

Township of Algoma, Michigan

Annual Financial Report Year Ended March 31, 2009



BDO Seidman, LLP
Accountants and Consultants



**Township of Algoma,
Michigan**

Annual Financial Report
Year Ended March 31, 2009

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Township of Algoma, Michigan

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Township of Algoma, Michigan

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Independent Auditors' Report

Board of Trustees
Township of Algoma
Rockford, Michigan

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Township of Algoma, Michigan (the Township) as of and for the year ended March 31, 2009, which collectively comprise the Township's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Township of Algoma's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Township of Algoma, Michigan as of March 31, 2009, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the budgetary comparison information on pages 43-47 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.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Township of Algoma. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BDO Seidman, LLP

Grand Rapids, Michigan
June 23, 2009

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Township of Algoma, Michigan

Management's Discussion and Analysis

1) Financial Highlights

- a) Net assets of governmental activities totaled \$2,387,517 as presented in the Government-Wide Statement of Net Assets.
- b) Net assets of business-type activities totaled \$ 1,144,653 as presented in the Government-Wide Statement of Net Assets.
- c) Total General Fund expenditures were under the final budget by \$186,119.
- d) Fund balance in the General Fund decreased by \$148,755 to \$354,503.

2) Overview of Financial Statements

The financial statements provide two views of the Township's financial position. At the broadest level, the government-wide statements summarize all Township funds into one statement using the full accrual method of accounting. This method of accounting is similar to private sector, for-profit accounting. The more detailed level is the fund financial statements which are prepared using the modified accrual method of accounting.

a) Government-Wide Financial Statements

i) Statement of Net Assets

The focus of the Statement of Net Assets is similar to a balance sheet in private sector accounting. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations (total economic resources). This statement presents all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets can serve as a barometer of financial health and whether the Township's financial position is improving or deteriorating.

ii) Statement of Activities

The Statement of Activities is focused on both the gross and net cost of the various activities that are supported by the Township's general tax and other revenues. This presentation is intended to summarize and simplify the user's analysis of the cost of the various governmental services and/or the subsidy to various business-type activities.

b) Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial presentation more familiar. These statements provide more detailed information about the Township's most significant funds (major funds). A fund is a fiscal and accounting entity with a self-balancing set of accounts that the Township uses to maintain control over resources that have been segregated for specific activities or objectives.

Township of Algoma, Michigan

Management's Discussion and Analysis

i) Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund statements are presented on a modified accrual basis, which focuses on the near-term sources and uses of available resources. This is the manner in which the budget is typically developed. The balance sheet for governmental funds does not include any capital assets or long-term debt. Governmental funds include the general fund and special revenue funds and are reported as governmental activities in the government-wide financial statements.

(1) Major Funds

In the new reporting model, the focus shifted from fund type to a major funds emphasis. Major funds are the largest funds in terms of assets, liabilities, revenues or expenditures. The following funds meet this requirement:

- General Fund
- Fire Department Special Revenue Fund
- Building Department Special Revenue Fund
- Special Assessments Special Revenue Fund

ii) Proprietary Funds

Proprietary funds are used to account for the services provided by the Township where the Township charges customers (whether external or internal) for the services it provides. These funds use accrual accounting. The Township maintains one enterprise fund that is used to report the sewer operations and maintenance. It is reported as business-type activities in the government-wide financial statements.

c) Notes to the Financial Statements

Immediately after the financial statements are the Notes to Financial Statements. The notes are an integral part of the financial statements. The notes contain many additional disclosures about the financial health of the Township.

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Township of Algoma, Michigan

Management's Discussion and Analysis

3) Government-Wide Financial Analysis

a) Net Assets

Following is a summarized version of the Statement of Net Assets.

March 31,	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets						
Current and other assets	\$ 572,672	\$ 654,890	\$ 222,364	\$ 215,390	\$ 795,036	\$ 870,280
Capital assets, net of accumulated depreciation	1,956,505	1,964,200	922,289	953,807	2,878,794	2,918,007
Total assets	2,529,177	2,619,090	1,144,653	1,169,197	3,673,830	3,788,287
Liabilities						
Long-term liabilities	114,370	208,829	-	-	114,370	208,829
Other liabilities	27,290	23,092	-	26,570	27,290	49,662
Total liabilities	141,660	231,921	-	26,570	141,660	258,491
Net Assets						
Invested in capital assets, net of related debt	1,856,505	1,768,200	922,289	953,807	2,778,794	2,722,007
Restricted	190,879	128,540	-	-	190,879	128,540
Unrestricted	340,133	490,429	222,364	188,820	562,497	679,249
Total Net Assets	\$ 2,387,517	\$ 2,387,169	\$ 1,144,653	\$ 1,142,627	\$ 3,532,170	\$ 3,529,796

The total net assets of the Township are \$3,532,170. Net assets of \$126,397 are restricted for public safety and \$64,482 of net assets are restricted for health and welfare. The Township has \$562,497 in unrestricted net assets which is approximately \$117,000 less than the prior year. Long-term liabilities decreased due to scheduled debt service payments.

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Township of Algoma, Michigan

Management's Discussion and Analysis

b) Changes in Net Assets

i) The following table shows how activities affected changes in net assets during the fiscal year.

