

TOWNSHIP OF MAPLE RIDGE
AUDITED FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTAL INFORMATION
AND SUPPLEMENTAL REPORT
YEAR ENDED MARCH 31, 2013

CONTENTS

	<u>Page</u>
Audited Financial Statements:	
Independent Auditor’s Report	3
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government –wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Fund	13
Reconciliation of the Balance Sheet of the Governmental Fund with the Statement of Net Assets	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	15
Combined Statement of Fiduciary Net - Assets – Fiduciary Funds.....	16
Notes to the Financial Statements	18
Required Supplemental Information:	
Budgetary Comparison Schedules – Governmental Fund	25
Other Financial Information:	
Fiduciary Funds – Statement of Changes in Assets and Liabilities	27
Supplemental Report:	
Report on Compliance and Other Matters Based on an Audit of Financial Statements	A-1
Schedule of Findings	B-1

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June 13, 2013

Independent Auditor's Report

Members of the Board
Township of Maple Ridge
Delta County, Michigan

I have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining funds information of the Township of Maple Ridge, as of and for the year ended March 31, 2013, which collectively, comprises the basic financial statements of the Township of Maple Ridge as listed in the table of contents. These financial Statements are the responsibility of the Township's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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 examining, on a test basis, evidence supporting the amounts and disclosures in the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Township of Maple Ridge as of March 31, 2013, and the respective changes in financial position thereof and 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 budgetary comparison information on pages 5 through 9 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. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements. The accompanying Other Financial Information is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, it is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Ray Payment
Certified Public Accountant

TOWNSHIP OF MAPLE RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2013

Management's Discussion and Analysis

This section of the Township of Maple Ridges' annual financial report presents my discussion and analysis of the Township's performance during the year ended March 31, 2013. It is to be read in conjunction with the Township's financial statements, which immediately follow. This is a requirement of the Governmental Accounting Standards Board Statement NO. 34 (GASB 34) Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as amended and interpreted, and is intended to provide the financial results for the fiscal year ending March 31, 2013.

Government-wide Financial Statements

The Government-wide financial statements appear first in the financial report. These financial statements include the statement of net assets and the statement of activities. They report information about the Township as a whole. The statements are prepared using the accrual method of accounting which is the accounting used by most small private sector businesses. The statement of net assets includes all of the Township's assets and liabilities except the fiduciary funds. All current year revenues and expenses are reported in the statement of activities. The two statements report the governmental activities of the Township. These activities are funded primarily by state grants.

The statement of net assets reports the Township's assets and liabilities. The corresponding balance between the assets and liabilities equal the net assets of the Township. This statement measures the financial strength of the Township; the greater the net asset figure, the healthier the financial position of the township generally is. It helps management determine if the Township will be able to fund current obligations and whether they have resources available for future use.

The statement of activities shows the current year change in net assets on revenue less expense basis. It shows the operating results for a given year of the Township. Any excess of revenues over expenditures result in a surplus for the year that in turn increases the net assets (or reduces a deficit) available to fund future need of the Township.

Fund Financial Statements

The Township's fund financial statements show a detail of funds that are determined to be significant, called major funds. The funds that are separately stated as the major fund are the General Fund and Special Revenue Funds.

Governmental funds are accounted for by the modified accrual method of accounting (flow of current financial resources measurement focus). This method records revenues when all applicable eligibility requirements are met and resources are available to finance expenditures of the fiscal period. Expenditures are recorded when the related liability is incurred. The governmental fund financial statements show the detail of operations for a given year according to this method of accounting.

TOWNSHIP OF MAPLE RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

This is similar to how the Township reported their finances in the past. The individual fund statements help management determine what financial resources are available on a short-term basis to fund operations.

Although the government-wide financial statements and the fund financial statements use different methods of accounting to report the Township's financial condition, there are no current year differences between the two types of statements except depreciation expense and fixed assets purchases and balances.

Fiduciary funds, such as the Trust and Agency, are reported in the fiduciary fund financial statement, but are excluded from the government-wide reporting. The fiduciary fund financial statement reports resources that are not available to fund Township programs. The fiduciary fund financial statement reports similarly to governmental funds.

