

TOWNSHIP OF SHIAWASSEE  
SHIAWASSEE COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2007

### 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<br><input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other |                                 | Local Unit Name<br><b>SHIAWASSEE TOWNSHIP</b>           | County<br><b>SHIAWASSEE</b> |
| Fiscal Year End<br><b>MARCH 31, 2007</b>                                                                                                                                                               | Opinion Date<br><b>09/21/07</b> | Date Audit Report Submitted to State<br><b>10-19-07</b> |                             |

We affirm that:

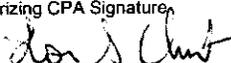
We are certified public accountants licensed to practice in Michigan.

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.

| We have enclosed the following:                                                                                  | Enclosed                            | Not Required (enter a brief justification) |                                        |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------|----------------------------------------|
| Financial Statements                                                                                             | <input checked="" type="checkbox"/> |                                            |                                        |
| The letter of Comments and Recommendations                                                                       | <input checked="" type="checkbox"/> |                                            |                                        |
| Other (Describe)                                                                                                 | <input type="checkbox"/>            |                                            |                                        |
| Certified Public Accountant (Firm Name)<br><b>DEMIS &amp; WENZLICK, P.C.</b>                                     |                                     | Telephone Number<br><b>(989)-723-8227</b>  |                                        |
| Street Address<br><b>217 N. WASHINGTON STREET, SUITE 201</b>                                                     |                                     | City<br><b>OWOSSO</b>                      | State      Zip<br><b>MI      48867</b> |
| Authorizing CPA Signature<br> |                                     | Printed Name<br><b>LORI S. CHANT</b>       | License Number<br><b>1101020651</b>    |

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of the Township of Shiawassee, Shiawassee County, Michigan, as of March 31, 2007. These general-purpose financial statements are the responsibility of the Township of Shiawassee. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have 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.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Shiawassee, as of March 31, 2007, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of the Township of Shiawassee. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of September 21, 2007.

*Dennis and Leifert, P.C.*

Certified Public Accountants

Owosso, Michigan  
September 21, 2007

TOWNSHIP OF SHIAWASSEE  
 COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS  
 MARCH 31, 2007

|                                            | <u>Government Fund Types</u> |                        |                         | <u>Type</u>               | <u>Account Groups</u>       |                               |
|--------------------------------------------|------------------------------|------------------------|-------------------------|---------------------------|-----------------------------|-------------------------------|
|                                            | <u>General</u>               | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Trust &amp; Agency</u> | <u>General Fixed Assets</u> | <u>General Long Term Debt</u> |
| <b>ASSETS:</b>                             |                              |                        |                         |                           |                             |                               |
| Cash & Cash Equiv.                         | \$223,491                    | \$112,357              | \$55,710                | \$ 2,387                  | \$                          | \$                            |
| Cert. of Deposit                           | 105,491                      | 2,000                  |                         |                           |                             |                               |
| Acc. Int. Rec.                             | 684                          | 12                     |                         |                           |                             |                               |
| Delinquent Property                        |                              |                        |                         |                           |                             |                               |
| Tax Rec.                                   | 10,604                       | 9,787                  |                         |                           |                             |                               |
| Due from Other Funds                       | 3,975                        | 2,347                  |                         |                           |                             |                               |
| Due from Other Local Units                 |                              | 26,380                 |                         |                           |                             |                               |
| Fixed Assets                               |                              |                        |                         |                           | 932,063                     |                               |
| General Long-Term Debt                     |                              |                        |                         |                           |                             | <u>67,500</u>                 |
| <b>TOTAL ASSETS</b>                        | <u>\$344,245</u>             | <u>\$152,883</u>       | <u>\$55,710</u>         | <u>\$ 2,387</u>           | <u>\$932,063</u>            | <u>\$67,500</u>               |
| <b>LIABILITIES:</b>                        |                              |                        |                         |                           |                             |                               |
| Accounts Payable                           | \$ 1,930                     | \$ 4375                | \$                      | \$                        | \$                          | \$                            |
| Due to Other Funds                         | 750                          | 3,185                  |                         | 2,387                     |                             |                               |
| Due to Other Taxing Entities               |                              |                        |                         |                           |                             |                               |
| Long-Term Debt                             |                              |                        |                         |                           |                             | <u>67,500</u>                 |
| <b>TOTAL LIABILITIES</b>                   | <u>\$ 2,680</u>              | <u>\$ 7,560</u>        | <u>\$</u>               | <u>\$ 2,738</u>           | <u>\$</u>                   | <u>\$67,500</u>               |
| Fund Equity                                |                              |                        |                         |                           |                             |                               |
| Investment in General Fixed Assets         | \$                           | \$                     | \$                      | \$                        | \$932,063                   | \$                            |
| Fund Balance                               | <u>341,565</u>               | <u>145,323</u>         | <u>55,710</u>           | <u>_____</u>              | <u>_____</u>                | <u>_____</u>                  |
| <b>TOTAL FUND EQUITY</b>                   | <u>\$341,565</u>             | <u>\$145,323</u>       | <u>\$55,710</u>         | <u>\$ _____</u>           | <u>\$932,063</u>            | <u>\$ _____</u>               |
| <b>TOTAL LIABILITIES &amp; FUND EQUITY</b> | <u>\$344,245</u>             | <u>\$152,883</u>       | <u>\$55,710</u>         | <u>\$ 2,387</u>           | <u>\$932,063</u>            | <u>\$67,500</u>               |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED MARCH 31, 2007

|                                                         | <u>Governmental Fund Types</u> |                         |                         |
|---------------------------------------------------------|--------------------------------|-------------------------|-------------------------|
|                                                         | <u>General Fund</u>            | <u>Special Revenue</u>  | <u>Capital Projects</u> |
| <b>REVENUES:</b>                                        |                                |                         |                         |
| Taxes                                                   | \$ 62,678                      | \$ 69,972               | \$                      |
| Fees & Permits                                          | 13,683                         |                         |                         |
| Intergovernmental                                       | 160,444                        |                         |                         |
| Charges for Services                                    | 1,245                          | 53,710                  |                         |
| Memorial Fundraisers & Grants                           |                                | 1,115                   |                         |
| Interest Earned                                         | 15,258                         | 5,367                   | 2,244                   |
| Miscellaneous                                           | <u>3,127</u>                   | <u>17</u>               |                         |
| <b>TOTAL REVENUES</b>                                   | <b>\$256,435</b>               | <b>\$130,181</b>        | <b>\$ 2,244</b>         |
| <b>EXPENDITURES:</b>                                    |                                |                         |                         |
| Township Board                                          | \$ 11,493                      | \$                      | \$                      |
| Supervisor                                              | 8,000                          |                         |                         |
| Elections                                               | 1,790                          |                         |                         |
| Clerk                                                   | 12,224                         |                         |                         |
| Board of Review                                         | 794                            |                         |                         |
| Treasurer                                               | 13,541                         |                         |                         |
| Township Hall                                           | 18,781                         |                         |                         |
| Assessor                                                | 15,638                         |                         |                         |
| Highways & Streets                                      | 145,768                        |                         |                         |
| Drains at Large                                         | 944                            |                         |                         |
| Planning Commission                                     | 195                            |                         |                         |
| Insurance                                               | 10,330                         |                         |                         |
| Fire Protection                                         |                                | 133,997                 |                         |
| Cemetery Services                                       |                                | <u>29,516</u>           |                         |
| <b>TOTAL EXPENDITURES</b>                               | <b><u>\$239,498</u></b>        | <b><u>\$163,513</u></b> | <b><u>\$</u></b>        |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>\$ 16,937</b>               | <b>\$(33,332)</b>       | <b>\$ 2,244</b>         |
| Long Term Debt Financing                                |                                | 67,500                  |                         |
| Operating Transfers (Out) In                            | (10,000)                       |                         | 10,000                  |
| Fund Balance April 1, 2006                              | <u>334,628</u>                 | <u>111,155</u>          | <u>43,466</u>           |
| <b>FUND BALANCE<br/>MARCH 31, 2007</b>                  | <b><u>\$341,565</u></b>        | <b><u>\$145,323</u></b> | <b><u>\$55,710</u></b>  |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE AND COMPARISON OF BUDGET TO ACTUAL  
 YEAR ENDED MARCH 31, 2007

