TOWNSHIP OF ROGERS
Presque Isle County, Michigan

FINANCIAL REPORT WITH SUPPLEMENTARY INFORMATION

Year Ended March 31, 2006

Michigan Dept. of Treasury, Local Audit & Finance Division
496 (3-98). Formerly L-3147

AUDITING PROCEDURES REPORT

Issue under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type	Local Government Name	County
☐ City ☒ Township ☐ Village ☐ Other	Township of Rogers	Presque Isle

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
March 31, 2006	July 27, 2006	July 27, 2006

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

☐ yes ☒ no 6. The local unit has been delinquent distributing tax revenues that were collected for another taxing unit.

☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during they year).

☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)			
Campbell, Kusterer & Co., P.C.			
Street Address	**City**	**State**	**Zip**
512 N. Lincoln, Suite 100, P.O. Box 686	Bay City	MI	48707
Accountant Signature			
Campbell, Kusterer & Co., P.C.			

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1
Management's Discussion and Analysis	2-3
Basic Financial Statements:	
Government-wide Financial Statements:	
Government-wide Statement of Net Assets	4
Government-wide Statement of Activities	5
Fund Financial Statements:	
Governmental Fund:	
Balance Sheet	6
Reconciliation of Balance Sheet of Governmental Fund to the Statement of Net Assets	7
Statement of Revenues, Expenditures, and Changes in Fund Balances	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	9
Notes to Financial Statements	10-15
Required Supplemental Information:	
Budgetary Comparison Schedule – General Fund	16
Other supporting information:	
General Fund Expenditures by Detailed Account	17-18
Current Tax Collection Fund – Statement of Changes in Assets and Liabilities	19
Current Tax Collection Fund Statement of Cash Receipts and Disbursements	20

CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

July 27, 2006

To the Township Board
Township of Rogers
Presque Isle County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Township of Rogers, Presque Isle County, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Township of Rogers'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 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. 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 and each major fund of the Township of Rogers, Presque Isle County, Michigan as of March 31, 2006, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township 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,* as of April 1, 2005.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Township's basic financial statements. The other supporting information described in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Campbell, Kusterer & Co., P.C.

CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended March 31, 2006

The Management's Discussion and Analysis report of the Township of Rogers covers the Township's financial performance during the year ended March 31, 2006.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. Overall total capital assets remained approximately the same.

Overall revenues were $127,235.11 from governmental activities with a $28,607.30 increase in net assets.

OVERVIEW OF FINANCIAL STATEMENTS

The annual report consists of basic financial statements and required supplementary information.

ENTITY-WIDE FINANCIAL STATEMENTS

The entity-wide statements report information about the Township as a whole. The statement of net assets includes all the Township's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

All of the activities of the Township are reported as governmental activities. These include the General Fund.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Our cash position in the governmental activities remains stable.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

The General Fund pays for most of the Township's governmental services. The most significant are highways and streets, which incurred expenses of $33,000.00.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Township's governmental activities invested $5,599.14 in capital assets.

The Township's governmental activities paid $7,218.71 in principal on long-term debt.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The future of state revenue sharing is very clouded and it represents a significant portion of our income.

CONTACTING THE TOWNSHIP'S MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the Townships finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact the Township at 2290 County Road 451; Rogers City, MI 49779.

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

GOVERNMENT-WIDE STATEMENT OF NET ASSETS
March 31, 2006

	Governmental Activities
ASSETS:	
CURRENT ASSETS:	
Cash in bank	14 531 26
Investments	128 705 79
Taxes receivable	3 158 13
Total Current Assets	146 395 18
NON-CURRENT ASSETS:	
Capital Assets	99 811 19
Less: Accumulated Depreciation	(65 949 43)
Total Non-current Assets	33 861 76
TOTAL ASSETS	180 256 94
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
CURRENT LIABILITIES	-
Total Current Liabilities	-
NON-CURRENT LIABILITIES	
Note payable	28 874 84
Total Non-current Liabilites	28 874 84
Total Liabilities	28 874 84
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	4 986 92
Unrestricted	146 395 18
Total Net Assets	151 382 10
TOTAL LIABILITIES AND NET ASSETS	180 256 94

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
Year ended March 31, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenue Charges for Services	Governmental Activities Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:			
Legislative	2 864 10	-	(2 864 10)
General government	53 823 36	15 739 26	(38 084 10)
Public safety	5 815 20	-	(5 815 20)
Public works	33 994 63	-	(33 994 63)
Other	2 130 52	-	(2 130 52)
Total Governmental Activities	98 627 81	15 739 26	(82 888 55)
General Revenues:			
Property taxes			39 545 66
Other taxes			1 745 07
State revenue sharing			65 539 02
Interest			2 960 73
Miscellaneous			1 705 37
Total General Revenues			111 495 85
Change in net assets			28 607 30
Net assets, beginning of year			122 774 80
Net Assets, End of Year			151 382 10