TOWNSHIP OF MAPLE RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Statements – Condensed Financial Information

Statement of Net Assets

The following is a March 31, 2013 condensed statement of net assets with a detailed analysis of the statement below.

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and CD's	\$ 133,457
Property taxes receivable	<u>4,537</u>
Total Current Assets	<u>\$ 137,994</u>
Noncurrent Assets –	
Capital Assets, net of Accumulated depreciation	<u>28,118</u>
Total Assets	<u><u>\$ 166,112</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 28,118
Unrestricted	119,811
Restricted for: Fire	14,957
Liquor	<u>3,226</u>
Total Net Assets	<u><u>\$ 166,112</u></u>

The Township's total net assets are \$166,112 at March 31, 2013. Capital assets are \$28,118. This figure is derived by taking the original cost of the Township's assets and subtracting accumulated depreciation to date.

TOWNSHIP OF MAPLE RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Statements – Condensed Financial Information

Statement of Net Assets (Continued)

The total unrestricted net assets are \$119,811 and restricted assets are \$18,183 as of March 31, 2013. This is the net accumulated result of the current and past years' operations. The balance in the unrestricted net assets shows that the Township has an ample amount of assets to fund liabilities at March 31, 2013.

Statement of Activities

The results of operations for the Township as a whole are reported in the statement of activities. This statement reports the changes in net assets for the fiscal year ended March 31, 2013.

	<u>Governmental Activities</u>
Revenue:	
Program Revenues:	
Charges for services	\$ 5,705
Operating grants	6,471
General Revenues:	
State and federal grants	59,013
Taxes and collection fees	59,623
Interest and rents	5,325
Swamp tax and CFR	18,369
Other revenue	<u>776</u>
Total Revenue	\$ 155,282
Program expenses –	
Governmental activities	<u>144,279</u>
Increase in Net Assets	<u>\$ 11,003</u>

The Township has an overall increase in net assets of \$11,003 for the year ended March 31, 2013. The Township's revenues totaled \$155,282.

TOWNSHIP OF MAPLE RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Activities (Continued)

The Township's total cost to fund governmental activities was \$144,279. A majority of these costs were funded by property taxes and state grants. This shows the Township has reliance on property taxes and state grants to provide future funding for its programs and administrative costs.

Governmental Fund Budgetary Items

A schedule showing the Township's final budget and the actual results are included as required supplementary information in the financial section of the audit report. There were no budget revisions made during the year.

Capital Assets

At March 31, 2013, the Township has \$28,118 invested in capital assets net of accumulated depreciation. The change in capital assets during the year ended March 31, 2013 was depreciation of \$2,874 and purchase of fixed assets of \$7,451.

Debt

The Township has no outstanding debt at March 31, 2013.

Future Considerations

The change in state aid payments along with state budget cuts will impact the financial condition of the Township. The Township has adopted a budget for the upcoming fiscal year that should not over expend its funding and leave the Township with a positive Fund Balance.

Contacting the Township

If you have any questions about this report or need additional information, contact the Township offices.

**BASIC
FINANCIAL
STATEMENTS**

TOWNSHIP OF MAPLE RIDGE
STATEMENT OF NET ASSETS

March 31, 2013

ASSETS

CURRENT ASSETS:

Cash and CD's		\$ 133,457
Receivables – property taxes		<u>4,537</u>
	TOTAL CURRENT ASSETS	<u>\$ 137,994</u>

NONCURRENT ASSETS

Capital assets		\$ 115,187
Less accumulated depreciation		<u>(87,069)</u>
	TOTAL NONCURRENT ASSETS	<u>28,118</u>

TOTAL ASSETS \$ 166,112

NET ASSETS \$ 166,112

Invested in capital assets, net of related debt		\$ 28,118
Unrestricted		119,811
Restricted for : Fire		14,957
Liquor		<u>3,226</u>

