

LAWRENCE TOWNSHIP

Report on Audit of Financial Statements
For the Year Ended
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 <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Lawrence Township	County Van Buren
Fiscal Year End 3/31/2007	Opinion Date 7/13/2007	Date Audit Report Submitted to State 10/2/2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO **Check each applicable box below.** (See instructions for further detail.)
- All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - The local unit has adopted a budget for all required funds.
 - A public hearing on the budget was held in accordance with State statute.
 - The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - The local unit only holds deposits/investments that comply with statutory requirements.
 - The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - The local unit is free of repeated comments from previous years.
 - The audit opinion is UNQUALIFIED.
 - The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - The board or council approves all invoices prior to payment as required by charter or statute.
 - To our knowledge, bank reconciliations that were reviewed were performed timely.

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

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

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Cutting & Cutting, P.C.		Telephone Number (269) 657-4720		
Street Address 303 Paw Paw Street		City Paw Paw	State MI	Zip 49079
Authorizing CPA Signature <i>William A. Cutting</i>		Printed Name William A. Cutting		License Number 1938

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July 13, 2007

Lawrence Township Board
Lawrence, Michigan 49064

We have audited the accompanying general purpose financial statements of Lawrence Township as of March 31, 2007, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Lawrence Township management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Lawrence Township, as of March 31, 2007, or the changes in its financial position for the year then ended.

Cutting & Cutting, P.C.

COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
LAWRENCE TOWNSHIP
March 31, 2007

	General	Special Revenue	Capital Project	Trust & Agency	Account Group General Long-Term Debt	Total Memorandum Only
Assets						
Cash and equivalents	\$ 164,552	\$ 617,426	\$ 1,113	\$ 43,484		\$ 826,575
Taxes receivable	7,880	38,420	12,020			58,320
Other receivables	38,196					38,196
Amount to be provided for retirement of long-term debt	<u> </u>	<u> </u>	<u> </u>	<u> </u>	\$ 338,483	<u>338,483</u>
	\$ 210,628	\$ 655,846	\$ 13,133	\$ 43,484	\$ 338,483	\$ 1,261,574
Liabilities and Fund Balance						
Accounts payable	\$ 1,718	\$ 6,535		\$ 200		\$ 8,453
Notes payable					\$ 338,483	338,483
Accrued interest payable	3,741	4,838				8,579
Undistributed taxes and interest				<u>26,499</u>		<u>26,499</u>
Total liabilities	5,459	11,373		26,699	338,483	382,014
Expendable fund balance	205,169	644,473	\$ 13,133	15,425		878,200
Non-expendable fund balance				<u>1,360</u>		<u>1,360</u>
Total fund balance	<u>205,169</u>	<u>644,473</u>	<u>13,133</u>	<u>16,785</u>		<u>879,560</u>
	\$ 210,628	\$ 655,846	\$ 13,133	\$ 43,484	\$ 338,483	\$ 1,261,574

See notes to financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN EXPENDABLE FUND BALANCES
 LAWRENCE TOWNSHIP
 Year ended March 31, 2007

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	Total (Memorandum Only)
Revenues				
Taxes	\$ 100,079	\$ 390,695	\$ 129,965	\$ 620,739
Licenses and permits	3,348			3,348
Intergovernmental	162,983	1,934		164,917
Grants from local units		32,000		32,000
Charges for services	11,445			11,445
Miscellaneous	<u>17,819</u>	<u>38,007</u>	<u>673</u>	<u>56,499</u>
	<u>295,674</u>	<u>462,636</u>	<u>130,638</u>	<u>888,948</u>
Expenditures				
General government	342,960			342,960
Public safety		248,982		248,982
Public works	11,277	36,545		47,822
Community development	8,511			8,511
Debt service			<u>137,083</u>	<u>137,083</u>
	<u>362,748</u>	<u>285,527</u>	<u>137,083</u>	<u>785,358</u>
Excess of revenues over expenditures	(67,074)	177,109	(6,445)	103,590
Other financing sources				
Bank borrowing	<u>70,000</u>	_____	_____	<u>70,000</u>
Excess of revenues and other sources over expenditures and other uses	2,926	177,109	(6,445)	173,590
Beginning fund balance	<u>202,243</u>	<u>467,364</u>	<u>19,578</u>	<u>689,185</u>
Ending fund balance	\$ <u>205,169</u>	\$ <u>644,473</u>	\$ <u>13,133</u>	\$ <u>862,775</u>

