Township of Goodland Building Authority

Lapeer County, Michigan

Audited Financial Report
June 30, 2006

Michigan Department of Treasury
496 (02/06)

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
☐County ☐City ☐Twp ☐Village ☒Other	Goodland Township Building Authority	Lapeer County

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
June 30, 2006	September 21, 2006	November 22, 2006

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	☒	
The letter of Comments and Recommendations	☒	
Other (Describe)	☐	

Certified Public Accountant (Firm Name)	Telephone Number		
Lehn L. King, C.P.A.	989-635-3113		
Street Address	**City**	**State**	**Zip**
3531 Main Street	Marlette	MI	48453
Authorizing CPA Signature	**Printed Name**	**License Number**	
	Lehn King	A248781	

Township of Goodland
Building Authority

Annual Financial Report
For The Fiscal Year Ended June 30, 2006

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LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

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Board Members
Township of Goodland Building Authority
Imlay City, MI 48444

Independent Auditor's Report

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Goodland's Building Authority, Michigan as of and for the year ended June 30, 2006, which collectively comprise the Building Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Goodland's Building Authority's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Goodland's Building Authority as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

The Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Goodland Building Authority's basic financial statements. 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 statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 1, the Building Authority has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of July 1, 2003.

Lehn King

Lehn L. King
Certified Public Accountant

September 21, 2006

Goodland Township Building Authority

Imlay City, Michigan

Management's Discussion and Analysis Letter

Our discussion and analysis of the Goodland Township Building Authority provides an overview of the Building Authority's activities for the fiscal year ended June 30, 2006. Please refer to it in conjunction with the Goodland Township Building Authority's financial statements.

Financial Highlights

- All the USDA payments are made through lease revenue received from the Goodland Township General Fund and Fire Fund.
- The Fire Fund is scheduled to make a payment of $3,000 over the next two years, and has made payments the last three fiscal years. This payment is for their share of the parking lot and the painting of the fire hall whose costs were included in the USDA loan.
- The financial stability of the Building Authority is based on the lease payments from the township.

Building Authority Activities

The Building Authority's revenues come solely from the lease payments made by the Goodland Township General Fund and Fire Fund. The Building Authority board meets to approve the mortgage payment on the USDA loan; and to approve any improvements or expenditures related to the land and buildings.

Contacting the Building Authority

This report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Goodland Township Building Authority's finances and to demonstrate the Goodland Township Building Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Building Authority office at 2374 N. Van Dyke Road, Imlay City, Michigan or by telephone at (810) 724-0169.

John R. Calianno, Jr.
Goodland Township Building Authority Chairman

Goodland Township Building Authority

Statement of Net Assets (Deficit)

June 30, 2006

	Primary Government Governmental Activities
Assets	
Cash & Cash Equivalents	$ 2,656.52
Capital Assets (Net of Accumulated Depreciation)	465,629.22
Total Assets	468,285.74
Liabilities	
Due To Other Governmental Units	1,520.00
Current Portion of Long-Term Debt	11,000.00
Noncurrent Liabilities:	
Long-Term Debt	450,000.00
Total Liabilities	462,520.00
Net Assets (Deficit)	
Invested in Capital Assets - Net of Related Debt	4,629.22
Unrestricted	(6,544.23)
Total Net Assets (Deficit)	$ (1,915.01)

The notes are an integral part of the statements.

Goodland Township Building Authority

Statement of Activities

For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue & Changes in Net Assets: Primary Government: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 14,421.78	$ -	$ -	$ -	$ (14,421.78)
Interest on Long-Term Debt	22,538.75	-	-	-	(22,538.75)
Total Governmental Activities	$ 36,960.53	$ -	$ -	$ -	(36,960.53)
General Revenues:					
Rental Income					$ 36,538.75
Other Revenue					-
Transfers					-
Total General Revenues, Special Items & Transfers					36,538.75
Change in Net Assets					(421.78)
Net Assets (Deficit) - Beginning of Year					(1,493.23)
Net Assets (Deficit) - End of Year					$ (1,915.01)

The notes are an integral part of the statements.

Goodland Township Building Authority

Governmental Funds
Balance Sheet
June 30, 2006

	Total Governmental Funds
Assets	
Cash & Cash Equivalents	$ 2,656.52
Total Assets	$ 2,656.52
Liabilities & Fund Equity	
Liabilities	
Due to Other Governmental Units	$ 1,520.00
Fund Equity	
Fund Balance	1,136.52
Total Liabilities & Fund Balance	$ 2,656.52

The notes are an integral part of the statements

Goodland Township Building Authority

Governmental Funds
Reconciliation of Fund Balances to the
Statement of Net Assets (Deficit)
For The Year Ended June 30, 2006

Total Fund Balances for Governmental Funds	$ 1,136.52
Amounts reported for Governmental Activities in the Statement of Net Assets (Deficit) are different because:	
Capital Assets used in Governmental Activities are not Financial Resources and are not reported in the Funds	465,629.22
Long-Term Bonds Payable are not due and payable in the current period and are not reported in the Funds	(461,000.00)
Accrued Interest Payable is not reported in the Funds	(7,680.75)
Net Assets of Governmental Activities	$ (1,915.01)

The notes are an integral part of the statements.