TOTAL NET ASSETS \$ 166,112

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

TOWNSHIP OF MAPLE RIDGE
STATEMENT OF ACTIVITIES

March 31, 2013

		<u>Program Revenues</u>		<u>Governmental Activities</u>
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Governmental Activities:				
Legislative	\$ 6,100	\$ 0	\$ 0	\$ (6,100)
General Government	64,276	0	5,357	(58,919)
Public Safety	42,131	0	0	(42,131)
Public Works	18,014	0	1,114	(16,900)
Other functions	10,884	5,705	0	(5,179)
Depreciation	<u>2,874</u>	<u>0</u>	<u>0</u>	<u>(2,874)</u>
Total Governmental Activities	\$144,279	\$ 5,705	\$ 6,471	\$ (132,103)
General revenues:				
Taxes and collection fees				\$ 59,623
State and federal grants				59,013
Interest and rents				5,325
Other revenue				776
Swamp tax and C.F.R.				<u>18,369</u>
Total General Revenues				<u>143,106</u>
Changes in Net Assets				\$ 11,003
Net assets at April 1, 2012				<u>155,109</u>
Net assets at March 31, 2013				<u>\$ 166,112</u>

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

TOWNSHIP OF MAPLE RIDGE
BALANCE SHEET – GOVERNMENTAL FUNDS

March 31, 2013

ASSETS

	<u>General Fund</u>	<u>Liquor Fund</u>	<u>Fire Fund</u>	<u>Total</u>
Cash and CD's	\$ 117,840	\$ 3,226	\$ 12,391	\$ 133,457
Receivables – property taxes	1,971	0	2,566	4,537
TOTAL ASSETS	\$ 119,811	\$ 3,226	\$ 14,957	\$ 137,994

LIABILITIES AND FUND EQUITY

Fund Equity - Unassigned	\$ 119,811	\$ 0	\$ 0	\$ 119,811
Assigned for : Fire	0	0	14,957	14,957
Liquor	0	3,226	0	3,226
TOTAL LIABILITIES AND FUND BALANCE	\$ 119,811	\$ 3,226	\$ 14,957	\$ 137,994

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

TOWNSHIP OF MAPLE RIDGE
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
WITH THE STATEMENT OF NET ASSETS

March 31, 2013

Total fund equity of governmental activities \$ 137,994

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

Additions:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Cost of capital assets	\$ 115,187	
Accumulated depreciation	<u>(87,069)</u>	<u>28,118</u>

TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 166,112

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

TOWNSHIP OF MAPLE RIDGE
 COMBINED STATEMENT OF REVENUES
 EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 Year Ended March 31, 2013

	Governmental Fund Types			
	General	Special Revenue		Total
		Liquor	Fire	
CASH RECEIPTS:				
Taxes – current	\$ 20,152	\$ 0	\$ 26,244	\$ 46,396
Liquor license	0	1,114	0	1,114
C.F.R	981	0	0	981
State revenue sharing	55,854	0	0	55,854
Swamp tax	17,388	0	0	17,388
Charges for Services:				
Tax collection	13,227	0	0	13,227
Cemetery	5,705	0	0	5,705
Interest	736	0	0	736
Donations and miscellaneous	776	0	0	776
Rentals of property	4,589	0	0	4,589
State grants	5,357	0	0	5,357
Economic growth grant	<u>3,159</u>	<u>0</u>	<u>0</u>	<u>3,159</u>
TOTAL CASH RECEIPT	<u>127,924</u>	<u>1,114</u>	<u>26,244</u>	<u>155,282</u>
CASH DISBURSEMENTS:				
Legislative:				
Township Board	6,100	0	0	6,100
General Government:				
Supervisor	6,883	0	0	6,883
Clerk	7,373	0	0	7,373
Treasurer	6,899	0	0	6,899
Scrap tire collection	4,175	0	0	4,175
Community building	14,482	0	0	14,482
Assessor	10,805	0	0	10,805
Elections	2,162	0	0	2,162
Payroll taxes and pension	3,823	0	0	3,823
Insurance	4,240	0	0	4,240
Township fire hall	1,051	0	0	1,051
Board of Review, zoning & tax collection	7,659	0	0	7,659
Attorney	287	0	0	287
Liquor law enforcement	0	504	0	504
Highways and street lights	42,131	0	0	42,131
Parks and recreation	6,450	0	0	6,450
Cemetery	6,322	0	0	6,322
Fire protection	<u>0</u>	<u>0</u>	<u>17,510</u>	<u>17,510</u>
TOTAL CASH DISBURSEMENTS	<u>130,842</u>	<u>504</u>	<u>17,510</u>	<u>148,856</u>
EXCESS OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS	\$(2,918)	\$ 610	\$ 8,734	\$ 6,426
FUND BALANCE, April 1, 2012	<u>122,729</u>	<u>2,616</u>	<u>6,223</u>	<u>131,568</u>
FUND BALANCE, March 31, 2013	<u>\$119,811</u>	<u>\$ 3,226</u>	<u>\$ 14,957</u>	<u>\$137,994</u>

