

Township of Atlas
Genesee County, Michigan
Annual Financial Statements
and
Auditors' Report
March 31, 2011

Table of Contents

<u>Section</u>		<u>Page</u>
1	List of Elected Officials	1 – 1
2	Independent Auditors' Report	2 - 1
3	Management's Discussion and Analysis	3 – 1
4	Basic Financial Statements	
	Government-wide Financial Statements	
	Statement of Net Assets	4 – 1
	Statement of Activities	4 – 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 - 4
	Reconciliation of Fund Balances of Governmental Funds to Net Assets of Governmental Activities	4 – 6
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 – 7
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 – 9
	Fiduciary Funds	
	Statement of Fiduciary Assets and Liabilities	4 – 10
	Notes to Financial Statements	4 – 11

<u>Section</u>		<u>Page</u>
5	Required Supplemental Information	
	Budgetary Comparison Schedule	
	General Fund	5 – 1
	Fire Protection Fund	5 – 4
	Police Administrative Board	5 – 5
6	Other Supplemental Information	
	Nonmajor Governmental Funds	
	Combining Balance Sheet	6 – 1
	Combining Statement of Revenue, Expenditures and Changes in Fund Balances	6 – 2
	Schedule of Indebtedness	6 – 4

**Township of Atlas
List of Elected Officials
March 31, 2011**

Township of Atlas

Shirley Kautman-Jones – Supervisor

Ann Marie Slagle – Treasurer

Teresa L. Onica – Clerk

Barry June – Trustee

Paul Amman – Trustee



6639 Centurion Drive, Suite 170
Lansing, MI 48917
Phone (517) 323-9500
Fax (517) 323-8360

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, 2011, 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, 2011 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.

As discussed in Note 1 to the financial statements, the Township adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, during the year ended March 31, 2011.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements as a whole. 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 financial statements. Such information is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the Township's financial statements for the year ended March 31, 2010, which are not presented with the accompanying financial statements. In our report dated September 20, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's financial statements as a whole. The 2010 information in the comparative statements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 information in the comparative statements is fairly stated in all material respects in relation to the financial statements from which they have been derived.

Yeo & Yeo, P.C.

September 18, 2011
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, 2011.

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. As of March 31, 2011, both the Green Ridge Paving Assessment and East Lake Paving Assessment had been closed out.

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, 2011 and 2010.

	2011	2010
Assets		
Current assets	\$ 4,187,598	\$ 3,978,812
Capital assets	2,450,676	2,373,763
Less accumulated depreciation	(1,189,381)	(1,126,179)
Total capital assets	1,261,295	1,247,584
Total assets	5,448,893	5,226,396
Liabilities		
Current liabilities	174,999	202,493
Long-term liabilities	165,000	220,000
Total liabilities	339,999	422,493
Net assets		
Investment in capital assets, net of related debt	1,096,295	1,027,584
Restricted	194,408	197,748
Unrestricted	3,818,191	3,578,571
Total net assets	\$ 5,108,894	\$ 4,803,903

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

During the fiscal year ended March 31, 2011, the Township's net assets increased by \$304,991.

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 \$5,108,894.

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:

	<u>2011</u>	<u>2010</u>
Program revenue		
Charges for services	\$ 542,469	\$ 522,622
Operating grants and contributions	28,300	10,829
Capital grants and contributions	-	75,453
General revenue:		
Property taxes	925,170	1,029,698
State shared revenue	391,003	360,865
Interest earnings	16,227	17,704
Gain on sale of capital assets	750	-
Cable franchise fees	41,009	38,017
Miscellaneous revenue	61,536	46,163
	<u>\$ 2,006,464</u>	<u>\$ 2,101,351</u>

Expenses:

