

Township of Atlas
Genesee County, Michigan
Annual Financial Statements
and
Auditors' Report
March 31, 2010

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**Township of Atlas
List of Elected Officials
March 31, 2010**

Township of Atlas

Shirley Kautman-Jones – Supervisor

Ann Marie Slagle – Treasurer

Teresa L. Onica – Clerk

Barry June – Trustee

Scott Statson - Trustee



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Independent Auditors' Report

To the Township Board
Township of Atlas
Goodrich, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Atlas (Township) as of and for the year ended March 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion 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, each major fund, and the aggregate remaining fund information of the Township as of March 31, 2010 and the respective changes in financial position 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 identified 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 financial statements that collectively comprise the Township's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Yeo & Yeo, P.C.

September 20, 2010

Lansing, Michigan

Township of Atlas Management's Discussion and Analysis

The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the Township's management's discussion and analysis of the financial results for the fiscal year ended March 31, 2010.

Overview of Financial Statements

The annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the required supplementary information, and other supplemental information. Government Accounting Standards Board Statement 34 (GASB 34) requires the reporting of two types of financial statements: Government-wide Financial Statements and Fund Financial Statements.

Government-wide Financial Statements:

The Government-wide financial statements provide a perspective of the Township as a whole. These statements use the full accrual basis of accounting similar to private sector companies. There are two Government-wide statements: The Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets (page 4-1) combines and consolidates the governmental fund current financial resources (short-term spendable resources) with capital assets, regardless of whether they are currently available or not.

Consistent with the full accrual basis method of accounting, the Statement of Activities (page 4-3) accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of the Townships' various services.

When analyzed together, the two statements help the reader determine whether the Township is financially stronger or weaker as a result of the year's activities.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Township can be divided into two categories: governmental funds and fiduciary fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (fund balance).

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Township's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

**Township of Atlas
Management's Discussion and Analysis**

The Township maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Fire Protection, and Police Administrative, each of which is considered to be a major fund. The Sewer Receiving, Atlas Meadows Septic, Building Authority Fire Hall, Green Ridge Paving Assessment, East Lake Paving Assessment and Sewer Capital Projects Fund are considered non major funds and are presented in a combined column for reporting purposes.

The Township adopts an annual appropriated budget for the general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the Township's own programs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, and other supplemental information concerning budgetary information for the Township's major funds.

SUMMARY OF NET ASSETS:

Township's Net Assets

The following summarizes the Township's net assets at March 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Assets		
Current assets	\$ 3,978,812	\$ 3,973,647
Capital assets	2,373,763	2,226,352
Less accumulated depreciation	<u>(1,126,179)</u>	<u>(1,018,044)</u>
Total capital assets	<u>1,247,584</u>	<u>1,208,308</u>
Total assets	<u>5,226,396</u>	<u>5,181,955</u>
Liabilities		
Current liabilities	202,493	160,285
Long-term liabilities	<u>220,000</u>	<u>268,000</u>
Total liabilities	<u>422,493</u>	<u>428,285</u>
Net assets		
Investment in capital assets, net of related debt	1,027,584	991,945
Restricted	211,743	238,333
Unrestricted	<u>3,564,576</u>	<u>3,523,392</u>
Total net assets	<u>\$ 4,803,903</u>	<u>\$ 4,753,670</u>

During the fiscal year ended March 31, 2010, the Township's net assets increased by \$50,233.

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township of Atlas, assets exceeded liabilities by \$4,803,903.

**Township of Atlas
Management's Discussion and Analysis**

A portion of the Township's net assets reflect its investment in capital assets (e.g. land, buildings, equipment), less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Township's Changes in Net Assets

Revenues:

	2010	2009
Program revenue		
Charges for services	\$ 522,622	\$ 594,954
Operating grants and contributions	10,829	5,166
Capital grants and contributions	75,453	-
General revenue:		
Property taxes	1,029,698	1,089,655
State shared revenue	360,865	403,738
Interest earnings	17,704	82,053
Gain on sale of capital assets	-	15,625
Miscellaneous	84,180	85,149
	\$ 2,101,351	\$ 2,276,340

Expenses:

	2010	2009
Expenses		
General government	\$ 437,264	\$ 438,323
Public safety	812,997	793,916
Public works	731,030	549,645
Community and economic development	40,036	31,619
Recreation and culture	20,603	5,775
Interest	9,188	17,176
	2,051,118	1,836,454
Change in net assets	50,233	439,886
Net assets - beginning of year	4,753,670	4,313,784
Net assets - ending of year	\$ 4,803,903	\$ 4,753,670

Governmental activities

The Township's total governmental revenue decreased by \$174,989 from last fiscal year. This decrease is primarily attributed to the decreases in property tax revenues of \$59,957, charges of services of \$72,332, State shared revenue of \$42,873 and loss of interest income of \$64,349. Offsetting these decreases were the contribution of the library building from the Village of Goodrich; with a stated value of \$50,000 as well as a grant to replace the library roof for approximately \$25,000.

Expenses for the Township increased by \$214,664 overall. This increase was attributed to the increase of public works in the amount \$181,385, brought on by the Green Road Bridge rehabilitation costs incurred in the current fiscal year, as well as increases of \$19,081 for public safety, \$8,417 for community and economic development and \$14,828 for recreation and culture

Township of Atlas Management's Discussion and Analysis

which was attributed to other operating expenses related to the library that was acquired during the year from the Village of Goodrich. Much of the additional costs incurred for the library were offset by additional revenues received by the Village to cover operating costs. These increases in expenses were offset by a decrease in interest on long term debt of \$7,988 and general government of \$1,059.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,776,319, a slight decrease of \$4,696. \$3,165,782 of the \$3,776,319 fund balance constitutes unreserved and undesignated fund balance, which is available for spending at the Township's discretion.

The General Fund is the main operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,380,489. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents approximately 199% of total General Fund expenditures. The fund balance of the General Fund decreased by \$41,552 during the current fiscal year and is primarily attributable to the loss of overall revenue.

The fund balance of the Fire Protection Fund increased by \$95,689 during the current fiscal year. A portion of this increase was due to the timing issue of the bond payment on the fire hall.

The fund balance of the Police Administrative Board decreased by \$18,248 during the current fiscal year due to a loss of revenue.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The most significant budgeted fund is the General Fund. The General Fund budget was not amended during the year.

Capital Assets and Debt Administration:

Capital Assets

The Township's investment in capital assets for its governmental activities as of March 31, 2010 and 2009 amounted to \$1,247,584 and \$1,208,308 (net of accumulated depreciation), respectively. Investment in capital assets included land, buildings, and equipment.

	March 31, 2010	March 31, 2009
Capital assets not being depreciated		
Land	\$ 44,001	\$ 44,001
Capital assets being depreciated		
Buildings and improvements	1,121,852	1,071,399
Furniture and equipment	343,448	271,490
Vehicles	864,462	864,462
Capital assets	2,373,763	2,226,352
Less:		
Accumulated depreciation	(1,126,179)	(1,018,044)
Governmental activities capital assets, net	\$ 1,247,584	\$ 1,208,308

Township of Atlas Management's Discussion and Analysis

Long-term Debt

The Township had total long-term debt outstanding at March 31, 2010 and 2009 of \$220,000 and \$268,000, respectively.

Economic Factors and Next Year's Budget

The following factors were considered in preparing the Township's budget for the 2010-2011 fiscal year:

- The State of Michigan is facing economic uncertainty with the loss of jobs in the economy and its future impact on the operating budget. For 2009-2010 the Township received \$360,865 in state shared revenue, representing 31% of the revenue in the General Fund. The amounts of the state shared revenues for future periods are uncertain and will affect the Township's budgets. Our budgets were prepared with these factors in mind and will be revised as needed.

Request for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Township's finances. If you have questions about this report or would like additional information, contact the Township Clerk's office at Atlas Township, Genesee County, Michigan.

Township of Atlas
Statement of Net Assets
March 31, 2010

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 3,167,332
Certificates of deposit and accrued interest	590,785
Receivables	
Taxes	89,003
Customers	7,889
Special assessments	42,029
Due from other units of government	52,530
Due from tax collection agency fund	15,249
Prepaid items	13,995
Nondepreciable capital assets	44,001
Depreciable capital assets, net	<u>1,203,583</u>
 Total assets	 <u>5,226,396</u>
 Liabilities	
Accounts payable	38,640
Accrued and other liabilities	163,853
Noncurrent liabilities	
Due within one year	55,000
Due in more than one year	<u>165,000</u>
 Total liabilities	 <u>422,493</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Statement of Net Assets
March 31, 2010