See notes to financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL-GENERAL AND SPECIAL REVENUE FUNDS
 LAWRENCE TOWNSHIP
 Year ended March 31, 2007

	<u>General Fund</u>		<u>Special Revenue Funds</u>		Variance Favorable (Unfavorable)
	<u>Amended Budget</u>	<u>Actual</u>	<u>Amended Budget</u>	<u>Actual</u>	
Revenues					
Taxes	\$ 97,074	\$ 100,079		\$ 390,695	
Licenses and permits	5,150	3,348			(1,802)
Intergovernmental	154,122	162,983			8,861
Grants from Local Units					
Charges for services	9,760	11,445			1,685
Miscellaneous	<u>10,151</u>	<u>17,819</u>		<u>38,007</u>	
	276,257	295,674	\$ 476,345	462,636	\$ (13,709)
Expenditures					
General government	305,472	342,960			(37,488)
Public safety				248,982	
Public works	12,000	11,277		36,545	
Community development	<u>11,150</u>	<u>8,511</u>			2,639
	<u>328,622</u>	<u>362,748</u>	<u>466,505</u>	<u>285,527</u>	<u>180,978</u>
Excess of revenues over expenditures	\$ <u>(52,365)</u>	(67,074)	\$ <u>(14,709)</u>	177,109	\$ <u>167,269</u>
Other financing sources					
Bank borrowing		<u>70,000</u>			
Excess of revenues and other sources over expenditures and other uses					
				2,926	
Beginning fund balance		<u>202,243</u>		<u>467,364</u>	
Ending fund balance	\$ <u>205,169</u>		\$ <u>9,840</u>	<u>644,473</u>	\$ <u>644,473</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
LAWRENCE TOWNSHIP
March 31, 2007

Lawrence Township is a general law township in Van Buren County, Michigan. It has a population of approximately 3,341.

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared using the modified accrual basis of accounting.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision whether 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 benefits the government and/or its citizens, or 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 financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the financial statements of the Township include the accounts of all Township operations. The Township's major operations include fire protection, ambulance service, planning and zoning, road maintenance, cemetery, cultural and recreational services and general administrative services. The Township has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Township.

B. Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds

These funds are used to account for revenues and expenditures relating to specific construction projects.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. Budgets and Budgetary Accounting

The Township prepares a budget for settlement day in March and a budget hearing is held at the annual meeting. The budget is adopted at the April meeting for that fiscal year. The budget is amended by the Township Board.

The Township exceeded the appropriated amount in various activities as shown on page 13.

E. Total Columns on Combined Statements-Overview

Total columns on the Combined Statements-Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this information.

2. Property Tax

Property taxes attach as an enforceable lien on property as of December 31. Taxes are levied on December 1. The Township bills and collects its own property taxes. Township property tax revenues are recognized when collected.

The Township is allocated one mill of the fixed allocation of the constitutional 15 mills. This year the Township levied .6955 mills for general operating, 2.75 mills for fire protection, .8 mills for the Quick Response activity, 1.4654 mills for library and .9682 mills for roads. In the summer, the Township also collects the State Education Tax.

3. Cash and Investments

State statutes authorize the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involve no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Michigan law prohibits security in the form

of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan.

The Township's deposits and investments are in accordance with statutory authority.

<u>Deposits</u>	<u>Bank Carrying Amount</u>	<u>GASB Category of Risk</u>
Insured (FDIC)	\$ 156,590	(1)
Uninsured	728,789	(3)

All of the above are in checking, money market savings accounts or certificates of deposit and are carried at a book balance of \$826,575.

GASB Categories of Risk

- (1) Insured or registered
- (3) Uninsured and unregistered

4. Risk Management

In lieu of purchasing commercial insurance for the risk of losses to which is it exposed, the Township Board has chosen to participate in the Michigan Municipal Liability and Property Pool (MMLPP).