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

BALANCE SHEET -- GOVERNMENTAL FUNDS
March 31, 2006

	Total (General)
Assets	
Cash in bank	14 522 59
Investments	128 705 79
Taxes receivable	3 158 13
Due from other funds	8 67
Total Assets	146 395 18
Liabilities and Fund Equity	
Liabilities	-
Total liabilities	-
Fund equity:	
Fund balances:	
Unreserved:	
Undesignated	146 395 18
Total fund equity	146 395 18
Total Liabilities and Fund Equity	146 395 18

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
March 31, 2006

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	146 395 18
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 governmental funds balance sheet:	
Capital assets at cost	99 811 19
Accumulated depreciation	(65 949 43)
Long-term liabilities are not due and payable in the current period and Therefore are not reported in the governmental funds	(28 874 84)
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	151 382 10

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year ended March 31, 2006

	Total (General)
Revenues:	
Property taxes	39 545 66
Other taxes	1 745 07
Charges for services:	
Property tax administration fee	15 739 26
State revenue sharing	65 539 02
Interest	2 960 73
Miscellaneous	1 705 37
Total revenues	127 235 11
Expenditures:	
Legislative:	
Township Board	2 864 10
General government:	
Supervisor	4 708 76
Elections	450 86
Assessor	18 958 64
Clerk	5 811 38
Board of Review	1 279 38
Treasurer	11 123 87
Township hall and grounds	5 503 90
Unallocated	4 194 82
Public safety:	
Ambulance	1 480 00
Fire protection	4 335 20
Public works:	
Highways and streets	33 000 00
Street lighting	994 63
Other:	
Pension	2 130 52
Capital outlay	5 599 14
Debt service	7 218 71
Total expenditures	109 653 91
Excess of revenues over expenditures	17 581 20
Fund balances, April 1	128 813 98
Fund Balances, March 31	146 395 18

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF ROGERS
Presque Isle County, 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, 2006

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS	17 581 20
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 allocated over their estimated useful lives as depreciation	
Depreciation Expense	(1 791 75)
Capital Outlay	5 599 14
Repayment of debt principal is an expenditure in the governmental funds, the repayment does not have an effect in the statement of activities but does reduce the debt balance in the statement of net assets	7 218 71
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	28 607 30

The accompanying notes are an integral part of these financial statements.

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Township of Rogers, Presque Isle County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The financial statements of the Township contain all the Township funds that are controlled by or dependent on the Township's executive or legislative branches.

The reporting entity is the Township of Rogers. The Township is governed by an elected Township Board. As required by generally accepted accounting principles, these financial statements present the Township as the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements, (the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Township's government-wide activities are considered governmental activities.

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 meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Governmental Funds

General Fund

This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state and federal distributions, grants, and other intergovernmental revenues.

Fiduciary Fund

The Current Tax Collection Fund is used to account for assets held as an agent for others.

Assets, Liabilities and Net Assets or Equity

Bank deposits and investments – Cash and cash equivalent investments include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables

Receivables have been recognized for all significant amounts due to the Township. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Investments

Investments are stated at market.

Property Taxes

Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned.

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county tax rolls. The 2005 tax roll millage rate was .9754 mills, and the taxable value was $40,627,151.00.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are defined by the Township as assets with an initial cost of more than $500.00 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	30-50 years
Equipment	5-30 years

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay.

Post-employment Benefits

The Township provides no post-employment benefits to past employees.

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.

Accounting Change

Effective April 1, 2005, the Township 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 Township'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 Township's overall financial position and results of operations has been included.

Government-wide financial statements (Statement of Net Assets and Statement of Activities) prepared using the full accrual accounting for all the Township's activities have been provided.

Capital assets in the governmental activities column of the Statement of Net Assets include net assets totaling $33,861.76.

Note 2 – Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Township Board for consideration.

2. The proposed budgets include expenditures as well as the methods of financing them.

Note 2 – Budgets and Budgetary Accounting (continued)

3. Public hearings are held to obtain taxpayer comments.

4. The budgets are adopted at the activity level by a majority vote of the Township Board.

5. The budgets are adopted on the modified accrual basis of accounting.

6. The originally adopted budgets can be amended during the year only by a majority vote of the Township Board.

7. The adopted budgets are used as a management control device during the year for all budgetary funds.

8. Budget appropriations lapse at the end of each fiscal year.

9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Township Board during the fiscal year.

Note 3 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated one bank for the deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

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

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	Carrying Amounts
Total Deposits	14 531 26

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	Bank Balances
Insured (FDIC)	14 808 31
Uninsured and Uncollateralized	-
Total Deposits	14 808 31

Note 3 – Deposits and Investments (cont.)