	<u>2011</u>	<u>2010</u>
Expenses		
General government	\$ 411,370	\$ 437,264
Public safety	772,913	812,997
Public works	463,404	731,030
Community and economic development	23,773	40,036
Recreation and culture	23,231	20,603
Interest	6,782	9,188
	<u>1,701,473</u>	<u>2,051,118</u>
Change in net assets	304,991	50,233
Net assets - beginning of year	<u>4,803,903</u>	<u>4,753,670</u>
Net assets - ending of year	<u>\$ 5,108,894</u>	<u>\$ 4,803,903</u>

Governmental activities

The Township's total governmental revenue decreased by \$94,887 from last fiscal year. This decrease is primarily attributed to the decreases in property tax revenues of \$104,528, as well as the decrease in capital grants and contributions of \$75,453, related to the prior year contribution of the library building from the Village of Goodrich. Offsetting these decreases were increases in state shared revenue of \$30,138, operating grants of \$17,471 and cable franchise fees and miscellaneous revenue of \$18,365.

Expenses for the Township decreased by \$349,645 overall. This decrease is attributed in part to the completion of the Green Road Bridge in the prior fiscal year for a decrease in the Public works area of \$267,626, as well as a reduction of expenses in General government for \$25,894, a reduction in public safety expenses in the amount of \$40,084, a decrease in Community and economic

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

development in the amount of \$16,263 and a further decrease in interest expense in the amount of \$2,406.

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 \$3,889,548, an increase of \$113,228. \$2,589,905 of the \$3,889,548 fund balance constitutes unassigned 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, unassigned fund balance of the general fund was \$2,589,905. 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 287% of total General Fund expenditures. The fund balance of the General Fund increased by \$187,654 during the current fiscal year.

The fund balance of the Fire Protection Fund increased by \$10,127 during the current fiscal year.

The fund balance of the Police Administrative Board decreased by \$81,212 during the current fiscal year due to a loss of revenue through falling property values and an increase in contract service costs.

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, 2011 and 2010 amounted to \$1,261,295 and \$1,247,584 (net of accumulated depreciation), respectively. Investment in capital assets included land, buildings, and equipment.

	March 31, 2011	March 31, 2010
Capital assets not being depreciated		
Land	\$ 44,001	\$ 44,001
Capital assets being depreciated		
Buildings and improvements	1,141,627	1,121,852
Furniture and equipment	396,268	343,448
Vehicles	868,780	864,462
Capital assets	2,450,676	2,373,763
Less:		
Accumulated depreciation	(1,189,381)	(1,126,179)
Governmental activities capital assets, net	\$ 1,261,295	\$ 1,247,584

Long-term Debt

The Township had total long-term debt outstanding at March 31, 2011 and 2010 of \$165,000 and \$220,000, respectively.

Township of Atlas Management's Discussion and Analysis

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 2010-2011 the Township received \$391,003 in state shared revenue, representing 36% 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, 2011

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 3,287,701
Certificates of deposit and accrued interest	694,528
Receivables	
Taxes	66,603
Customers	8,002
Special assessments	33,845
Due from other units of government	83,141
Prepaid items	13,778
Nondepreciable capital assets	44,001
Depreciable capital assets, net	1,217,294
Total assets	5,448,893
Liabilities	
Accounts payable	19,272
Accrued and other liabilities	155,727
Noncurrent liabilities	
Due within one year	50,000
Due in more than one year	115,000
Total liabilities	339,999

See Accompanying Notes to Financial Statements

Township of Atlas
Statement of Net Assets
March 31, 2011

	<u>Governmental Activities</u>
Net Assets	
Invested in capital assets, net of related debt	1,096,295
Restricted for:	
Debt service	541
Sewer	158,876
Unrestricted	<u>3,853,182</u>
 Total net assets	 <u>\$ 5,108,894</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Statement of Activities
For the Year Ended March 31, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Functions/Programs				
Governmental activities				
General government	\$ 409,123	\$ 269,290	\$ -	\$ (139,833)
Public safety	772,913	174,560	3,525	(594,828)
Public works	463,404	98,619	-	(364,785)
Community and economic development	23,773	-	-	(23,773)
Recreation and culture	25,478	-	24,775	(703)
Interest on long-term debt	6,782	-	-	(6,782)
Total governmental activities	<u>\$ 1,701,473</u>	<u>\$ 542,469</u>	<u>\$ 28,300</u>	<u>(1,130,704)</u>
General revenues				
				925,170
				391,003
				16,227
				750
				41,009
				61,536
Total general revenues				1,435,695
Change in net assets				304,991
Net assets - beginning of year				4,803,903
Net assets - end of year				\$ 5,108,894

