TOWNSHIP OF ARLINGTON

VAN BUREN COUNTY, MICHIGAN

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2008

TOWNSHIP OF ARLINGTON

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INDEPENDENT AUDITOR'S REPORT

September 4, 2008

To The Township Board Members of
Arlington Township
Van Buren County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Arlington, Van Buren County, Michigan as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Arlington, Van Buren County, Michigan management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township of Arlington as of March 31, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 4, 2008, on our consideration of the Township of Arlington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of an audit.

The management's discussion and analysis and budgetary comparison information on pages 2 - 3 and 20 - 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

Angle & Steffes P.C.

Angle & Steffes, P.C.
Certified Public Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of Arlington Township as a whole and present a long-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

Arlington Township's financial position has remained stable over the 2007/2008 year. The Township has three major funds: General, Road and Fire Equipment. The General Fund supports most of the Township's governmental services as well as supplementing its road projects. The fire millage of 2.7187 mills supports the fire protection services of the ABB Fire Department and the Lawrence Fire Department. Road projects are funded by a millage of 1.9098 mills and supported by the General Fund.

Government Wide Statements

	March 31, 2008	unaudited- March 31, 2007
Assets		
Current Assets	$ 738,697	$ 674,520
Capital Assets	118,020	121,275
Total Assets	856,717	795,795
Liabilities		
Current Liabilities	19,434	19,257
Net Assets		
Invested in Property & Equipment	118,020	121,275
Restricted for Roads	101,901	96,276
Restricted for Public Safety	4,574	4,496
Unrestricted	612,788	554,491
Total Net Assets	$ 837,283	$ 776,538

General Fund Budgetary Highlights

Upon review of the budgetary comparision schedule it is evident that the fiduciary responsibility displayed by the Arlington Township Board in the year ending March 31, 2008 was commendable. Having Total Net Assets increase to over $800,000 while still addressing a solid commitment to road improvements and fire and safety concerns to the people of Arlington Township.

Outlook for the Coming Year

With the recent renewal of the 2.0 mill Road tax by the Arlington Township voters, Arlington Township will be able to continue to make road improvements on an annual basis. With the uncertainty of the continuation of the present formula of Revenue Sharing by the State of Michigan, the Arlington Township Board will make budgetary decision to offset any immediate shortages in Revenue Sharing.

Contacting the Township's Management

The final report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the Clerk's office at 48030 C.R. 673, Lawrence, MI 49064.

TOWNSHIP OF ARLINGTON
GOVERNMENT WIDE STATEMENT OF NET ASSETS
MARCH 31, 2008

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	$ 658,599	$ 658,599
Investments	0	0
Receivables - net	72,581	72,581
Prepaids	7,517	7,517
Capital assets - net	118,020	118,020
Total Assets	856,717	856,717
LIABILITIES		
Accounts payable	19,434	19,434
Accrued and other liabilities	0	0
Noncurrent Liabilities		
Due within one year	0	0
Due in more than one year	0	0
Total Liabilities	19,434	19,434
NET ASSETS		
Invested in Capital Assets		
Net of related debt	118,020	118,020
Restricted For		
Streets and highways	101,901	101,901
Public safety	4,574	4,574
Unrestricted	612,788	612,788
Total Net Assets	$ 837,283	$ 837,283

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ARLINGTON
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets — Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government							
General government	116,285	4,645	0	0	(111,640)	0	(111,640)
Public safety	152,035	12,200	0	0	(139,835)	0	(139,835)
Public works	148,203	0	0	0	(148,203)	0	(148,203)
Community and econ devel	15,287	0	0	0	(15,287)	0	(15,287)
Health and welfare	31,380	0	0	0	(31,380)	0	(31,380)
Recreation and culture	1,500	0	0	0	(1,500)	0	(1,500)
Total Governmental Activities	464,690	16,845	0	0	(447,845)	0	(447,845)
Total Primary Government	$ 464,690	$ 16,845	$ 0	$ 0	(447,845)	0	(447,845)
General Revenues							
Property taxes					339,104	0	339,104
State-shared revenues					159,713	0	159,713
Interest					9,568	0	9,568
Franchise fees					0	0	0
Miscellaneous					205	0	205
Transfers					0	0	0
Total General Revenues-Special Items and Transfers					508,590	0	508,590
Change in Net Assets					60,745	0	60,745
Net Assets-Beginning					776,538	0	776,538
Net Assets-Ending					$ 837,283	$ 0	$ 837,283

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ARLINGTON
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2008