	<u>Governmental Activities</u>
Net Assets	
Invested in capital assets, net of related debt	1,027,584
Restricted for:	
Debt service	13,532
Sewer	184,216
Prepaid expenses	13,995
Unrestricted	<u>3,564,576</u>
 Total net assets	 <u>\$ 4,803,903</u>

Township of Atlas
Statement of Activities
For the Year Ended March 31, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
General government	\$ 437,264	\$ 268,040	\$ -	\$ -	\$ (169,224)
Public safety	812,997	176,103	10,829	-	(626,065)
Public works	731,030	78,479	-	-	(652,551)
Community and economic development	40,036	-	-	-	(40,036)
Recreation and culture	20,603	-	-	75,453	54,850
Interest on long-term debt	9,188	-	-	-	(9,188)
Total governmental activities	<u>\$ 2,051,118</u>	<u>\$ 522,622</u>	<u>\$ 10,829</u>	<u>75,453</u>	<u>(1,442,214)</u>
General revenues					
Property taxes					1,029,698
State shared revenue					360,865
Unrestricted investment earnings					17,704
Miscellaneous					84,180
Total general revenues					<u>1,492,447</u>
Change in net assets					50,233
Net assets - beginning of year					<u>4,753,670</u>
Net assets - end of year					<u>\$ 4,803,903</u>

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2010**

	<u>General Fund</u>	<u>Special Revenue Funds</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Fire Protection Fund</u>	<u>Police Administrative Board</u>		
Assets					
Cash and cash equivalents	\$ 2,105,433	\$ 468,722	\$ 375,637	\$ 217,540	\$ 3,167,332
Certificates of deposit	590,785	-	-	-	590,785
Receivables					
Taxes	24,586	32,119	32,298	-	89,003
Customers	-	-	-	7,889	7,889
Special assessments	22,867	-	16,941	2,221	42,029
Due from other units of government	52,530	-	-	-	52,530
Due from other funds	19,050	481	482	4,000	24,013
Due from fiduciary fund	15,249	-	-	-	15,249
Prepaid items	5,598	8,397	-	-	13,995
	<u>5,598</u>	<u>8,397</u>	<u>-</u>	<u>-</u>	<u>13,995</u>
 Total assets	 <u>\$ 2,836,098</u>	 <u>\$ 509,719</u>	 <u>\$ 425,358</u>	 <u>\$ 231,650</u>	 <u>\$ 4,002,825</u>

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2010**

	General Fund	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Fire Protection Fund	Police Administrative Board		
Liabilities					
Accounts payable	\$ 36,441	\$ 2,199	\$ -	\$ -	\$ 38,640
Accrued and other liabilities	13,813	-	135,188	14,852	163,853
Due to other funds	963	4,000	-	19,050	24,013
Total liabilities	<u>51,217</u>	<u>6,199</u>	<u>135,188</u>	<u>33,902</u>	<u>226,506</u>
Fund Balances					
Reserved for:					
Debt service	-	-	-	13,532	13,532
Special revenue sewer funds	-	-	-	158,163	158,163
Sewer capital improvements	-	-	-	26,053	26,053
Prepaid expenses	5,598	8,397	-	-	13,995
Unreserved					
Designated for:					
Working capital	190,421	-	-	-	190,421
Garbage service and aquaweed control	208,373	-	-	-	208,373
Unreserved and undesignated, reported in:					
General fund	2,380,489	-	-	-	2,380,489
Special revenue funds	-	495,123	290,170	-	785,293
Total fund balances	<u>2,784,881</u>	<u>503,520</u>	<u>290,170</u>	<u>197,748</u>	<u>3,776,319</u>
Total liabilities and fund balances	<u>\$ 2,836,098</u>	<u>\$ 509,719</u>	<u>\$ 425,358</u>	<u>\$ 231,650</u>	<u>\$ 4,002,825</u>

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Assets of Governmental Activities
March 31, 2010**

Total fund balances for governmental funds	\$ 3,776,319
Total net assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,247,584
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	<u>(220,000)</u>
Net assets of governmental activities	<u>\$ 4,803,903</u>