Year ended March 31,	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 202,250	\$ 190,853	\$ 123,351	\$ 90,998	\$ 325,601	\$ 281,851
Operating grants and contributions	33,740	14,360	-	-	33,740	14,360
Capital grants	20,613	37,842	-	-	20,613	37,842
General revenues:						
Property taxes	690,252	677,063	-	-	690,252	677,063
Other taxes and revenues	533,682	545,168	-	-	533,682	545,168
Investment earnings	7,066	29,649	6,531	9,377	13,597	39,026
Total revenues	1,487,603	1,494,935	129,882	100,375	1,617,485	1,595,310
Expenses						
General government	569,367	519,940	-	-	569,367	519,940
Public safety	533,550	532,136	-	-	533,550	532,136
Public works	102,661	173,298	127,856	124,953	230,517	298,251
Health and welfare	35,235	53,691	-	-	35,235	53,691
Culture and recreation	100,367	97,450	-	-	100,367	97,450
Community development	115,994	72,197	-	-	115,994	72,197
Other	23,686	29,581	-	-	23,686	29,581
Interest and fiscal charges	6,395	9,589	-	-	6,395	9,589
Total expenses	1,487,255	1,487,882	127,856	124,953	1,615,111	1,612,835
Change in net assets	348	7,053	2,026	(24,578)	2,374	(17,525)
Net Assets, beginning of year	2,387,169	2,380,116	1,142,627	1,167,205	3,529,796	3,547,321
Net Assets, end of year	\$ 2,387,517	\$ 2,387,169	\$ 1,144,653	\$ 1,142,627	\$ 3,532,170	\$ 3,529,796

(1) Revenue Sources and Changes

Total revenue from all sources was \$1,617,485, of which \$1,487,603 was from governmental activities and \$129,882 was from business-type activities. Revenue from governmental activities consists mainly of \$690,252 (46%) from property taxes and \$519,446 (35%) from state revenue sharing. The millage rate for general operations was .7924 and .9854 for the fire department. Revenue from investments was lower due to lower interest rates and less funds invested.

(2) Expenses

(a) Expenses by Function

Using a full accrual basis of accounting, the Township spent \$1,487,255 on governmental activities. This equates to 38% on general government, 36% on public safety, 7% on public works and 7% on culture and recreation. Expenses for general government, public safety, cultural and recreation and community development increased by a small amount while expenses for public works and health and welfare decreased in 2009. Reduced expenses reflect a general conservative approach to expenses in line with Michigan's slowing economy.

Township of Algoma, Michigan

Management's Discussion and Analysis

ii) Business-Type Activity Highlights

Business-type activities show an increase in net assets of \$2,026 on revenues of \$129,882. The largest source of revenue was from charges for services, which represent 95% of revenues for business-type activities. Expenses increased by \$2,903 (2%).

4) Financial Analysis of Individual Funds

a) General Fund

The General Fund had revenues of \$1,014,173 and expenditures of \$1,037,978. A road paving project was completed on Russell Road with cost sharing assistance from two local businesses on the road.

5) Capital Assets and Debt Administration

a) Capital Assets

i) Summary of Capital Assets

The Township has \$2,878,794 invested in capital assets net of accumulated depreciation, which consists of \$1,956,505 in governmental activities and \$922,289 in business-type activities. The major investments are in real property, buildings and infrastructure.

Capital assets include all purchases of assets that exceed \$1,000. Capital assets include land and land improvements, buildings and improvements, machinery and equipment, motor vehicles and infrastructure such as streets and sidewalks. The Township uses straight-line depreciation for all depreciable assets.

6) Debt

a) Summary of Debt

The Township had \$114,370 of debt outstanding for governmental activities. The major portion, \$100,000, is the installment purchase of the Edgerton Fire Station constructed in 2003. Final payment is due in 2009-10.

7) Economic Forecast

a) Main Sources of Revenue

The Township has three main sources of revenue. These include property taxes, utility charges and state shared revenue. The economic forecast for the community is mostly dependent on state shared revenue as discussed below.

Township of Algoma, Michigan

Management's Discussion and Analysis

i) State Shared Revenue

State shared revenue is the largest source of revenue for the General Fund, representing 50% of General Fund revenue. State shared revenue is made up of two components and is based on the state sales tax rate of 6%. The constitutional component is based on the former 4% sales tax rate. This portion cannot be adjusted by the legislature. This total is \$519,446 in fiscal year 2009. The statutory component is based on the additional percentage added to the state sales tax and can be adjusted by the state legislature. This total was \$0 in fiscal year 2009. In both components, the overall distribution is dependent on the collection of the state sales taxes. When the economy and sales diminish, the revenue stream is reduced. When the economy and sales improve, revenue increases. Therefore, the General Fund is partially dependent on the overall state of Michigan's economy.

In preparing the annual budgets, management uses the Michigan Department of Treasury's estimates as published on their web site. The current fund balance will enable the Township to weather any likely reductions in fiscal year 2010 state shared revenue; however, conservative estimates for the future are needed.



Government-Wide Financial Statements

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Township of Algoma, Michigan

Statement of Net Assets

<i>March 31, 2009</i>	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments (Note 2)	\$ 439,718	\$ 217,881	\$ 657,599
Taxes receivable	34,411	-	34,411
Accounts receivable (Note 3)	4,500	3,578	8,078
Special assessments receivable	3,400	905	4,305
Due from other governments	90,643	-	90,643
Land and construction in process (Note 4)	284,559	-	284,559
Depreciable capital assets, net of accumulated depreciation (Note 4)	1,671,946	922,289	2,594,235
Total Assets	2,529,177	1,144,653	3,673,830
Liabilities			
Accounts payable	27,012	-	27,012
Accrued liabilities	278	-	278
Noncurrent liabilities (Note 7):			
Due within one year	100,000	-	100,000
Due in more than one year	14,370	-	14,370
Total Liabilities	141,660	-	141,660
Net Assets			
Invested in capital assets, net of related debt	1,856,505	922,289	2,778,794
Restricted for:			
Public safety	126,397	-	126,397
Health and welfare	64,482	-	64,482
Unrestricted	340,133	222,364	562,497
Total Net Assets	\$ 2,387,517	\$ 1,144,653	\$ 3,532,170

See accompanying notes to financial statements.

