

**Township of Atlas**  
**Genesee County, Michigan**  
**Annual Financial Statements**  
**and**  
**Auditors' Report**  
**March 31, 2012**

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**Township of Atlas  
List of Elected Officials  
March 31, 2012**

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Township of Atlas

Shirley Kautman-Jones – Supervisor

Ann Marie Slagle – Treasurer

Teresa L. Onica – Clerk

Barry June – Trustee

Paul Amman – 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, 2012, 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, 2012 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.

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.

*Yeo & Yeo, P.C.*

July 25, 2012

Lansing, Michigan

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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## Township of Atlas Management's Discussion and Analysis

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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, 2012.

### 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**

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The Township maintains seven 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 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 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, 2012 and 2011.

	2012	2011
Assets		
Current assets	\$ 4,198,323	\$ 4,187,598
Capital assets	2,462,603	2,450,676
Less accumulated depreciation	(1,286,046)	(1,189,381)
Total capital assets	1,176,557	1,261,295
Total assets	5,374,880	5,448,893
Liabilities		
Current liabilities	422,699	174,999
Bonds payable	60,000	165,000
Total liabilities	482,699	339,999
Net assets		
Investment in capital assets, net of related debt	1,061,557	1,096,295
Restricted	799,913	943,737
Unrestricted	3,030,711	3,068,862
Total net assets	\$ 4,892,181	\$ 5,108,894

During the fiscal year ended March 31, 2012, the Township's net assets decreased approximately \$217,000.

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 \$4,892,181.

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

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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:**

	2012	2011
Program revenue		
Charges for services	\$ 594,565	\$ 542,469
Operating grants and contributions	4,267	28,300
General revenue:		
Property taxes	899,311	925,170
State shared revenue	450,315	391,003
Interest earnings	12,491	16,227
Gain on sale of capital assets	714	750
Cable franchise fees	34,038	41,009
Miscellaneous revenue	51,406	61,536
	<u>\$ 2,047,107</u>	<u>\$ 2,006,464</u>

**Expenses:**

	2012	2011
Expenses		
General government	\$ 481,346	\$ 411,370
Public safety	844,200	772,913
Public works	889,612	463,404
Community and economic development	28,442	23,773
Recreation and culture	15,757	23,231
Interest	4,463	6,782
	<u>2,263,820</u>	<u>1,701,473</u>
Total expenses		
	(216,713)	304,991
Change in net assets		
Net assets - beginning of year	<u>5,108,894</u>	<u>4,803,903</u>
Net assets - ending of year	<u>\$ 4,892,181</u>	<u>\$ 5,108,894</u>

**Governmental activities**

The Township's total governmental revenue changed by approximately \$40,000 from the prior fiscal year. This change can primarily be attributed to the sum of the following; an increase in the amount of revenue collected on behalf of the special assessment district, Aqua Weed, which accounted for much of the \$50,000 increase in charges for services; an approximately \$60,000 increase in state shared revenue offset by decreases in property tax revenues of \$26,000 due to decreased taxable values, as well as decreases in operating grants of \$23,000, cable franchise fees of \$7,000 and miscellaneous revenue of \$10,000.

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

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Expenses for the Township increased by approximately \$560,000. This increase is primarily attributed to various road improvement projects throughout the Township accounting for approximately \$450,000 of the increase, roof repairs for the fire hall of \$50,000 as well as increases for police coverage of approximately \$75,000 for the township.

**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 \$3,725,603, a decrease of \$163,945. \$2,498,783 of the \$3,725,603 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 \$2,498,783. 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 190% of total General Fund expenditures. The fund balance of the General Fund decreased by \$55,401 during the current fiscal year.

The fund balance of the Fire Protection Fund increased by \$23,242. during the current fiscal year.

The fund balance of the Police Administrative Board decreased by \$130,870. 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, 2012 and 2011 amounted to \$1,176,557 and \$1,261,295 (net of accumulated depreciation), respectively. Investment in capital assets included land, buildings, and equipment.