See Accompanying Notes to Financial Statements

**Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2011**

		Special Revenue Funds			
	General Fund	Fire Protection Fund	Police Administrative Board	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,244,102	\$ 507,456	\$ 343,033	\$ 193,110	\$ 3,287,701
Certificates of deposit	694,528	-	-	-	694,528
Receivables					
Taxes	22,710	21,953	21,940	-	66,603
Customers	-	-	-	8,002	8,002
Special assessments	18,520	-	13,925	1,400	33,845
Due from other units of government	83,141	-	-	-	83,141
Prepaid items	5,511	8,267	-	-	13,778
 Total assets	 \$ 3,068,512	 \$ 537,676	 \$ 378,898	 \$ 202,512	 \$ 4,187,598

See Accompanying Notes to Financial Statements

Township of Atlas
Governmental Funds
Balance Sheet
March 31, 2011

	General Fund	Special Revenue Funds		Nonmajor Governmental Funds	Total Governmental Funds
		Fire Protection Fund	Police Administrative Board		
Liabilities					
Accounts payable	\$ 18,022	\$ 1,250	\$ -	\$ -	\$ 19,272
Accrued and other liabilities	14,122	826	134,075	6,704	155,727
Deferred revenue	63,833	21,953	35,865	1,400	123,051
Total liabilities	<u>95,977</u>	<u>24,029</u>	<u>169,940</u>	<u>8,104</u>	<u>298,050</u>
Fund Balances					
Non-spendable:					
Prepaid expenses	5,511	8,267	-	-	13,778
Restricted for:					
Special revenue funds	-	505,380	208,958	34,991	749,329
Sewer capital projects	-	-	-	158,876	158,876
Committed for:					
Working capital	171,205	-	-	-	171,205
Garbage service and aquaweed control	205,914	-	-	-	205,914
Assigned for:					
Debt service	-	-	-	541	541
Unassigned, reported in:					
General fund	2,589,905	-	-	-	2,589,905
Total fund balances	<u>2,972,535</u>	<u>513,647</u>	<u>208,958</u>	<u>194,408</u>	<u>3,889,548</u>
Total liabilities and fund balances	<u>\$ 3,068,512</u>	<u>\$ 537,676</u>	<u>\$ 378,898</u>	<u>\$ 202,512</u>	<u>\$ 4,187,598</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, 2011**

Total fund balances for governmental funds	\$ 3,889,548
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.	1,261,295
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	123,051
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>(165,000)</u>
Net assets of governmental activities	<u>\$ 5,108,894</u>

Township of Atlas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended March 31, 2011

	<u>Special Revenue Funds</u>				Total Governmental Funds
	General	Fire Protection Fund	Police Administrative Fund	Other Governmental Funds	
Revenues					
Taxes	\$ 308,769	\$ 274,719	\$ 275,079	\$ -	\$ 858,567
Licenses and permits	13,710	-	-	-	13,710
Federal grants	2,172	3,525	-	-	5,697
State revenue sharing	391,003	-	-	-	391,003
Charges for services	277,237	-	-	57,041	334,278
Fines and forfeitures	-	-	11,490	-	11,490
Interest income	14,612	534	268	813	16,227
Special assessments	-	-	149,145	-	149,145
Other revenue					
Cable franchise fees	41,009	-	-	-	41,009
Miscellaneous	26,484	17,613	2,523	14,916	61,536
Total revenues	<u>1,074,996</u>	<u>296,391</u>	<u>438,505</u>	<u>72,770</u>	<u>1,882,662</u>
Expenditures					
Current					
General government	398,191	-	-	-	398,191
Public safety	19,256	143,971	519,717	-	682,944
Public works	403,755	-	-	59,649	463,404
Community and economic development	23,773	-	-	-	23,773
Recreation and culture	23,231	-	-	-	23,231
Capital outlay	31,922	84,937	-	-	116,859
Debt service					
Principal retirement	-	-	-	55,000	55,000
Interest and fiscal charges	-	-	-	6,782	6,782
Total expenditures	<u>900,128</u>	<u>228,908</u>	<u>519,717</u>	<u>121,431</u>	<u>1,770,184</u>