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

TOWNSHIP OF MAPLE RIDGE
COMBINED STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS

March 31, 2013

ASSETS	Tax and Agency Funds
Cash in bank	\$ <u>2,763</u>
NET ASSETS	
Net assets – Tax accounts	\$ <u>2,763</u>

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

NOTES
TO
FINANCIAL STATEMENTS

TOWNSHIP OF MAPLE RIDGE
NOTES TO FINANCIAL STATEMENTS

March 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Maple Ridge operates under an elected Board of Trustees. The financial statements of the Township have been prepared in conformity with generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial-reporting principles. The more significant of the Township's accounting policies are described below.

Financial Reporting Entity

In conformity with generally accepted accounting principles, other autonomously operated governmental organizations are not considered to be part of the Township's entity for financial-reporting purposes. The criteria established for determining the various governmental organizations to be included in the Township's financial statements include oversight responsibility, scope of public service and special financing relationships.

On this basis, the financial statements of the local school district are not included in the financial statements of the Township. Educational services are provided to citizens through the local school district, which is a separate governmental entity.

Basis of Presentation

Governmental-wide Financial Statements

The Township government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all of the activities of the Township except for the fiduciary activities. All of the Township activities are considered to be governmental activities.

Fund-based Financial Statements

Separate financial statements are provided on the basis of funds, each of which is considered a separate fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Governmental and fiduciary funds are provided. The Township reports the General and Special Revenue Funds as the Major Fund.

Governmental Fund Types

General Fund and Special Revenue Funds – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in

TOWNSHIP OF MAPLE RIDGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund-based Financial Statements (Continued)

Governmental Fund Types (Continued)

another fund. The fund includes the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state and federal grants and various local sources. The Special Revenue Funds account for revenues and expenditures to be used as per legal or regulatory provisions.

Fiduciary Fund Types

The Trust and Agency Fund and Tax Funds are used to account for assets held by the Township in a trustee capacity. These funds are custodial in nature and do not involve measurement of results of operations.

Basis of Accounting

Government-wide Financial Statements

The Governmental-wide financial statements report all financial and capital assets, short and long-term liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting. All revenue is recorded when earned and expenses are recorded when a liability is incurred.

The Statement of Activities reports net cost information based on the Township's functions. Direct expenses are listed by function with program revenues for each function offset against those expenses. Program revenues include charges for services that are fees and other charges to the users or recipients of the services the Township provides. Program revenues also include operating grants and contributions that are restricted for a particular purpose. Property taxes, non-restricted state and federal aid and other revenues that are not program revenues are reported as general revenues.

Governmental fund types and Agency Funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus). Under the modified accrual basis of accounting, revenues are recorded when all applicable eligibility requirements are met and resources are available (often referred to as "susceptible to accrual"). Revenues are available when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The Township considers revenues to be available if they are expected to be collected within 60 days of the end of the year, except that tax revenues, fees and nontax revenues are recognized when received. Grants, entitlements and shared revenues are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when all applicable eligibility requirements of the grants are met and resources are available. Expenditures, if measureable, are recorded when they have used or are expected to use current expendable financial resources, except un-matured interest on general long-term debt is recorded when due. The Township has no long-term debt.

