

# 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				Local Unit Name		County	
<input type="checkbox"/> County	<input type="checkbox"/> City	<input type="checkbox"/> Twp	<input type="checkbox"/> Village	<input type="checkbox"/> Other			
Fiscal Year End		Opinion Date		Date Audit Report Submitted to State			

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.)

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 type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 		Printed Name		License Number

**19<sup>th</sup> District Court of Michigan  
City of Dearborn**

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**Financial Report  
with Supplemental Information  
June 30, 2007**

# **19<sup>th</sup> District Court of Michigan City of Dearborn**

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## Independent Auditor's Report

To the Judges of the 19<sup>th</sup> District Court,  
Honorable Mayor, and Members  
of the City Council  
19<sup>th</sup> District Court of Michigan  
Dearborn, Michigan

We have audited the accompanying basic financial statement of the 19<sup>th</sup> District Court of Michigan (a component unit of the City of Dearborn, Michigan) as of June 30, 2007. This financial statement is the responsibility of the 19<sup>th</sup> District Court of Michigan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

In our opinion, the basic financial statement presents fairly, in all material respects, the financial position of the 19<sup>th</sup> District Court of Michigan as of June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

*Plante & Moran, PLLC*

August 8, 2007

# 19<sup>th</sup> District Court of Michigan

## City of Dearborn

### Management's Discussion and Analysis

Our discussion and analysis of the District Court Funds of District No. 19, City of Dearborn's (the "District Court") financial performance provides an overview of the District Court's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the District Court's financial statement.

#### Using this Financial Report

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are Agency Funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

#### The District Court as a Whole

The following table shows, in a condensed format, the assets and liabilities as of the current date and compared to the prior year:

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash	\$ 75,000	\$ 75,000
Deposits with City of Dearborn	<u>259,381</u>	<u>263,285</u>
Total assets	<u><b>\$ 334,381</b></u>	<u><b>\$ 338,285</b></u>
<b>Liabilities</b>		
Due to District Control Unit	\$ 56,185	\$ 55,800
Bonds and other deposits	<u>278,196</u>	<u>282,485</u>
Total liabilities	<u><b>\$ 334,381</b></u>	<u><b>\$ 338,285</b></u>

#### Contacting the District Court's Management

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly.

**19<sup>th</sup> District Court of Michigan  
City of Dearborn**

**Statement of Net Assets  
Fiduciary Funds  
June 30, 2007**

	Depository Account	Trust Account	Total
<b>Assets</b>			
Cash	\$ 50,000	\$ 25,000	\$ 75,000
Deposits with City of Dearborn	<u>6,185</u>	<u>253,196</u>	<u>259,381</u>
Total assets	<u><b>\$ 56,185</b></u>	<u><b>\$ 278,196</b></u>	<u><b>\$ 334,381</b></u>
<b>Liabilities</b>			
Due to District Control Unit	\$ 56,185	\$ -	\$ 56,185
Bonds and other deposits	<u>-</u>	<u>278,196</u>	<u>278,196</u>
Total liabilities	<u><b>\$ 56,185</b></u>	<u><b>\$ 278,196</b></u>	<u><b>\$ 334,381</b></u>

# 19<sup>th</sup> District Court of Michigan City of Dearborn

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**Notes to Financial Statement  
June 30, 2007**

## **Note 1 - Significant Accounting Policies**

The funds of the 19<sup>th</sup> District Court of Michigan (the “District Court”) are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. The operations of the funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District Court has been consolidated as a component unit in the financial statements of the City of Dearborn.

## **Note 2 - Cash**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

Certain deposits of the District Court are held at the City of Dearborn in the City’s pooled account. That pooled account invests in many different items. The District Court is unable to specifically identify the components of the pooled account that relate to the District Court’s deposits. See the City of Dearborn’s financial statements for more complete information.

The District Court’s cash and investments are subject to certain risks. The most substantial risk is examined in more detail below:

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the District Court’s deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$102,140 of bank deposits (certificates of deposit, checking, and savings accounts). The entire amount was covered by federal depository insurance.

## **Supplemental Information**

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**19<sup>th</sup> District Court of Michigan  
City of Dearborn**

**Schedule of Cash Receipts and Disbursements  
Year Ended June 30, 2007**

	Depository Account	Trust Account
<b>Cash Balance - July 1, 2006</b>	\$ 50,000	\$ 25,000
<b>Receipts</b>		
Fines and fees collected	5,554,811	-
Bonds and other deposits	<u>194,778</u>	<u>1,554,858</u>
Total receipts	5,749,589	1,554,858
<b>Disbursements</b>		
Transfers to:		
District Control Unit General Fund	4,115,294	-
State of Michigan	1,217,523	-
Wayne County	74,390	-
Secretary of State	130,687	-
Bonds, other deposit refunds, and witness fees	<u>211,695</u>	<u>1,554,858</u>
Total disbursements	<u>5,749,589</u>	<u>1,554,858</u>
<b>Cash Balance - June 30, 2007</b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 25,000</u></b>