department, the Township and the City are each responsible for 50% of the annual expenditures of the Department. The City of Corunna acts as the fiscal agent to the Fire Department and is reimbursed by the Township for the Township's share of operating expenditures.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, or privilege provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter excluded from the governmental-wide financial statements. Major individual governmental funds and the major enterprise funds are reported in separate columns in the fund financial statements.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2007

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION

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

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

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire Fund – Used to account for monies disbursed for Township Fire Protection.

Fire Capital Acquisition Fund – To account for Township's portion of fees received and monies disbursed for capital acquisition and improvements.

**CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2007**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)**

The government reports the following major proprietary funds:

Water and Sewer Funds - are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

In addition, the government reports the following non-major governmental funds:

Hawkins Cemetery Fund – used to account for monies received and disbursed for the maintenance of the Township's cemetery.

Revolving Improvement Fund – Used to account for money set aside by the Township Board for future improvements within the Township.

BUDGETS AND BUDGETARY ACCOUNTING

The General and Special Revenue Funds budgets shown in the financial statements were presented when prepared on a basis not substantially different than the basis used to reflect actual results.

The Township employs the following procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to January 1, the budget is legally adopted on a department (activity) level for the General Fund and the total expenditure level for the Special Revenue Funds through passage of a Board resolution. After the budget is adopted, all transfers of budgeted amounts between activities or any revisions that alter the total expenditures of the fund or activity must be approved by the Township Board.
- b. Formal budgetary integration is employed as a management control device during the year.
- c. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at December 31, are not carried forward to the following fiscal year.
- d. Budgeted amounts are reported as originally adopted or amended by the Township Board during the year. Individual amendments were not material to original appropriations which are adopted.

CALEDONIA CHARTER TOWNSHIP
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consist of checking, savings, money market accounts and certificates of deposit. The cash and cash equivalents are recorded at cost, which approximates market value. Cash equivalents consist of certificates of deposit with original maturities of 90 days or less.

Investments include certificates of deposit with an original maturity of greater than 90 days from the date of purchase. All investments are stated at market value.

PROPERTY TAX

The Caledonia Charter Township bills and collects its own property taxes and the tax levy for other governmental units. The Township's property tax revenue recognition policy and related tax calendar disclosures are as follows:

The Township's property tax is levied each December 1, on the taxable valuation of property located in the Township as of the preceding December 31. Although the Township's 2007 tax is levied and collectible on December 1, 2007, it is the Township's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of the levy are budgeted and made available for the financing of Township operations.

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments – The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of 3 months or less when acquired.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds" activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets – Certain revenue bonds of the Enterprise Funds require amounts to be set aside for bond reserve. These amounts have been classified as restricted investments.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Village began recording governmental infrastructure constructed on or after July 1, 2003 as followed by GASB 34.

Property, Plant and Equipment is depreciated using the straight line method over the following useful lives.

Land Improvements	10 to 20 years
Building and Building Improvements	25 to 40 years
Utility Systems	25 to 40 years
Roads	25 years
Other Infrastructure	20 to 40 years
Vehicles	5 to 10 years
Machinery and Equipment	5 to 10 years

Long-Term Obligation – In the government-wide financial statements and the proprietary fund types in the fund 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-type statement of net assets.

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 require management to make estimates and assumptions that affect the reported amounts 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.

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPARATIVE DATA

Compensated Absences – The Township does not compensate employees for vacation time, sick time or any other absences.

Post-Retirement Health Care Benefits – The Township does not provide post-retirement health care benefits.

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the state under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

CALEDONIA CHARTER TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2007

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

DEPOSITS

As of December 31, 2007, the carrying amount and the bank balances for each type of bank account are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	\$ 116,700	\$ 114,470
Savings & Money Market Accounts	509,289	1,023,812
Certificates of Deposit	<u>1,576,813</u>	<u>1,576,813</u>
	<u>\$2,202,802</u>	<u>\$2,715,095</u>

Cash and cash equivalents caption on the combined balance sheet include \$100 in imprest cash.

Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of December 31, 2007, the Township accounts were insured by the FDIC for \$344,821 and the amount of \$1,857,981 was insured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increased significantly. As a result, the amount of the uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>	
General	\$16,057	General	\$32,671	Fire Expenditures
		Trust & Agency	3,001	Delinq. Tax/Interest
Fire	<u>32,671</u>	Tax	<u>13,056</u>	Interest Earned
	<u>\$48,728</u>		<u>\$48,728</u>	

CALEDONIA CHARTER TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2007

NOTE E – INTERFUND OPERATING TRANSFERS

	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General	\$119,904	\$
Fire		<u>119,904</u>
	<u>\$119,904</u>	<u>\$119,904</u>

Transfers are to cover expenditures of the Fire Fund operated under the Corunna-Caledonia Fire Department.

NOTE F – CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	<u>Balance 12-31-06</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12-31-07</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ 184,500	\$	\$	\$ 184,500
Capital Assets being Depreciated:				
Buildings	314,444			314,444
Office Equipment	98,468	511		98,979
Infrastructure	185,591	66,925		252,516
Fire Vehicles	420,272	4,816		425,088
Fire Equipment	<u>169,523</u>			<u>169,523</u>
CAPITAL ASSETS BEING DEPRECIATED	\$1,188,298	\$72,252	\$	\$1,260,550
LESS ACCUMULATED DEPRECIATION FOR:				
Buildings	\$ 198,359	\$ 3,695	\$	\$ 202,054
Office Equipment	89,562	7,531		97,093
Infrastructure	8,605	9,558		18,163
Fire Vehicles	195,063	29,011		224,074
Fire Equipment	<u>88,498</u>	<u>20,806</u>		<u>109,304</u>
ACCUMULATED DEPREC.	\$ 580,087	\$70,601	\$	\$ 650,688
Net Capital Assets being Depreciated	<u>608,211</u>	<u>1,651</u>		<u>609,862</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 792,711	\$ 1,651	\$	\$ 794,362

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE F – CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>12-31-06</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12-31-07</u>
BUSINESS-TYPE ACTIVITIES:				
Capital Assets not being Depreciated:				
Construction in Progress	\$ <u>40,239</u>	\$ <u>1,295,695</u>	\$ _____	\$ <u>1,335,934</u>
CAPITAL ASSETS BEING DEPRECIATED:				
Sewer Capacity	\$513,450	\$ _____	\$ _____	\$ 513,450
Water Pipe Lines	<u>204,136</u>	_____	_____	<u>204,136</u>
CAPITAL ASSETS BEING DEPRECIATED	\$ <u>717,586</u>	\$ _____	\$ _____	\$ <u>717,586</u>
LESS ACCUMULATED DEPRECIATION FOR:				
Sewer Capacity	\$513,450	\$ _____	\$ _____	\$ 513,450
Water Pipelines	<u>194,637</u>	<u>6,804</u>	_____	<u>201,441</u>
ACCUMULATED DEPREC.	\$ <u>708,087</u>	\$ <u>6,804</u>	\$ _____	\$ <u>714,891</u>
Net Capital Assets being Depreciated	<u>9,499</u>	<u>6,804</u>	_____	<u>2,695</u>
BUSINESS-TYPE CAPITAL ASSETS, NET	\$ <u>49,738</u>	\$ <u>1,288,891</u>	\$ _____	\$ <u>1,338,629</u>
Government Activities:				
General Government		\$ 5,327		
Infrastructure		<u>66,925</u>		
TOTAL GOVERNMENT ACTIVITIES		\$ <u>72,252</u>		
Business-Type Activities:				
Water		\$ 6,804		
Sewer		<u>0</u>		
TOTAL BUSINESS-TYPE ACTIVITIES		\$ <u>6,804</u>		

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE G – FIXED ASSETS

NET FIXED ASSETS

The amount recorded as Wastewater Treatment Plant represents the Township's 16.3% interest in the plant that provides services to the City of Owosso, Owosso Township, the City of Corunna and Caledonia Charter Township. The Township's interest in the plant is being depreciated over 25 years.

NOTE H – RISK MANAGEMENT

The Township participates in a pool, the Michigan Township Participating Plan with other municipalities for various risks of loss including employer's liability, errors and omissions, and property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The Township has no liability for additional assessments based on the claims filed against the pool nor do they have any rights to dividends.

The Township also maintains commercial insurance coverage for workers' compensation.