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, 2011

	<u>General</u>	<u>Special Revenue Funds</u>		<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
		<u>Fire</u> <u>Protection</u> <u>Fund</u>	<u>Police</u> <u>Administrative</u> <u>Fund</u>		
Excess (deficiency) of revenues over expenditures	<u>174,868</u>	<u>67,483</u>	<u>(81,212)</u>	<u>(48,661)</u>	<u>112,478</u>
Other financing sources (uses)					
Transfers in	12,786	-	-	58,106	70,892
Transfers out	-	(58,106)	-	(12,786)	(70,892)
Sale of fixed assets	-	750	-	-	750
Total other financing sources and (uses)	<u>12,786</u>	<u>(57,356)</u>	<u>-</u>	<u>45,320</u>	<u>750</u>
Net change in fund balance	187,654	10,127	(81,212)	(3,341)	113,228
Fund balance - beginning of year	<u>2,784,881</u>	<u>503,520</u>	<u>290,170</u>	<u>197,749</u>	<u>3,776,320</u>
Fund balance - end of year	<u>\$ 2,972,535</u>	<u>\$ 513,647</u>	<u>\$ 208,958</u>	<u>\$ 194,408</u>	<u>\$ 3,889,548</u>

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, 2011

Net change in fund balances - Total governmental funds	\$ 113,228
<p>Total change in net assets reported for governmental activities in the statement of activities is different because:</p>	
<p>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.</p>	
Depreciation expense	(103,147)
Capital outlay	116,859
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	
Special assessments	33,845
Grants from other units of government	22,603
Property taxes	66,603
<p>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.</p>	
Repayments of long-term debt	<u>55,000</u>
Change in net assets of governmental activities	<u>\$ 304,991</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
March 31, 2011

	<u>Tax Collection Fund</u>
Assets	
Cash and cash equivalents	\$ <u>4,200</u>
Liabilities	
Accounts payable	\$ <u>4,200</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Notes to Financial Statements
March 31, 2011

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, 2011

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. 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, 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, 2011

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.

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 2010 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, 2011

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 fund balance in the following categories:

Non-spendable - assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the Township's highest level of decision-making, its Board. A fund balance commitment may be established, modified, or rescinded by a resolution of the Township Board.

Assigned – amounts intended to be used for specific purposes, as determined by Township management. The Township Board has granted the management the authority to commit funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Township's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Comparative data

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

Township of Atlas
Notes to Financial Statements
March 31, 2011

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.

Adoption of New Accounting Standard

The Government Accounting Standards Board issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which the Township adopted effective April 1, 2010. 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. The standard also includes a new definition of special revenue funds.

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:

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

During the year the Township incurred expenditures in excess of the amount appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variance
General Fund:			
Community and economic development	17,795	23,773	5,978
Capital outlay	-	31,922	31,922
Fire Fund:			
Capital outlay	57,550	84,937	27,387

Township of Atlas
Notes to Financial Statements
March 31, 2011

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)	\$	2,985,724
Bank investment pools		643,852
Michigan Cooperative Liquid Assets Securities System investments		356,515
Petty cash and cash on hand		<u>338</u>
Total		3,986,429
Less: Amount classified as certificate of deposit		<u>(694,528)</u>
Total Cash and cash equivalents	\$	<u>3,291,901</u>

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

Investment	Fair Value	Average Maturities	Rating	Rating Organization
Bank invest. pools - JP Morgan	\$ 643,852	58 Days	AAAm	S&P
Mich. Coop. Liquid Assets - MBIA	<u>356,515</u>	22 Days	AAAm	S&P
	<u>\$ 1,000,367</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.