The Township's investments are categorized below to give an indication of the level of risk assumed by the Township. Risk category 1 includes those investments that meet any one of the following criteria: insured, registered, or held by the Township or its agent. Risk categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the Township's name. Category 3 includes investments held by the counterparty or the counterparty's trust department (or agent) but not in the Township's name.

The GASB Statement No. 3 risk disclosures for the Township's investments are categorized as follows:

Investment Type	(1)	(2)	(3)	Carrying Amount
Risk-Categorized:				
Operating funds	-	-	-	-
Total Risk-Categorized Investments	-	-	-	-
Nonrisk-Categorized				
Financial Institution Pooled funds				128 705 79
Total Investments				128 705 79

The financial institution pooled funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in the funds comply with the investment authority noted above.

Note 4 – Interfund Receivables and Payables

The amounts of interfund receivables and payables are as follows:

Fund	Interfund Receivable	Fund	Interfund Payable
General	8 67	Current Tax Collection	8 67

Note 5 – Pension Plan

The Township has a defined contribution pension plan covering all full-time employees. The Township contributes an amount of each employee's annual salary to the plan. Pension expense for the fiscal year ended March 31, 2006 was $2,130.52.

Note 6 – Capital Assets

Capital asset activity of the Township's Governmental activities for the current year was as follows:

	Balance 4/1/05	Additions	Deletions	Balance 3/31/06
Governmental Activities:				
Land	8 744 00	-	-	8 744 00
Buildings	33 344 26	-	-	33 344 26
Equipment	52 123 79	5 599 14	-	57 722 93
Total	94 212 05	5 599 14	-	99 811 19
Accumulated Depreciation	(64 157 68)	(1 791 75)	-	(65 949 43)
Net Capital Assets	30 054 37	3 807 39	-	33 861 76

Note 7 – Deferred Compensation Plan

The Township does not have a deferred compensation plan.

Note 8 – Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 9 – Building Permits

The Township of Rogers does not issue building permits. Building permits are issued by the County of Presque Isle.

Note 10 – Changes in General Long-Term Debt

A summary of changes in general long-term debt follows:

	Balance 4/1/05	Additions	Deletions	Balance 3/31/06
Note Payable-County	36 093 55	-	7 218 71	28 874 84
Totals	36 093 55	-	7 218 71	28 874 84

Note 11– Note Payable- County

On September 10, 2002, the Township obtained a $50,531.00 loan from Presque Isle County to fund part of the cost of acquiring a fire truck. The loan is repayable in seven annual payments of $7,218.71 without interest. As of March 31, 2006, the principal balance outstanding was $28,874.84.

TOWNSHIP OF BENTLEY
Gladwin County, Michigan

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year ended March 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Over (Under)
Revenues:				
Property taxes	41 000 00	41 000 00	39 545 66	(1 454 34)
Other taxes	1 745 00	1 745 00	1 745 07	07
Charges for Services:				
PTAF	5 000 00	5 000 00	15 739 26	10 739 26
State revenue sharing	51 300 00	51 300 00	65 539 02	14 239 02
Interest	300 00	300 00	2 960 73	2 660 73
Miscellaneous	1 110 00	1 110 00	1 705 37	595 37
Total revenues	100 455 00	100 455 00	127 235 11	26 780 11
Expenditures:				
Legislative:				
Township Board	2 870 00	2 870 00	2 864 10	(5 90)
General government:				
Supervisor	4 600 00	4 750 00	4 708 76	(41 24)
Elections	240 00	500 86	450 86	(50 00)
Assessor	9 010 00	18 958 64	18 958 64	-
Clerk	4 950 00	5 811 38	5 811 38	-
Board of Review	1 870 00	1 870 00	1 279 38	(590 62)
Treasurer	10 750 00	11 123 87	11 123 87	-
Township hall and grounds	5 464 00	9 453 90	5 503 90	(3 950 00)
Unallocated	6 832 00	7 206 00	4 194 82	(3 011 18)
Public safety:				
Ambulance	1 480 00	1 480 00	1 480 00	-
Fire protection	8 500 00	8 500 00	4 335 20	(4 164 80)
Public works:				
Highways and streets	28 000 00	33 000 00	33 000 00	-
Street lighting	1 025 00	1 025 00	994 63	(30 37)
Other:				
Pension	1 655 00	2 130 52	2 130 52	-
Capital outlay	4 000 00	5 599 14	5 599 14	-
Debt service	7 218 71	7 218 71	7 218 71	-
Total expenditures	98 464 71	121 498 02	109 653 91	(11 844 11)
Excess (deficiency) of revenues over expenditures	1 990 29	(21 043 02)	17 581 20	38 624 22
Fund balance, April 1	76 122 45	76 122 45	128 813 98	52 691 53
Fund Balance, March 31	78 112 74	55 079 43	146 395 18	91 315 75