CALEDONIA CHARTER TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2007

NOTE I – INVESTMENT IN SUBSIDIARY

Caledonia Charter Township entered into a joint venture with Owosso Charter Township for the creation of a Utility Authority. Caledonia Charter Township owns 50% of the authority's equity, N.C.G.A. Statement 7, requires that this investment be shown on Caledonia Charter Township's financial records (Sewer Fund – an Enterprise Fund), using the equity method of accounting. The Utility Authority has 6 board members. Each township appoints 3 individuals to the board. The Utility Board budgets and finances are governed entirely by this 6 person board. Following is summary of the Utility Authority (all amounts shown are as of December 31, 2007, the year end of the Utility Authority).

1.	Total Assets – Utility Authority	<u>\$8,620,129</u>
	Total Liability – Utility Authority	<u>\$ 3,497</u>
	Total Equity – Utility Authority – Contributed Capital Retained Earnings	<u>\$8,616,632</u>
2.	Total Revenues – Utility Authority	\$ 533,195
	Total Expenditures – General Fund (Depreciation of Assets)	665,961 <u>(185,617)</u>
		\$ 480,344
	Increase in Net Assets before Depreciation	<u>\$ 52,851</u>
	Decrease in Net Assets (Includes Depreciation)	<u>\$ (132,766)</u>

3. Caledonia Charter Township is responsible for 50% of all liabilities. The assets ownership corresponds to the above liability percentages.

The Caledonia Charter Township's share of the Utility Authority is as follows:

Assets	\$4,310,065
Liabilities	1,749
Equity	4,308,316
Change in Equity	(66,383)

All income of the Sewer Fund comes from the Utility Authority (shown as an expense of the Authority).

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE J – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

In the body of the general purpose financial statements, the Township's budgeted expenditures in the General and Special Revenue Funds have been shown at the functional classification level. The approved budgets of the Township have been adopted at the activity level for the General Fund and the total expenditure level for the Special Revenue Fund.

During the period ended December 31, 2007, the Township incurred expenditures in excess of the amounts appropriated as follows:

	<u>Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
Assessor:			
Software	\$ 1,000	\$ 5,935	\$ 4,935
Township Board:			
Publishing	500	1,702	1,202
Insurance	13,000	14,054	1,054
Other General Government:			
Street Lights	20,000	25,454	5,454
Ambulance	50,000	50,575	575
Recreation/Tourism	2,200	4,050	1,850
Telephone/Cable	3,800	4,709	909
Treasurer/Deputy Treasurer:			
Salaries	19,000	19,115	115
FICA Tax	1,410	1,462	52
Postage	4,500	4,893	393

CALEDONIA CHARTER TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2007

NOTE K – EXCESS OF EXPENDITURES OVER APPROPRIATIONS (CONTINUED)

	<u>Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
Hall, Annex & Grounds:			
Salaries	\$ 7,000	\$ 7,940	\$ 940
FICA Tax	520	633	113
Supplies	500	1,152	652
Zoning & Planning Commission:			
Publishing	500	1,180	680
Board of Appeals:			
Salaries	1,500	1,840	340
Public Works:			
Weeds	500	1,702	1,202
Board of Review:			
Salaries	1,200	1,620	420
Building Inspector:			
Supplies	300	692	392
Software	500	1,080	580

NOTE L – FUND EQUITY RESERVES AND DESIGNATIONS

Reserved fund balance and retained earnings are used to earmark a portion of fund equity to indicate that it is not appropriate for expenditures or has been legally segregated for a specific future use. Designated fund balance indicates that portion of the fund balance which the township has set aside for specific purposes.

CALEDONIA CHARTER TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2007

NOTE L – FUND EQUITY RESERVES AND DESIGNATIONS (CONTINUED)

The following is a fund balance reserve as of December 31, 2007:

Special Revenue	
Fire Capital Acquisition	
Reserved for Capital Acquisition	
and Improvements	<u>\$ 71,097</u>

The following is a fund balance designation as of December 31, 2007:

Capital Projects	
Revolving Improvement	
Designated for Capital Improvements	<u>\$273,684</u>

NOTE M – FIRE TRUCK LOAN

During the fiscal year ended December 31, 2007, the City of Corunna and Caledonia Charter Township entered into an agreement with a local financial institution to borrow \$375,000 for a period of ten years payable annually at a rate of 4.50%. The loan proceeds were used to purchase a fire truck for the Corunna-Caledonia Fire Board of which the Township and City share equally. The Township is responsible for 50% of the principal and interest. The Township's share of the annual payments due is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 18,750	\$ 7,594	\$ 26,344
2009	18,750	6,750	25,500
2010	18,750	5,906	24,656
2011	18,750	5,062	23,812
Beyond	<u>93,750</u>	<u>12,657</u>	<u>106,407</u>
	<u>\$168,750</u>	<u>\$37,969</u>	<u>\$206,719</u>