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, \$ 1,274,374 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. The Township does not have investments with custodial credit risk.

Township of Atlas
Notes to Financial Statements
March 31, 2011

NOTE 4 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 44,001	\$ -	\$ -	\$ 44,001
Capital assets being depreciated				
Buildings, additions and improvements	1,121,852	19,775	-	1,141,627
Machinery and equipment	343,448	67,766	14,946	396,268
Vehicles	864,462	29,318	25,000	868,780
Total capital assets being depreciated	<u>2,329,762</u>	<u>116,859</u>	<u>39,946</u>	<u>2,406,675</u>
Less accumulated depreciation for				
Buildings, additions and improvements	423,030	23,328	-	446,358
Machinery and equipment	210,711	46,765	14,946	242,530
Vehicles	492,438	33,055	25,000	500,493
Total accumulated depreciation	<u>1,126,179</u>	<u>103,148</u>	<u>39,946</u>	<u>1,189,381</u>
Net capital assets being depreciated	<u>1,203,583</u>	<u>13,711</u>	<u>-</u>	<u>1,217,294</u>
Governmental activities capital assets, net	<u>\$ 1,247,584</u>	<u>\$ 13,711</u>	<u>\$ -</u>	<u>\$ 1,261,295</u>

NOTE 5 - INTERFUND TRANSFERS

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>
East Lake Paving Fund	General Fund	\$ 2,401
Green Ridge Paving	General Fund	10,385
Fire Fund	Building Authority	58,106
		<u>\$ 70,892</u>

Transfers are used to move unrestricted fund revenues to 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.

NOTE 6 – DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>
Delinquent property taxes	\$ 66,603
Special assessments	33,845
Grants receivable	<u>22,603</u>
Total	<u>\$ 123,051</u>

Township of Atlas
Notes to Financial Statements
March 31, 2011

NOTE 7 - 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	3.50-4.00%	\$ 50,000 - \$ 60,000	<u>\$ 220,000</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ 165,000</u>	<u>\$ 50,000</u>

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

Year Ending March 31,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 50,000	\$ 5,337
2013	55,000	3,431
2014	<u>60,000</u>	<u>1,200</u>
	<u>\$ 165,000</u>	<u>\$ 9,968</u>

Township of Atlas
Notes to Financial Statements
March 31, 2011

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 2011 under the deferred compensation plan was \$ 16,831.

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 December of 2011. The potential remaining balance on the contract is \$ 408,818 at March 31, 2011.

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues and Other Financing Sources				
Taxes				
Property taxes	\$ 228,155	\$ 228,155	\$ 211,412	\$ (16,743)
Administration fee	112,724	112,724	97,357	(15,367)
Licenses and permits	18,900	18,900	13,710	(5,190)
Federal grants	3,000	3,000	2,172	(828)
State shared revenue	361,530	361,530	391,003	29,473
Charges for services	306,954	306,954	277,237	(29,717)
Interest income	12,100	12,100	14,612	2,512
Other revenue	46,525	46,525	67,493	20,968
Transfer in	-	-	12,786	12,786
Total revenues and other financing sources	<u>1,089,888</u>	<u>1,089,888</u>	<u>1,087,782</u>	<u>(2,106)</u>
Expenditures and Other Financing Uses				
General government				
Township board	138,350	138,350	128,244	(10,106)
Supervisor	62,320	62,320	55,704	(6,616)
Elections	14,700	14,700	12,500	(2,200)
Clerk	63,720	63,720	66,731	3,011
Board of review	3,400	3,400	1,548	(1,852)
Treasurer	61,520	61,520	61,784	264
Assessor	44,500	44,500	48,605	4,105
Cemetery	1,200	1,200	650	(550)
Buildings and grounds	35,000	35,000	22,425	(12,575)
Total general government	<u>424,710</u>	<u>424,710</u>	<u>398,191</u>	<u>(26,519)</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2011