	March 31, 2012	March 31, 2011
Capital assets not being depreciated		
Land	\$ 44,001	\$ 44,001
Capital assets being depreciated		
Buildings and improvements	1,141,627	1,141,627
Furniture and equipment	408,195	396,268
Vehicles	868,780	868,780
Capital assets	2,462,603	2,450,676
Less:		
Accumulated depreciation	(1,286,046)	(1,189,381)
Governmental activities capital assets, net	\$ 1,176,557	\$ 1,261,295

## Township of Atlas Management's Discussion and Analysis

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### **Long-term Debt**

The Township had total long-term debt outstanding at March 31, 2012 and 2011 of \$115,000 and \$165,000, respectively.

### **Economic Factors and Budgeting**

The following factors were considered in preparing the Township's budget for the 2011-2012 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 2011-2012 the Township received \$450,315 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.

## BASIC FINANCIAL STATEMENTS

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**Township of Atlas**  
**Statement of Net Assets**  
**March 31, 2012**

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 3,432,919
Certificates of deposit and accrued interest	575,104
Receivables	
Customers	7,811
Taxes	66,684
Special assessments	31,034
Due from other units of government	70,511
Prepaid items	14,260
Nondepreciable capital assets	44,001
Depreciable capital assets, net	<u>1,132,556</u>
 Total assets	 <u>5,374,880</u>
<b>Liabilities</b>	
Accounts payable	349,899
Accrued and other liabilities	17,800
Bonds payable	
Due within one year	55,000
Due in more than one year	<u>60,000</u>
 Total liabilities	 <u>482,699</u>

See Accompanying Notes to Financial Statements

**Township of Atlas**  
**Statement of Net Assets**  
**March 31, 2012**

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	<u>Governmental Activities</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	1,061,557
Restricted for:	
Debt service	1,421
Police and fire protection	606,421
Sewer improvements and operations	192,071
Unrestricted	<u>3,030,711</u>
 Total net assets	 <u>\$ 4,892,181</u>

**Township of Atlas**  
**Statement of Activities**  
**For the Year Ended March 31, 2012**

	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	\$ 481,346	\$ 338,778	\$ -	\$ (142,568)
Public safety	844,200	172,971	-	(671,229)
Public works	889,612	82,816	-	(806,796)
Community and economic development	28,442	-	-	(28,442)
Recreation and culture	15,757	-	4,267	(11,490)
Interest on long-term debt	4,463	-	-	(4,463)
Total governmental activities	<u>\$ 2,263,820</u>	<u>\$ 594,565</u>	<u>\$ 4,267</u>	<u>(1,664,988)</u>
General revenues				
Property taxes and collection fees				899,311
State shared revenue				450,315
Unrestricted investment earnings				12,491
Gain on sale of capital assets				714
Cable franchise fees				34,038
Miscellaneous				51,406
Total general revenues				<u>1,448,275</u>
Change in net assets				(216,713)
Net assets - beginning of year				<u>5,108,894</u>
Net assets - end of year				<u>\$ 4,892,181</u>

See Accompanying Notes to Financial Statements



**Township of Atlas  
Governmental Funds  
Balance Sheet  
March 31, 2012**

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		Special Revenue Funds			
	General Fund	Fire Protection Fund	Police Administrative Board	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 2,323,310	\$ 547,789	\$ 359,656	\$ 202,164	\$ 3,432,919
Certificates of deposit	575,104	-	-	-	575,104
Receivables					
Customers	-	-	-	7,811	7,811
Taxes	23,253	21,491	21,940	-	66,684
Special assessments	17,409	-	12,225	1,400	31,034
Due from other units of government	70,511	-	-	-	70,511
Due from other funds	19,641	-	-	-	19,641
Prepaid items	5,704	8,556	-	-	14,260
 Total assets	 \$ 3,034,932	 \$ 577,836	 \$ 393,821	 \$ 211,375	 \$ 4,217,964