TOWNSHIP OF MAPLE RIDGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and the Budgetary Process

The Township Board adopts an annual operating budget, which can be amended by the Board throughout the year. Formal budgetary accounting is employed as a management control for the Township. For budgetary purposes, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of generally accepted accounting principles. For this reason, there is no common basis for preparing a reconciliation between budgeted and actual amounts. The budgeted financial statements presented in this report reflect the final budget authorization, including all amendments. Budgets are adopted on the functional level and lapse at the end of the year.

Property Tax Revenues

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 of the ensuing year with the final connection date of February 28 before they are added to the delinquent rolls. The Township records property taxes as a receivable and a revenue as collections are made, when monies are available for use to finance Township operations. Delinquent real property taxes of the Township and all other local units are purchased annually by the County. The Township bills and collects its own property taxes and also collects current rolls for the County, Intermediate School District and Local School District.

Capital Assets and Depreciation

Capital assets include land, buildings and improvements and equipment and are reported in the Government-wide financial statements. Capital assets are defined by the Township as assets with an acquisition cost of generally more than \$100 or betterments totaling \$1,000 with an estimated useful life in excess of five years. Assets meeting this criteria are recorded at historical cost or estimated historical costs if the amount is not known. Any donated capital assets are recorded at estimated fair market value at the date of donation. The costs of capital assets are charged to expense using an annual allocation of depreciation expense. Taking the depreciable cost of an assets and dividing that cost by its estimated useful life calculates the annual expense. The expense is recorded on the Government-wide Statement of Activities and included as a direct expense of an identifiable function if the assets sole purpose can be identified as being for that function. Depreciation expense (unallocated) is the amount of depreciation expense that cannot be charged to any particular function.

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

Land	Not depreciated
Buildings and improvements	25-50 years
Equipment	5-10 years

Investment in Capital Assets

This is a portion of net assets of the Township that consists of capital assets, net accumulated depreciation. The Township had net investment in capital assets at March 31, 2013 of \$28,118.

TOWNSHIP OF MAPLE RIDGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Net assets are restricted when there are constraints placed on their use by external parties or by statute. The Township had restricted assets at March 31, 2013 of \$18,183 for Fire Protection and Liquor Law Enforcement.

Unrestricted Net Assets

Net assets not meeting either criterion above are considered unrestricted.

Fund Equity

The unreserved fund equity for governmental funds represents the amount available for budgeting future operations.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE B – CASH INFORMATION

All deposits were made either in banks insured by federal depository insurance or with an investment broker who purchased certificates of deposit insured by federal depository insurance. Deposits were made in accordance with State of Michigan statutes and under authorization of the Township Board.

At March 31, 2013 total cash and certificates of deposit as reported by banks and investment broker amounted to \$136,220, of which \$136,220 was covered by depository insurance.

NOTE C – PROPERTY TAXES

Following is a summary of the 2012 tax roll:

<u>Taxing Unit</u>	<u>Mills</u>	<u>Spread</u>	<u>Delinquent</u>	<u>Collected</u>
County and DATA	7.01	\$ 184,575	\$ 12,950	\$ 171,625
State education tax	6.00	156,869	9,322	147,547
Local school	25.61	422,148	40,021	382,127
Intermediate school	2.38	62,599	6,121	56,478
Township – General	.77	20,152	1,971	18,181
Fire	1.00	26,244	2,566	23,678
College	<u>3.30</u>	<u>86,813</u>	<u>8,489</u>	<u>78,324</u>
TOTALS	<u>46.07</u>	<u>\$ 959,400</u>	<u>\$ 81,440</u>	<u>\$ 877,960</u>
Taxable Valuation				<u>\$26,322,587</u>

TOWNSHIP OF MAPLE RIDGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE D – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Public Act 275 1980 Disclosure

The Township had no funds with a deficit as of March 31, 2013.

Public Act 621 of 1978 Disclosure

Public Act 621 of 1978, as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. The Township was in substantial compliance with the Act.