The MMLPP complies with Act 294, P.A. 1972.

MMLPP services all claims for risk of loss to which the Township is exposed, including those risks selected in the declaration sheet and specifically described in the coverage forms and endorsement schedules attached to and made part of this plan.

Under this participation contract the MMLPP provides coverage for up to a maximum of \$2,000,000 for general liability coverage, \$2,000,000 for errors and omissions, \$5,000 for crime and \$1,449,732 for inland marine/limits and \$2,601,090 for buildings and contents.

5. The installment purchase agreements are as follows:

Installment Purchase Agreement - Fire Station

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
July 1, 2007	\$ 60,000	\$ 14,284	\$ 74,284
July 1, 2008	60,000	10,713	70,713
July 1, 2009	60,000	7,142	67,142
July 1, 2010	<u>60,000</u>	<u>3,571</u>	<u>63,571</u>
	<u>\$ 240,000</u>	<u>\$ 35,710</u>	<u>\$ 275,710</u>

During the year the Township borrowed \$70,000 to purchase land to expand the cemetery. The repayment schedule is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 9, 2007	\$ 5,830	\$ 2,800	\$ 8,630
June 9, 2008	6,064	2,566	8,630
June 9, 2009	6,306	2,324	8,630
June 9, 2010	6,559	2,071	8,630
June 9, 2011	6,820	1,810	8,630
June 9, 2012	7,094	1,536	8,630
June 9, 2013	7,377	1,253	8,630
June 9, 2014	7,672	958	8,630
June 9, 2015	7,979	651	8,630
June 9, 2016	<u>8,299</u>	<u>331</u>	<u>8,630</u>
	<u>\$ 70,000</u>	<u>\$ 16,300</u>	<u>\$ 86,300</u>

6. Construction Activity

During the year 2004, the Township began levying taxes to pay for the construction of a new library facility. This Capital Project is reflected in the Library Construction Fund.

Installment Purchase Agreement - Library

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
February 26, 2008	\$ 28,483	\$ 997	\$ 29,480

7. Long-term Debt

Long-term debt at March 31, 2006	\$ 460,483
New borrowing	<u>70,000</u>
	530,483
Payments	<u>192,000</u>
Balance March 31, 2007	\$ <u>338,483</u>

COMBINING BALANCE SHEET-SPECIAL REVENUE FUNDS
LAWRENCE TOWNSHIP
March 31, 2007

	<u>Road</u>	<u>Fire</u>	<u>Quick Response</u>	<u>Building Department</u>	<u>Housing Rehabilitation</u>	<u>Total</u>
Assets						
Cash and equivalents	\$ 127,677	\$ 328,405	\$ 139,687	\$ 4,750	\$ 16,907	\$ 617,426
Taxes receivable	<u>9,570</u>	<u>22,350</u>	<u>6,500</u>			<u>38,420</u>
	\$ <u>137,247</u>	\$ <u>350,755</u>	\$ <u>146,187</u>	\$ <u>4,750</u>	\$ <u>16,907</u>	\$ <u>655,846</u>
Liabilities and Fund Balance						
Accounts payable		\$ 6,218		\$ 317		\$ 6,535
Accrued interest payable		<u>3,600</u>	\$ <u>1,238</u>			<u>4,838</u>
Total liabilities		9,818	<u>1,238</u>	<u>317</u>		<u>11,373</u>
Fund balance	\$ <u>137,247</u>	<u>340,937</u>	<u>144,949</u>	<u>4,433</u>	\$ <u>16,907</u>	<u>644,473</u>
	\$ <u>137,247</u>	\$ <u>350,755</u>	\$ <u>146,187</u>	\$ <u>4,750</u>	\$ <u>16,907</u>	\$ <u>655,846</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES-SPECIAL REVENUE FUNDS
Year ended March 31, 2007

