

**TOWNSHIP OF ENTERPRISE
MISSAUKEE COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS**

Fiscal Year Ended March 31, 2014

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*Barry E. Gaudette, CPA, PC
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Independent Auditor's Report

Members of the Township Board
Township of Enterprise
Missaukee County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, as well as each fiduciary fund type of the Township of Enterprise, Michigan, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Township of Enterprise, Michigan's basic financial statements as listed in the table of contents. We also have audited each fiduciary fund type of Township of Enterprise, Michigan, as of and for the year ended March 31, 2014, as displayed in the Township's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Since it was not practical to extend my auditing procedures into the prior unaudited year, we are unable to express an opinion on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the omission of the information mentioned in the preceding paragraph, 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, as well as each fiduciary fund type of the Township of Enterprise, Michigan, as of March 31, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 18 to 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management Discussion and Analysis, that accounting principles generally accepted in the United States of America is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Barry E. Gaudette, CPA, PC

November 8, 2014

TOWNSHIP OF ENTERPRISE
GOVERNMENT WIDE STATEMENT OF NET POSITION
March 31, 2014

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 166,443
Receivables	2,004
Prepaid insurance	2,174
TOTAL CURRENT ASSETS	170,621
 NON-CURRENT ASSETS	
Property and equipment, net of depreciation	88,736
TOTAL ASSETS	259,357
 LIABILITIES and NET POSITION	
CURRENT LIABILITIES	
Accounts payable	346
CURRENT LIABILITIES	346
 NET POSITION	
Net investment in capital assets	88,736
Nonspendable for:	
Prepaid insurance	2,174
Restricted:	
Road	79,801
Unassigned	88,300
TOTAL NET POSITION	\$ 259,011

Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ENTERPRISE
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
Year ended March 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities:					
Legislative	\$ 4,701	\$ 0	\$ 0	\$ 0	\$ (4,701)
General government	30,983	0	863	0	(30,120)
Public safety	240	0	0	0	(240)
Public works	613	0	1,287	0	674
Other:					
Miscellaneous	290	0	0	0	(290)
Pension	2,090	0	0	0	(2,090)
TOTAL	\$ 38,917	\$ 0	\$ 2,150	\$ 0	(36,767)

GENERAL REVENUES

Property taxes & related fees	33,440
State shared revenues and grants	20,792
Unrestricted investments earnings	764
All other refunds and rebates	507
TOTAL	55,503

CHANGE IN NET POSITION

Net position – beginning	240,275
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NET POSITION – ENDING

\$ 259,011

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ENTERPRISE
GOVERNMENTAL FUNDS BALANCE SHEET
COMBINED BALANCE SHEET
March 31, 2014

	<u>General</u>	<u>Road</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and equivalents	\$ 87,653	\$ 78,790	\$ 166,443
Taxes receivable	993	1,011	2,004
Prepaid expense	2,174	0	2,174
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 90,820	\$ 79,801	\$ 170,621
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Accounts payable	\$ 346	\$ 0	\$ 346
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	346	0	346
	<hr/>	<hr/>	<hr/>
FUND BALANCE			
Nonspendable for:			
Prepaid insurance	2,174	0	2,174
Reserved:			
Road	0	79,801	79,801
Unassigned	88,300	0	88,300
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCE	90,474	79,801	170,275
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 90,820	\$ 79,801	\$ 170,621
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ENTERPRISE
RECONCILIATION OF BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
March 31, 2014

Total fund balance – total governmental funds	\$ 170,275
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds net of related depreciation	88,736
	<hr/>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 259,011</u>

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ENTERPRISE
ALL GOVERNMENTAL FUNDS TYPES
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year ended March 31, 2014

	<u>General</u>	<u>Road</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes & related fees	\$ 26,207	\$ 7,233	\$ 33,440
State shared revenues and grants	22,942	0	22,942
Interest income	64	700	764
Other:			
All other refunds and rebates	507	0	507
TOTAL REVENUES	<u>49,720</u>	<u>7,933</u>	<u>57,653</u>
EXPENDITURES			
Legislative	4,701	0	4,701
General government	28,131	0	28,131
Public safety	240	0	240
Public works	0	613	613
Other:			
Miscellaneous	290	0	290
Pension	2,090	0	2,090
TOTAL EXPENDITURES	<u>35,452</u>	<u>613</u>	<u>36,065</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,268	7,320	21,588
Fund balance – beginning	<u>76,206</u>	<u>72,481</u>	<u>148,687</u>
Fund balance – ending	<u><u>\$ 90,474</u></u>	<u><u>\$ 79,801</u></u>	<u><u>\$ 170,275</u></u>

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ENTERPRISE
RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
Year ended March 31, 2014

Net change in fund balance – total governmental funds	\$ 21,588
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 life and reported as depreciation.	(2,852)
	<hr/>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 18,736</u>

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF ENTERPRISE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
March 31, 2014

	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 0
TOTAL ASSETS	0
LIABILITIES	
Due to other funds	0
Due to other governmental units	0
TOTAL LIABILITIES	0
NET POSITION	
Held in trust for other purposes	\$ 0

The Notes to Financial Statements are an integral part of this Statement.