| REVENUES:                                                          | GENERAL FUND       |                   |                                     | SPECIAL REVENUE FUND TYPES |                    |                                     | CAPITAL PROJECT FUND |                  |                                     |
|--------------------------------------------------------------------|--------------------|-------------------|-------------------------------------|----------------------------|--------------------|-------------------------------------|----------------------|------------------|-------------------------------------|
|                                                                    | BUDGET             | ACTUAL            | ACTUAL<br>(OVER)<br>UNDER<br>BUDGET | BUDGET                     | ACTUAL             | ACTUAL<br>(OVER)<br>UNDER<br>BUDGET | BUDGET               | ACTUAL           | ACTUAL<br>(OVER)<br>UNDER<br>BUDGET |
| Property Taxes                                                     | \$ 56,000          | \$ 62,678         | \$ (6,678)                          | \$ 56,155                  | 69,972             | \$ (13,817)                         | \$                   | \$               | \$                                  |
| Fees & Permits                                                     | 10,000             | 13,683            | (3,683)                             |                            |                    |                                     |                      |                  |                                     |
| Intergovernmental                                                  | 153,500            | 160,444           | (6,944)                             |                            |                    |                                     |                      |                  |                                     |
| Charges for Services                                               | 2,000              | 1,245             | 755                                 | 45,381                     | 53,610             | (8,229)                             |                      |                  |                                     |
| Memorials, Fundraisers & Grants                                    | 0                  | 0                 | 0                                   | 0                          | 1,115              | (1,115)                             |                      |                  |                                     |
| Interest Earned                                                    | 1,000              | 15,258            | (14,258)                            | 1,202                      | 5,367              | (4,165)                             | 0                    | 2,244            | (2,244)                             |
| Miscellaneous                                                      | 500                | 3,127             | (2,627)                             | 791                        | 17                 | 774                                 |                      |                  |                                     |
| Perpetual                                                          | 0                  | 0                 | 0                                   | 1,000                      | 100                | 900                                 |                      |                  |                                     |
| Sale of Fixed Assets                                               | 0                  | 0                 | 0                                   | 6,000                      | 0                  | 6,000                               |                      |                  |                                     |
| <b>TOTAL REVENUES</b>                                              | <b>\$ 223,000</b>  | <b>\$ 256,435</b> | <b>\$ (33,435)</b>                  | <b>\$ 110,529</b>          | <b>\$ 130,181</b>  | <b>\$ (19,652)</b>                  | <b>\$ 0</b>          | <b>\$ 2,244</b>  | <b>\$ (2,244)</b>                   |
| <b>EXPENDITURES:</b>                                               |                    |                   |                                     |                            |                    |                                     |                      |                  |                                     |
| Township Board                                                     | \$ 19,700          | \$ 11,493         | \$ 8,207                            | \$                         | \$                 | \$                                  | \$                   | \$               | \$                                  |
| Supervisor                                                         | 8,000              | 8,000             | 0                                   |                            |                    |                                     |                      |                  |                                     |
| Elections                                                          | 2,800              | 1,790             | 1,010                               |                            |                    |                                     |                      |                  |                                     |
| Clerk                                                              | 14,000             | 12,224            | 1,776                               |                            |                    |                                     |                      |                  |                                     |
| Board of Review                                                    | 1,700              | 794               | 906                                 |                            |                    |                                     |                      |                  |                                     |
| Treasurer                                                          | 10,250             | 13,541            | (3,291)                             |                            |                    |                                     |                      |                  |                                     |
| Township Hall                                                      | 25,450             | 18,781            | 6,669                               |                            |                    |                                     |                      |                  |                                     |
| Assessor                                                           | 19,000             | 15,638            | 3,362                               |                            |                    |                                     |                      |                  |                                     |
| Highways & Streets                                                 | 150,900            | 145,768           | 5,132                               |                            |                    |                                     |                      |                  |                                     |
| Drains at Large                                                    | 2,000              | 944               | 1,056                               |                            |                    |                                     |                      |                  |                                     |
| Planning Commission                                                | 400                | 195               | 205                                 |                            |                    |                                     |                      |                  |                                     |
| Insurance                                                          | 11,000             | 10,330            | 670                                 |                            |                    |                                     |                      |                  |                                     |
| Library                                                            |                    |                   |                                     |                            |                    |                                     |                      |                  |                                     |
| Fire Department                                                    |                    |                   |                                     | 103,740                    | 133,997            | (30,257)                            |                      |                  |                                     |
| Cemetery Service                                                   |                    |                   |                                     | 35,850                     | 29,516             | 6,334                               |                      |                  |                                     |
| <b>TOTAL EXPENDITURES</b>                                          | <b>\$ 265,200</b>  | <b>\$ 239,498</b> | <b>\$ 25,702</b>                    | <b>\$ 139,590</b>          | <b>\$ 163,513</b>  | <b>\$ (23,923)</b>                  | <b>\$ 0</b>          | <b>\$ 0</b>      | <b>\$ 0</b>                         |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>                          | <b>\$ (42,200)</b> | <b>\$ 16,937</b>  | <b>\$ (59,137)</b>                  | <b>\$ (29,061)</b>         | <b>\$ (33,332)</b> | <b>\$ 4,271</b>                     | <b>\$ 0</b>          | <b>\$ 2,244</b>  | <b>\$ (2,244)</b>                   |
| <b>OTHER SOURCES (USES) OF FUNDS:</b>                              |                    |                   |                                     |                            |                    |                                     |                      |                  |                                     |
| Long Term Debt Financing                                           | \$                 | \$                | \$ 0                                | \$ 0                       | \$ 67,500          | \$ (67,500)                         | \$ 0                 | \$ 0             | \$ 0                                |
| Operating Transfers In                                             | 28,418             | 0                 | 28,418                              | 20,100                     | 10,004             | 10,096                              | 0                    | 10,000           | (10,000)                            |
| Operating Transfers Out                                            | (70,100)           | (10,000)          | (60,100)                            | (25,000)                   | (10,004)           | (14,996)                            | 0                    | 0                | 0                                   |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</b> | <b>\$ (83,882)</b> | <b>6,937</b>      | <b>\$ (90,819)</b>                  | <b>\$ (33,961)</b>         | <b>34,168</b>      | <b>\$ (68,129)</b>                  | <b>\$ 0</b>          | <b>12,244</b>    | <b>\$ (12,244)</b>                  |
| Fund Balance 04/01/06                                              |                    | 334,628           |                                     |                            | 111,155            |                                     |                      | 43,466           |                                     |
| Fund Balance 03/31/07                                              |                    | <u>\$ 341,565</u> |                                     |                            | <u>\$ 145,323</u>  |                                     |                      | <u>\$ 55,710</u> |                                     |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED MARCH 31, 2007

CURRENT TAX COLLECTION FUND

|                                           | <u>Balance</u><br><u>3-31-06</u> | <u>Additions</u>   | <u>Deductions</u>  | <u>Balance</u><br><u>3-31-07</u> |
|-------------------------------------------|----------------------------------|--------------------|--------------------|----------------------------------|
| <b>ASSETS:</b>                            |                                  |                    |                    |                                  |
| Cash                                      | <u>\$ 1,534</u>                  | <u>\$1,042,651</u> | <u>\$1,041,800</u> | <u>\$ 2,385</u>                  |
| <b>LIABILITIES:</b>                       |                                  |                    |                    |                                  |
| Due to Other Funds                        | \$ 1,534                         | \$ 181,180         | \$ 180,329         | \$ 2,385                         |
| Accounts Payable Other<br>Taxing Entities |                                  | <u>861,471</u>     | <u>861,471</u>     |                                  |
|                                           | <u>\$ 1,534</u>                  | <u>\$1,042,651</u> | <u>\$1,041,800</u> | <u>\$ 2,385</u>                  |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Township of Shiawassee have been prepared in conformity with generally accepted accounting principles (GASP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units that need to be addressed in defining the government's reporting entity.

FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND ACCOUNTING (CONTINUED)

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency Funds generally are used to account for assets that the government holds on behalf of others as their agent.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenues recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise 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 deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**BUDGETS**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting-under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**CASH AND INVESTMENTS**

Cash includes amounts in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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. Short-term interfund loans are classified as "interfund receivables/payables".

**FIXED ASSETS**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at a estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, draining systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is used to establish accounting control and accountability for the unmatured principal on the organization's long-term debt.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have been presented in all statements because their inclusion would make certain statements unduly complex and difficult to read.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

NOTE 2 – LEGAL COMPLIANCE – BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimated must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplemental appropriations were necessary.

NOTE 3 – PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The Townships bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund.

Township property taxes are recognized when levied on the extent that they result in current receivables.

TOWNSHIP OF SHIAWASSEE  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED MARCH 31, 2007

NOTE 3 – PROPERTY TAX (CONTINUED)

The Township is permitted by the Municipal Finance Law of the State to levy taxes up to 1.0 mill for general governmental services. .8778 mill is levied for general services.

The delinquent real property taxes of the Township normally are purchased by the County of Shiawassee. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. These delinquent taxes have been recorded as revenue for the current year.

NOTE 4 – CHANGES IN GENERAL FIXED ASSETS

A schedule of changes in fixed assets is included in the individual financial statement section.

NOTE 5 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

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

| <u>Fund</u>                    | <u>Total<br/>Appropriation</u> | <u>Amount of<br/>Expenditure</u> | <u>Budget<br/>Variance</u> |
|--------------------------------|--------------------------------|----------------------------------|----------------------------|
| General Fund:                  |                                |                                  |                            |
| Treasurer Salaries             | \$ 5,400                       | \$ 9,520                         | \$ 4,120                   |
| Halls & Grounds Capital Outlay | 900                            | 4,220                            | 3,355                      |
| Fire Fund:                     |                                |                                  |                            |
| Salaries                       | 18,550                         | 20,045                           | 1,495                      |
| Medical                        | 150                            | 1,134                            | 984                        |
| Insurance                      | 5,400                          | 5,657                            | 257                        |
| Equipment                      | 26,017                         | 91,033                           | 65,016                     |
| Miscellaneous                  | 0                              | 183                              | 183                        |
| Cemetery Fund:                 |                                |                                  |                            |
| Salaries                       | 16,600                         | 19,790                           | 3,190                      |
| Transfer Out                   | 0                              | 4                                | 4                          |
| Cemetery Perpetual Care Fund:  |                                |                                  |                            |
| Perpetual Maintenance          | 0                              | 498                              | 498                        |

TOWNSHIP OF SHIAWASSEE  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2007

NOTE 6 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

- a. Bonds, security and other obligations of the United States or any Agency or instrumentality of the United States.
- b. Certificates of deposit, savings account, 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 incurred 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 fund 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 rates 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 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 1 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.

TOWNSHIP OF SHIAWASSEE  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 YEAR ENDED MARCH 31, 2007

NOTE 6 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

DEPOSITS

As of March 31, 2007, the carrying amounts and the bank balances for each type of bank accounts are as follows:

|                         | <u>Carrying<br/>Amount</u> | <u>Bank<br/>Balance</u> |
|-------------------------|----------------------------|-------------------------|
| Checking                | \$ 71,844                  | \$ 70,768               |
| Savings                 | 324,145                    | 323,178                 |
| Certificates of Deposit | <u>107,491</u>             | <u>107,491</u>          |
|                         | <u>\$503,480</u>           | <u>\$501,437</u>        |

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 March 31, 2007, the Township accounts were insured by the FDIC for \$300,000 and the amount of \$201,437 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 increases 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.

NOTE 7 – PENSION

The Township started a pension plan July 1, 1991, for all full-time employees. The Township contributed \$3,807 during the year ended March 31, 2007. The pension consists of 6% withholding from the employees annual compensation, and a matching 6% from the Township.

NOTE 8 – INTERFUND ASSETS/LIABILITIES

DUE FROM/TO OTHER FUNDS:

| <u>Receivable Fund</u> | <u>Payable Fund</u>    | <u>Amount</u> |
|------------------------|------------------------|---------------|
| General Fund           | Fire Fund              | \$ 1,588      |
| General Fund           | Current Tax Collection | 2,387         |
| Fire Equipment Fund    | Fire Fund              | 10,000        |
| Cemetery Fund          | Fire Fund              | 1,597         |
| Cemetery Fund          | General Fund           | 750           |

FINANCIAL STATEMENTS  
OF  
INDIVIDUAL FUNDS

## GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE BALANCE SHEET  
 MARCH 31, 2007 AND 2006

GENERAL FUND

|                                                           | <u>2007</u>                 | <u>2006</u>                 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS:</b>                                            |                             |                             |
| Cash in Bank                                              | \$223,491                   | \$124,484                   |
| Certificates of Deposit                                   | 105,491                     | 200,000                     |
| Taxes Receivable                                          | 10,604                      | 10,296                      |
| Accrued Interest Receivable                               | 684                         | 1,718                       |
| Due from Other Funds                                      | <u>3,975</u>                | <u>3,124</u>                |
| <b>TOTAL ASSETS</b>                                       | <b><u>\$344,245</u></b>     | <b><u>\$339,622</u></b>     |
| <br><b>LIABILITIES:</b>                                   |                             |                             |
| Accounts Payable                                          | \$ 1,930                    | \$ 4,244                    |
| Due to Other Funds                                        | <u>750</u>                  | <u>750</u>                  |
| <b>TOTAL LIABILITIES</b>                                  | <b>\$ 2,680</b>             | <b>\$ 4,994</b>             |
| <br><b>GENERAL FUND BALANCE</b>                           | <br><b><u>341,565</u></b>   | <br><b><u>334,628</u></b>   |
| <br><b>TOTAL LIABILITIES AND GENERAL<br/>FUND BALANCE</b> | <br><b><u>\$344,245</u></b> | <br><b><u>\$339,622</u></b> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED MARCH 31, 2007 AND 2006