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 569,519	$ 88,779	$ 301	$ 0	$ 658,599
Investments	0	0	0	0	0
Receivables - net	31,206	13,122	18,676	4,056	67,060
Due from other funds	5,521	0	0	0	5,521
Prepaids	7,517	0	0	0	7,517
Total Assets	613,763	101,901	18,977	4,056	738,697
LIABILITIES					
Accounts payable	975	0	14,403	4,056	19,434
Due to other funds	0	0	0	0	0
Total Liabilities	975	0	14,403	4,056	19,434
FUND BALANCES					
Reserved for					
Road projects	0	101,901	0	0	101,901
Public safety	0	0	4,574	0	4,574
Unreserved	612,788	0	0	0	612,788
Total Fund Balances	$ 612,788	$ 101,901	$ 4,574	$ 0	$ 719,263

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	118,020
Net Assets of Governmental Activities	$ 837,283

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ARLINGTON
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
March 31, 2008

	General Fund	Road Fund	Fire Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Taxes and penalties	66,188	101,675	139,861	31,380	339,104
Licenses and permits	0	0	0	12,200	12,200
State aid	156,112	3,601	0	0	159,713
Charges for services	4,645	0	0	0	4,645
Interest and rentals	9,333	183	52	0	9,568
Other revenue	205	0	0	0	205
Total Revenues	236,483	105,459	139,913	43,580	525,435
Expenditures					
Current					
General government	111,194	0	0	0	111,194
Public safety	0	0	139,835	12,200	152,035
Public works	6,323	141,880	0	0	148,203
Health and welfare	0	0	0	31,380	31,380
Recreation and cultural	1,500	0	0	0	1,500
Community/Economic development	15,287	0	0	0	15,287
Capital outlay	1,836	0	0	0	1,836
Total Expenditures	136,140	141,880	139,835	43,580	461,435
Excess of Revenues Over (Under) Expenditures	100,343	(36,421)	78	0	64,000
Other Financing Sources (Uses)					
Transfers in	0	42,046	0	0	42,046
Transfers (out)	(42,046)	0	0	0	(42,046)
Total Other Financing Sources (Uses)	(42,046)	42,046	0	0	0
Excess of Revenue and Other Sources Over (Under) Expenditures & Other Uses	58,297	5,625	78	0	64,000
Fund Balance-April 1, 2007	554,491	96,276	4,496	0	655,263
Fund Balance-March 31, 2008	$ 612,788	$ 101,901	$ 4,574	$ 0	$ 719,263

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ARLINGTON
FIDUCIARY FUNDS-STATEMENT OF NET ASSETS
MARCH 31, 2008

	Agency Fund (Property Tax Collection Fund)
ASSETS	
Cash and cash equivalents	$ 5,521
Total Assets	$ 5,521
LIABILITIES	
Accounts payable	$ 0
Due to other funds	5,521
Total Liabilities	$ 5,521

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Arlington, Van Buren County, Michigan is a general law Township. The Township operates under an elected Board/Supervisor form of government and provides the following services as authorized by its charter: public safety, highways and street, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Township of Arlington conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

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

The Road Fund is a Special Revenue Fund of the Township. The Road Fund is used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

The Fire Fund is a Special Revenue Fund of the Township. The Fire Fund is used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specified purposes.

Additionally, the government reports the following non-major fund types:

The Building Inspection Fund is a Special Revenue Fund of the Township. The Building Inspection Fund is used to account for all resources of the Township's permits and licenses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The Hospital and Senior Services Funds are Special Revenue Funds of the Township. These funds are used to account for the proceeds of specific revenue tax millages that are legally restricted to expenditures for specific purposes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Township of Arlington does not have enterprise funds.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Finally, the government reports the following fund types:

The Tax Collection Fund is a Fiduciary Fund accountable for assets held by the Township in a trustee or agency capacity for individuals, private organizations, other governments, and/or other funds.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

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

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied each July for State Education Tax, and on each December 1 on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent in the following September and March of the following respective period, at which time penalties and interest are assessed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements only for the effect of the inclusion of capital assets.

Capitalized Asset Costs	$ 141,821
Less Accumulated Depreciation	(23,801)
Capital Assets, net	118,020
Governmental Fund Balances	719,263
Net Assets of Governmental Activities	$ 837,283

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.

2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).

3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds-During the year, the Local Governmental Unit did not incur expenditures in certain budgeted funds which were in excess of the amounts appropriated.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Total Primary Government
Cash and Cash Equivalents	$658,599	$ 658,599

The breakdown between deposits and investments is as follows:

	Primary Government
Bank Deposits (checking and savings accounts, certificates of deposit)	$ 658,599
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	-
Total	$ 658,599

The bank balance of the primary government's deposits is $658,599, of which $637,673 is covered by federal depository insurance.