Township of Algoma, Michigan

Statement of Activities

<i>Year ended March 31, 2009</i>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants
Primary Government				
Governmental activities:				
General government	\$ 569,367	\$ 95,590	\$ -	\$ 20,613
Public safety	533,550	58,596	4,512	-
Public works	102,661	-	17,000	-
Health and welfare	35,235	39,494	12,228	-
Cultural and recreation	100,367	1,793	-	-
Community and economic development	115,994	6,777	-	-
Other	23,686	-	-	-
Interest and fiscal charges	6,395	-	-	-
Total governmental activities	1,487,255	202,250	33,740	20,613
Business-type activities:				
Sewer operations and maintenance	127,856	123,351	-	-
Total Primary Government	\$1,615,111	\$ 325,601	\$ 33,740	\$ 20,613
General revenues:				
Property taxes levied for general purposes				
Property taxes levied for public safety				
Other taxes				
Other revenues				
Unrestricted investment earnings				
Total general revenues				
Change in net assets				
Net Assets, beginning of year				
Net Assets, end of year				

Township of Algoma, Michigan

Statement of Activities

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (453,164)	\$ -	\$ (453,164)
(470,442)	-	(470,442)
(85,661)	-	(85,661)
16,487	-	16,487
(98,574)	-	(98,574)
(109,217)	-	(109,217)
(23,686)	-	(23,686)
(6,395)	-	(6,395)
(1,230,652)	-	(1,230,652)
-	(4,505)	(4,505)
(1,230,652)	(4,505)	(1,235,157)
321,429	-	321,429
368,823	-	368,823
519,696	-	519,696
13,986	-	13,986
7,066	6,531	13,597
1,231,000	6,531	1,237,531
348	2,026	2,374
2,387,169	1,142,627	3,529,796
\$ 2,387,517	\$ 1,144,653	\$ 3,532,170

See accompanying notes to financial statements.

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Township of Algoma, Michigan

Governmental Fund Balance Sheet

<i>March 31, 2009</i>	Special Revenue Funds			Total	
General	Fire Department	Building Department	Special Assessments	Governmental Funds	
Assets					
Cash and investments (Note 2)	\$ 262,172	\$ 90,078	\$ 23,675	\$ 63,793	\$ 439,718
Taxes receivable	15,361	19,050	-	-	34,411
Special assessments receivable	-	-	-	3,400	3,400
Due from other funds (Note 3)	4,500	-	-	-	4,500
Due from other governments	89,683	960	-	-	90,643
Total Assets	\$ 371,716	\$ 110,088	\$ 23,675	\$ 67,193	\$ 572,672
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 17,213	\$ 5,573	\$ 1,515	\$ 2,711	\$ 27,012
Unreserved fund balances					
Designated for subsequent years' expenditures	245,430	1,014	-	724	247,168
Undesignated:					
Reported in General Fund	109,073	-	-	-	109,073
Reported in Special Revenue Funds	-	103,501	22,160	63,758	189,419
Total fund balances	354,503	104,515	22,160	64,482	545,660
Total Liabilities and Fund Balances	\$ 371,716	\$ 110,088	\$ 23,675	\$ 67,193	\$ 572,672

See accompanying notes to financial statements.

Township of Algoma, Michigan

Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

March 31, 2009

Total fund balances - total governmental funds \$ 545,660

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 therefore are not reported in the funds. These assets consist of:

Capital assets, at cost	3,263,301
Accumulated depreciation	<u>(1,306,796)</u>
Net capital assets	1,956,505

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Balances were:

Bonds payable	(100,000)
Accrued interest on bonds	(278)
Compensated absences	<u>(14,370)</u>

Net Assets of Governmental Activities \$ 2,387,517

See accompanying notes to financial statements.

Township of Algoma, Michigan

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances

<i>Year ended March 31, 2009</i>	Special Revenue Funds			Total Governmental Funds	
	General	Fire Department	Building Department		Special Assessments
Revenues					
Property taxes	\$ 321,429	\$ 368,823	\$ -	\$ -	\$ 690,252
Intergovernmental	552,537	4,512	-	-	557,049
Licenses and permits	1,793	-	-	-	1,793
Charges for services	102,367	-	58,596	39,494	200,457
Contributions and donations	17,000	-	-	-	17,000
Investment earnings	6,993	22	51	-	7,066
Other revenues	12,054	1,300	-	-	13,354
Total revenues	1,014,173	374,657	58,647	39,494	1,486,971
Expenditures					
Current:					
General government	602,540	-	-	-	602,540
Public safety	92,223	280,825	123,129	-	496,177
Public works	102,661	-	-	-	102,661
Health and welfare	5,000	-	-	30,235	35,235
Community and economic development	115,994	-	-	-	115,994
Cultural and recreation	95,874	-	-	-	95,874
Other	23,686	-	-	-	23,686
Debt service:					
Principal	-	96,000	-	-	96,000
Interest	-	6,663	-	-	6,663
Total expenditures	1,037,978	383,488	123,129	30,235	1,574,830
Excess revenues over (under) expenditures	(23,805)	(8,831)	(64,482)	9,259	(87,859)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	50	1,125	-	-	1,175
Transfers in	-	40,000	85,000	-	125,000
Transfers out	(125,000)	-	-	-	(125,000)
Total other financing sources (uses)	(124,950)	41,125	85,000	-	1,175
Net change in fund balances	(148,755)	32,294	20,518	9,259	(86,684)
Fund Balances, beginning of year	503,258	72,221	1,642	55,223	632,344
Fund Balances, end of year	\$ 354,503	\$ 104,515	\$ 22,160	\$ 64,482	\$ 545,660

See accompanying notes to financial statements.

Township of Algoma, Michigan

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended March 31, 2009

Net change in fund balances - total governmental funds \$ (86,684)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	143,291
Depreciation expense	(150,443)

Governmental funds report proceeds from the sale of capital assets as revenue, while in the statement of activities only the gain or loss is reported. The change in net assets differs from the change in fund balance by the basis of the property disposed. (543)

Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 96,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(1,541)
Accrued interest	268

Change in Net Assets of Governmental Activities \$ 348

See accompanying notes to financial statements.

Township of Algoma, Michigan

Proprietary Fund Statement of Net Assets

	<u>Enterprise Fund</u>
	<u>Sewer Operations</u>
	<u>and Maintenance</u>
<i>March 31, 2009</i>	
Assets	
Current assets	
Cash and investments (Note 2)	\$ 217,881
Accounts receivable	3,578
Special assessments receivable	905
Total current assets	222,364
Noncurrent assets	
Capital assets, net of accumulated depreciation (Note 4)	922,289
Total Assets	1,144,653
Net Assets	
Invested in capital assets	922,289
Unrestricted	222,364
Total Net Assets	\$ 1,144,653

See accompanying notes to financial statements.