See Accompanying Notes to Financial Statements

**Township of Atlas  
Governmental Funds  
Balance Sheet  
March 31, 2012**

	<u>Special Revenue Funds</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Board</u>	<u>Nonmajor Governmental Funds</u>	
<b>Liabilities</b>					
Accounts payable	\$ 65,975	\$ 1,411	\$ 281,568	\$ 945	\$ 349,899
Accrued and other liabilities	11,161	776	-	5,863	17,800
Due to other funds	-	17,269	-	2,372	19,641
Deferred revenue	<u>40,662</u>	<u>21,491</u>	<u>34,165</u>	<u>8,703</u>	<u>105,021</u>
 Total liabilities	 <u>117,798</u>	 <u>40,947</u>	 <u>315,733</u>	 <u>17,883</u>	 <u>492,361</u>
 <b>Fund Balances</b>					
Non-spendable:					
Prepaid expenses	5,704	8,556	-	-	14,260
Restricted for:					
Police and fire protection	-	528,333	78,088	-	606,421
Sewer improvements and operations	-	-	-	192,071	192,071
Committed for:					
Working capital	164,157	-	-	-	164,157
Garbage service and aquaweed control	248,490	-	-	-	248,490
Assigned for:					
Debt service	-	-	-	1,421	1,421
Unassigned, reported in:					
General fund	<u>2,498,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,498,783</u>
 Total fund balances	 <u>2,917,134</u>	 <u>536,889</u>	 <u>78,088</u>	 <u>193,492</u>	 <u>3,725,603</u>
 Total liabilities and fund balances	 <u>\$ 3,034,932</u>	 <u>\$ 577,836</u>	 <u>\$ 393,821</u>	 <u>\$ 211,375</u>	 <u>\$ 4,217,964</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, 2012**

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<b>Total fund balances for governmental funds</b>	\$ 3,725,603
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.	1,176,557
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	105,021
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>(115,000)</u>
<b>Net assets of governmental activities</b>	<u>\$ 4,892,181</u>

**Township of Atlas**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended March 31, 2012**

	<u>Special Revenue Funds</u>				Total Governmental Funds
	<u>General</u>	<u>Fire Protection Fund</u>	<u>Police Administrative Fund</u>	<u>Other Governmental Funds</u>	
<b>Revenues</b>					
Taxes and collection fees	\$ 327,170	\$ 284,832	\$ 287,149	\$ -	\$ 899,151
Licenses and permits	24,083	-	-	-	24,083
Federal grants	26,870	-	-	-	26,870
State revenue sharing	450,315	-	-	-	450,315
Charges for services	345,022	-	-	47,697	392,719
Fines and forfeitures	-	-	10,672	-	10,672
Interest income	11,235	456	224	576	12,491
Special assessments	-	-	162,600	-	162,600
Other revenue					
Cable franchise fees	34,038	-	-	-	34,038
Miscellaneous	38,957	8,569	3,959	-	51,485
Total revenues	<u>1,257,690</u>	<u>293,857</u>	<u>464,604</u>	<u>48,273</u>	<u>2,064,424</u>
<b>Expenditures</b>					
Current					
General government	397,621	-	-	-	397,621
Public safety	32,618	204,064	595,474	-	832,156
Public works	839,548	-	-	50,064	889,612
Community and economic development	28,442	-	-	-	28,442
Recreation and culture	14,862	-	-	-	14,862
Capital outlay	-	11,927	-	-	11,927
Debt service					
Principal retirement	-	-	-	50,000	50,000
Interest and fiscal charges	-	-	-	4,463	4,463
Total expenditures	<u>1,313,091</u>	<u>215,991</u>	<u>595,474</u>	<u>104,527</u>	<u>2,229,083</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, 2012**