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Funds			Non-Major	
	General Fund	Road Fund	Fire Fund	and Other Funds	Total
Taxes receivable	$ 7,809	$ 13,122	$ 18,676	$ 4,056	$ 43,663
State share revenues receivable	23,397	0	0	0	23,397
Due from other funds	5,521	0	0	0	5,521
Less: allowance for uncollectibles	0	0	0	0	0
Net Receivables	$ 36,727	$ 13,122	18,676	$ 4,056	$ 72,581

* 2007 Winter tax receivable balances are received from the Van Buren County revolving tax collection fund within 60 days of the fiscal year end.

* State revenue share receivable reflects the constitutional and statuatory sales tax for March and April 2008. Provision is according to state guidelines, allowing six revenue payments in the fiscal period.

* Due from other funds is the balance of tax collection due to the General Fund.

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 37,560	$ 0	0	$ 37,560
Construction in Progress	0	0	0	0
Subtotal	37,560	0	0	37,560
Capital Assets Being Depreciated				
Buildings	90,678	0	0	90,678
Improvements other than buildings	0	0	0	0
Machinery and equipment	13,141	6,873	(6,431)	13,583
Subtotal	103,819	6,873	(6,431)	104,261
Less Accumulated Depreciation for				
Buildings	13,831	3,284	0	17,115
Machinery and equipment	6,272	1,807	(1,393)	6,686
Subtotal	20,103	5,091	(1,393)	23,801
Net Capital Assets Being Depreciated	83,716	1,782	(5,038)	80,460
Governmental Activities Capital Total Capital Assets-Net of Depreciation	$ 121,276	$ 1,782	$ (5,038)	$ 118,020

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

Governmental Activities	
General government	$ 5,091
Public safety	0
Public works	0
Economic development	0
Recreation and culture	0
Total Governmental Activities	$ 5,091

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

Receivable Fund		Payable Fund	Amount
General Fund	$ 5,521	Tax Collection	$ 5,521
General Fund	0	Fire Fund	0
Road Fund	0	Tax Collection	0
Total	$ 5,521		$ 5,521

Tax collection balances are due the General Fund for final settlement of general tax liability.

Interfund Transfers

	Transfers (Out)		
Transfers In	General Fund	Non-Major Governmental Funds	Total
Road Special Millage Fund	$ 42,046	$ 0	$ 42,046
Total	$ 42,046	$ 0	$ 42,046

Current year road projects are funded by prior year tax collections, metro act right of way funds and support by the General Fund. The transfers out from the General Fund represent the contributions made to continue road improvement projects in the township that are not paid by the road levy alone.

NOTE 8 - FIRE SERVICES

The Township is a member of the A.B.B. Joint Fire District. The participants of the Joint Fire District include the City of Bangor, and Townships of Bangor and Arlington. The community fire district provides fire protection services to the residents of the respective municipalities. Operating charges are assessed to the participants in a ratio proportionate to their state equalized values of the real property. The Township appoints one member to the joint venture's governing board, and also approves the annual budget.

The support to the A.B.B. Joint Fire District was $107,861 for the current fiscal year.

Arlington Township also contracts with the Lawrence Township Fire Department, paying them $32,000 for fire services in the fiscal year.

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF ARLINGTON
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	554,491	554,491	554,491	0
Resources (Inflows)				
Property taxes	64,441	64,441	66,188	1,747
State aid	157,049	157,049	156,112	(937)
Licenses and permits	0	0	0	0
Charges for services	3,350	3,350	4,645	1,295
Interest and rentals	7,000	7,000	9,333	2,333
Miscellaneous revenues	750	750	205	(545)
Transfers from other funds	0	0	0	0
Amounts Available for Appropriation	787,081	787,081	790,974	3,893
Charges to Appropriations (Outflows)				
General Government				
Township board	28,680	33,130	32,362	768
Supervisor	11,780	11,780	11,780	0
Treasurer	17,226	17,226	17,201	25
Assessing	13,785	13,785	11,479	2,306
Clerk	13,518	13,518	13,068	450
Elections	3,600	3,600	480	3,120
Finance	4,000	4,000	2,950	1,050
Board of review	1,370	1,503	1,453	50
Other General Government				
Building & grounds	3,900	4,150	3,913	237
Attorney	3,500	6,500	5,966	534
Cemetery	12,333	12,333	10,542	1,791
Public works	10,163	10,163	6,323	3,840
Recreation & culture	2,500	2,500	1,500	0
Health & welfare	415	415	0	415
Community & economic development	18,870	19,170	15,287	3,883
Capital outlay	11,700	11,850	1,836	10,014
Transfers to other funds	75,250	75,250	42,046	33,204
Total Charges to Appropriations	232,590	240,873	178,186	62,687
Budgetary Fund Balance-March 31	$ 554,491	$ 546,208	$ 612,788	$ 66,580