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Public safety				
Building inspection department	25,880	25,880	19,256	(6,624)
Total public safety	25,880	25,880	19,256	(6,624)
Public works				
Aqua Weed	40,000	40,000	43,738	3,738
Drains	30,000	30,000	22,540	(7,460)
Highways, streets and bridges	188,300	188,300	94,048	(94,252)
Street lighting	15,000	15,000	15,520	520
Garbage	228,000	228,000	227,909	(91)
Total public works	501,300	501,300	403,755	(97,545)
Community and economic development				
Planning	14,040	14,040	15,121	1,081
Zoning	3,755	3,755	8,652	4,897
Total community and economic development	17,795	17,795	23,773	5,978
Recreation and culture				
Library	32,503	32,503	23,231	(9,272)
Total recreation and culture	32,503	32,503	23,231	(9,272)

See Accompanying Notes to Financial Statements

Township of Atlas
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended March 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				Final Budget
Capital outlay	-	-	31,922	31,922
Transfers out	88,700	88,700	-	(88,700)
Total expenditures and other financing uses	<u>1,090,888</u>	<u>1,090,888</u>	<u>900,128</u>	<u>(190,760)</u>
Excess (deficiency) of revenues over expenditures	(1,000)	(1,000)	187,654	188,654
Fund balance - beginning of year	<u>2,784,881</u>	<u>2,784,881</u>	<u>2,784,881</u>	-
Fund balance - end of year	<u>\$ 2,783,881</u>	<u>\$ 2,783,881</u>	<u>\$ 2,972,535</u>	<u>\$ 188,654</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, 2011

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 296,200	\$ 296,200	\$ 274,719	\$ (21,481)
Federal grants	10,000	10,000	3,525	(6,475)
Interest income	500	500	534	34
Other revenue	<u>6,050</u>	<u>6,050</u>	<u>17,613</u>	<u>11,563</u>
Total revenues	<u>312,750</u>	<u>312,750</u>	<u>297,141</u>	<u>(15,609)</u>
Expenditures				
Public safety	198,950	198,950	143,971	(54,979)
Capital outlay	<u>57,550</u>	<u>57,550</u>	<u>84,937</u>	<u>27,387</u>
Total expenditures	<u>256,500</u>	<u>256,500</u>	<u>228,908</u>	<u>(27,592)</u>
Excess of revenues over expenditures	56,250	56,250	68,233	11,983
Other Financing Sources (Uses)				
Transfers out	<u>(56,250)</u>	<u>(56,250)</u>	<u>(58,106)</u>	<u>(1,856)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>10,127</u>	<u>10,127</u>
Fund balance - beginning of year	<u>503,520</u>	<u>503,520</u>	<u>503,520</u>	<u>-</u>
Fund balance - end of year	<u>\$ 503,520</u>	<u>\$ 503,520</u>	<u>\$ 513,647</u>	<u>\$ 10,127</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, 2011

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Taxes	\$ 297,000	\$ 297,000	\$ 275,079	\$ (21,921)
Licenses and permits	500	500	-	(500)
Special assessments	162,400	162,400	149,145	(13,255)
Fines and forfeitures	13,300	13,300	11,490	(1,810)
Interest income	500	500	268	(232)
Other revenue	4,000	4,000	2,523	(1,477)
Transfers in	88,700	88,700	-	(88,700)
Total revenues	<u>566,400</u>	<u>566,400</u>	<u>438,505</u>	<u>(127,895)</u>
Expenditures				
Public safety	<u>566,400</u>	<u>566,400</u>	<u>519,717</u>	<u>(46,683)</u>
Excess of revenues (deficiency) over expenditures	-	-	(81,212)	(81,212)
Fund balance - beginning of year	<u>290,170</u>	<u>290,170</u>	<u>290,170</u>	-
Fund balance - end of year	<u>\$ 290,170</u>	<u>\$ 290,170</u>	<u>\$ 208,958</u>	<u>\$ (81,212)</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2011