REQUIRED SUPPLEMENTARY INFORMATION

CALEDONIA CHARTER TOWNSHIP
 REQUIRED SUPPLEMENTAL INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		(Over) Under
				<u>Final Budget</u>
REVENUES:				
Taxes & Penalties	\$ 150,500	\$ 150,500	\$ 161,791	\$ (11,291)
Licenses & Permits	41,300	41,300	45,877	(4,577)
State Grants/Shared Revenue	309,516	309,516	307,260	2,256
Charges for Services	3,600	3,600	1,900	1,700
Interest & Rentals	13,600	13,600	38,429	(24,829)
Other Revenue	<u>15,500</u>	<u>15,500</u>	<u>5,042</u>	<u>10,458</u>
TOTAL REVENUES	\$ <u>534,016</u>	\$ <u>534,016</u>	\$ <u>560,299</u>	\$ <u>(26,283)</u>
EXPENDITURES:				
Current:				
Legislative	\$ 143,200	\$ 143,200	\$ 133,072	\$ 10,128
General Government	158,075	158,075	147,005	11,070
Public Safety	32,300	32,300	32,512	(212)
Public Works	228,217	228,217	94,590	133,627
Recreation & Culture	<u>2,200</u>	<u>2,200</u>	<u>4,050</u>	<u>(1,850)</u>
TOTAL EXPENDITURES	\$ <u>563,992</u>	\$ <u>563,992</u>	\$ <u>411,229</u>	\$ <u>152,763</u>
EXCESS (DEFIENCY) OF REVENUES OVER EXPENDITURES				
	\$ <u>(29,976)</u>	\$ <u>(29,976)</u>	\$ <u>149,070</u>	\$ <u>(179,046)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 150,000	\$ 150,000	\$	\$ 150,000
Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(119,904)</u>	<u>19,904</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ 50,000	\$ 50,000	\$(119,904)	\$ 169,904
Net Change in Fund Balance	20,024	20,024	29,166	(9,142)
Fund Balance – Beginning	<u>231,684</u>	<u>231,684</u>	<u>231,684</u>	<u>0</u>
FUND BALANCE – ENDING	\$ <u>251,708</u>	\$ <u>251,708</u>	\$ <u>260,850</u>	\$ <u>(9,142)</u>

See accompanying notes to financial statements.

OTHER SUPPLEMENTARY INFORMATION



CALEDONIA CHARTER TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
GENERAL FUND		
ASSETS:		
Cash – Checking	\$110,018	\$ 63,429
Cash – Savings & Certificates	177,941	165,324
Accounts Receivable – Delinquent Personals	734	
Due from State of Michigan	51,150	51,491
Due from Other Funds	<u>16,057</u>	<u>2,382</u>
	<u>\$355,900</u>	<u>\$282,626</u>
LIABILITIES:		
Accounts Payable	\$ 10,068	\$ 19,532
Due to Other Funds	32,671	8,998
Due to Other Entities		6,900
Payroll Taxes Payable	394	326
Deferred Revenues	<u>51,917</u>	<u>15,186</u>
TOTAL LIABILITIES	\$ 95,050	\$ 50,942
GENERAL FUND BALANCE	<u>260,850</u>	<u>231,684</u>
TOTAL LIABILITIES AND GENERAL FUND BALANCE	<u>\$355,900</u>	<u>\$282,626</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2007 AND 2006