Township of Atlas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2010

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Fund</u>	<u>Other Governmental Funds</u>	
Revenues					
Taxes	\$ 371,058	\$ 328,946	\$ 329,694	\$ -	\$ 1,029,698
Licenses and permits	24,319	-	468	-	24,787
Federal grants	25,453	10,829	-	-	36,282
State revenue sharing	360,865	-	-	-	360,865
Other grants	25,243	-	-	-	25,243
Charges for services	272,946	-	-	49,254	322,200
Fines and forfeitures	-	-	12,885	-	12,885
Interest income	15,672	662	496	874	17,704
Special assessments	-	-	162,750	-	162,750
Other revenue	60,277	5,485	5,232	20,290	91,284
	<u>1,155,833</u>	<u>345,922</u>	<u>511,525</u>	<u>70,418</u>	<u>2,083,698</u>
Total revenues					
Expenditures					
Current					
General government	421,938	-	-	-	421,938
Public safety	20,140	170,275	529,773	-	720,188
Public works	669,215	-	-	61,815	731,030
Community and economic development	40,036	-	-	-	40,036
Recreation and culture	20,603	-	-	-	20,603
Capital outlay	25,453	71,958	-	-	97,411
Debt service					
Principal retirement	-	-	-	48,000	48,000
Interest and fiscal charges	-	-	-	9,188	9,188
	<u>1,197,385</u>	<u>242,233</u>	<u>529,773</u>	<u>119,003</u>	<u>2,088,394</u>
Total expenditures					

See Accompanying Notes to Financial Statements

Township of Atlas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2010

		Special Revenue Funds			
	General	Fire Protection Fund	Police Administrative Fund	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	(41,552)	103,689	(18,248)	(48,585)	(4,696)
Other financing sources (uses)					
Transfers in	-	-	-	10,660	10,660
Transfers out	-	(8,000)	-	(2,660)	(10,660)
Total other financing sources and (uses)	-	(8,000)	-	8,000	-
Net change in fund balance	(41,552)	95,689	(18,248)	(40,585)	(4,696)
Fund balance - beginning of year	2,826,433	407,831	308,418	238,333	3,781,015
Fund balance - end of year	\$ 2,784,881	\$ 503,520	\$ 290,170	\$ 197,748	\$ 3,776,319

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended March 31, 2010**

Net change in fund balances - Total governmental funds \$ (4,696)

Total change in net assets reported for governmental activities in the statement of activities is different because:

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

Depreciation expense	(108,135)
Capital outlay	97,411
Donations of capital assets	50,000

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Repayments of long-term debt	<u>48,000</u>
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Change in net assets of governmental activities \$ 50,233

Township of Atlas
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
March 31, 2010

	<u>Tax Collection Fund</u>
Assets	
Cash and cash equivalents	\$ <u>17,642</u>
Liabilities	
Accounts payable	\$ 2,393
Due to general fund	<u>15,249</u>
 Total liabilities	 \$ <u>17,642</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Notes to Financial Statements
March 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The Township of Atlas (Township) is governed by an elected five-member Board. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Township's operations.

The Township has implemented GASB Statement No. 14, *The Financial Reporting Entity and Statement of Michigan Governmental Accounting and Auditing No. 5*, which defines the reporting of primary government and component unit activities. The basis of criterion of including a public authority in a governmental unit's general purpose financial report is the exercise of financial responsibility over such agency by the governmental unit's elected officials, the selection of the governing authority, the designation of management, the ability to exert significant influence on operations.

Blended component unit

Atlas Township Building Authority (the "Building Authority") – The Building Authority is governed by a Board that is appointed by the Township supervisor. Although it is legally separate from the Township, it is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings. The financial statements of the Building Authority are consolidated with the financial statements of the Township as follows:

- a. The assets of the Building Authority held for payment of the outstanding bond issue are reported in the Debt Service Funds.

- b. Fixed asset records (Township hall and fire station) of the Building Authority are maintained by the primary government.
- c. Remaining amounts due on bonds issued by the Building Authority are reported on the government-wide financial statements.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 revenues*.

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

Township of Atlas
Notes to Financial Statements
March 31, 2010

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*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible 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. An exception to this rule was made for the year ended March 31, 2010 to record delinquent property taxes reimbursed by the County 75 days after the end of the current fiscal period in order to avoid one-time fluctuations in revenue resulting from unexpected delays in collection. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other

revenue items are considered to be measurable and available only when cash is received by the Township.

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.