Township of Algoma, Michigan

Proprietary Fund

Statement of Revenues, Expenses and Changes in Fund Net Assets

	<u>Enterprise Fund</u>
	<u>Sewer Operations</u>
	<u>and Maintenance</u>
<i>Year ended March 31, 2009</i>	
Operating Revenues	
Charges for services	\$ 92,625
Other	30,726
Total operating revenues	123,351
Operating Expenses	
Operations	43,380
Administrative	12,084
Depreciation	33,513
Charges from other governmental units	38,879
Total operating expenses	127,856
Operating loss	(4,505)
Nonoperating Revenues	
Interest income	6,531
Change in net assets	2,026
Net Assets, beginning of year	1,142,627
Net Assets, end of year	\$ 1,144,653

See accompanying notes to financial statements.

Township of Algoma, Michigan

Proprietary Fund Statement of Cash Flows

	<u>Enterprise Fund</u>
<i>Year ended March 31, 2009</i>	<u>Sewer Operations and Maintenance</u>
Cash Flows From (for) Operating Activities	
Receipts from customers	\$ 98,642
Payments to suppliers	(93,182)
Payments to employees	(1,676)
Net cash from operating activities	3,784
Cash Flows for Capital Activity	
Purchase of capital assets	(1,995)
Cash Flows From Investing Activity	
Investment earnings	6,531
Net Increase in Cash and Equivalents	8,320
Cash and Equivalents, beginning of year	209,561
Cash and Equivalents, end of year	\$ 217,881
Reconciliation of Operating Loss to Net Cash From	
Operating Activities	
Operating loss	\$ (4,505)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation expense	33,513
Changes in assets and liabilities:	
Accounts receivable	1,065
Accounts payable	(26,570)
Other receivable	281
Net Cash From Operating Activities	\$ 3,784

See accompanying notes to financial statements.

Township of Algoma, Michigan

Fiduciary Funds Statement of Fiduciary Net Assets

		Agency Funds
<i>March 31, 2009</i>		
<hr/>		
Assets		
Cash and investments (Note 2)	\$	90,601
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Liabilities		
Deposits	\$	31,376
Due to other funds (Note 3)		4,500
Sewer escrows (Note 6)		54,725
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Total Liabilities	\$	90,601
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See accompanying notes to financial statements.

Township of Algoma, Michigan

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

The basic financial statements of the Township of Algoma, Michigan (the Township) contain all the funds that are controlled by, or dependent on, the Township's executive or legislative branches. Control by, or dependence on, the Township was determined on the basis of appointment of the governing authority, budget adoption, taxing authority, obligation of the Township to finance any deficits that may occur, scope of public service, and ability to significantly influence operations.

Joint Venture

The Township participates in a joint venture with five other municipalities that was established in accordance with Public Act 156. The Cedar Springs Area Parks and Recreation Board was established for the purpose of administering a system of public recreation, playgrounds and parks for the citizens of its member municipalities. Costs of operations and capital expenditures are supported by contributions from the member municipalities and fees from recreational programs.

Separate financial statements are issued for the Cedar Springs Area Parks and Recreation Board (Parks and Recreation Board) and may be obtained from the joint venture.

At June 30, 2008, the Parks and Recreation Board had assets of \$35,900, liabilities of \$15,410 and net assets of \$20,490. Revenues for the year ended June 30, 2008 were \$67,023 and expenses were \$65,827.

Basis of Presentation

Government-wide financial statements: The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to

Township of Algoma, Michigan

Notes to Financial Statements

meeting the operation or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Fund financial statements: The fund financial statements provide information about the Township's funds. 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 are reported in separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available, it is the Township's policy to use restricted resources first.

The Township reports the following major governmental funds:

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

Fire Department Special Revenue Fund - accounts for taxes collected and used for operations of the Fire Department.

Building Department Special Revenue Fund - accounts for revenues received and used for building permits that are earmarked for building construction code enforcement activities.

Special Assessments Special Revenue Fund - accounts for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes such as lighting or weed control. Revenue is collected in the form of special assessments.

The Township reports the following major enterprise fund:

Sewer Operations and Maintenance Fund - accounts for the operation and maintenance of the sewer system. Financing is provided primarily by user charges.

Township of Algoma, Michigan

Notes to Financial Statements

In addition, the Township reports the following funds:

Fiduciary Funds - the Tax Collection Fund and the Trust and Agency Fund are used to account for assets held by the Township as an agent. These funds are custodial in nature and do not involve measurement of results of operations.

Measurement Focus and Basis of Accounting

Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are 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.

The government-wide and enterprise fund financial statements follow applicable accounting and financial reporting standards of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, unless those pronouncements conflict with Governmental Accounting Standards Board pronouncements. The Township has elected not to apply FASB pronouncements issued after November 30, 1989 to the Enterprise Fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Taxes, intergovernmental revenues and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Cash and Cash Equivalents

The Township considers cash on hand and demand deposits to be cash equivalents for the statement of cash flows. In addition, all deposits in the Kent County Pooled Cash and

Township of Algoma, Michigan

Notes to Financial Statements

Investment System and municipal investment funds are considered to be cash equivalents. These deposits have the general characteristics of demand deposit accounts in that entities may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Investments

Investments are reported at fair value.

Capital Assets

Capital assets, which include infrastructure, property, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$1,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated fixed assets are stated at their market value as of the donation date. Infrastructure assets, including roads, bridges and underground pipes, are included.

Property, infrastructure, buildings and equipment are depreciated using the straight-line method over the following useful lives:

	Years
Land improvements	10-20
Water and sewer facilities	20-50
Buildings and improvements	10-50
Vehicles and equipment	5-20
Furniture and fixtures	5-10

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

Property Taxes

The Township's property taxes are levied as an enforceable lien on property as of December 1 and are due without penalty on or before February 14. These tax bills

Township of Algoma, Michigan

Notes to Financial Statements

include the Township's own property taxes and a portion of the taxes billed on behalf of Kent County and various school districts within the Township's boundaries. Real property taxes not collected as of March 1 are turned over to Kent County for collection. The County advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township's treasurer. The Township's property taxes levied on December 1 provide the revenue for the current fiscal year.