GENERAL FUND

	<u>2007</u>		Budget (Over)	<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Under Budget</u>	<u>Actual</u>
REVENUES:				
Property Taxes & Assmts.	\$150,000	\$161,254	\$(11,254)	\$156,702
Trailer Taxes	500	537	(37)	256
Charges for Services	3,600	1,900	1,700	507
Rent Income	10,600	12,675	(2,075)	13,650
Licenses & Permits	41,300	45,877	(4,577)	36,128
State Shared Revenues	309,516	307,260	2,256	303,462
Interest Income	3,000	25,754	(22,754)	24,077
Miscellaneous	<u>15,500</u>	<u>5,042</u>	<u>10,458</u>	<u>19,432</u>
TOTAL REVENUES	\$534,016	\$560,299	\$(26,283)	\$554,214
EXPENDITURES:				
Township Board:				
Salaries	\$ 15,540	\$ 13,040	\$ 2,500	\$ 12,848
FICA Tax	1,500	998	502	989
Supplies & Postage	1,500	1,190	310	3,154
Dues & Memberships	4,200	3,051	1,149	3,581
Attorney	7,000	2,277	4,723	2,300
Publishing	500	1,702	(1,202)	1,407
Insurance	13,000	14,054	(1,054)	13,884
Other	<u>1,700</u>	<u>1,685</u>	<u>15</u>	<u>6,030</u>
TOTAL TWP. BOARD	\$ 44,940	\$ 37,997	\$ 6,943	\$ 44,193
Supervisor:				
Salaries	\$ 15,000	\$ 15,000	\$	\$ 15,000
FICA Tax	1,150	1,148	2	1,148
Supplies & Misc.	500		500	39
Education	<u>200</u>		<u>200</u>	<u>10</u>
TOTAL SUPERVISOR	\$ 16,850	\$ 16,148	\$ 702	\$ 16,197

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2007 AND 2006

GENERAL FUND

	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)</u> <u>Under Budget</u>	<u>Actual</u>
EXPENDITURES:				
Assessor:				
Contractual Services	\$ 27,000	\$ 22,550	\$ 4,450	\$ 24,600
Supplies	1,700	1,481	219	1,377
Software	<u>1,000</u>	<u>5,935</u>	<u>(4,935)</u>	<u>3,085</u>
TOTAL ASSESSOR	\$ 29,700	\$ 29,966	\$ (266)	\$ 29,062
Elections:				
Elections Inspection	\$ 2,500	\$ 510	\$ 1,990	\$ 5,471
Supplies/Misc.	<u>3,440</u>	<u>1,017</u>	<u>2,423</u>	<u>3,479</u>
TOTAL ELECTIONS	\$ 5,940	\$ 1,527	\$ 4,413	\$ 8,950
Clerk/Deputy Clerk:				
Salaries	\$ 15,200	\$ 15,000	\$ 200	\$ 15,417
FICA Tax	1,190	1,148	42	1,179
Supplies/Misc	400	336	64	363
Insurance	300	25	275	127
Software	<u>2,500</u>	<u>1,950</u>	<u>550</u>	<u>2,190</u>
TOTAL CLERK	\$ 19,590	\$ 18,459	\$ 1,131	\$ 19,276
Board of Review:				
Salaries	\$ 1,200	\$ 1,620	\$ (420)	\$ 1,660
FICA Tax	140	124	16	184
Publishing Supplies	<u>620</u>	<u>6</u>	<u>614</u>	<u>212</u>
TOTAL BOARD OF REVIEWE	\$ 1,960	\$ 1,750	\$ 210	\$ 1,956
Treasurer/Deputy Treasurer:				
Salaries	\$ 19,000	\$ 19,115	\$ (115)	\$ 19,205
FICA Tax	1,410	1,462	(52)	1,469
Software/Hardware	2,000	680	1,320	3,660
Postage	4,500	4,893	(393)	2,760
Supplies	1,200	489	711	148
Education	<u>200</u>	<u> </u>	<u>200</u>	<u>0</u>
TOTAL TREASURER	\$ <u>28,310</u>	\$ <u>26,639</u>	\$ <u>1,671</u>	\$ <u>27,242</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (CONTINUED)
YEAR ENDED DECEMBER 31, 2007 AND 2006