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	<u>General</u>	<u>Special Revenue Funds</u>		<u>Other</u>	<u>Total</u>
		<u>Fire</u>	<u>Police</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Protection</u>	<u>Administrative</u>	<u>Funds</u>	<u>Funds</u>
	<u>General</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Excess (deficiency) of revenues over expenditures	<u>(55,401)</u>	<u>77,866</u>	<u>(130,870)</u>	<u>(56,254)</u>	<u>(164,659)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	55,338	55,338
Transfers out	-	(55,338)	-	-	(55,338)
Sale of fixed assets	-	714	-	-	714
	<u>-</u>	<u>(54,624)</u>	<u>-</u>	<u>55,338</u>	<u>714</u>
Total other financing sources and (uses)					
Net change in fund balance	(55,401)	23,242	(130,870)	(916)	(163,945)
Fund balance - beginning of year	<u>2,972,535</u>	<u>513,647</u>	<u>208,958</u>	<u>194,408</u>	<u>3,889,548</u>
Fund balance - end of year	<u>\$ 2,917,134</u>	<u>\$ 536,889</u>	<u>\$ 78,088</u>	<u>\$ 193,492</u>	<u>\$ 3,725,603</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, 2012**

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**Net change in fund balances - Total governmental funds** \$ (163,945)

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	(96,665)
Capital outlay	11,927

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Special assessments	(2,811)
Grants from other units of government	(22,603)
Property taxes	81
Other revenue	7,303

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>50,000</u>
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**Change in net assets of governmental activities** \$ (216,713)

**Township of Atlas**  
**Fiduciary Funds**  
**Statement of Fiduciary Assets and Liabilities**  
**March 31, 2012**

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	<u>Tax Collection Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>4,854</u>
<b>Liabilities</b>	
Accounts payable	\$ <u>4,854</u>

See Accompanying Notes to Financial Statements

**Township of Atlas**  
**Notes to Financial Statements**  
**March 31, 2012**

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**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, 2012**

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**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 fund records 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, 2012**

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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 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

The 2011 taxable valuation of the Township totaled \$ 284,772,189, on which ad valorem taxes consisted of 2.7664 mills for operating, fire, and police purposes. This resulted in \$ 787,794 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, 2012**

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

Buildings	50 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, 2012**

**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 Statements 63 and 65, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Items Previously Reported as Assets and Liabilities. The new standards provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. These statements will be adopted for the fiscal year ending March 31, 2013.

**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:			
Building inspection department	\$ 23,780	\$ 32,618	\$ 8,838
Community and economic development	20,820	28,442	7,622
Fire Fund:			
Capital outlay	-	11,927	11,927
Police Fund:			
Public safety	551,450	595,474	44,024

**Township of Atlas**  
**Notes to Financial Statements**  
**March 31, 2012**

**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)	\$	3,168,469
Bank investment pools		487,290
Michigan Cooperative Liquid Assets		356,799
Petty cash and cash on hand		<u>319</u>
<b>Total</b>		<b>4,012,877</b>
Less: Amount classified as certificate of deposit		<u>(575,104)</u>
<b>Total Cash and cash equivalents</b>	<b>\$</b>	<b><u>3,437,773</u></b>

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

Investment	Fair Value	Average Maturities	Rating	Organization
Bank invest. pools - JP Morgan	\$ 487,290	< 60 days	AAA	Moody's
Mich. Coop. Liquid Assets - MBIA	<u>356,799</u>	< 60 days	AAAm	S&P
	<u>\$ 844,089</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, \$ 1,322,981 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, 2012**

**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>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 44,001	\$ -	\$ -	\$ 44,001
Capital assets being depreciated				
Buildings, additions and improvements	1,141,627	-	-	1,141,627
Machinery and equipment	396,268	11,927	-	408,195
Vehicles	868,780	-	-	868,780
Total capital assets being depreciated	<u>2,406,675</u>	<u>11,927</u>	<u>-</u>	<u>2,418,602</u>
Less accumulated depreciation for				
Buildings, additions and improvements	446,358	22,609	-	468,967
Machinery and equipment	242,530	40,497	-	283,027
Vehicles	500,493	33,559	-	534,052
Total accumulated depreciation	<u>1,189,381</u>	<u>96,665</u>	<u>-</u>	<u>1,286,046</u>
Net capital assets being depreciated	<u>1,217,294</u>	<u>(84,738)</u>	<u>-</u>	<u>1,132,556</u>
Governmental activities capital assets, net	<u>\$ 1,261,295</u>	<u>\$ (84,738)</u>	<u>\$ -</u>	<u>\$ 1,176,557</u>