TOWNSHIP OF ENTERPRISE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
March 31, 2014

	Agency Fund
ADDITIONS	
Property tax collections and fees	\$ 418,119
Total additions	418,119
DEDUCTIONS	
Payments to general fund	26,207
Payments to fire department	22,586
Payments to road fund	7,233
Payments to other governmental units	362,093
Total deductions	418,119
Changes in net position	0
Net position – beginning	0
Net position – ending	\$ 0

The Notes to Financial Statements are an integral part of this Statement.

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Enterprise (Township) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

Reporting Entity

The Township is governed by an elected five member board of trustees (Board). The accompanying financial statements present the government, as the Township does not have any component units that are required to be presented, either discretely or blended. The Township of Enterprise has a joint agreement with the Merritt Area Fire Department. The Fire Department consists of two townships, Enterprise and Butterfield Townships.

Government-Wide and Fund Financial Statements

The government-wide statements (i.e., the statement of Net Position and the statement of changes in Net Position) 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*, 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. 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 segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead 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 government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as are the 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 revenues 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.

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 Township 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, debt service expenditures, relating to compensated absences, and claims and judgments are recorded only when payment is due.

Taxes Receivable – Current Property Taxes

The Township property tax is levied each December 1st on the taxable valuation of property (as defined by State statutes) located in the Township as of the preceding December 31st. Real property taxes not collected as of March 1st are turned over Missaukee County, which advances the Township 100% for the delinquent taxes.

The 2013 real taxable valuation of the Township totaled \$15,236,011, on which ad valorem taxes levied consisted of 1.4726 mills for Township operating purposes. These amounts are recognized in the General Fund as current tax revenue as well as the administrative fees of \$3,770 to collect the taxes, applicable interest, and personal property taxes. The Township also, has adjusted levies for fire and road services at 1.4824, and 0.4941 mills, respectively.

The Township reports the following major governmental funds:

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *fire fund* is a special revenue fund that accounts for the collection of a tax levy for fire protection provided by the Missaukee Fire Department. The voted millage assessed for the Township is 1.50 mills. Since the entire millage is paid directly to the Missaukee Fire Department, the special revenue fund is not included in the financial statements.

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Township reports the following major governmental funds (continued):

The *road fund* is a special revenue fund that accounts for the collection of a tax levy for road maintenance provided by the County of Missaukee. The voted millage assessed for the Township is 0.5000 mills.

Agency Fund

The *current tax collection fund* is used to account for resources held by the Township in a purely custodial capacity. Money in this fund is from current tax and special assessment collections. Timely distribution to the appropriate fund and local unit must be made in accordance with Section 43 of the General Property Tax Act.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's utility function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenue* include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenue* rather than as program revenue. Likewise, general revenue includes all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted sources first, then restricted resources as they are needed.

Assets, Liabilities, and Net Position or Equity

Bank Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of six months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “due to/from other funds”.

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity(Continued)

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets; which include property, plant and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 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.

The Township has elected not to report its' infrastructure assets which is in compliance with Governmental Accounting Standards Board Statement Number 34 as the Township is a "tier three" entity. All future infrastructure asset additions will be recorded and reported in the government wide financial statements.

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

Buildings and improvements	10 - 50 years
Office furniture and equipment	5 - 20 years

Compensated Absences (Vacation, Personal and Sick Leave) – The Township does not have compensated absence policy.

Long-Term Obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE A –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINEUD)

Assets, Liabilities, and Net Position or Equity (Continued)

- Nonspendable: Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- Restricted: Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- Committed: Amounts that have been formally set aside by the Township Board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Township Board.
- Assigned: Intent to spend resources on specific purposes expressed by the Township Board.
- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to these purposes.

NOTE B – CASH AND INVESTMENTS

MCL 129.91 authorizes the Township to deposit and invest in the accounts of Federal insured banks. Credit unions, savings and loan associations; bond 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 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 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 has designated one bank for the deposit of Township funds. The investments policy adopted by the board in accordance with Public Act 20 of 1943, as amended, has authorized only a portion of the investments described in the preceding paragraph. The Township's deposits and investment policy are in accordance with statutory authority.

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE B – CASH AND INVESTMENTS (CONTINUED)

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

Bank deposits (demand and money market deposits)	\$	166,443
TOTAL (includes trust and agency funds)	\$	166,443

The Township’s deposits are \$169,552 and are deposited with a bank that is insured with FDIC. The deposits are insured up to \$250,000.