| GENERAL FUND            |                  |                  |                           |                  |
|-------------------------|------------------|------------------|---------------------------|------------------|
|                         | <u>2007</u>      |                  | Actual<br>(Over)<br>Under | <u>2006</u>      |
|                         | <u>Budget</u>    | <u>Actual</u>    | <u>Budget</u>             | <u>Actual</u>    |
| <b>REVENUES:</b>        |                  |                  |                           |                  |
| Taxes:                  |                  |                  |                           |                  |
| Property Taxes          | \$ 56,000        | \$ 62,678        | \$ (6,678)                | \$ 59,418        |
| Interest on Taxes       |                  | 2,272            | (2,272)                   | 1,480            |
| Administrative Fee      | 10,000           | 11,411           | (1,411)                   | 11,918           |
| State Shared Revenue    | 153,500          | 160,444          | (6,944)                   | 160,048          |
| Charges for Services:   |                  |                  |                           |                  |
| Cable Franchise         | 2,000            | 1,245            | 755                       | 941              |
| Interest Income         | 1,000            | 15,258           | (14,258)                  | 8,540            |
| Miscellaneous           | <u>500</u>       | <u>3,127</u>     | <u>(2,627)</u>            | <u>0</u>         |
| <b>TOTAL REVENUES</b>   | <b>\$223,000</b> | <b>\$256,435</b> | <b>\$(33,435)</b>         | <b>\$242,345</b> |
| <b>EXPENDITURES:</b>    |                  |                  |                           |                  |
| Township Board:         |                  |                  |                           |                  |
| Salaries                | \$ 4,200         | \$ 4,160         | \$ 40                     | \$ 3,678         |
| Dues & Misc.            | 1,300            | 1,298            | 2                         | 1,373            |
| Audit & Legal           | 3,900            | 2,700            | 1,200                     | 2,550            |
| Publishing              | 400              | 33               | 367                       | 0                |
| Payroll Taxes           | 4,900            | 811              | 4,089                     | 557              |
| Pension                 | 4,500            | 2,266            | 2,234                     | 2,409            |
| Special Meeting         | <u>500</u>       | <u>225</u>       | <u>275</u>                | <u>125</u>       |
| <b>TOTAL TWP. BOARD</b> | <b>\$ 19,700</b> | <b>\$ 11,493</b> | <b>\$ 8,207</b>           | <b>\$ 10,692</b> |
| Supervisor:             |                  |                  |                           |                  |
| Salaries                | <u>\$ 8,000</u>  | <u>\$ 8,000</u>  | <u>\$ 0</u>               | <u>\$ 6,700</u>  |
| <b>TOTAL SUPERVISOR</b> | <b>\$ 8,000</b>  | <b>\$ 8,000</b>  | <b>\$ 0</b>               | <b>\$ 6,700</b>  |
| Clerk:                  |                  |                  |                           |                  |
| Salaries                | \$ 10,500        | \$ 10,490        | \$ 10                     | \$ 10,150        |
| Office Supplies         | 3,500            | 1,734            | 1,766                     | 1,444            |
| Equipment               |                  |                  |                           | <u>1,497</u>     |
| <b>TOTAL CLERK</b>      | <b>\$ 14,000</b> | <b>\$ 12,224</b> | <b>\$ 1,766</b>           | <b>\$ 13,091</b> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHLAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE (CONTINUED)  
 YEARS ENDED MARCH 31, 2007 AND 2006

| GENERAL FUND                          |           |               |                   |                                            |                  |
|---------------------------------------|-----------|---------------|-------------------|--------------------------------------------|------------------|
|                                       |           | <u>2007</u>   |                   |                                            | <u>2006</u>      |
|                                       |           | <u>Budget</u> | <u>Actual</u>     | Actual<br>(Over)<br>Under<br><u>Budget</u> | <u>Actual</u>    |
| <b>EXPENDITURES:</b>                  |           |               |                   |                                            |                  |
| Board of Review:                      |           |               |                   |                                            |                  |
| Salaries                              | \$        | 800           | \$ 775            | \$ 25                                      | \$ 143           |
| Contract Labor                        |           |               |                   |                                            | 774              |
| Education                             |           |               |                   |                                            | 85               |
| Supplies                              |           | <u>900</u>    | <u>19</u>         | <u>881</u>                                 | <u>180</u>       |
| <b>TOTAL BOARD OF REV.</b>            | <b>\$</b> | <b>1,700</b>  | <b>\$ 794</b>     | <b>\$ 906</b>                              | <b>\$ 1,182</b>  |
| Treasurer:                            |           |               |                   |                                            |                  |
| Salaries                              | \$        | 5,400         | \$ 9,520          | \$ (4,120)                                 | \$ 8,163         |
| Office Supplies                       |           | 4,700         | 4,021             | 679                                        | 1,920            |
| Tax Roll Preparation                  |           |               |                   |                                            | 2,462            |
| Education                             |           | <u>150</u>    | <u>          </u> | <u>150</u>                                 | <u>160</u>       |
| <b>TOTAL TREASURER</b>                | <b>\$</b> | <b>10,250</b> | <b>\$ 13,541</b>  | <b>\$ (3,291)</b>                          | <b>\$ 12,705</b> |
| Assessor:                             |           |               |                   |                                            |                  |
| Salaries                              | \$        | 14,000        | \$ 14,000         | \$ 0                                       | \$ 13,000        |
| Supplies                              |           | <u>5,000</u>  | <u>1,638</u>      | <u>3,362</u>                               | <u>1,797</u>     |
| <b>TOTAL ASSESSOR</b>                 | <b>\$</b> | <b>19,000</b> | <b>\$ 15,638</b>  | <b>\$ 3,362</b>                            | <b>\$ 14,797</b> |
| Hall & Grounds:                       |           |               |                   |                                            |                  |
| Salaries                              | \$        | 2,100         | \$ 2,047          | \$ 53                                      | \$ 1,388         |
| Capital Outlay                        |           | 900           | 4,255             | (3,355)                                    |                  |
| Utilities                             |           | 13,000        | 6,903             | 6,097                                      | 3,947            |
| Repairs & Maintenance                 |           | 5,000         | 2,541             | 2,459                                      | 2,192            |
| Telephone                             |           | 3,500         | 2,491             | 1,009                                      | 2,428            |
| Office Supplies                       |           | <u>950</u>    | <u>544</u>        | <u>406</u>                                 | <u>684</u>       |
| <b>TOTAL HALL &amp; GROUNDS</b>       | <b>\$</b> | <b>25,450</b> | <b>\$ 18,781</b>  | <b>\$ 6,669</b>                            | <b>\$ 10,639</b> |
| Other General Gov't:                  |           |               |                   |                                            |                  |
| Insurance                             | \$        | 11,000        | \$ 10,330         | \$ 670                                     | \$ 9,451         |
| Planning Comm.                        |           | <u>400</u>    | <u>195</u>        | <u>205</u>                                 | <u>220</u>       |
| <b>TOTAL OTHER GENERAL GOVERNMENT</b> | <b>\$</b> | <b>11,400</b> | <b>\$ 10,525</b>  | <b>\$ 875</b>                              | <b>\$ 9,671</b>  |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEAR ENDED MARCH 31, 2007 AND 2006

GENERAL FUND

|                                                                                | <u>2007</u>       |                  | <u>2006</u>                      |
|--------------------------------------------------------------------------------|-------------------|------------------|----------------------------------|
|                                                                                | <u>Budget</u>     | <u>Actual</u>    | <u>Actual</u>                    |
|                                                                                |                   |                  | (Over)<br>Under<br><u>Budget</u> |
| EXPENDITURES:                                                                  |                   |                  |                                  |
| Election:                                                                      |                   |                  |                                  |
| Salaries                                                                       | \$                | \$ 822           | \$                               |
| Contract Labor                                                                 |                   | 637              |                                  |
| Capital Outlay                                                                 |                   |                  |                                  |
| Supplies                                                                       |                   | 211              | 867                              |
| Publishing                                                                     |                   | 120              |                                  |
| TOTAL ELECTION                                                                 | <u>\$ 2,800</u>   | <u>\$ 1,790</u>  | <u>\$ 867</u>                    |
| Drains                                                                         | 2,000             | 944              | 1,056                            |
| Roads                                                                          | <u>150,900</u>    | <u>145,768</u>   | <u>5,132</u>                     |
| TOTAL EXPENDITURES                                                             | <u>\$265,200</u>  | <u>\$239,498</u> | <u>\$ 25,702</u>                 |
| EXCESS OF REVENUES<br>OVER (UNDER)<br>EXPENDITURES                             | \$ (42,200)       | \$ 16,937        | \$(59,137) \$100,357             |
| OTHER SOURCES (USES):                                                          |                   |                  |                                  |
| Transfers In                                                                   | \$ 28,418         | \$               | \$ 28,418 \$                     |
| Transfers Out                                                                  | <u>(70,100)</u>   | <u>(10,000)</u>  | <u>(60,100)</u> <u>(22,500)</u>  |
| EXCESS OF REVENUES<br>OVER (UNDER)<br>EXPENDITURES AND<br>OTHER SOURCES (USES) | <u>\$(83,882)</u> | \$ 6,937         | <u>\$(90,819)</u> \$ 77,857      |
| Fund Balance April 1, 2006                                                     |                   | <u>334,628</u>   | <u>256,771</u>                   |
| FUND BALANCE MARCH 31, 2007                                                    |                   | <u>\$341,595</u> | <u>\$334,628</u>                 |

The accompanying notes are an integral part of the financial statements.