The Fire Protection and Police Administrative Board Funds are special revenue funds and are restricted to expenditures for that purpose.

Additionally, the Township reports the following:

The nonmajor special revenue and capital projects funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The nonmajor debt service funds record the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The Current Tax Collection Fund accounts for property taxes collected on behalf of other units of government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

Township of Atlas
Notes to Financial Statements
March 31, 2010

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided other charges between the Township's water and sewer function and various other functions of the Township. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* 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 revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

Assets, liabilities, and net assets or equity

Deposits – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments – Investments, including certificate of deposits are stated at fair value based on quoted market prices.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.”

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.

The 2009 taxable valuation of the Township totaled \$ 330,583,751, on which ad valorem taxes consisted of 2.7664 mills for operating, fire, and police purposes. This resulted in \$ 913,866 for operating, fire, and police protection expenses, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Prepaid items – 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, vehicles 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 Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

Township of Atlas
Notes to Financial Statements
March 31, 2010

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

Buildings	50 to 60 years
Building improvements	5 to 7 years
Vehicles	5 to 15 years
Office and computer equipment	5 to 7 years

Long-term obligations – In the government-wide financial statements, and 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, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Comparative data

Comparative data is not included in the Township's financial statements.

Use of Estimates

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

Upcoming Accounting and Reporting Changes

The Government Accounting Standards Board has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The new standard changes fund balance classifications to depict the relative strength of the spending constraints and clarifies the definitions of various governmental fund types. This statement is effective for the year ending March 31, 2011.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

Township of Atlas
Notes to Financial Statements
March 31, 2010

1. The Township supervisor is required to submit to the Township Board a proposed operating budget for the commencing fiscal year prior to its start each year. The operating budget includes proposed expenditures and the means to finance them. Budgets are prepared on a basis consistent with the accounting basis utilized by the fund. Public hearings are conducted to obtain taxpayer comments.
2. Prior to March 31, the budget was legally enacted through passage of a resolution.
3. The Township supervisor is authorized to transfer small budget amounts (no specified limit) between departments within any fund with subsequent Board ratification. Any revisions altering the total expenditures of a particular fund must be approved by the Board. Annual appropriations lapse at fiscal year end.

Excess of expenditures over appropriations

Expenditures in violation of the Public Act 621 are disclosed as applicable as being over budget on the required supplemental information – budgetary comparison schedule of the general fund, fire protection fund, and police administrative board on pages 5-1 to 5-5. The expenditures in violation of Public Act 621 were public safety expenditures in the police administrative board fund which exceeded budgeted amounts by \$24,790 and resulted in a current year deficiency of revenues over expenditures of \$18,248 for the fund.

NOTE 3 - DEPOSITS AND INVESTMENTS

At year-end, the breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts and certificates of deposit)	\$	2,256,662
Bank investment pools		1,162,921
Michigan Cooperative Liquid Assets Securities System investments		355,994
Petty cash and cash on hand		<u>182</u>
		<u>\$ 3,775,759</u>

As of year end, the Township had the following investments classified as cash and equivalents:

Investment	Fair Value	Maturities	Rating	Rating Organization
Bank invest. pools - JP Morgan	\$ 1,162,921	58 Days	AAAm	S&P
Mich. Coop. Liquid Assets - MBIA	<u>355,994</u>	22 Days	AAAm	S&P
	<u>\$ 1,518,915</u>			

Interest rate risk – The Township does not have a formal investment policy to manage its exposure to fair value losses from changes in interest rates.

Township of Atlas
Notes to Financial Statements
March 31, 2010

Credit risk – State statutes authorize the government to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other obligations of the United States, or any agency or instrumentality of the United States. United States government or federal agency obligations; 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 any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The investment policy adopted by the Township authorizes investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

Concentration of credit risk – The Township has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of year end, \$ 1,000,973 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Township's investment policy, the Township's investments are held by a counterparty and are not insured.