NOTE E – PROPERTY TAX ADMINISTRATION FEE

The Township has not established a subsidiary ledger to account for costs incurred in collection, assessing and reviewing of property tax levies as required by Public Act 503 of 1982. A summary of the transactions that would affect the balance sheet equity account for the year ended March 31, 2013, follows:

Receipts from charging administrative fee	\$ 13,227
Cost incurred	<u>14,558</u>
Excess of costs	<u>\$ (1,331)</u>

NOTE F – CAPITAL ASSETS

Following is a summary of changes in capital assets during the year ended March 31, 2013:

	Balance at April, 1, <u>2012</u>	<u>Additions</u>	<u>Disposals</u>	Balance at March 31, <u>2013</u>
<u>Governmental Activities</u>				
Assets:				
Buildings, land and Improvements	\$ 75,544	\$ 1,561	\$ 0	\$ 77,105
Equipment	<u>32,192</u>	<u>5,890</u>	<u>0</u>	<u>38,082</u>
	\$ 107,736	\$ 7,451	\$ 0	\$ 115,187
Less accumulated Depreciation	<u>(84,195)</u>	<u>(2,874)</u>	<u>0</u>	<u>(87,069)</u>
Net Capital Assets	<u>\$ 23,541</u>	<u>\$ 4,577</u>	<u>\$ 0</u>	<u>\$ 28,118</u>

TOWNSHIP OF MAPLE RIDGE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE G – RISK MANAGEMENT

The Township is exposed to various risks of losses related to torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Township has obtained coverage from commercial insurance companies.

All risk management activities are accounted for in the General Fund of the Township. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

Management estimates that the amount of actual or potential claims against the Township as of March 31, 2013, will not materially affect the financial condition of the Township. Therefore, the financial statements contain no provisions for estimated claims. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**REQUIRED
SUPPLEMENTAL
INFORMATION**

TOWNSHIP OF MAPLE RIDGE
 COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
 AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUNDS
 March 31, 2013

	<u>General Fund</u>		
	Actual	Budget	Variance
	<u>Amount</u>	<u>Amount</u>	Favorable (Unfavorable)
CASH RECEIPTS:			
Property taxes	\$ 20,152	\$ 20,180	\$ (28)
Liquor license fees	0	0	0
State revenue sharing	55,854	52,000	3,854
Swamp tax and C.F.R.	18,369	10,900	7,469
Charges for services -			
Tax collection	13,227	13,600	(373)
Interest	736	900	(164)
Cemetery lot sales/service	5,705	3,500	2,205
Donations and miscellaneous	6,133	3,569	2,564
Rentals	4,589	5,000	(411)
Economic growth grant	<u>3,159</u>	<u>3,000</u>	<u>159</u>
TOTAL RECEIPTS	<u>127,924</u>	<u>112,649</u>	<u>15,275</u>
CASH DISBURSEMENTS:			
Township board	6,100	6,100	0
Township supervisor	6,883	6,883	0
Elections	2,162	2,186	24
Assessor	10,805	10,805	0
Township clerk	7,373	7,600	227
Payroll taxes and pension	3,823	6,500	2,677
Treasurer and tax collection	14,558	15,061	503
Fire protection	0	0	0
Community building and fire hall	15,533	15,795	262
Scrap tire collection	4,175	4,781	606
Liquor law enforcement	0	0	0
Street lighting	8,994	9,500	506
Highways and streets	33,137	38,994	5,857
Recreation and parks	6,450	7,888	1,438
Cemetery	6,322	6,500	178
Attorney and Contingencies	287	1,500	1,213
Insurance and bonds	<u>4,240</u>	<u>4,500</u>	<u>260</u>
TOTAL DISBURSEMENTS	<u>130,842</u>	<u>144,593</u>	<u>13,751</u>
EXCESS OF CASH RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,918)	(31,944)	\$ 29,026
FUND BALANCE, April 1, 2012	<u>122,729</u>	<u>122,729</u>	<u>0</u>
FUND BALANCE, March 31, 2013	<u>\$119,811</u>	<u>\$ 90,785</u>	<u>\$ 29,026</u>