## SPECIAL REVENUE FUNDS

### FIRE FUND

Fire Fund is used to account for fees received and monies disbursed for Township fire protection.

### CEMETERY FUND

To account for lot sales and interest earned for the purpose of maintaining the Township's cemetery.

### CEMETERY PERPETUAL CARE FUND

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

TOWNSHIP OF SHIAWASSEE  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2007 AND 2006

|                                   | <u>2007</u>      |                 |                                      | <u>2006</u>      |                  |
|-----------------------------------|------------------|-----------------|--------------------------------------|------------------|------------------|
|                                   | <u>Fire</u>      | <u>Cemetery</u> | Cemetery<br>Perpetual<br><u>Care</u> | <u>Combined</u>  | <u>Combined</u>  |
| <b>ASSETS:</b>                    |                  |                 |                                      |                  |                  |
| Cash in Bank                      | \$ 96,159        | \$ 591          | \$ 15,607                            | \$112,357        | \$102,391        |
| Cert. of Deposit                  |                  |                 | 2,000                                | 2,000            | 2,000            |
| Interest Rec.                     |                  |                 | 12                                   | 12               | 11               |
| Taxes Receivable                  | 9,787            |                 |                                      | 9,787            | 8,298            |
| Due from Other Funds              |                  | 2,347           |                                      | 2,347            | 2,347            |
| Due from Other Taxing<br>Entities | <u>26,380</u>    |                 |                                      | <u>26,380</u>    | <u>25,485</u>    |
|                                   | <u>\$132,326</u> | <u>\$ 2,938</u> | <u>\$ 17,619</u>                     | <u>\$152,883</u> | <u>\$140,532</u> |
| <b>LIABILITIES:</b>               |                  |                 |                                      |                  |                  |
| Accounts Payable                  | \$ 3,653         | \$ 722          | \$                                   | \$ 4,375         | \$ 16,192        |
| Due to Other Funds                | <u>3,185</u>     |                 |                                      | <u>3,185</u>     | <u>13,185</u>    |
|                                   | \$ 6,838         | \$ 722          | \$                                   | \$ 7,560         | \$ 29,377        |
| <b>FUND BALANCE:</b>              |                  |                 |                                      |                  |                  |
| Fund Balance                      | <u>125,488</u>   | <u>2,216</u>    | <u>17,619</u>                        | <u>145,323</u>   | <u>111,155</u>   |
|                                   | <u>\$132,326</u> | <u>\$ 2,938</u> | <u>\$ 17,619</u>                     | <u>\$152,883</u> | <u>\$140,532</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
SPECIAL REVENUE FUNDS  
COMPARATIVE COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2007 AND 2006

|                                                                                                       | <u>2007</u>      |                  |                                        | <u>2006</u>      |                  |
|-------------------------------------------------------------------------------------------------------|------------------|------------------|----------------------------------------|------------------|------------------|
|                                                                                                       | <u>Fire</u>      | <u>Cemetery</u>  | <u>Cemetery<br/>Perpetual<br/>Care</u> | <u>Combined</u>  | <u>Combined</u>  |
| <b>REVENUES:</b>                                                                                      |                  |                  |                                        |                  |                  |
| Property Taxes                                                                                        | \$ 69,972        | \$               | \$                                     | \$ 69,972        | \$ 57,865        |
| Charges for Serv.                                                                                     | 37,985           | 15,725           |                                        | 53,710           | 51,994           |
| Memorials, Fund-Raisers<br>& Grants                                                                   | 1,115            |                  |                                        | 1,115            | 290              |
| Interest Earned                                                                                       | 4,373            | 142              | 852                                    | 5,367            | 3,575            |
| Miscellaneous                                                                                         | 17               |                  |                                        | 17               | 27               |
| Sale of Fixed Assets                                                                                  |                  |                  |                                        |                  | 10,700           |
| <b>TOTAL REVENUES</b>                                                                                 | <u>\$113,462</u> | <u>\$ 15,867</u> | <u>\$ 852</u>                          | <u>\$130,181</u> | <u>\$124,451</u> |
| <b>EXPENDITURES:</b>                                                                                  |                  |                  |                                        |                  |                  |
| Fire Protection Contr.<br>Services                                                                    | \$133,997        | \$               | \$                                     | \$133,997        | \$104,902        |
| Cemetery Services.                                                                                    |                  | 29,018           | 498                                    | 29,516           | 41,290           |
| <b>TOTAL EXPEND.</b>                                                                                  | <u>\$133,997</u> | <u>\$ 29,018</u> | <u>\$ 498</u>                          | <u>\$163,513</u> | <u>\$146,192</u> |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER)<br/>EXPENDITURES</b>                                           |                  |                  |                                        |                  |                  |
|                                                                                                       | \$(20,535)       | \$(13,151)       | \$ 354                                 | \$(33,332)       | \$(21,741)       |
| <b>OTHER SOURCES (USES) OF FUNDS:</b>                                                                 |                  |                  |                                        |                  |                  |
| Long Term Debt<br>Financing                                                                           | \$ 67,500        | \$               | \$                                     | \$ 67,500        | \$               |
| Transfers In                                                                                          |                  | 10,000           | 4                                      | 10,004           | 22,500           |
| Transfers Out                                                                                         | <u>(10,000)</u>  | <u>(4)</u>       | <u>_____</u>                           | <u>(10,004)</u>  | <u>(10,000)</u>  |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER)<br/>EXPENDITURES AND<br/>OTHER SOURCES<br/>(USES) OF FUNDS</b> |                  |                  |                                        |                  |                  |
|                                                                                                       | \$ 36,965        | \$ (3,155)       | \$ 358                                 | \$ 34,168        | \$ (9,241)       |
| <b>Fund Balance</b>                                                                                   |                  |                  |                                        |                  |                  |
| April 1, 2006                                                                                         | <u>88,523</u>    | <u>5,371</u>     | <u>17,261</u>                          | <u>111,155</u>   | <u>120,396</u>   |
| <b>FUND BALANCE</b>                                                                                   |                  |                  |                                        |                  |                  |
| <b>MARCH 31, 2007</b>                                                                                 | <u>\$125,488</u> | <u>\$ 2,216</u>  | <u>\$ 17,619</u>                       | <u>\$145,323</u> | <u>\$111,155</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHLAWASSEE  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2007 AND 2006

FIRE FUND

|                                                | <u>2007</u>          | <u>2006</u>          |
|------------------------------------------------|----------------------|----------------------|
| <b>ASSETS:</b>                                 |                      |                      |
| Cash in Bank                                   | \$ 96,159            | \$ 77,375            |
| Due from Antrim Township                       | 26,380               | 25,485               |
| Taxes Receivable                               | <u>9,787</u>         | <u>8,298</u>         |
|                                                | <u>\$132,326</u>     | <u>\$111,158</u>     |
| <br><b>LIABILITIES:</b>                        |                      |                      |
| Accounts Payable                               | \$ 3,653             | \$ 9,450             |
| Due to General Fund                            | 1,588                | 1,588                |
| Due to Cemetery Fund                           | 1,597                | 1,597                |
| Due to Fire Equipment Fund                     | <u>10,000</u>        | <u>10,000</u>        |
|                                                | \$ 6,838             | \$ 22,635            |
| <br>FIRE FUND BALANCE                          | <br><u>\$125,488</u> | <br><u>\$ 88,523</u> |
| <br>TOTAL LIABILITIES AND<br>FIRE FUND BALANCE | <br><u>\$132,326</u> | <br><u>\$111,158</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED MARCH 31, 2007 AND 2006