TOWNSHIP OF ARLINGTON
BUDGETARY COMPARISON SCHEDULE
MAJOR ROAD FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	$ 96,276	$ 96,276	$ 96,276	$ 0
Resources (Inflows)				
Property taxes	97,785	97,785	101,675	$ 3,890
State aid	3,600	3,600	3,601	$ 1
Interest revenue & misc	150	150	183	$ 33
Transfers from other funds	75,702	75,702	42,046	$ (33,656)
Amounts Available for Appropriation	273,513	273,513	243,781	(29,733)
Charges to Appropriation (Outflows)				
Public Works				
Roads	177,237	177,237	141,880	35,357
Total Charges to Appropriations	177,237	177,237	141,880	35,357
Budgetary Fund Balance-March 31	$ 96,276	$ 96,276	$ 101,901	$ 5,624

TOWNSHIP OF ARLINGTON
BUDGETARY COMPARISON SCHEDULE
MAJOR FIRE FUND
YEAR ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Beginning of Year Fund Balance	$ 4,496	$ 4,496	$ 4,496	$ 0
Resources (Inflows)				
Taxes and penalties	139,871	139,871	139,861	(10)
Miscellaneous revenue	0	0	52	52
Amounts Available for Appropriation	144,367	144,367	144,409	42
Charges to Appropriations (Outflows)				
Public Safety				
Fire	139,871	139,871	139,835	36
Total Charges to Appropriations	139,871	139,871	139,835	36
Budgetary Fund Balance-March 31	$ 4,496	$ 4,496	$ 4,574	$ 78

ADDITIONAL INFORMATION

TOWNSHIP OF ARLINGTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	Special Revenue Funds			Total Non-Major Governmental Funds
	Senior Services	Hospital	Building Inspection	
Assets				
Cash and cash equivalents	$ 0	$ 0	$ 0	$ 0
Investments	0	0	0	0
Receivables - net	1,700	2,356	0	4,056
Due from other funds	0	0	0	0
Total Assets	$ 1,700	$ 2,356	$ 0	$ 4,056
Liabilities and Fund Equity				
Liabilities				
Accounts payable	$ 1,700	$ 2,356	$ 0	$ 4,056
Due to other funds	0	0	0	0
Total Liabilities	1,700	2,356	0	4,056
Fund Balance				
Reserved	0	0	0	0
Unreserved	0	0	0	0
Total Fund Equity	0	0	0	0
Total Liabilities and Fund Equity	$ 1,700	$ 2,356	$ 0	$ 4,056

TOWNSHIP OF ARLINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	Special Revenue Funds			Total Non-Major Governmental Funds
	Senior Services	Hospital	Building Inspection	
Revenues				
Taxes and penalties	13,154	18,226	0	31,380
Charges for services	0	0	12,200	12,200
Total Revenues	13,154	18,226	12,200	43,580
Expenditures				
Current				
Public safety	0	0	12,200	12,200
Health and welfare	13,154	18,226	0	31,380
Capital outlay	0	0	0	0
Total Expenditures	13,154	18,226	12,200	43,580
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other Financing Sources (Uses)				
Operating transfers in	0	0	0	0
Operating transfers (out)	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	0	0	0	0
Fund Balance-April 1, 2007	0	0	0	0
Fund Balance-March 31, 2008	$ 0	$ 0	$ 0	$ 0

ANGLE & STEFFES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

September 4, 2008

Township of Arlington
Township Board Members
Van Buren County, MI

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Arlington, Van Buren County, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements and have issued our report thereon dated September 4, 2008. We conducted our audit on accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of Arlington's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Arlington, Van Buren County, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Arlington, Van Buren County, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We note certain matters for management's attention and improvement, those control deficiencies that are not considered significant deficiencies or material weaknesses involving internal control:

Uninsured Funds

The FDIC's regulations governs the insurance coverage of public units' accounts. The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the same bank within the State are added together and insured up to $100,000. Separately, all demand deposits owned by the public unit and held by the same bank within the State are added together and insured up to an additional $100,000. The Towship maintains demand and savings deposits in multiple banks totalling $658,599 as of March 31, 2008. Of these funds, $20,926 is uninsured by the FDIC. We are aware that the Township is diligently spreading the funds between demand and savings accounts in multiple banks and we continue to recommend that additional Michigan banks be utilized to cover Township funds in FDIC insured accounts.

This report is intended solely for the information and use of management and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Angle & Steffes P.C.

Angle & Steffes, P.C.
Certified Public Accountants
Allegan, Michigan