GENERAL FUND

	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
EXPENDITURES:				
Hall, Annex & Grounds:				
Salaries	\$ 7,000	\$ 7,940	\$ (940)	\$ 8,788
FICA Tax	520	633	(113)	672
Supplies	500	1,152	(652)	297
Utilities	4,950	4,749	201	5,173
Insurance	400	296	104	
Repairs & Maint.	<u>5,000</u>	<u>3,069</u>	<u>1,931</u>	<u>2,401</u>
TOTAL HALL & GROUNDS	\$ 18,370	\$ 17,839	\$ 531	\$ 17,331
Other General Gov't:				
Audit	\$ 8,000	\$ 7,600	\$ 400	\$ 7,725
Airport	3,200	2,749	451	2,894
Ambulance	50,000	50,575	(575)	50,150
Street Lights	20,000	25,454	(5,454)	23,353
Telephone/Cable	3,800	4,709	(909)	3,582
Fire Hydrant	4,700		4,700	
SATA	7,795	5,620	2,175	5,189
Software/Hardware	3,000		3,000	
Recreation/Tourism	2,200	4,050	(1,850)	4,050
Drug Enforcement	<u>4,500</u>	<u>4,427</u>	<u>73</u>	<u>4,427</u>
TOTAL OTHER GENERAL GOVERNMENT	\$107,195	\$105,184	\$ 2,011	\$103,370
Cemetery:				
Salaries	\$ 3,000	\$ 3,000	\$	\$ 3,000
FICA Tax	270	229	41	229
Supplies/Other	100	15	85	
Insurance	<u>300</u>		<u>300</u>	<u>0</u>
TOTAL CEMETERY	\$ 3,670	\$ 3,244	\$ 426	\$ 3,229

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (CONTINUED)
YEAR ENDED DECEMBER 31, 2007 AND 2006

GENERAL FUND

	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
EXPENDITURES:				
Bldg. Inspector:				
Cont. Serv/Meetings	\$ 27,000	\$ 26,313	\$ 687	\$ 31,909
Supplies/Misc.	300	692	(392)	465
Software	<u>500</u>	<u>1,080</u>	<u>(580)</u>	<u>660</u>
TOTAL BLDG. INSPECTOR	\$ 27,800	\$ 28,085	\$ (285)	\$ 33,034
Zoning/Planning Comm:				
Salaries	\$ 3,500	\$ 2,640	\$ 860	\$ 2,080
FICA Tax	500	198	302	159
Supplies	100		100	
Publishing	500	1,180	(680)	1,014
Contractual Serv.	<u>25,000</u>	<u>23,670</u>	<u>1,330</u>	<u>23,463</u>
TOTAL PLANNING COMMISSION	\$ 29,600	\$ 27,688	\$ 1,912	\$ 26,716
Board of Appeals:				
Salaries/Meetings	\$ 1,500	\$ 1,840	\$ (340)	\$ 1,660
FICA Tax	150	141	9	127
Publishing	<u>200</u>	<u>132</u>	<u>68</u>	<u>40</u>
TOTAL BOARD OF APPEALS	\$ 1,850	\$ 2,113	\$ (263)	\$ 1,827
Public Works:				
Sewer	\$ 217	\$	\$ 217	\$
Water	30,000	1,748	28,252	22,899
Drains	17,500	2,029	15,471	13,649
Roads	180,000	89,111	90,889	101,322
Weeds	<u>500</u>	<u>1,702</u>	<u>(1,202)</u>	<u>1,040</u>
TOTAL PUBLIC WORKS	<u>\$228,217</u>	<u>\$ 94,590</u>	<u>\$133,627</u>	<u>\$138,910</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (CONTINUED)
 YEAR ENDED DECEMBER 31, 2007 AND 2006

GENERAL FUND				
	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
TOTAL EXPENDITURES	\$ <u>563,992</u>	\$ <u>411,229</u>	\$ <u>152,763</u>	\$ <u>471,293</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (29,976)	\$ 149,070	\$(179,046)	\$ 82,921
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	\$ 150,000	\$	\$ 150,000	\$
Transfers Out	<u>(100,000)</u>	<u>(119,904)</u>	<u>19,904</u>	<u>(93,868)</u>
TOTAL OTHER SOURCES (USES) OF FUNDS	\$ 50,000	\$(119,904)	\$ 169,904	\$ (93,868)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES OF FUNDS	\$ <u>20,024</u>	\$ 29,166	\$ <u>(9,142)</u>	\$ (10,947)
Fund Balance January 1,		<u>231,684</u>		<u>242,631</u>
FUND BALANCE DECEMBER 31,		\$ <u>260,850</u>		\$ <u>231,684</u>

See accompanying notes to financial statements.

**CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2007 AND 2006**

FIRE FUND

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash in Bank	\$ 26,028	\$ 26,028
Cash – Savings & Certificates	211,911	197,736
Due from General	32,671	8,998
Accrued Interest Receivable	<u>330</u>	<u>4,205</u>
	<u>\$270,940</u>	<u>\$236,967</u>
 LIABILITIES:		
Accounts Payable	\$ 32,671	\$ 8,998
FIRE FUND BALANCE	<u>238,269</u>	<u>227,969</u>
 TOTAL LIABILITIES AND FIRE FUND BALANCE	 <u>\$270,940</u>	 <u>\$236,967</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
 IN FUND BALANCE COMPARED TO BUDGET
 YEAR ENDED DECEMBER 31, 2007

FIRE FUND				
	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
REVENUES:				
Charges for Serv. Rendered:				
Interest Earned	\$ _____	\$ <u>10,300</u>	\$ <u>(10,300)</u>	\$ <u>6,357</u>
TOTAL REVENUES	\$ _____	\$ <u>10,300</u>	\$ <u>(10,300)</u>	\$ <u>6,357</u>
EXPENDITURES:				
City of Corunna	\$ _____	\$ <u>119,904</u>	\$ <u>(119,904)</u>	\$ <u>117,744</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ _____	\$ <u>(109,604)</u>	\$ <u>109,604</u>	\$ <u>(111,387)</u>
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	<u>100,000</u>	<u>119,904</u>	<u>(19,904)</u>	<u>93,868</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$100,000</u>	\$ <u>10,300</u>	\$ <u>89,700</u>	\$ <u>(17,519)</u>
Fund Balance January 1,		<u>227,969</u>		<u>245,488</u>
FUND BALANCE DECEMBER 31,		<u>\$238,269</u>		<u>\$227,969</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2007 AND 2006

FIRE CAPITAL ACQUISITION FUND

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash – Checking	\$62,321	\$29,390
Cash – Savings & Certificates	13,215	33,790
Accounts Receivable	18,819	5,170
Accrued Interest Receivable	238	238
Due from Township	<u> </u>	<u>1,313</u>
	<u>\$94,593</u>	<u>\$69,901</u>
 LIABILITIES:		
Accrued Interest Payable	\$ 4,746	\$ 5,273
Current Portion Long-Term Debt	<u>18,750</u>	<u>18,750</u>
TOTAL LIABILITIES	\$23,496	\$24,023
 FUND BALANCE	 <u>71,097</u>	 <u>45,878</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$94,593</u>	 <u>\$69,901</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
YEAR ENDED DECEMBER 31, 2007

	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	Actual (Over) <u>Under Budget</u>	<u>Actual</u>
REVENUES:				
Charges for Services	\$	\$ 35,325	\$(35,325)	\$ 9,349
Interest & Other Income	_____	<u>22,552</u>	<u>(22,552)</u>	<u>27,031</u>
TOTAL REVENUES	\$	\$ 57,877	\$(57,877)	\$ 36,380
EXPENDITURES:				
Fire Truck Purchase	\$	\$	\$	\$ 197,500
Fire Equipment		5,966	(5,966)	14,877
Professional Fees				1,984
Office Supplies & Misc.		32	(32)	823
Principal LTD		18,750	(18,750)	18,750
Interest Expense – Ltd.	_____	<u>7,910</u>	<u>(7,910)</u>	<u>5,273</u>
TOTAL EXPENDITURES	\$	\$ <u>32,658</u>	\$(<u>32,658</u>)	\$ <u>239,207</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$	\$ 25,219	\$(25,219)	\$(202,827)
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	\$	\$	\$	\$
Loan Proceeds	_____	_____	_____	<u>187,500</u>
TOTAL OTHER SOURCES OF FUNDS	\$	\$	\$	\$ 187,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES OF FUNDS				
	\$	\$ 25,219	\$(<u>25,219</u>)	\$ (15,327)
Fund Balance January 1, Prior Period Adjustment		45,878		69,884 <u>(8,679)</u>
FUND BALANCE DECEMBER 31,		\$ <u>71,097</u>		\$ <u>45,878</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2007

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	Total Non-Major
	<u>Cemetery</u>	<u>Revolving Improvement</u>	<u>Gov't Funds</u>
ASSETS:			
Cash & Cash Equivalents	\$9,584	\$273,258	\$282,842
Accrued Interest Receivable		<u>426</u>	<u>426</u>
TOTAL ASSETS	<u>\$9,584</u>	<u>\$273,684</u>	<u>\$283,268</u>
 LIABILITIES AND FUND EQUITY			
LIABILITIES:			
TOTAL LIABILITIES	\$ _____	\$ _____	\$ _____
 FUND BALANCE:			
Unreserved	<u>\$9,584</u>	<u>\$273,684</u>	<u>\$283,268</u>
TOTAL FUND EQUITY	<u>\$9,584</u>	<u>\$273,684</u>	<u>\$283,268</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$9,584</u>	 <u>\$273,684</u>	 <u>\$283,268</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2007