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Fire Fund	\$ 17,269
General	Sewer Receiving Fund	<u>2,372</u>
		<u>\$ 19,641</u>

The outstanding balances between funds result mainly from the time

lag between the dates that 1) reimbursements for payroll between funds occur and are reimbursed and 2) when payments between the fiduciary fund and general fund 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	<u>\$ 55,338</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.

**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	\$ 66,684
Special assessments	31,034
Customer receivable	<u>7,303</u>
Total	<u>\$ 105,021</u>

**Township of Atlas**  
**Notes to Financial Statements**  
**March 31, 2012**

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**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
<b>Governmental activities</b>									
Bonds payable									
General obligation bonds									
2004 Building Authority	\$ 445,000	2014	3.50-4.00%	\$ 55,000 - \$ 60,000	<u>\$ 165,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 115,000</u>	<u>\$ 55,000</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>
2013	\$ 55,000	\$ 3,431
2014	<u>60,000</u>	<u>1,200</u>
	<u>\$ 115,000</u>	<u>\$ 4,631</u>

**Township of Atlas**  
**Notes to Financial Statements**  
**March 31, 2012**

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**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 amount contributed by the Township during 2012 under the deferred compensation plan was \$ 16,868.

**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 2013. The potential remaining balance on the contract is \$ 942,648 at March 31, 2012.



## REQUIRED SUPPLEMENTAL INFORMATION

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**Township of Atlas**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended March 31, 2012**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Taxes				
Property taxes	\$ 221,000	\$ 221,000	\$ 218,875	\$ (2,125)
Administration fee	119,538	119,538	102,718	(16,820)
Penalties and interest	6,500	6,500	5,577	(923)
Licenses and permits	16,568	16,568	24,083	7,515
Federal grants	3,000	3,000	26,870	23,870
State shared revenue	377,000	377,000	450,315	73,315
Charges for services	311,396	311,396	345,022	33,626
Interest income	8,000	8,000	11,235	3,235
Other revenue	47,525	47,525	72,995	25,470
Total revenues	<u>1,110,527</u>	<u>1,110,527</u>	<u>1,257,690</u>	<u>147,163</u>
<b>Expenditures and Other Financing Uses</b>				
General government				
Township board	135,997	136,397	146,014	9,617
Supervisor	55,720	55,720	43,381	(12,339)
Elections	16,100	16,100	12,628	(3,472)
Clerk	65,820	66,320	64,526	(1,794)
Board of review	3,330	3,330	-	(3,330)
Treasurer	64,160	64,160	64,974	814
Assessor	47,700	47,700	47,603	(97)
Cemetery	1,200	1,200	818	(382)
Buildings and grounds	37,000	37,000	17,677	(19,323)
Total general government	<u>427,027</u>	<u>427,927</u>	<u>397,621</u>	<u>(30,306)</u>

See Accompanying Notes to Financial Statements

**Township of Atlas**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended March 31, 2012**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Public safety				
Building inspection department	23,780	23,780	32,618	8,838
Total public safety	23,780	23,780	32,618	8,838
Public works				
Aqua Weed	77,396	77,396	40,134	(37,262)
Drains	77,164	77,164	17,163	(60,001)
Highways, streets and bridges	212,000	712,000	532,530	(179,470)
Street lighting	15,000	15,000	15,759	759
Garbage	234,000	234,000	233,962	(38)
Total public works	615,560	1,115,560	839,548	(276,012)
Community and economic development				
Planning	12,865	12,865	23,538	10,673
Zoning	7,955	7,955	4,904	(3,051)
Total community and economic development	20,820	20,820	28,442	7,622
Recreation and culture				
Library	23,340	23,340	14,862	(8,478)
Total recreation and culture	23,340	23,340	14,862	(8,478)