	<u>Road</u>	<u>Fire</u>	<u>Quick Response</u>	<u>Building Department</u>	<u>Housing Rehabilitation</u>	<u>Total</u>
Revenues						
Property taxes	\$ 88,399	\$ 234,988	\$ 67,308			\$ 390,695
FEMA grant		1,934			1,934	1,934
Interest	2,959	8,497	4,009		706	16,171
Reimbursement - Township		16,000	16,000			32,000
Other	<u>91,358</u>	<u>3,634</u>	<u>6,088</u>	\$ <u>12,114</u>		<u>21,836</u>
		265,053	93,405	<u>12,114</u>	<u>706</u>	<u>462,636</u>
Expenditures						
Operation	36,545	88,697	45,654	8,860		179,756
Capital outlay	<u>36,545</u>	<u>71,510</u>	<u>34,261</u>	<u>8,860</u>		<u>105,771</u>
		<u>160,207</u>	<u>79,915</u>			<u>285,527</u>
Excess of revenues over expenditures	54,813	104,846	13,490	3,254	706	177,109
Beginning fund balance	<u>82,434</u>	<u>236,091</u>	<u>131,459</u>	<u>1,179</u>	<u>16,201</u>	<u>467,364</u>
Ending fund balance	\$ <u>137,247</u>	\$ <u>340,937</u>	\$ <u>144,949</u>	\$ <u>4,433</u>	\$ <u>16,907</u>	\$ <u>644,473</u>

COMBINING BALANCE SHEET-TRUST AND AGENCY FUNDS
LAWRENCE TOWNSHIP
March 31, 2007

	<u>Trust & Agency</u>	<u>Current Tax</u>	<u>Cemetery Trust</u>	<u>Total</u>
 Assets				
Cash and equivalents	\$ <u>207</u>	\$ <u>26,492</u>	\$ <u>16,785</u>	\$ <u>43,484</u>
 Liabilities				
Deposits	\$ 200	\$ 2,780		\$ 2,980
Undistributed interest		16,392		16,392
Undistributed taxes	<u>7</u>	<u>7,320</u>		<u>7,327</u>
Total liabilities	207	26,492		26,699
 Expendable fund balance			 \$ 15,425	 15,425
 Non-expendable fund balance	 <u> </u>	 <u> </u>	 <u>1,360</u>	 <u>1,360</u>
	\$ <u>207</u>	\$ <u>26,492</u>	\$ <u>16,785</u>	\$ <u>43,484</u>

BALANCE SHEET
GENERAL FUND
LAWRENCE TOWNSHIP
March 31

	<u>2007</u>	<u>2006</u>
Assets		
Cash and equivalents	\$ 164,552	\$ 182,849
Taxes receivable	7,880	7,880
Due from State of Michigan	<u>38,196</u>	<u>38,196</u>
	<u>\$ 210,628</u>	<u>\$ 228,925</u>
 Liabilities and Fund Balance		
Accounts payable	\$ 1,718	\$ 6,016
Due to other funds		16,785
Accrued interest payable	<u>3,741</u>	<u>3,881</u>
Total liabilities	5,459	26,682
 Fund balance	 <u>205,169</u>	 <u>202,243</u>
	<u>\$ 210,628</u>	<u>\$ 228,925</u>

STATEMENT OF CHANGES IN FUND BALANCE
Year ended March 31

Summary of revenues and expenditures		
Revenues	\$ 295,674	\$ 295,814
Expenditures	<u>362,748</u>	<u>323,873</u>
Excess of revenues over expenditures	(67,074)	(28,059)
 Other financing sources		
Bank borrowing	<u>70,000</u>	<u> </u>
 Excess of revenues and other sources over expenditures and other uses	 2,926	 (28,059)
 Beginning fund balance	 <u>202,243</u>	 <u>230,302</u>
 Ending fund balance	 <u>\$ 205,169</u>	 <u>\$ 202,243</u>