Goodland Township Building Authority

Governmental Funds
Statement of Revenues, Expenditures, And Changes in Fund Balances
For the Year Ended June 30, 2006

	Total Governmental Funds
Revenues	
Rental Income - Goodland Township	$ 36,538.75
Other Revenue	-
Total Revenues	36,538.75
Expenditures	
Salaries & Wages	305.00
Professional Fees	1,200.00
Miscellaneous	500.00
Debt Service - Principal	19,000.00
Debt Service - Interest	22,538.75
Total Expenditures	43,543.75
Excess of Revenues Over (Under) Expenditures	(7,005.00)
Other Financing Sources (Uses)	
Operating Transfers In (Out)	-
Net Change in Fund Balance	(7,005.00)
Fund Balance - Beginning of Year	8,141.52
Fund Balance - End of Year	$ 1,136.52

The notes are an integral part of the statements.

Goodland Township Building Authority

Governmental Funds
Reconciliation of Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended June 30, 2006

Net Change in Fund Balanccs - Total Governmental Funds	$ (7,005.00)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as Expenditures; in the Statement of Activities, these costs are capitalized and allocated over their estimated useful lives as Depreciation	-
Repayment of Bond Principal is an Expenditure in the Governmental Funds, but not in the Statement of Activities (where it reduces Long-Term Debt)	19,000.00
Depreciation is an Expenditure for the Statement of Activities, but is not reported in the Governmental Funds	(12,416.78)
Net Assets of Governmental Activities	$ (421.78)

The notes are an integral part of the statements.

1. Summary of Significant Accounting Policies:

Description of Association Operations & Fund Types

The Goodland Township Building Authority was created on March 28, 2000, by Goodland Township, for the purpose of construction of a Township hall and lease back to the Township of Goodland.

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) in its Statement No. 14, the Goodland Township Building Authority is not considered to be part of any other governmental entity for financial reporting purposes. The criteria established by GASB for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public services, fiscal independence, financial accountability, imposition of will and financial benefit or burden. On this basis, the financial statements of other governmental organizations are not included in the financial statements of the Goodland Township Building Authority.

Component Units - In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

Government-wide and Fund Statements Fund

The Government-wide Financial Statements (i.e., the Statement of Net Assets (Deficit) and the Statement of Activities) report information on all the nonfiduciary activities of the Building Authority (the primary government). The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function (governmental activities) or identifiable activity (business-type activities) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other revenue items properly excluded from program revenues are reported as general revenue.

Separate financial statements are provided for governmental funds, and Fiduciary Funds, even though the latter are excluded from the Government-wide Financial Statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Building Authority reports the following major governmental fund:

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

Measurement Focus and Basis of Accounting

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

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period, generally collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, intergovernmental revenues, special assessments, licenses, charges for services, and interest. All other revenue items are considered to be available only when cash is received by the Building Authority. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

Cash - The Building Authority does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Building Authority's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Building Authority to hold such investments until they mature.

Due to and Due from Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include buildings and equipment, are reported in the applicable governmental column in the Government-wide Financial Statements. Capital assets are defined by the Building Authority as assets with an initial individual cost of more than $1000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings & Building Improvements	40 years

Long-Term Obligations - In the Government-wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discounts, issuance costs, and the deferred amount on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred amount on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ form those estimates.

Accounting Changes

GASB Statement No. 34 – Effective July 1, 2003, the Building Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Building Authority's financial statements as a result of GASB No. 34 are as follows:

- A management's discussion and analysis (MD&A) section providing analysis of the Building Authority's overall financial position and results of operations has been included.
- Government-wide Financial Statements (statement of net assets (deficit) and statement of activities) prepared using full accrual accounting for all of the Building Authority's activities have been provided.
- Capital assets in the governmental activities column of the statement of net assets (deficit) includes assets not previously accounted for by the Building Authority. In addition, the governmental activities column includes bonds and other long-term obligations previously reported in the General Long-term Debt Account Group.
- The fund financial statements focus on major funds rather that fund types.

2. Stewardship, Compliance, and Accountability

Budgetary Information

The Building Authority is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following statements represent a brief synopsis of the major provisions of this Act:

1. Budgets must be adopted for the General Fund and Special Revenue Funds.

2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.