A portion of the taxes billed on behalf of Kent County and various school districts within the Township's boundaries are billed on July 1. These taxes are due without penalty on September 14. Taxes collected on behalf of school districts and Kent County are remitted to the school districts and Kent County following collection and are accounted for in the Tax Collection Fund.

The assessed and state equalized taxable value of real and personal property located in the Township totaled \$373,287,124. The Township's general operating levy for the year was based on a millage rate of 0.7924 and the fire department levy was 0.9854.

Interfund Activity

During the course of its operations, the Township has transactions between funds. To the extent that certain transactions had not been paid or received as of March 31, 2009, balances of interfund receivables or payables have been recorded. In 2009, the General Fund transferred \$85,000 to the Building Department and \$40,000 to the Fire Department to cover revenue shortfalls.

Risk Management

The Township has transferred the risk of loss associated with liability, property, employee healthcare, workers' compensation and life insurance by purchasing insurance from commercial insurance carriers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Compensated Absences

Township employees are granted vacation leave in varying amounts based on length of service. Employees may not accumulate over 10 days of vacation leave in any one fiscal year. Township employees are paid for earned but unused vacation benefits at their current rates of pay upon retirement or resignation with a two-week written notice. The Township has accrued a liability for the amount of unused vacation and sick leave pay in the government-wide and proprietary fund financial statements. Only the matured liability is reported in the governmental fund financial statements.

Township of Algoma, Michigan

Notes to Financial Statements

Full-time employees accumulate sick leave at a rate of 12 days per year. Unused sick leave accumulates from year to year to a maximum of 30 days. No portion of unused sick leave is paid to employees upon termination.

2. Cash and Investments

Deposits

Statutes require that certificates of deposit, savings accounts, deposit accounts and depository receipts are made with banks doing and having a place of business in the state of Michigan that are also members of a federal or national insurance corporation.

Custodial Credit Risk for Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. The Township's policy to mitigate custodial credit risk is to employ portfolio diversification.

At March 31, 2009, the book balance was \$561,047 and the bank balance (without recognition of outstanding checks or deposits in transit) was \$589,751, of which \$304,725 was insured by federal depository insurance, and \$285,026 was uninsured.

Investments

Statutes require and Board resolutions authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services, bankers' acceptances of U.S. banks, U.S. government or federal agency obligation repurchase agreements, and mutual funds composed of the types of investment vehicles previously named.

The Township had the following investment at March 31, 2009:

<i>Investment</i>	<i>Maturity</i>	<i>Fair Value</i>
Kent County Investment Pool	Less than 1 year	\$ 187,153

The Township participates in the Kent County Pooled Cash and Investment System, in which the fair value of the Township's position in the pool is the same as the value of the pool shares.

Township of Algoma, Michigan

Notes to Financial Statements

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. The Township's investment policy to mitigate interest rate risk specifies that investment maturities shall not exceed one to six years at the time of purchase.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments that are in the possession of an outside party. The Township had no investments subject to custodial credit risk at March 31, 2009.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy to mitigate such risk is to employ portfolio diversification. The Kent County Investment Pool is not rated.

3. Interfund Receivables and Payables

Interfund receivables and payables at March 31, 2009 are as follows:

<i>Fund</i>	Interfund Receivables	Interfund Payables
General Fund	\$ 4,500	\$ -
Trust and Agency Funds	-	4,500
	\$ 4,500	\$ 4,500

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Township of Algoma, Michigan

Notes to Financial Statements

4. Capital Assets

Capital asset activity for the year ended March 31, 2009 was as follows:

	Balance April 1, 2008	Additions	Disposals	Balance March 31, 2009
Governmental Activities				
Capital assets not depreciated:				
Land	\$ 234,114	\$ 38,795	\$ -	\$ 272,909
Construction in progress	-	11,650	-	11,650
Capital assets being depreciated:				
Land improvements	796,633	3,272	270	799,635
Buildings	1,150,167	45,478	565	1,195,080
Building improvements	142,317	-	-	142,317
Equipment	197,941	-	-	197,941
Vehicles	476,548	41,370	27,857	490,061
Office equipment and furniture	163,013	2,726	12,031	153,708
Totals at historical cost	3,160,733	143,291	40,723	3,263,301
Less accumulated depreciation for:				
Land improvements	318,452	39,452	27	357,877
Buildings	266,891	28,489	367	295,013
Building improvements	108,035	4,275	-	112,310
Equipment	101,522	28,585	-	130,107
Vehicles	298,565	29,913	27,857	300,621
Office equipment and furniture	103,068	19,729	11,929	110,868
Total accumulated depreciation	1,196,533	150,443	40,180	1,306,796
Governmental Activities - Net Capital Assets	\$ 1,964,200	\$ (7,152)	\$ 543	\$ 1,956,505

Estimated costs to complete construction in progress are approximately \$12,000.