FIRE FUND

|                                                             | <u>2007</u>             | Actual<br>(Over)<br>Under<br><u>Budget</u> | <u>2006</u>               |
|-------------------------------------------------------------|-------------------------|--------------------------------------------|---------------------------|
|                                                             | <u>Budget</u>           | <u>Actual</u>                              | <u>Actual</u>             |
| <b>REVENUES:</b>                                            |                         |                                            |                           |
| Property Taxes                                              | \$ 56,155               | \$ 69,972                                  | \$ (13,817)               |
| Charges for Services:                                       |                         |                                            |                           |
| Fire Run & Protect.                                         | 34,631                  | 37,985                                     | (3,354)                   |
| Memorials, Fund-Raisers,<br>& Grants                        |                         | 1,115                                      | (1,115)                   |
| Interest Earned                                             | 702                     | 4,373                                      | (3,671)                   |
| Other                                                       | <u>791</u>              | <u>17</u>                                  | <u>774</u>                |
| <b>TOTAL REVENUES</b>                                       | <b>\$ 92,279</b>        | <b>\$113,462</b>                           | <b>\$ (21,183)</b>        |
| <b>EXPENDITURES:</b>                                        |                         |                                            |                           |
| Long-Term Financing                                         | \$                      | \$                                         | \$ 17,060                 |
| Salaries                                                    | 18,550                  | 20,045                                     | (1,495)                   |
| Contract Labor                                              |                         |                                            | 273                       |
| Training                                                    | 5,014                   | 1,700                                      | 3,314                     |
| Office Supplies                                             | 501                     | 401                                        | 100                       |
| Operating Supplies                                          | 39,313                  | 8,407                                      | 30,906                    |
| Gas & Oil                                                   | 3,008                   | 2,171                                      | 837                       |
| Telephone                                                   | 832                     | 747                                        | 85                        |
| Medical                                                     | 150                     | 1,134                                      | (984)                     |
| Insurance                                                   | 5,400                   | 5,657                                      | (257)                     |
| Interest                                                    |                         |                                            | 2,516                     |
| Payroll Taxes                                               | 3,100                   | 1,533                                      | 1,567                     |
| Dues & Attorney                                             | 752                     | 545                                        | 207                       |
| Fire Prevention Program                                     | 1,103                   | 441                                        | 662                       |
| Equipment                                                   | 26,017                  | 91,033                                     | (65,016)                  |
| Miscellaneous                                               |                         | 183                                        | (183)                     |
| <b>TOTAL EXPENDITURES</b>                                   | <b><u>\$103,740</u></b> | <b><u>\$133,997</u></b>                    | <b><u>\$ (30,257)</u></b> |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER)<br/>EXPENDITURES</b> | <b>\$ (11,461)</b>      | <b>\$ (20,535)</b>                         | <b>\$ 9,704</b>           |
|                                                             |                         |                                            | <b>\$ (3,928)</b>         |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE (CONTINUED)  
 YEARS ENDED MARCH 31, 2007 AND 2006

| FIRE FUND                                                                                               |                   |                  |                                            |                  |
|---------------------------------------------------------------------------------------------------------|-------------------|------------------|--------------------------------------------|------------------|
|                                                                                                         |                   | <u>2007</u>      |                                            | <u>2006</u>      |
|                                                                                                         | <u>Budget</u>     | <u>Actual</u>    | Actual<br>(Over)<br>Under<br><u>Budget</u> | <u>Actual</u>    |
| <b>OTHER SOURCES (USES) OF FUNDS:</b>                                                                   |                   |                  |                                            |                  |
| Long Term Debt Financing                                                                                | \$                | \$ 67,500        | \$ (67,500)                                | \$               |
| Transfers Out                                                                                           | <u>(25,000)</u>   | <u>(10,000)</u>  | <u>(15,000)</u>                            | <u>(10,000)</u>  |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER)<br/>EXPENDITURES &amp; OTHER<br/>SOURCES (USES) OF<br/>FUNDS</b> |                   |                  |                                            |                  |
|                                                                                                         | <u>\$(36,461)</u> | \$ 36,965        | <u>\$(73,426)</u>                          | \$(13,928)       |
| Fund Balance April 1, 2006                                                                              |                   | <u>88,523</u>    |                                            | <u>102,451</u>   |
| FUND BALANCE MARCH 31, 2007                                                                             |                   | <u>\$125,488</u> |                                            | <u>\$ 88,523</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE BALANCE SHEET  
 MARCH 31, 2007 AND MARCH 31, 2006

CEMETERY FUND

ASSETS

|                       | <u>2007</u>     | <u>2006</u>     |
|-----------------------|-----------------|-----------------|
| Cash                  | \$ 591          | \$ 9,766        |
| Due from Fire Fund    | 1,597           | 1,597           |
| Due from General Fund | <u>750</u>      | <u>750</u>      |
|                       | <u>\$ 2,938</u> | <u>\$12,113</u> |

FUND BALANCE

LIABILITIES:

|                                              |                 |                 |
|----------------------------------------------|-----------------|-----------------|
| Accounts Payable                             | <u>\$ 722</u>   | <u>\$ 6,742</u> |
|                                              | \$ 722          | \$ 6,742        |
| Fund Balance                                 | <u>2,216</u>    | <u>5,371</u>    |
| TOTAL LIABILITIES & CEMETERY<br>FUND BALANCE | <u>\$ 2,938</u> | <u>\$12,113</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED MARCH 31, 2007 AND 2006

CEMETERY FUND

|                           | <u>2007</u>      |                  | Actual<br>(Over)<br>Under<br>Budget | <u>2006</u>      |
|---------------------------|------------------|------------------|-------------------------------------|------------------|
|                           | <u>Budget</u>    | <u>Actual</u>    |                                     | <u>Actual</u>    |
| <b>REVENUES:</b>          |                  |                  |                                     |                  |
| Foundations               | \$ 2,000         | \$ 1,675         | \$ 325                              | \$ 1,205         |
| Interment                 | 4,000            | 9,730            | (5,730)                             | 6,600            |
| Lot & Grave Sales         | 4,000            | 4,220            | (220)                               | 2,710            |
| Land Rental               | 750              |                  | 750                                 | 1,500            |
| Interest Earned           | 500              | 142              | 358                                 | 136              |
| Sale of Fixed Assets      | 6,000            |                  | 6,000                               | 10,700           |
| Perpetual                 | <u>1,000</u>     | <u>100</u>       | <u>900</u>                          |                  |
| <b>TOTAL REVENUES</b>     | <b>\$ 18,250</b> | <b>\$ 15,867</b> | <b>\$ 2,383</b>                     | <b>\$ 22,851</b> |
| <b>EXPENDITURES:</b>      |                  |                  |                                     |                  |
| Land Improvements         | \$ 100           | \$               | \$ 100                              | \$               |
| Salaries                  | 16,600           | 19,790           | (3,190)                             | 18,450           |
| Payroll Taxes             | 700              | 461              | 239                                 | 268              |
| Pension                   | 2,000            | 1,541            | 459                                 | 458              |
| Contract Labor            |                  |                  |                                     | 2,000            |
| Operating Supplies        | 450              | 219              | 231                                 | 235              |
| Gas & Oil                 | 900              | 862              | 38                                  | 588              |
| Insurance                 | 1,900            | 1,601            | 299                                 | 1,100            |
| Utilities                 | 200              | 114              | 86                                  | 88               |
| Repairs & Maintenance     | 5,000            | 3,784            | 1,216                               | 5,026            |
| Perpetual Maintenance     | 1,000            | 325              | 675                                 | 740              |
| Equipment                 | <u>7,000</u>     | <u>321</u>       | <u>6,679</u>                        | <u>11,942</u>    |
| <b>TOTAL EXPENDITURES</b> | <b>\$ 35,850</b> | <b>\$ 29,018</b> | <b>\$ 6,832</b>                     | <b>\$ 40,895</b> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE (CONTINUED)  
 YEARS ENDED MARCH 31, 2007 AND 2006