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year ended March 31, 2006

Township Board:	
Salaries	2 460 00
Mileage	126 00
Printing and publishing	98 10
	2 864 10
Supervisor:	
Salary	4 650 00
Supplies	58 76
	4 708 76
Elections:	
Wages	144 00
Supplies	306 86
	450 86
Assessor:	
Wages	10 587 50
Supplies	2 938 00
Computer rental	5 433 14
	18 958 64
Clerk:	
Salary	5 100 00
Supplies	411 38
Computer rental	300 00
	5 811 38
Board of Review:	
Wages	1 150 00
Printing and publishing	129 38
	1 279 38
Treasurer:	
Salary	8 800 00
Supplies	2 323 87
	11 123 87
Township hall and grounds:	
Utilities	158 90
Custodian wages	360 00
Supplies	379 75
Fuel	582 00
Contracted services	1 030 00
Insurance	2 749 00
Repairs and maintenance	244 25
	5 503 90
Unallocated:	
Payroll taxes	152 35
Data processing	1 758 81
Insurance	302 00
Dues	904 66
Legal	1 077 00
	4 194 82
Ambulance- contracted services	1 480 00
Fire protection- contracted services	4 335 20

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

GENERAL FUND EXPENDITURES BY DETAILED ACCOUNT
Year ended March 31, 2006

Highways and streets:	
Repairs and maintenance	31 000 00
Snow removal	2 000 00
	33 000 00
Street lighting:	
Utilities	994 63
Pension	2 130 52
Capital outlay	5 599 14
Debt service	7 218 71
Total Expenditures	109 653 91

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year ended March 31, 2006

	Balance 4/1/05	Additions	Deductions	Balance 3/31/06
Assets				
Cash in Bank	48 674 19	1 063 558 81	1 112 224 33	8 67
Liabilities				
Due to other funds	48 674 19	52 379 52	101 045 04	8 67
Due to other units	-	1 011 179 29	1 011 179 29	-
Total Liabilities	48 674 19	1 063 558 81	1 112 224 33	8 67

TOWNSHIP OF ROGERS
Presque Isle County, Michigan

CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
Year ended March 31, 2006

Cash in bank – beginning of year	48 674 19
Cash receipts:	
Property tax	1 063 507 97
Interest	50 84
Total cash receipts	1 063 558 81
Total beginning balance and cash receipts	1 112 233 00
Cash disbursements:	
Township General Fund	101 045 04
Presque Isle County	604 733 05
Rogers City Area School District	405 011 21
Refunds	1 435 03
Total cash disbursements	1 112 224 33
Cash on Hand and in Bank – End of Year	8 67

CAMPBELL, KUSTERER & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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AUDIT COMMUNICATION AND REPORT OF COMMENTS AND RECOMMENDATIONS

July 27, 2006

To the Township Board
Township of Rogers
Presque Isle County, Michigan

We have audited the financial statements of the Township of Rogers for the year ended March 31, 2006. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES

We conducted our audit of the financial statements of the Township of Rogers in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

For this purpose, materiality has been defined as "the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement."

An independent auditor's objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor's work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, "in our opinion."

To the Township Board
Township of Rogers
Presque Isle County, Michigan

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described in Note 1 to the financial statements.

OTHER COMMUNICATIONS

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management's current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

GASB 34 IMPLEMENTATION

The Governmental Accounting Standards Board issued a new reporting model for governmental units which was required to be implemented for the fiscal year ended March 31, 2006. The implementation of this pronouncement for the Township of Rogers began with the year ended March 31, 2006. The daily operations and recording transactions did not change significantly, however, the Township is required to maintain additional records for the year end adjustments to the final presentation format.

COMMENTS AND RECOMMENDATION REGARDING INTERNAL CONTROLS/ COMPLIANCE/ EFFICIENCY

Our procedures disclosed the following conditions that we would like to bring to your attention:

SEGREGATION OF DUTIES

A separation of duties between persons who authorize transactions and persons who have control over the related assets does not always exist.

The least desirable accounting system is one in which an employee is responsible for executing the transaction and then recording the transaction from its origin to its ultimate posting in the General Ledger. This increases the likelihood that intentional or unintentional errors will go undetected. In most cases, adequate segregation of duties substantially increases control over errors without duplication of effort.

We understand that due to the size of needed staff, a proper segregation of duties may be impractical and the "cost to benefit" relationship may not justify the addition of accounting staff to accomplish the desired segregation.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Township's financial statements and this communication of these matters does not affect our report on the Township's financial statements, dated March 31, 2006.

To the Township Board
Township of Rogers
Presque Isle County, Michigan

SUMMARY

We welcome any questions you may have regarding the foregoing comments and we would be happy to discuss any of these or other questions that you might have at your convenience.

Sincerely,

Campbell, Kusterer & Co., P.C.

CAMPBELL, KUSTERER & CO., P.C.
Certified Public Accountants