Depreciation expense was charged to governmental functions as follows:

<i>Year ended March 31,</i>	<i>2009</i>
General government	\$ 29,262
Public safety	77,892
Cultural and recreation	43,289
Total Depreciation Expense	\$ 150,443

Township of Algoma, Michigan

Notes to Financial Statements

	Balance April 1, 2008	Additions	Disposals	Balance March 31, 2009
Business-Type Activities				
Capital assets being depreciated:				
Mains	\$ 1,628,556	\$ -	\$ -	\$ 1,628,556
Machinery and equipment	321,005	-	-	321,005
Vehicle	22,444	-	22,444	-
Software	-	1,995	-	1,995
Totals at historical cost	1,972,005	1,995	22,444	1,951,556
Less accumulated depreciation for:				
Mains	684,654	32,571	-	717,225
Machinery and equipment	311,100	776	-	311,876
Vehicle	22,444	-	22,444	-
Software	-	166	-	166
Total accumulated depreciation	1,018,198	33,513	22,444	1,029,267
Business-Type Activities - Net Capital Assets	\$ 953,807	\$ (31,518)	\$ -	\$ 922,289

5. Retirement Plan

The Township has a defined contribution pension plan covering all elected officials and full-time employees. The plan is administered by Manufacturers Life Insurance Company and plan assets are invested in fixed interest governmental, federal and corporate bonds and commercially backed mortgages. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. Contributions to the plan are made by the Township based upon 10% of each participant's annual compensation for elected officials and new full-time staff members and 15% for non-elected officials. Participants of the plan may make voluntary contributions up to 10% of annual compensation. Total covered payroll and total current year payroll for all employees of the Township for the year ended March 31, 2009 was \$312,700 and \$473,818, respectively.

Employees become vested in the plan immediately. Vested benefits are equal to the death benefit or cash value, which is equal to the actual annual premiums plus interest. The plan may only be amended upon Township Board approval. Employer contributions for the year ended March 31, 2009 totaled \$40,833.

Township of Algoma, Michigan

Notes to Financial Statements

6. Sewer Escrows

The Township has established escrow accounts for the funds received to date from purchasers of units in the Summit Breeze and Serenity Shores condominium developments. The escrow funds are to reimburse the Township for costs associated with operating, maintaining, repairing and replacing the sewer system in the event the Township ever assumes responsibility for the operating and maintenance of the sewer system.

7. Long-Term Debt

The following is a summary of the Township's long-term debt activity:

<i>Year ended March 31, 2009</i>	Beginning Balance	Additions	Reductions	Ending Balance
Installment purchase agreement	\$ 196,000	\$ -	\$ 96,000	\$ 100,000
Compensated absences	12,829	1,541	-	14,370
Total General Long-Term Debt	\$ 208,829	\$ 1,541	\$ 96,000	\$ 114,370

The installment purchase agreement was issued to finance the construction of a fire station. The final installment payment of \$100,000 is due on March 1, 2010. Interest is paid semiannually at a rate of 3.34%.

The annual principal and interest requirements for the installment purchase agreement are as follows:

<i>Year ending March 31,</i>	Principal	Interest	Total
2010	\$ 100,000	\$ 3,386	\$ 103,386

8. Litigation

The Township is subject to various legal proceedings which normally occur in governmental operations. In the opinion of management and the Township attorney, the outcome of these lawsuits will not materially affect the financial condition of the Township and accordingly, no provision for losses has been recorded.

**Required
Supplemental Information**



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Township of Algoma, Michigan
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

<i>Year ended March 31, 2009</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 323,000	\$ 323,000	\$ 321,429	\$ (1,571)
Intergovernmental	563,921	564,296	552,537	(11,759)
Licenses and permits	1,600	1,600	1,793	193
Charges for services	94,900	94,900	102,367	7,467
Contributions and donations	-	-	17,000	17,000
Investment earnings	6,000	6,000	6,993	993
Other revenues	4,450	4,450	12,054	7,604
Total revenues	993,871	994,246	1,014,173	19,927
Expenditures				
Current:				
General government	754,880	726,960	602,540	124,420
Public safety	90,000	92,224	92,223	1
Public works	95,200	107,000	102,661	4,339
Health and welfare	5,000	5,000	5,000	-
Community and economic development	64,055	129,670	115,994	13,676
Cultural and recreation	126,000	130,000	95,874	34,126
Other	93,000	33,243	23,686	9,557
Total expenditures	1,228,135	1,224,097	1,037,978	186,119
Excess revenues under expenditures	(234,264)	(229,851)	(23,805)	206,046
Other Financing Source (Uses)				
Proceeds from sale of capital assets	-	-	50	50
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	(125,000)	(125,000)	(124,950)	50
Net change in fund balance	(359,264)	(354,851)	(148,755)	206,096
Fund Balance, beginning of year	503,258	503,258	503,258	-
Fund Balance, end of year	\$ 143,994	\$ 148,407	\$ 354,503	\$ 206,096

Township of Algoma, Michigan
Fire Department Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

<i>Year ended March 31, 2009</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 368,255	\$ 368,255	\$ 368,823	\$ 568
Intergovernmental	-	-	4,512	4,512
Investment earnings	200	200	22	(178)
Other revenues	1,500	1,500	1,300	(200)
Total revenues	369,955	369,955	374,657	4,702
Expenditures				
Current:				
Administration	180,853	184,253	168,054	16,199
Operations	120,238	121,608	112,771	8,837
Fire prevention	700	700	-	700
Contingency	5,000	230	-	230
Debt service:				
Principal	96,000	96,000	96,000	-
Interest	6,704	6,704	6,663	41
Total expenditures	409,495	409,495	383,488	26,007
Excess revenues under expenditures	(39,540)	(39,540)	(8,831)	30,709
Other Financing Sources				
Proceeds from sale of capital assets	-	-	1,125	1,125
Transfer in	40,000	40,000	40,000	-
Total other financing sources	40,000	40,000	41,125	1,125
Net change in fund balance	460	460	32,294	31,834
Fund Balance, beginning of year	72,221	72,221	72,221	-
Fund Balance, end of year	\$ 72,681	\$ 72,681	\$ 104,515	\$ 31,834

Township of Algoma, Michigan
Building Department Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

<i>Year ended March 31, 2009</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 50,800	\$ 50,800	\$ 58,596	\$ 7,796
Investment earnings	400	400	51	(349)
Total revenues	51,200	51,200	58,647	7,447
Expenditures				
Current:				
Administration	14,700	14,700	4,796	9,904
Inspections	121,360	121,360	118,333	3,027
Total expenditures	136,060	136,060	123,129	12,931
Excess revenues under expenditures	(84,860)	(84,860)	(64,482)	20,378
Other Financing Source				
Transfer in	85,000	85,000	85,000	-
Net change in fund balance	140	140	20,518	20,378
Fund Balance, beginning of year	1,642	1,642	1,642	-
Fund Balance, end of year	\$ 1,782	\$ 1,782	\$ 22,160	\$ 20,378