3. The budgets must be amended when necessary.

4. Debt cannot be entered into unless permitted by law.

5. Expenditures cannot exceed budget appropriations.

6. Expenditures cannot be made unless authorized in the budget.

7. Public hearings must be held before budget adoptions.

In the body of the financial statements, the Building Authority actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The budget is used by the Building Authority Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis, which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level. A budget for the General Fund is presented in the required supplemental information.

During the year ended June 30, 2006, the Building Authority incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
Miscellaneous	$ -	$ 500	$ 500
Debt Service - Principal	11,000	19,000	8,000

3. Cash and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit 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; 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 two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Total Primary Government
Cash & Cash Equivalents	$ 2,657	$ 2,657

The Building Authority's deposits are in accordance with statutory authority. As of June 30, 2006, the balance sheet carrying amount of cash deposits was $2,657. The bank balance as of June 30, 2006, was $2,657, of which $2,657 was covered by FDIC insurance.

All cash deposits and investments of the Building Authority are held by the Building Authority in the Building Authority's name.

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

Investment Type	(1)	(2)	(3)	Carrying Amount	Market Value
Risk Categorized					
Operating Funds					
US Treasury Bonds	-	-	-	-	-
Investment in Deferred Compensation Plans	-	-	-	-	-
Total Risk-Categorized Investments	-	-	-	-	-

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1	Insured or registered, or securities held by the Building Authority or its agent in the Building Authority's name.
Category 2	Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Building Authority's name.
Category 3	Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Building Authority's name.

4. Capital Assets

Capital assets activity of the Building Authority's governmental activities was as follows:

	Balance July 1, 2005	Additions	Disposals & Adjustments	Balance June 30, 2006
Governmental Activities:				
Capital Assets Being Depreciated:				
Township Hall	$ 496,671	$ -	$ -	$ 496,671
Subtotal	496,671	-	-	496,671
Accumulated Depreciation:				
General Government	6,208	12,417	-	18,625
Subtotal	6,208	12,417	-	18,625
Net Capital Assets	$ 490,463	$ (12,417)	$ -	$ 478,046

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

Governmental Activities:	
General Government	$ 12,417
Total Governmental Activities	$ 12,417

Township of Goodland Building Authority

Notes To The Financial Statements
June 30, 2006

5. Long -Term Debt

The following is a summary of the debt outstanding of the Building Authority as of June 30, 2006:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Bonds Payable - Township Hall Construction - USDA Loan						
Original Issue - $500,000		$10,000 -				
Maturing through 2030	4.75%	$31,000	$ 480,000	$ (19,000)	$ 461,000	$ 11,000
Total Governmental Activities			$ 480,000	$ (19,000)	$ 461,000	$ 11,000

Annual debt service requirements to maturity for the above governmental bond and contract obligations are as follows:

Years Ending	Governmental Activities		
Jnne 30,	Principal	Interest	Total
2007	$ 11,000	$ 22,278	$ 33,278
2008	12,000	21,754	33,754
2009	12,000	21,186	33,186
2010	13,000	20,614	33,614
2011	14,000	19,998	33,998
2012-2016	78,000	89,586	167,586
2017-2021	100,000	69,112	169,112
2022-2026	126,000	42,986	168,986
2027-2030	95,000	11,116	106,116
Total	$ 461,000	$ 318,630	$ 779,630

6. Deficit Fund Balance or Retaincd Earnings Balances of Individual Funds

None

7. Comparative Data

Comparative total data for the prior year has not been presented.

8. Risk Management

The Building Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Building Authority has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

Required Supplemental Information

Goodland Township Building Authority

Budgetary Comparison Schedule
Building Authority General Fund
For the Year Ended June 30, 2006

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues				
Rental Income - Goodland Township	$ 36,500.00	$ 36,500.00	$ 36,538.75	$ 38.75
Loan Proceeds - USDA	-	-	-	-
Other Revenue	-	-	-	-
Total Revenues	36,500.00	36,500.00	36,538.75	38.75
Expenditures				
Salaries & Wages	440.00	440.00	305.00	135.00
Professional Fees	1,200.00	1,200.00	1,200.00	-
Miscellaneous	-	-	500.00	(500.00)
Debt Service - Principal	11,000.00	11,000.00	19,000.00	(8,000.00)
Debt Service - Interest	24,210.00	24,210.00	22,538.75	1,671.25
Total Expenditures	36,850.00	36,850.00	43,543.75	(6,693.75)
Excess of Revenues Over (Under) Expenditures	(350.00)	(350.00)	(7,005.00)	(6,655.00)
Other Financing Sources				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues & Other Sources Over (Under) Expenditures & Other Uses	(350.00)	(350.00)	(7,005.00)	(6,655.00)
Fund Balance - Beginning of Year	-	-	8,141.52	8,141.52
Fund Balance - End of Year	$ (350.00)	$ (350.00)	$ 1,136.52	$ 1,486.52