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

Special Revenue Funds

<u>Actual</u> <u>Amount</u>	<u>Budget</u> <u>Amount</u>	Variance Favorable <u>(Unfavorable)</u>
\$ 26,244	\$ 22,320	\$ 3,924
1,114	1,114	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>27,358</u>	<u>23,434</u>	<u>3,924</u>
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
17,510	17,510	0
0	0	0
0	0	0
504	1,114	610
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>18,014</u>	<u>18,624</u>	<u>610</u>
\$ 9,344	\$ 4,810	\$ 4,534
<u>8,839</u>	<u>8,839</u>	<u>0</u>
<u>\$ 18,183</u>	<u>\$ 13,649</u>	<u>\$ 4,534</u>

**OTHER
FINANCIAL
INFORMATION**

TOWNSHIP OF MAPLE RIDGE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CURRENT TAX COLLECTION FUND
March 31, 2013

<u>CURRENT TAX COLLECTION FUND</u>	Balance at April, 1, <u>2012</u>	<u>Additions</u>	<u>Disposals</u>	Balance at March 31, <u>2013</u>
<u>ASSETS</u>				
Cash	\$ 1,273	\$ 0	\$ 930,360	\$ 2,763
TOTAL ASSETS	<u>\$ 1,273</u>	<u>\$ 931,850</u>	<u>\$ 930,360</u>	<u>\$ 2,763</u>
<u>LIABILITIES</u>				
Due to other taxing units:				
Township of Maple Ridge				
General Fund	\$ 0	\$ 30,794	\$ 30,794	\$ 0
Fire Fund	0	23,678	23,678	0
Delta County and DATA	0	187,584	187,584	0
Intermediate School District	0	56,478	56,478	0
State of Michigan-S.E.T.	0	144,024	144,024	0
Area Schools	0	382,127	382,127	0
College	0	78,324	78,324	0
Payroll taxes	0	26,661	25,870	791
Roof grants and donations	1,273	1,380	1,481	1,172
Burials	<u>0</u>	<u>800</u>	<u>0</u>	<u>800</u>
TOTAL LIABILITIES	<u>\$ 1,273</u>	<u>\$ 931,850</u>	<u>\$ 930,360</u>	<u>\$ 2,763</u>

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

RAYMOND L PAYMENT

CERTIFIED PUBLIC ACCOUNTANT

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Stephenson, MI 49887

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Members of the Board
Township Maple Ridge
Delta County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Maple Ridge as of and for the year ended March 31, 2013, which collectively comprises the Township of Maple Ridge's basic financial statements and have issued my report thereon dated June 13, 2013. 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Township of Maple Ridge's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Maple Ridge's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Township of Maple Ridge's internal control over financial reporting.

My consideration on internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified a certain deficiency in internal control over financial reporting that I consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township of Maple Ridge's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Township of Maple Ridge's financial statements that is more than inconsequential will not be prevented or detected

by the Township of Maple Ridge's internal control. I consider the deficiency described in the accompanying schedule of findings and questioned costs as item 07-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township of Maple Ridge's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described in the Schedule of Findings I consider item 07-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Maple Ridge's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Township of Maple Ridge's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Township of Maple Ridge's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Township Board, management and state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ray Payment
Certified Public Accountant

SCHEDULE OF FINDINGS
TOWNSHIP OF MAPLE RIDGE

Year Ended March 31, 2013

SIGNIFICANT DEFICIENCIES

(07 – 1) Ability to Prepare Financial Statements and Related Note Disclosures

Like entities of similar size, the Township uses the assistance of the auditor to draft the financial statements and related note disclosures.

Following the Township's adopted budget priorities, the Township will continue to focus its efforts on continuing education for the Supervisor, Treasurer and Clerk. They will keep the funding level for education and training the same, but focus more in the financial preparation area than in the past. Trustees will seek out training to better understand the financial statements and the training funds will be at levels similar to the past. In addition, the Township will continue to seek the auditor's assistance when necessary on procedural questions and drafting of financial statements and disclosures.