CEMETERY FUND

|                                                                                          | <u>2007</u>     |                 | <u>2006</u>                                |                 |
|------------------------------------------------------------------------------------------|-----------------|-----------------|--------------------------------------------|-----------------|
|                                                                                          | <u>Budget</u>   | <u>Actual</u>   | Actual<br>(Over)<br>Under<br><u>Budget</u> | <u>Actual</u>   |
| EXCESS OF REVENUES<br>OVER (UNDER)<br>EXPENDITURES                                       | \$(17,600)      | \$(13,151)      | \$ (4,449)                                 | \$(18,044)      |
| OTHER SOURCES (USES) OF FUNDS:                                                           |                 |                 |                                            |                 |
| Transfer Out                                                                             |                 | (4)             | (4)                                        |                 |
| Transfer In                                                                              | <u>20,100</u>   | <u>10,000</u>   | <u>10,100</u>                              | <u>22,500</u>   |
| EXCESS OF REVENUES<br>OVER (UNDER)<br>EXPENDITURES & OTHER<br>SOURCES (USES)<br>OF FUNDS | <u>\$ 2,500</u> | \$ (3,155)      | <u>\$ 5,655</u>                            | \$ 4,456        |
| Fund Balance April 1, 2006                                                               |                 | <u>5,371</u>    |                                            | <u>915</u>      |
| FUND BALANCE MARCH 31, 2007                                                              |                 | <u>\$ 2,216</u> |                                            | <u>\$ 5,371</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2007 AND 2006

CEMETERY PERPETUAL CARE FUND

|                                         | <u>2007</u>     | <u>2006</u>     |
|-----------------------------------------|-----------------|-----------------|
| ASSETS:                                 |                 |                 |
| Cash in Bank                            | \$15,607        | \$15,250        |
| Certificate of Deposit                  | 2,000           | 2,000           |
| Accrued Interest Receivable             | <u>12</u>       | <u>11</u>       |
| TOTAL ASSETS                            | <u>\$17,619</u> | <u>\$17,261</u> |
| <br>                                    |                 |                 |
| CEMETERY PERPETUAL CARE<br>FUND BALANCE | <u>\$17,619</u> | <u>\$17,261</u> |

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED MARCH 31, 2007 AND 2006

CEMETERY PERPETUAL CARE FUND

|                                                                                 |                 | <u>2007</u>            | Actual<br>(Over)<br>Under<br>Budget | <u>2006</u>            |
|---------------------------------------------------------------------------------|-----------------|------------------------|-------------------------------------|------------------------|
|                                                                                 | <u>Budget</u>   | <u>Actual</u>          |                                     | <u>Actual</u>          |
| <b>REVENUES:</b>                                                                |                 |                        |                                     |                        |
| Interest Earned                                                                 | \$ _____        | \$ 852                 | \$ (852)                            | \$ 626                 |
| <b>TOTAL REVENUES</b>                                                           | <b>\$ _____</b> | <b>\$ 852</b>          | <b>\$ (852)</b>                     | <b>\$ 626</b>          |
| <b>EXPENDITURES:</b>                                                            |                 |                        |                                     |                        |
| Land Improvements                                                               | \$ _____        | \$ _____               | \$ _____                            | \$ _____               |
| Perpetual Maintenance                                                           | _____           | 498                    | (498)                               | 395                    |
| <b>TOTAL EXPENDITURES</b>                                                       | <b>\$ _____</b> | <b>\$ 498</b>          | <b>\$ (498)</b>                     | <b>\$ 395</b>          |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER)<br/>EXPENDITURES</b>                     |                 |                        |                                     |                        |
|                                                                                 | \$ _____        | \$ 354                 | \$ (354)                            | \$ 231                 |
| Transfer In                                                                     | \$ _____        | \$ 4                   | \$ (4)                              | \$ _____               |
| Transfer Out                                                                    | _____           | _____                  | _____                               | _____                  |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES &amp;<br/>OTHER SOURCES</b> |                 |                        |                                     |                        |
|                                                                                 | <b>\$ _____</b> | <b>\$ 358</b>          | <b>\$ (358)</b>                     | <b>\$ _____</b>        |
| Fund Balance April 1, 2006                                                      |                 | <u>17,261</u>          |                                     | <u>17,030</u>          |
| <b>FUND BALANCE MARCH 31, 2007</b>                                              |                 | <b><u>\$17,619</u></b> |                                     | <b><u>\$17,261</u></b> |

The accompanying notes are an integral part of the financial statements.

**CAPITAL PROJECTS FUND**

**Fire Equipment Fund**

This fund is used to account for monies which have been set aside to replace fire equipment.

TOWNSHIP OF SHIAWASSEE  
 FIRE EQUIPMENT FUND  
 COMPARATIVE BALANCE SHEET  
 MARCH 31, 2007 AND 2006

ASSETS

|                    | <u>2007</u>     | <u>2006</u>     |
|--------------------|-----------------|-----------------|
| Cash – Savings     | \$55,710        | \$33,466        |
| Due from Fire Fund |                 | <u>10,000</u>   |
|                    | <u>\$55,710</u> | <u>\$43,466</u> |

FUND BALANCE

|              |                 |                 |
|--------------|-----------------|-----------------|
| Fund Balance | <u>\$55,710</u> | <u>\$43,466</u> |
|--------------|-----------------|-----------------|

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 FIRE EQUIPMENT FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED MARCH 31, 2007 AND 2006

|                                                                                            |               | <u>2007</u>     |                                            | <u>2006</u>     |
|--------------------------------------------------------------------------------------------|---------------|-----------------|--------------------------------------------|-----------------|
|                                                                                            | <u>Budget</u> | <u>Actual</u>   | Actual<br>(Over)<br>Under<br><u>Budget</u> | <u>Actual</u>   |
| REVENUES:                                                                                  |               |                 |                                            |                 |
| Interest Earned                                                                            | \$ _____      | \$ 2,244        | \$ (2,244)                                 | \$ 1,244        |
| TOTAL REVENUES                                                                             | \$ _____      | \$ 2,244        | \$ (2,244)                                 | \$ 1,244        |
| EXCESS OF REVENUES<br>OVER (UNDER)<br>EXPENDITURES                                         |               |                 |                                            |                 |
|                                                                                            | \$ _____      | \$ 2,244        | \$ (2,244)                                 | \$ 1,244        |
| OTHER SOURCES (USES) OF FUNDS:                                                             |               |                 |                                            |                 |
| Transfers In                                                                               | \$ _____      | \$10,000        | \$(10,000)                                 | \$10,000        |
| Transfers Out                                                                              | _____         | _____           | _____                                      | _____           |
| EXCESS OF REVENUES<br>OVER (UNDER)<br>EXPENDITURES AND<br>OTHER SOURCES (USES)<br>OF FUNDS |               |                 |                                            |                 |
|                                                                                            | \$ _____      | \$12,244        | \$(12,244)                                 | \$11,244        |
| Fund Balance April 1, 2006                                                                 |               | <u>43,466</u>   |                                            | <u>32,222</u>   |
| FUND BALANCE MARCH 31, 2007                                                                |               | <u>\$55,710</u> |                                            | <u>\$43,466</u> |

The accompanying notes are an integral part of the financial statements.

## **CURRENT TAX COLLECTION FUND**

Current Tax Collection Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, county and Township General Fund.