Township of Algoma, Michigan
Special Assessments Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual

<i>Year ended March 31, 2009</i>	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Special assessments:				
Crystal Pines Light District	\$ 720	\$ 720	\$ 726	\$ 6
Saddle Ridge Light District #1	2,218	2,218	2,235	17
Saddle Ridge Light District #2	500	500	504	4
Camp Lake Weed Control	35,850	35,850	36,029	179
Total revenues	39,288	39,288	39,494	206
Expenditures				
Current:				
Utilities:				
Crystal Pines Light District	720	745	749	(4)
Saddle Ridge Light District #1	2,218	2,608	2,620	(12)
Saddle Ridge Light District #2	500	500	478	22
Contracted services - Camp Lake Weed Control	35,850	35,850	26,388	9,462
Total expenditures	39,288	39,703	30,235	9,468
Net change in fund balance	-	(415)	9,259	9,674
Fund Balance, beginning of year	55,223	55,223	55,223	-
Fund Balance, end of year	\$ 55,223	\$ 54,808	\$ 64,482	\$ 9,674

Township of Algoma, Michigan

Note to Required Supplemental Information

1. Budgets and Budgetary Accounting

The Township establishes budgets which are reflected in the financial statements for the General Fund and the Special Revenue Funds. Budgets are presented on the modified accrual basis of accounting.

Budgeted amounts are as originally adopted or amended during the year by the Board of Trustees. Individual amendments were not material in relation to the original appropriations and were made as permitted by law. Appropriations are authorized at the department level, which is the legal level of budgetary control. Unexpended appropriations lapse at year-end.

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Supplemental Information



Township of Algoma, Michigan
General Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year ended March 31,</i>	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	
Revenues				
Taxes				
Current property taxes	\$ 323,000	\$ 321,429	\$ (1,571)	\$ 317,550
Licenses and permits				
Trailer fees	1,600	1,599	(1)	1,791
Animal licenses	-	194	194	190
Total licenses and permits	1,600	1,793	193	1,981
State sources				
State grant/riversedge/sports park	49,375	20,863	(28,512)	-
Sales taxes	514,921	519,446	4,525	519,379
Total state sources	564,296	540,309	(23,987)	519,379
Charges for services				
Cemetery fees	4,000	5,795	1,795	4,410
Cemetery lot sales	2,000	3,100	1,100	2,400
Cable television fees	48,000	53,321	5,321	46,819
Zoning fees	7,500	6,542	(958)	9,906
Land division fees	500	235	(265)	495
Tax collection fees	15,000	15,106	106	14,962
Other fees	16,900	17,627	727	15,260
Mineral material removal fees	1,000	641	(359)	1,071
Total charges for services	94,900	102,367	7,467	95,323
Federal funds	-	12,228	12,228	52,202
Other revenues				
Contributions and donations	-	17,000	17,000	-
Investment earnings	6,000	6,993	993	26,678
Other	4,450	12,054	7,604	22,108
Total other revenues	10,450	36,047	25,597	48,786
Total Revenues	994,246	1,014,173	19,927	1,035,221

Township of Algoma, Michigan
General Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year ended March 31,</i>	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	
Expenditures				
General government				
Legislative:				
Township Board:				
Fees and per diem	\$ 18,400	\$ 12,508	\$ 5,892	\$ 9,000
Payroll taxes and benefits	6,048	3,905	2,143	2,672
Education and dues	15,000	13,991	1,009	10,957
Total legislative	39,448	30,404	9,044	22,629
Executive:				
Supervisor:				
Salary	46,000	46,000	-	45,000
Payroll taxes and benefits	10,919	10,651	268	10,398
Miscellaneous	75	60	15	76
Total executive	56,994	56,711	283	55,474
Clerk:				
Salaries - clerical	71,800	67,304	4,496	65,280
Payroll taxes and benefits	11,994	11,410	584	11,137
Auto	1,050	661	389	824
Miscellaneous	350	195	155	195
Total clerk	85,194	79,570	5,624	77,436
Board of Review	1,915	1,824	91	2,250
Treasurer:				
Salaries	69,800	65,678	4,122	65,663
Payroll taxes and benefits	11,891	11,377	514	11,227
Contracted services	3,500	1,526	1,974	2,516
Auto	550	373	177	219
Miscellaneous	850	210	640	282
Total treasurer	86,591	79,164	7,427	79,907

Township of Algoma, Michigan
General Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year ended March 31,</i>	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	
Assessor:				
Salaries	\$ 62,456	\$ 62,126	\$ 330	\$ 60,577
Payroll taxes and benefits	40,465	40,074	391	37,689
Contracted services	31,125	19,631	11,494	13,178
Auto	1,500	1,037	463	1,027
Assessment notices	3,500	2,882	618	2,127
Miscellaneous	775	250	525	268
Total assessor	139,821	126,000	13,821	114,866
Elections:				
Fees and per diem	17,000	16,955	45	8,310
Payroll taxes	20	20	-	-
Contracted services	3,700	3,294	406	1,134
Supplies and postage	4,000	2,429	1,571	2,438
Equipment	1,000	309	691	22
Miscellaneous	1,500	655	845	159
Total elections	27,220	23,662	3,558	12,063
Township hall and administration:				
Payroll taxes and benefits	3,000	2,324	676	2,353
Contracted services	38,132	33,576	4,556	31,145
Postage and supplies	17,100	16,229	871	15,285
Printing and publishing	5,000	3,793	1,207	3,231
Utilities	11,750	9,536	2,214	9,090
Escrow accounts	2,500	83	2,417	5,039
Repairs and maintenance	15,000	9,760	5,240	12,143
Capital outlay/equipment	97,718	47,111	50,607	1,552
Miscellaneous	6,270	5,916	354	1,299
Total township hall and administration	196,470	128,328	68,142	81,137
Legal and accounting:				
Legal fees	38,895	38,810	85	22,673
Audit/consulting fees	9,800	9,794	6	8,749
Total legal and accounting	48,695	48,604	91	31,422