	<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	\$ 21,559	\$ 9,028	\$ 3,647	\$ -	\$ -	\$ 158,876	\$ 193,110
Receivables							
Customers	8,002	-	-	-	-	-	8,002
Special assessments	-	1,400	-	-	-	-	1,400
Total assets	<u>\$ 29,561</u>	<u>\$ 10,428</u>	<u>\$ 3,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,876</u>	<u>\$ 202,512</u>
Liabilities							
Accrued and other liabilities	\$ 3,598	\$ -	\$ 3,106	\$ -	\$ -	\$ -	\$ 6,704
Deferred revenue	-	1,400	-	-	-	-	1,400
Total liabilities	<u>3,598</u>	<u>1,400</u>	<u>3,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,104</u>
Fund Balances							
Restricted for:							
Special revenue funds	25,963	9,028	-	-	-	-	34,991
Capital projects fund	-	-	-	-	-	158,876	158,876
Assigned for:							
Debt service	-	-	541	-	-	-	541
Total fund balances	<u>25,963</u>	<u>9,028</u>	<u>541</u>	<u>-</u>	<u>-</u>	<u>158,876</u>	<u>194,408</u>
Total liabilities and fund balances	<u>\$ 29,561</u>	<u>\$ 10,428</u>	<u>\$ 3,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,876</u>	<u>\$ 202,512</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, 2011

	<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	\$ 48,291	8,750	\$ -	\$ -	\$ -	\$ -	\$ 57,041
Interest income	31	49	5	13	2	713	813
Other revenue	-	11,466	-	3,450	-	-	14,916
Total revenues	<u>48,322</u>	<u>20,265</u>	<u>5</u>	<u>3,463</u>	<u>2</u>	<u>713</u>	<u>72,770</u>
Expenditures							
Public works	47,436	12,213	-	-	-	-	59,649
Debt service							
Principal retirement	-	-	55,000	-	-	-	55,000
Interest and fiscal charges	-	-	6,212	-	570	-	6,782
Total expenditures	<u>47,436</u>	<u>12,213</u>	<u>61,212</u>	<u>-</u>	<u>570</u>	<u>-</u>	<u>121,431</u>
Excess (deficiency) of revenues over expenditures	<u>886</u>	<u>8,052</u>	<u>(61,207)</u>	<u>3,463</u>	<u>(568)</u>	<u>713</u>	<u>(48,661)</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, 2011

	<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	-	-	58,106	-	-	-	58,106
Transfers out	-	-	-	(10,385)	(2,401)	-	(12,786)
Total other financing sources	-	-	58,106	(10,385)	(2,401)	-	45,320
Net change in fund balance	886	8,052	(3,101)	(6,922)	(2,969)	713	(3,341)
Fund balance - beginning of year	25,077	976	3,642	6,922	2,969	158,163	197,749
Fund balance - end of year	<u>\$ 25,963</u>	<u>\$ 9,028</u>	<u>\$ 541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,876</u>	<u>\$ 194,408</u>

See Accompanying Notes to Financial Statements

Township of Atlas
Other Supplemental Information
Schedule of Indebtedness
March 31, 2011

Description	Interest Rate	Fiscal Year Date of Maturity	Amount of Annual Maturity	Semi-Annual Interest Payments		Total
				May 1st	Nov 1st	
Governmental Activities						
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	<u>60,000</u>	<u>1,200</u>	<u>-</u>	<u>61,200</u>
			<u>\$ 165,000</u>	<u>\$ 6,537</u>	<u>\$ 3,431</u>	<u>\$ 174,968</u>

See Accompanying Notes to Financial Statements