NOTE 4 - CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 19,001	\$ 25,000	\$ -	\$ 44,001
Capital assets being depreciated				
Buildings, additions and improvements	1,071,399	50,453	-	1,121,852
Machinery and equipment	271,490	71,958	-	343,448
Vehicles	864,462	-	-	864,462
Total capital assets being depreciated	<u>2,207,351</u>	<u>122,411</u>	<u>-</u>	<u>2,329,762</u>
Less accumulated depreciation for				
Buildings, additions and improvements	397,179	25,851	-	423,030
Machinery and equipment	167,814	42,897	-	210,711
Vehicles	453,051	39,387	-	492,438
Total accumulated depreciation	<u>1,018,044</u>	<u>108,135</u>	<u>-</u>	<u>1,126,179</u>
Net capital assets being depreciated	<u>1,189,307</u>	<u>14,276</u>	<u>-</u>	<u>1,203,583</u>
Governmental activities capital assets, net	<u>\$ 1,208,308</u>	<u>\$ 39,276</u>	<u>\$ -</u>	<u>\$ 1,247,584</u>

Township of Atlas
Notes to Financial Statements
March 31, 2010

NOTE 5 - INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

finance various programs that the Township must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Atlas Meadows Septic	\$ 19,050
Fire	General	481
Police	General	482
Building Authority	Fire	<u>4,000</u>
		<u>\$ 24,013</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund balances are included in the funds financial statements but have been eliminated from the government wide financial statements.

The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
Fire Fund	Building Authority	\$ 8,000
Sewer Receiving Fund	Sewer Capital Projects Fund	<u>2,660</u>
		<u>\$ 10,660</u>

Transfers are used to move unrestricted general fund revenues to

Township of Atlas
Notes to Financial Statements
March 31, 2010

NOTE 6 - LONG-TERM DEBT

The Township issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Fiscal Year Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds payable									
General obligation bonds									
2004 Building Authority	\$ 445,000	2014	2.25-4.00%	\$ 50,000 - \$ 60,000	\$ 220,000	-	-	\$ 220,000	\$ 55,000

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending March 31,	Governmental Activities	
	Principal	Interest
2011	55,000	7,106
2012	50,000	5,337
2013	55,000	3,431
2014	60,000	1,200
	<u>\$ 220,000</u>	<u>\$ 17,074</u>

Township of Atlas
Notes to Financial Statements
March 31, 2010

NOTE 7 - FUND BALANCE RESERVES

Reserved fund balance is used to earmark a portion of fund balance to indicate that it is not appropriate for expenditures or has been legally segregated for a specific future use.

The following fund balance reserves have been established as of March 31, 2010:

Nonmajor governmental funds	
Debt service	\$ 13,532
Special revenue sewer funds	158,163
Sewer capital improvements	26,053
Prepaid expenses	<u>13,995</u>
	<u>\$211,743</u>

NOTE 8 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The government has purchased commercial insurance for all 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 - DEFERRED COMPENSATION PLAN

The Township offers qualified participants a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan requires a vesting period of three years from the date of entry into the plan at a 15 percent contribution. The plan was effective December 21, 2004. The amount contributed by the Township during 2010 under the deferred compensation plan was \$ 20,787.

NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

The Township has entered into a contract for policing services through September of 2010. The potential remaining balance on the contract is \$ 269,513 at March 31, 2010.

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2010

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Taxes				
Property taxes	\$ 254,086	\$ 254,086	\$ 253,762	\$ (324)
Administration fee	131,917	131,917	117,296	(14,621)
Licenses and permits	31,100	31,100	24,319	(6,781)
Federal grants	1,500	1,500	25,453	23,953
State shared revenue	400,000	400,000	360,865	(39,135)
Other grants	-	-	25,243	25,243
Charges for services	309,162	309,162	272,946	(36,216)
Interest income	46,000	46,000	15,672	(30,328)
Other revenue	149,285	149,285	60,277	(89,008)
Total revenues	<u>1,323,050</u>	<u>1,323,050</u>	<u>1,155,833</u>	<u>(167,217)</u>
Expenditures				
General government				
Township board	169,396	169,396	145,182	(24,214)
Supervisor	47,149	47,149	58,425	11,276
Elections	8,500	8,500	7,917	(583)
Clerk	66,923	66,923	65,531	(1,392)
Board of review	3,730	3,730	2,261	(1,469)
Treasurer	70,720	70,720	64,358	(6,362)
Assessor	58,000	58,000	56,569	(1,431)
Cemetery	1,000	1,000	1,050	50
Buildings and grounds	38,000	38,000	20,645	(17,355)
Total general government	<u>463,418</u>	<u>463,418</u>	<u>421,938</u>	<u>(41,480)</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2010