Other Supplemental Information

Goodland Township Building Authority

Other Supplemental Information
Schedule of Indebtedness
June 30, 2006

USDA Bonds Payable - New Township Hall

Dated: February 1, 2002
Original Issue: $500,000

Interest Rate	Date of Maturity	Principal Outstanding June 30, 2006	Principal Outstanding June 30, 2005	Annual Interest Payable
4.75%	8/20/2005	$ -	$ 11,000	$ -
4.75%	2/20/2006	-	8,000	-
4.75%	8/20/2006	11,000	11,000	11,139
4.75%	2/20/2007	-	-	11,139
4.75%	8/20/2007	12,000	12,000	10,877
4.75%	2/20/2008	-	-	10,877
4.75%	8/20/2008	12,000	12,000	10,593
4.75%	2/20/2009	-	-	10,593
4.75%	8/20/2009	13,000	13,000	10,307
4.75%	2/20/2010	-	-	10,307
4.75%	8/20/2010	14,000	14,000	9,999
4.75%	2/20/2011	-	-	9,999
4.75%	8/20/2011	14,000	14,000	9,666
4.75%	2/20/2012	-	-	9,666
4.75%	8/20/2012	15,000	15,000	9,334
4.75%	2/20/2013	-	-	9,334
4.75%	8/20/2013	16,000	16,000	8,978
4.75%	2/20/2014	-	-	8,978
4.75%	8/20/2014	16,000	16,000	8,598
4.75%	2/20/2015	-	-	8,598
4.75%	8/20/2015	17,000	17,000	8,217
4.75%	2/20/2016	-	-	8,217
4.75%	8/20/2016	18,000	18,000	7,814
4.75%	2/20/2017	-	-	7,814
4.75%	8/20/2017	19,000	19,000	7,386
4.75%	2/20/2018	-	-	7,386
4.75%	8/20/2018	20,000	20,000	6,935
4.75%	2/20/2019	-	-	6,935
4.75%	8/20/2019	21,000	21,000	6,460
4.75%	2/20/2020	-	-	6,460
4.75%	8/20/2020	22,000	22,000	5,961
4.75%	2/20/2021	-	-	5,961
4.75%	8/20/2021	23,000	23,000	5,439
4.75%	2/20/2022	-	-	5,439
4.75%	8/20/2022	24,000	24,000	4,892
4.75%	2/20/2023	-	-	4,892
4.75%	8/20/2023	25,000	25,000	4,322
4.75%	2/20/2024	-	-	4,322
4.75%	8/20/2024	26,000	26,000	3,729
4.75%	2/20/2025	-	-	3,729
4.75%	8/20/2025	28,000	28,000	3,111
4.75%	2/20/2026	-	-	3,111
4.75%	8/20/2026	29,000	29,000	2,446
4.75%	2/20/2027	-	-	2,446
4.75%	8/20/2027	30,000	30,000	1,758
4.75%	2/20/2028	-	-	1,758
4.75%	8/20/2028	31,000	31,000	1,045
4.75%	2/20/2029	-	-	1,045
4.75%	8/20/2029	5,000	5,000	309
4.75%	2/20/2019	-	-	309
Total General Obligation Bonds		$ 461,000	$ 480,000	$ 318,630

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

3531 MAIN STREET
MARLETTE, MICHIGAN 48453

Phone 989-635-3113
Fax 989-635-5580

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

To the Building Authority
Township of Goodland Building Authority
Imlay City, Michigan 48444

I have audited the general purpose financial statements of the Township of Goodland Building Authority, Michigan, as of and for the year ended June 30, 2006, and have issued my report thereon dated September 21, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township of Goodland Building Authority, Michigan's general purpose financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of our tests disclosed no instances on noncompliance that are required to be reported under *Government Auditing Standards.*

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Township of Goodland Building Authority, Michigan's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management and the Township Board and Federal and State agencies and is not intended to be an should not be used by anyone other than these specified parties.

Lehn King

Lehn L. King

Certified Public Accountant

September 21, 2006

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

3531 MAIN STREET
MARLETTE, MICHIGAN 48453

Phone 989-635-3113
Fax 989-635-5580

September 21, 2006

Members of the Building Authority Board
Goodland Township Building Authority
Lapeer County, Michigan

Board Members:

In accordance with your request, I have made an examination of the financial statements of Goodland Township Building Authority for the fiscal year ended June 30, 2006. During the course of my examination, no significant items came to my attention.

I thank the officials for the cooperation I received in the completion of this examination. Should you have any questions in connection with the above, please contact me at your convenience.

Sincerely,

Lehn King

Lehn L. King
Certified Public Accountant