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Non-Major</u>
	<u>Cemetery</u>	<u>Revolving Improvement</u>	<u>Gov't Funds</u>
REVENUES:			
Interest Earned	\$ <u>14</u>	\$ <u>13,320</u>	\$ <u>13,334</u>
TOTAL REVENUES	\$ 14	\$ 13,320	\$ 13,334
EXPENDITURES	\$ _____	\$ _____	\$ _____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 14	\$ 13,320	\$ 13,334
Fund Balance at January 1,	<u>9,570</u>	<u>260,364</u>	<u>269,934</u>
FUND BALANCE AT DECEMBER 31,	<u>\$9,584</u>	<u>\$273,684</u>	<u>\$283,268</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 COMBINING BALANCE SHEET
 FIDUCIARY FUNDS
 DECEMBER 31, 2007 AND 2006

	<u>2007</u>			<u>2006</u>
	<u>Current Tax Collection</u>	<u>Trust & Agency</u>	<u>Totals</u>	<u>Totals</u>
ASSETS:				
Cash in Bank	\$13,057	\$26,986	\$40,043	\$2,604
	<u>\$13,057</u>	<u>\$26,986</u>	<u>\$40,043</u>	<u>\$2,604</u>
LIABILITIES:				
Due to Other Funds	\$13,017	\$ 3,000	\$16,017	\$2,381
Due to Other Taxing Entities		15,142	15,142	
Due to County	<u>40</u>	<u>8,844</u>	<u>8,884</u>	<u>223</u>
	<u>\$13,057</u>	<u>\$26,986</u>	<u>\$40,043</u>	<u>\$2,604</u>
FUND BALANCES:				
Fund Balances	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
	<u>\$13,057</u>	<u>\$26,986</u>	<u>\$40,043</u>	<u>\$2,604</u>

See accompanying notes to financial statements.

CALEDONIA CHARTER TOWNSHIP
 OTHER SUPPLEMENTAL INFORMATION
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 YEAR ENDED DECEMBER 31, 2007 AND 2006

CURRENT TAX COLLECTION FUND

	<u>2007</u>	<u>2006</u>
BALANCE JANUARY 1,	\$ 776	\$ 32
RECEIPTS:		
Current Property Taxes & Assessments	\$5,006,415	\$4,214,723
Delinquent Taxes, Penalties	2,259	1,116
Dog Licenses	50	50
Interest and Other	12,067	13,292
Overpayments & Reimbursements	<u>9,506</u>	<u>8,472</u>
	<u>\$5,030,297</u>	<u>\$4,237,653</u>
TOTAL RECEIPTS AND BEGINNING BALANCE	\$5,031,073	\$4,237,685
DISBURSEMENTS:		
Shiawassee County	\$3,024,172	\$2,661,206
Owosso Schools	748,250	549,547
Corunna Schools	942,949	796,4653
General Fund	196,972	152,086
City of Corunna Fire	8,425	3,650
Refunds and Fees	9,506	8,478
Community Library	<u>87,742</u>	<u>65,479</u>
TOTAL DISBURSEMENTS	<u>\$5,018,016</u>	<u>\$4,236,909</u>
BALANCE DECEMBER 31,	<u>\$ 13,057</u>	<u>\$ 776</u>

See accompanying notes to financial statements.



DEMIS and WENZLICK, P.C.

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Joyce Simmons
Barbara Wenzlick
Bruce Wenzlick

June 10, 2008

Members of the Township Board
Caledonia Charter Township
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the audit our firm performed on the financial statements of the Caledonia Charter Township, for the year ended December 31, 2007.

BUDGET

The State Revenue Sharing Distribution Law, P.A. 176 of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at December 31. Budgeted expenditures cannot exceed budgeted revenue plus the beginning fund balance. During our audit we noticed certain expenditures exceeding budgeting amounts. Care should be taken that expenditures do not exceed the budget. Amendments, if any, must occur before December 31.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township, please contact us.

Sincerely yours,

Demis and Wenzlick, P.C.

Certified Public Accountants