Township of Algoma, Michigan
General Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year ended March 31,</i>	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	
Cemetery:				
Contracted services	\$ 7,362	\$ 6,757	\$ 605	\$ 4,943
Capital outlay	27,500	13,234	14,266	10,618
Utilities	250	161	89	112
Miscellaneous	9,500	8,121	1,379	7,394
Total cemetery	44,612	28,273	16,339	23,067
Total general government	726,960	602,540	124,420	500,251
Public safety				
Contracted services - police officer	92,224	92,223	1	88,054
Public works				
Highways, streets and bridges	99,000	97,239	1,761	170,637
Drains	6,000	3,694	2,306	2,406
Engineering	2,000	1,728	272	255
Total public works	107,000	102,661	4,339	173,298
Health and welfare				
Rockford D.A.R.E.	5,000	5,000	-	5,000
Community and economic development				
Planning:				
Fees and per diem	27,407	24,788	2,619	21,379
Payroll taxes	2,108	1,896	212	1,636
Contracted services	62,000	59,499	2,501	32,011
Miscellaneous	1,125	846	279	625
Total planning	92,640	87,029	5,611	55,651
Zoning:				
Salaries	11,146	11,146	-	11,146
Payroll taxes and benefits	854	853	1	854
Contracted services	21,000	16,239	4,761	3,523
Miscellaneous	500	-	500	-
Total zoning	33,500	28,238	5,262	15,523

Township of Algoma, Michigan
General Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual

<i>Year ended March 31,</i>	2009			2008
	Final Budget	Actual	Variance Positive (Negative)	
Board of Appeals:				
Fees and per diem	\$ 3,000	\$ 677	\$ 2,323	\$ 951
Payroll taxes	230	50	180	73
Miscellaneous	300	-	300	-
Total Board of Appeals	3,530	727	2,803	1,024
Total community and economic development	129,670	115,994	13,676	72,198
Cultural and recreation				
Recreation	128,000	94,374	33,626	73,908
Museum	500	-	500	-
Historical society	1,500	1,500	-	2,000
Total cultural and recreation	130,000	95,874	34,126	75,908
Other township				
Federal programs	-	12,228	(12,228)	52,202
Insurance and bonds	18,000	11,458	6,542	15,221
Contingency	15,243	-	15,243	-
Total other township	33,243	23,686	9,557	67,423
Total Expenditures	1,224,097	1,037,978	186,119	982,132
Excess revenues over (under) expenditures	(229,851)	(23,805)	206,046	53,089
Other Financing Source (Uses)				
Proceeds from sale of capital assets	-	50	50	-
Transfers out	(125,000)	(125,000)	-	(23,900)
Total other financing sources (uses)	(125,000)	(124,950)	50	(23,900)
Net change in fund balance	(354,851)	(148,755)	206,096	29,189
Fund Balance, beginning of year	503,258	503,258	-	474,069
Fund Balance, end of year	\$ 148,407	\$ 354,503	\$ 206,096	\$ 503,258

Township of Algoma, Michigan
Sewer Operations and Maintenance Proprietary Fund
Schedule of Revenues, Expenses and Changes in Fund Net Assets -
Budget and Actual

<i>Year ended March 31, 2009</i>	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for services	\$ 90,000	\$ 92,625	\$ 2,625
Interest	5,200	6,531	1,331
Other	2,550	30,726	28,176
Total revenues	97,750	129,882	32,132
Expenses			
Salaries and administration	1,757	1,676	81
Contracted services	12,796	9,796	3,000
Treatment costs	40,000	32,231	7,769
Sparta debt and depreciation	65,000	38,879	26,121
Maintenance and repairs	20,000	-	20,000
Other	25,379	8,016	17,363
Insurance	4,500	3,745	755
Total expenses	169,432	94,343	75,089
Income (loss) before depreciation	(71,682)	35,539	107,221
Depreciation	-	33,513	(33,513)
Change in net assets	(71,682)	2,026	73,708
Net Assets, beginning of year	1,142,627	1,142,627	-
Net Assets, end of year	\$ 1,070,945	\$ 1,144,653	\$ 73,708

Township of Algoma, Michigan

Agency Funds Statement of Changes in Assets and Liabilities

	Balances April 1, 2008	Additions	Deductions	Balances March 31, 2009
<i>Trust and Agency Fund</i>				
Assets				
Cash and investments	\$ 80,821	\$ 84,103	\$ 75,884	\$ 89,040
Accounts receivable	-	2,857	2,857	-
	\$ 80,821	\$ 86,960	\$ 78,741	\$ 89,040
Liabilities				
Deposits	\$ 18,109	\$ 169,306	\$ 156,039	\$ 31,376
Due to other funds	9,490	3,678	10,229	2,939
Sewer escrows	53,222	1,503	-	54,725
	\$ 80,821	\$ 174,487	\$ 166,268	\$ 89,040
<i>Tax Collection Fund</i>				
Assets				
Cash and investments	\$ 14,112	\$ 11,583,390	\$ 11,595,941	\$ 1,561
Liabilities				
Due to other governmental units	\$ -	\$ 11,582,429	\$ 11,582,429	\$ -
Due to other funds	14,112	1,561	14,112	1,561
	\$ 14,112	\$ 11,583,990	\$ 11,596,541	\$ 1,561
<i>Total - Agency Funds</i>				
Assets				
Cash and investments	\$ 94,933	\$ 11,667,493	\$ 11,671,825	\$ 90,601
Accounts receivable	-	2,857	2,857	-
	\$ 94,933	\$ 11,670,350	\$ 11,674,682	\$ 90,601
Liabilities				
Deposits	\$ 18,109	\$ 169,306	\$ 156,039	\$ 31,376
Due to other funds	23,602	5,239	24,341	4,500
Due to other governmental units	-	11,582,429	11,582,429	-
Sewer escrows	53,222	1,503	-	54,725
	\$ 94,933	\$ 11,758,477	\$ 11,762,809	\$ 90,601