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Public safety				
Building inspection department	45,787	45,787	20,140	(25,647)
Total public safety	45,787	45,787	20,140	(25,647)
Public works				
Aqua Weed	40,508	40,508	49,952	9,444
Drains	50,000	50,000	19,893	(30,107)
Highways, streets and bridges	405,000	405,000	348,853	(56,147)
Street lighting	12,000	12,000	14,281	2,281
Garbage	264,254	264,254	236,236	(28,018)
Total public works	771,762	771,762	669,215	(102,547)
Community and economic development				
Planning	22,191	22,191	27,929	5,738
Zoning	12,542	12,542	12,107	(435)
Total community and economic development	34,733	34,733	40,036	5,303
Recreation and culture				
Library	8,000	8,000	20,603	12,603
Total recreation and culture	8,000	8,000	20,603	12,603

See Accompanying Notes to Financial Statements

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2010

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Capital outlay	-	-	25,453	25,453
Total expenditures	1,323,700	1,323,700	1,197,385	(126,315)
Excess (deficiency) of revenues over expenditures	(650)	(650)	(41,552)	(40,902)
Fund balance - beginning of year	2,826,433	2,826,433	2,826,433	-
Fund balance - end of year	<u>\$ 2,825,783</u>	<u>\$ 2,825,783</u>	<u>\$ 2,784,881</u>	<u>\$ (40,902)</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
Fire Protection Fund
For the Year Ended March 31, 2010

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 329,856	\$ 329,856	\$ 328,946	\$ (910)
Federal grants	10,000	10,000	10,829	829
Interest income	3,000	3,000	662	(2,338)
Other revenue	<u>14,301</u>	<u>14,301</u>	<u>5,485</u>	<u>(8,816)</u>
Total revenues	<u>357,157</u>	<u>357,157</u>	<u>345,922</u>	<u>(11,235)</u>
Expenditures				
Public safety	268,035	268,035	170,275	(97,760)
Capital outlay	<u>89,122</u>	<u>89,122</u>	<u>71,958</u>	<u>(17,164)</u>
Total expenditures	<u>357,157</u>	<u>357,157</u>	<u>242,233</u>	<u>(114,924)</u>
Excess of revenues over expenditures	-	-	103,689	103,689
Other Financing Sources (Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>95,689</u>	<u>95,689</u>
Fund balance - beginning of year	<u>407,831</u>	<u>407,831</u>	<u>407,831</u>	<u>-</u>
Fund balance - end of year	<u>\$ 407,831</u>	<u>\$ 407,831</u>	<u>\$ 503,520</u>	<u>\$ 95,689</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
Police Administrative Board
For the Year Ended March 31, 2010

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Taxes	\$ 330,583	\$ 330,583	\$ 329,694	\$ (889)
Licenses and permits	-	-	468	468
Special assessments	162,400	162,400	162,750	350
Fines and forfeitures	9,000	9,000	12,885	3,885
Interest income	3,000	3,000	496	(2,504)
Other revenue	-	-	5,232	5,232
	<u>504,983</u>	<u>504,983</u>	<u>511,525</u>	<u>6,542</u>
Total revenues				
Expenditures				
Public safety	<u>504,983</u>	<u>504,983</u>	<u>529,773</u>	<u>24,790</u>
Excess of revenues (deficiency) over expenditures	-	-	(18,248)	(18,248)
Fund balance - beginning of year	<u>308,418</u>	<u>308,418</u>	<u>308,418</u>	<u>-</u>
Fund balance - end of year	<u>\$ 308,418</u>	<u>\$ 308,418</u>	<u>\$ 290,170</u>	<u>\$ (18,248)</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2010