STATEMENT OF REVENUES
GENERAL FUND
LAWRENCE TOWNSHIP
Year ended March 31

	<u>2007</u>		Variance Favorable (Unfavorable)	<u>2006</u>
	<u>Amended Budget</u>	<u>Actual</u>		
Revenues				
Property taxes	\$ 64,074	\$ 63,537	\$ (537)	\$ 61,123
Administrative fee	<u>33,000</u>	<u>36,542</u>	<u>3,542</u>	<u>35,188</u>
	97,074	100,079	3,005	96,311
Licenses and permits	5,150	3,348	(1,802)	10,336
State revenue sharing	154,122	162,983	8,861	163,612
Charges for services				
Cemetery	9,675	11,445	1,770	11,975
Miscellaneous	<u>85</u>	<u> </u>	<u>(85)</u>	<u>708</u>
	9,760	11,442	1,685	12,683
Miscellaneous				
Interest	3,751	6,169	2,418	4,301
Sale of fixed assets				111
Other	<u>6,400</u>	<u>11,650</u>	<u>5,250</u>	<u>8,460</u>
	<u>10,151</u>	<u>17,819</u>	<u>7,668</u>	<u>12,872</u>
	\$ <u>276,257</u>	\$ <u>295,674</u>	\$ <u>19,417</u>	\$ <u>295,814</u>

STATEMENT OF EXPENDITURES
GENERAL FUND
LAWRENCE TOWNSHIP
Year ended March 31

	<u>2007</u>		Variance Favorable (Unfavorable)	<u>2006</u>
	<u>Amended Budget</u>	<u>Actual</u>		
General government				
Township Board	\$ 44,400	\$ 33,721	\$ 10,679	\$ 56,253
Supervisor	14,425	13,429	996	15,571
Township Secretary	37,796	36,155	1,641	35,821
Clerk	22,400	21,790	610	18,326
Board of Review	1,760	1,751	9	1,590
Treasurer	23,800	21,292	2,508	21,284
Assessing	33,350	33,319	31	38,892
Election	8,500	7,416	1,084	1,285
Township Hall	7,500	6,458	1,042	7,234
Fire Hall	23,875	15,720	8,155	21,079
Cemetery	<u>87,666</u>	<u>151,909</u>	<u>(64,243)</u>	<u>88,135</u>
	305,472	342,960	(37,488)	305,470
Drains	12,000	11,277	723	11,277
Planning	6,300	5,333	967	3,187
Zoning Board of Appeals	4,150	1,536	2,614	3,689
Library	<u>700</u>	<u>1,642</u>	<u>(942)</u>	<u>250</u>
	\$ <u>328,622</u>	\$ <u>362,748</u>	\$ <u>(34,126)</u>	\$ <u>323,873</u>

BALANCE SHEET
 FIRE FUND
 LAWRENCE TOWNSHIP
 March 31

	<u>2007</u>	<u>2006</u>
Assets		
Cash and equivalents	\$ 328,405	\$ 219,811
Taxes receivable	22,350	25,680
Due on FEMA grant	<u> </u>	<u>39,824</u>
	<u>\$ 350,755</u>	<u>\$ 285,315</u>
Liabilities and Fund Balance		
Accounts payable	\$ 6,218	\$ 40,419
Accrued interest payable	<u>3,600</u>	<u>8,805</u>
Total liabilities	9,818	49,224
Fund balance	<u>340,937</u>	<u>236,091</u>
	<u>\$ 350,755</u>	<u>\$ 285,315</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 FIRE FUND
 LAWRENCE TOWNSHIP
 Year ended March 31

	<u>2007</u>		Variance Favorable (Unfavorable)	<u>2006</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Property taxes				
Operating		\$ 97,175		\$ 81,871
Truck		137,813		141,007
Grants from other				
FEMA		1,934		112,849
Township		16,000		11,500
Interest		8,497		3,140
Other		<u>3,634</u>		<u>1,569</u>
	\$ 284,170	265,053	\$ (19,117)	351,936
Expenditures				
Labor and employee benefits		33,694		44,525
Operating supplies		9,519		8,534
Training		6,308		1,622
Outside services		3,445		1,423
Communications		1,223		1,883
Insurance		12,023		6,286
Utilities		3,981		2,931
Repairs and maintenance		17,210		11,704
Building additions and improvements		29,983		30,000
Equipment		41,527		53,338
FEMA grant purchases				112,849
Interest expense		859		8,384
Miscellaneous		<u>435</u>		<u>1,535</u>
	<u>202,475</u>	<u>160,207</u>	<u>42,268</u>	<u>285,014</u>
Excess of revenues over expenditures	\$ <u>81,695</u>	104,846	\$ <u>23,151</u>	66,922
Beginning fund balance		<u>236,091</u>		<u>169,169</u>
Ending fund balance		\$ <u>340,937</u>		\$ <u>236,091</u>