TOWNSHIP OF SHIAWASSEE  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2007 AND 2006

ASSETS

|      | <u>2007</u>    | <u>2006</u>    |
|------|----------------|----------------|
| Cash | <u>\$2,387</u> | <u>\$1,534</u> |

LIABILITIES

|                    |                |                |
|--------------------|----------------|----------------|
| Due to Other Funds | <u>\$2,387</u> | <u>\$1,534</u> |
|--------------------|----------------|----------------|

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 CURRENT TAX COLLECTION FUND  
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
 YEAR ENDED MARCH 31, 2007 AND 2006

|                                                                    | <u>2007</u>    |                        | <u>2006</u>    |                        |
|--------------------------------------------------------------------|----------------|------------------------|----------------|------------------------|
| <b>CASH RECEIPTS:</b>                                              |                |                        |                |                        |
| 2006 Roll Property Tax Collections For:                            |                |                        |                |                        |
| Owosso School District                                             | \$ 14,018      |                        | \$ 16,640      |                        |
| Corunna School District                                            | 111,159        |                        | 105,682        |                        |
| Durand School District                                             | 186,726        |                        | 171,553        |                        |
| Morrice School District                                            | 29,680         |                        | 34,263         |                        |
| Library                                                            | 30,400         |                        |                |                        |
| Shiawassee Township                                                | 144,887        |                        | 134,018        |                        |
| Shiawassee County Current<br>Property Tax                          | <u>478,987</u> | 995,857                | <u>584,580</u> | 1,045,636              |
| Other Receipts:                                                    |                |                        |                |                        |
| Trailer Tax                                                        | \$ 3,564       |                        | \$ 3,564       |                        |
| Dog Licenses                                                       | 873            |                        | 1,172          |                        |
| Delinquent Taxes                                                   | 29,390         |                        | 25,760         |                        |
| Interest & Penalties                                               | 3,021          |                        | 2,390          |                        |
| Administrative Fees                                                | <u>9,946</u>   | <u>46,794</u>          | <u>10,449</u>  | <u>43,335</u>          |
| <b>TOTAL CASH RECEIPTS</b>                                         |                | <u>\$1,042,651</u>     |                | <u>\$1,088,971</u>     |
| <b>CASH DISBURSEMENTS:</b>                                         |                |                        |                |                        |
| Current & Delinquent Property Tax Collections:                     |                |                        |                |                        |
| Owosso School District                                             | \$ 14,018      |                        | \$ 16,640      |                        |
| Corunna School District                                            | 112,473        |                        | 105,682        |                        |
| Durand School District                                             | 187,370        |                        | 172,997        |                        |
| Morrice School District                                            | 29,680         |                        | 34,319         |                        |
| Library                                                            | 34,294         |                        |                |                        |
| Shiawassee Township                                                | 180,329        |                        | 167,516        |                        |
| Shiawassee Ccounty                                                 | <u>483,636</u> | <u>1,041,800</u>       | <u>592,021</u> | <u>1,089,175</u>       |
| <b>EXCESS OF CASH RECEIPTS OVER<br/>(UNDER) CASH DISBURSEMENTS</b> |                | <b>\$ 851</b>          |                | <b>\$ (204)</b>        |
| Cash Balances:                                                     |                |                        |                |                        |
| Cash at March 31, 2006 and 2005                                    |                | <u>1,534</u>           |                | <u>1,738</u>           |
| <b>CASH BALANCE AT MARCH 31, 2007<br/>AND 2006</b>                 |                | <u><b>\$ 2,385</b></u> |                | <u><b>\$ 1,534</b></u> |

The accompanying notes are an integral part of the financial statements.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

To account for fixed assets.

TOWNSHIP OF SHIAWASSEE  
 GENERAL FIXED ASSET ACCOUNT GROUP  
 BALANCE SHEET  
 MARCH 31, 2007 AND 2006

ASSETS

|                              | <u>2007</u>      | <u>2006</u>      |
|------------------------------|------------------|------------------|
| Land & Improvements          | \$159,322        | \$159,322        |
| Building & Improvements      | 128,855          | 124,601          |
| Vehicles                     | 448,016          | 380,516          |
| Machinery & Equipment        | 173,986          | 164,135          |
| Office Equipment & Furniture | <u>21,884</u>    | <u>21,884</u>    |
|                              | <u>\$932,063</u> | <u>\$850,458</u> |

FUND BALANCE

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Investment in General Fixed Assets | <u>\$932,063</u> | <u>\$850,458</u> |
|------------------------------------|------------------|------------------|

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 FIXED ASSET ACCOUNT GROUP  
 ANALYSIS OF CHANGE IN GENERAL FIXED ASSETS  
 MARCH 31, 2007

|                          | <u>Balance</u><br><u>3-31-06</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>3-31-07</u> |
|--------------------------|----------------------------------|------------------|------------------|----------------------------------|
| Land & Improvements      | \$159,322                        | \$               | \$               | \$159,322                        |
| Building & Improvements  | 124,601                          | 4,254            |                  | 128,855                          |
| Vehicles                 | 380,516                          | 67,500           |                  | 448,016                          |
| Machinery & Equipment    | 164,135                          | 9,851            |                  | 173,986                          |
| Office Equipment & Furn. | <u>21,884</u>                    |                  |                  | <u>21,884</u>                    |
|                          | <u>\$850,458</u>                 | <u>\$ 81,605</u> | <u>\$</u>        | <u>\$932,063</u>                 |

The accompanying notes are an integral part of the financial statements.

**GENERAL LONG-TERM DEBT ACCOUNT GROUP**

To account for the long-term lease payable for a fire truck in the Fire Fund.

TOWNSHIP OF SHIAWASSEE  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET  
MARCH 31, 2007 AND 2006

ASSETS

|                                                      | <u>2007</u>     | <u>2006</u>   |
|------------------------------------------------------|-----------------|---------------|
| Amount to be Provided for the Retirement<br>of Lease | <u>\$67,500</u> | <u>\$___0</u> |

LIABILITIES

|               |                 |               |
|---------------|-----------------|---------------|
| Lease Payable | <u>\$67,500</u> | <u>\$___0</u> |
|---------------|-----------------|---------------|

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE  
 GENERAL LONG-TERM DEBT ACCOUNT GROUP  
 ANALYSIS OF CHANGE IN LONG-TERM DEBT  
 MARCH 31, 2007

|                               | <u>Balance</u><br><u>3-31-06</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u><br><u>3-31-07</u> |
|-------------------------------|----------------------------------|------------------|------------------|----------------------------------|
| Lease Payable –<br>Fire Truck | \$ <u>0</u>                      | <u>\$67,500</u>  | \$ <u>0</u>      | <u>\$67,500</u>                  |
|                               | <u>\$ 0</u>                      | <u>\$67,500</u>  | <u>\$ 0</u>      | <u>\$67,500</u>                  |

The accompanying notes are an integral part of the financial statements.



## **DEMIS and WENZLICK, P.C.**

*Certified Public Accountants*

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Lori S. Chant, C.P.A.  
Geraldine Terry, C.P.A.

September 21, 2007

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

Incompliance 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 examination our firm performed on the financial statements of the Township of Shiawassee for the year ended March 31, 2007.

As a result of our examination of the Township's financial statements, we make the following comments:

### BUDGET

The Michigan Public Act 621, of 1978, includes compliance requirements in budgeting. Expenditures under this act cannot exceed the budget. Expenditures within the definition of accrual accounting include any accounts payable at March 31. Expenditures also include any contractual work incurred during the current year, even if there is no obligation to pay for several years.

The total budgeted expenditures should not exceed the total budgeted revenues plus beginning fund balance.

Expenses should be reviewed prior to year end and the budget amended to include all expenses of the period, including transfers to other funds.

## CASH DISBURSEMENTS

In the area of cash disbursements, the Township should retain all vendor invoices for each fund. When a check is written for a vendor invoice, the invoice should be cancelled by writing the date and check number of the invoice. We found several instances where there was no invoice or the invoice was not cancelled. The Township needs to make sure that these controls are applied consistently.

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 in implementing these recommendations or any other Township business, please contact us.

*Dennis and Leungfest, PC*

Certified Public Accountants

Owosso, Michigan  
September 21, 2007