NOTE C – EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGET FUNDS

P.A. of 1978, section 18(1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amounts appropriated in any of its budgetary funds.

Included in the “Required Supplemental Information” section of this report is a listing of revenues and expenditures for the budgetary funds. The schedules reflect the original budget, amended budget and actual amounts for each of the fund’s activities. There were no unfavorable immaterial variances that occurred during the year in the General Fun or the Road Fund.

NOTE D – CHANGES IN CAPITAL ASSETS

Capital asset activity for the Township for the year ended March 31, 2014 was as follows:

	Beginning	Additions	Disposals	Ending
Governmental Funds:				
Assets not depreciated				
Land & improvements	\$ 2,500	\$ 0	\$ 0	\$ 2,500
Assets depreciated:				
Buildings & improvements:				
Township hall	99,428	0	0	99,428
Equipment	4,800	0	0	4,800
Total at Historic Cost	106,728	\$ 0	\$ 0	106,728
Less Accumulated Depreciation for:				
Buildings & improvements:				
Township hall	(13,220)	\$ (2,612)	\$ 0	(15,832)
Equipment	(1,920)	(240)	0	(2,160)
Total Accumulated depreciation	(15,140)	\$ (2,852)	\$ 0	(17,992)
Net Governmental Funds-Capital Assets	\$ 91,588			\$ 88,736

TOWNSHIP OF ENTERPRISE
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE E– RISK MANAGEMENT

The Township of Enterprise is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township of Enterprise maintains commercial insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settlement claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F– PENSION PLAN

The Township has a retirement plan covering all full-time employees of the Township. Under the plan, the Township contributes amounts based on the employee's annual earnings. The Township's retirement payments were \$2,090 during the fiscal year ended March 31, 2014.

NOTE G – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Township through November 8, 2014 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

REQUIRED
SUPPLEMENTAL
INFORMATION

TOWNSHIP OF ENTERPRISE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning Fund Balance	\$ 76,053	\$ 76,053	\$ 76,206	\$ 153
Resources (Inflows):				
Property taxes & related fees	24,500	24,500	26,207	1,707
State shared revenues and grants	21,450	21,450	22,942	1,492
Interest income	50	50	64	14
Other revenue:				
All other refunds and rebates	0	0	507	507
AMOUNTS AVAILABLE FOR APPROPRIATION	122,053	122,053	125,926	3,873
Charges to Appropriations(Outflows)				
Legislative:				
Township Board	6,240	6,240	4,701	1,539
General Government:				
Supervisor	4,240	4,240	4,240	0
Treasurer	5,900	5,900	5,656	244
Assessing	6,500	6,500	6,219	281
Clerk	6,100	6,100	5,600	500
Elections	1,000	1,000	630	370
Finance and tax administration	3,900	3,900	1,624	2,276
Buildings & grounds	4,500	4,500	3,197	1,303
All other general government:				
Board of review	1,050	1,050	965	85
Public Safety:				
Fire board	400	400	240	160
Other:				
Miscellaneous	2,670	2,670	290	2,380
Pension	2,500	2,500	2,090	410
TOTAL CHARGES TO APPROPRIATIONS	45,000	45,000	35,452	9,548
BUDGETARY FUND BALANCE - ENDING	\$ 77,053	\$ 77,053	\$ 90,474	\$ 13,421

TOWNSHIP OF ENTERPRISE
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
Year ended March 31, 2014

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning Fund Balance	\$ 69,169	\$ 69,169	\$ 72,481	\$ 3,312
Resources (Inflows):				
Property taxes	7,000	7,000	7,233	233
Interest income	250	250	700	450
AMOUNTS AVAILABLE FOR APPROPRIATION	76,419	76,419	80,414	3,995
Charges to Appropriations(Outflows)				
Public works:				
Roads	50,000	50,000	613	49,387
TOTAL CHARGES TO APPROPRIATIONS	50,000	50,000	613	49,387
BUDGETARY FUND BALANCE- ENDING	\$ 26,419	\$ 26,419	\$ 79,801	\$ 53,382

*Barry E. Gaudette, CPA, PC
731 S. Garfield Avenue
Traverse City, Michigan 49686*

Members of the Township Board
Township of Enterprise
Missaukee County, Michigan

We have audited the financial statements of the governmental activities, each major fund, as well as each fiduciary fund type of Township of Enterprise, Michigan for the year ended March 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 8, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Township of Enterprise, Michigan are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended March 31, 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no major sensitive estimates affecting the Township's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 8, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to my audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Township of Enterprise and is not intended to be, and should not be, used by anyone other than the Township Board.

Barry E. Gaudette, CPA, PC

November 8, 2014