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Sewer Receiving Fund</u>	<u>Atlas Meadows Septic Fund</u>	<u>Building Authority Fire Hall</u>	<u>Green Ridge Paving</u>	<u>East Lake Paving Assessment</u>	<u>Sewer Capital Projects Fund</u>	
Assets							
Cash and cash equivalents	\$ 18,979	\$ 23,416	\$ 3,642	\$ 10,371	\$ 2,969	\$ 158,163	\$ 217,540
Receivables							
Customers	7,889	-	-	-	-	-	7,889
Special assessments	-	2,221	-	-	-	-	2,221
Due from other funds	-	-	4,000	-	-	-	4,000
Total assets	<u>\$ 26,868</u>	<u>\$ 25,637</u>	<u>\$ 7,642</u>	<u>\$ 10,371</u>	<u>\$ 2,969</u>	<u>\$ 158,163</u>	<u>\$ 231,650</u>
Liabilities							
Accrued and other liabilities	\$ 1,791	\$ 5,611	\$ 4,000	\$ 3,450	\$ -	\$ -	\$ 14,852
Due to other funds	-	19,050	-	-	-	-	19,050
Total liabilities	<u>1,791</u>	<u>24,661</u>	<u>4,000</u>	<u>3,450</u>	<u>-</u>	<u>-</u>	<u>33,902</u>
Fund Balances							
Reserved for:							
Debt service	-	-	3,642	6,921	2,969	-	13,532
Special revenue funds	25,077	976	-	-	-	-	26,053
Capital projects fund	-	-	-	-	-	158,163	158,163
Total fund balances	<u>25,077</u>	<u>976</u>	<u>3,642</u>	<u>6,921</u>	<u>2,969</u>	<u>158,163</u>	<u>197,748</u>
Total liabilities and fund balances	<u>\$ 26,868</u>	<u>\$ 25,637</u>	<u>\$ 7,642</u>	<u>\$ 10,371</u>	<u>\$ 2,969</u>	<u>\$ 158,163</u>	<u>\$ 231,650</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2010

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Sewer Receiving Fund</u>	<u>Atlas Meadows Septic Fund</u>	<u>Building Authority Fire Hall</u>	<u>Green Ridge Paving</u>	<u>East Lake Paving Assessment</u>	<u>Sewer Capital Projects Fund</u>	
Revenues							
Charges for services	\$ 49,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,254
Interest income	25	59	5	63	4	718	874
Other revenue	-	20,290	-	-	-	-	20,290
Total revenues	<u>49,279</u>	<u>20,349</u>	<u>5</u>	<u>63</u>	<u>4</u>	<u>718</u>	<u>70,418</u>
Expenditures							
Public works	42,416	19,399	-	-	-	-	61,815
Debt service							
Principal retirement	-	-	-	40,000	8,000	-	48,000
Interest and fiscal charges	-	-	8,000	880	308	-	9,188
Total expenditures	<u>42,416</u>	<u>19,399</u>	<u>8,000</u>	<u>40,880</u>	<u>8,308</u>	<u>-</u>	<u>119,003</u>
Excess (deficiency) of revenues over expenditures	<u>6,863</u>	<u>950</u>	<u>(7,995)</u>	<u>(40,817)</u>	<u>(8,304)</u>	<u>718</u>	<u>(48,585)</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2010

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Sewer Receiving Fund</u>	<u>Atlas Meadows Septic Fund</u>	<u>Building Authority Fire Hall</u>	<u>Green Ridge Paving</u>	<u>East Lake Paving Assessment</u>	<u>Sewer Capital Projects Fund</u>	
Other financing sources							
Transfers in	-	-	8,000	-	-	2,660	10,660
Transfers out	<u>(2,660)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,660)</u>
Total other financing sources	<u>(2,660)</u>	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>2,660</u>	<u>8,000</u>
Net change in fund balance	4,203	950	5	(40,817)	(8,304)	3,378	(40,585)
Fund balance - beginning of year	<u>20,874</u>	<u>26</u>	<u>3,637</u>	<u>47,738</u>	<u>11,273</u>	<u>154,785</u>	<u>238,333</u>
Fund balance - end of year	<u>\$ 25,077</u>	<u>\$ 976</u>	<u>\$ 3,642</u>	<u>\$ 6,921</u>	<u>\$ 2,969</u>	<u>\$ 158,163</u>	<u>\$ 197,748</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Other Supplemental Information
Schedule of Indebtedness
March 31, 2010

Description	Interest Rate	Fiscal Year Date of Maturity	Amount of Annual Maturity	Semi-Annual Interest Payments		Total
				May 1st	Nov 1st	
Governmental Activities	3.25%	2011	55,000	4,000	3,106	62,106
2004 Building Authority	3.50%	2012	50,000	3,106	2,231	55,337
Amount of original issue - \$ 445,000	3.75%	2013	55,000	2,231	1,200	58,431
	4.00%	2014	60,000	1,200	-	61,200
			<u>\$ 220,000</u>	<u>\$ 10,537</u>	<u>\$ 6,537</u>	<u>\$ 237,074</u>

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