BALANCE SHEET
 QUICK RESPONSE FUND
 LAWRENCE TOWNSHIP
 March 31

	<u>2007</u>	<u>2006</u>
Assets		
Cash and equivalents	\$ 139,687	\$ 127,834
Taxes receivable	<u>6,500</u>	<u>10,410</u>
	\$ <u>146,187</u>	\$ <u>138,244</u>
Liabilities and Fund Balance		
Accounts payable		\$ 963
Accrued interest payable	\$ <u>1,238</u>	<u>5,822</u>
Total liabilities	1,238	6,785
Fund balance	<u>144,949</u>	<u>131,459</u>
	\$ <u>146,187</u>	\$ <u>138,244</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 QUICK RESPONSE FUND
 LAWRENCE TOWNSHIP
 Year ended March 31

	<u>2007</u>		Variance Favorable (Unfavorable)	<u>2006</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues				
Property taxes				
Operating		\$ 52,491		\$ 54,720
Truck		14,817		15,363
Arlington Township		16,000		
Contributions		5,218		14,447
Interest		4,009		3,345
Miscellaneous		<u>870</u>		<u>1,548</u>
	\$ 87,650	93,405	\$ 5,755	89,423
Expenditures				
Labor and payroll taxes		21,921		25,125
Operating supplies		4,689		3,838
Communications		1,212		806
Training and education		1,571		1,642
Insurance		4,023		2,432
Utilities		3,015		3,297
Repairs and maintenance		5,702		2,983
Equipment		16,271		28,053
Building additions and improvements		17,990		21,000
Interest		16		6,858
Miscellaneous		<u>3,505</u>		<u>4,590</u>
	<u>93,630</u>	<u>79,915</u>	<u>13,715</u>	<u>100,624</u>
Excess of revenues over expenditures	\$ <u>(5,980)</u>	13,490	\$ <u>19,470</u>	(11,201)
Beginning fund balance		<u>131,459</u>		<u>142,660</u>
Ending fund balance		\$ <u>144,949</u>		\$ <u>131,459</u>

BALANCE SHEET
LIBRARY CONSTRUCTION FUND
LAWRENCE TOWNSHIP
March 31

	<u>2007</u>	<u>2006</u>
Assets		
Cash and equivalents	\$ 1,113	\$ 3,778
Taxes receivable	<u>12,020</u>	<u>15,800</u>
	\$ <u>13,133</u>	\$ <u>19,578</u>
 Liabilities and Fund Balance		
Fund balance	\$ <u>13,133</u>	\$ <u>19,578</u>

STATEMENT OF REVENUES AND EXPENDITURES
Year ended March 31

	<u>2007</u>	<u>2006</u>
Revenues		
Property taxes	\$ 129,965	\$ 126,489
Other	<u>673</u>	<u>1,283</u>
	130,638	127,772
Expenditures		
Building		1,629
Principal payment	132,000	249,034
Interest	<u>5,083</u>	<u>11,966</u>
	<u>137,083</u>	<u>262,629</u>
Excess of revenues over expenditures	(6,445)	(134,857)
Beginning fund balance	<u>19,578</u>	<u>154,435</u>
Ending fund balance	\$ <u>13,133</u>	\$ <u>19,578</u>

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July 13, 2007

Members of the Township Board
Lawrence Township
Van Buren County, Michigan

The audit work necessary to express an opinion on the financial statements of Lawrence Township included a review of the Township's accounting procedures and the related internal controls. As a result of the review we offer comments and suggestions for your consideration.

Repeat of Prior Year Comments
Internal Controls

There is not adequate segregation of duties in the accounting function. However, because of lack of personnel, this situation is not unusual in small governmental units.

Budgets

The budget should be amended if an activity is going to spend more than the amount budgeted.

Unaudited Funds

We did not examine the internal funds of the Fire Department.

The above comments are submitted to you to develop good accounting practices and are not intended to reflect upon the performance of any Township official.

Cutting & Cutting, P.C.