See Accompanying Notes to Financial Statements

**Township of Atlas**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended March 31, 2012**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Transfers out	90,478	90,478	-	(90,478)
Total expenditures and other financing uses	1,201,005	1,701,905	1,313,091	(388,814)
Excess (deficiency) of revenues over expenditures and other financing sources	(90,478)	(591,378)	(55,401)	535,977
Fund balance - beginning of year	2,972,535	2,972,535	2,972,535	-
Fund balance - end of year	<u>\$ 2,882,057</u>	<u>\$ 2,381,157</u>	<u>\$ 2,917,134</u>	<u>\$ 535,977</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, 2012**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Taxes	\$ 285,000	\$ 285,000	\$ 284,832	\$ (168)
Interest income	500	500	456	(44)
Other revenue	6,000	6,000	8,569	2,569
Sale of fixed assets	-	-	714	714
	<u>291,500</u>	<u>291,500</u>	<u>294,571</u>	<u>3,071</u>
Total revenues				
<b>Expenditures</b>				
Public safety	236,161	236,161	204,064	(32,097)
Capital outlay	-	-	11,927	11,927
	<u>236,161</u>	<u>236,161</u>	<u>215,991</u>	<u>(20,170)</u>
Total expenditures				
Excess of revenues over expenditures	55,339	55,339	78,580	23,241
<b>Other Financing Sources (Uses)</b>				
Transfers out	(55,339)	(55,339)	(55,338)	1
Net change in fund balance	-	-	23,242	23,242
Fund balance - beginning of year	503,520	503,520	513,647	10,127
Fund balance - end of year	<u>\$ 503,520</u>	<u>\$ 503,520</u>	<u>\$ 536,889</u>	<u>\$ 33,369</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, 2012**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Taxes	\$ 285,353	\$ 285,353	\$ 287,149	\$ 1,796
Licenses and permits	469	469	-	(469)
Special assessments	162,500	162,500	162,600	100
Fines and forfeitures	10,000	10,000	10,672	672
Interest income	250	250	224	(26)
Other revenue	2,400	2,400	3,959	1,559
Transfers in	90,478	90,478	-	(90,478)
	<u>551,450</u>	<u>551,450</u>	<u>464,604</u>	<u>(86,846)</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Public safety	<u>551,450</u>	<u>551,450</u>	<u>595,474</u>	<u>44,024</u>
	-	-	(130,870)	(130,870)
<b>Excess of revenues (deficiency) over expenditures</b>				
Fund balance - beginning of year	<u>208,958</u>	<u>208,958</u>	<u>208,958</u>	<u>-</u>
Fund balance - end of year	<u>\$ 208,958</u>	<u>\$ 208,958</u>	<u>\$ 78,088</u>	<u>\$ (130,870)</u>

See Accompanying Notes to Financial Statements

## OTHER SUPPLEMENTAL INFORMATION

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**Township of Atlas**  
**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**March 31, 2012**

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</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>Sewer Capital Projects Fund</u>	
<b>Assets</b>					
Cash and cash equivalents	\$ 29,958	\$ 9,162	\$ 3,652	\$ 159,392	\$ 202,164
Receivables					
Customers	7,811	-	-	-	7,811
Special assessments	-	1,400	-	-	1,400
Total assets	<u>\$ 37,769</u>	<u>\$ 10,562</u>	<u>\$ 3,652</u>	<u>\$ 159,392</u>	<u>\$ 211,375</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ 945	\$ -	\$ -	\$ 945
Accrued and other liabilities	3,632	-	2,231	-	5,863
Due to other funds	2,372	-	-	-	2,372
Deferred revenue	<u>7,303</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>8,703</u>
Total liabilities	<u>13,307</u>	<u>2,345</u>	<u>2,231</u>	<u>-</u>	<u>17,883</u>
<b>Fund Balances</b>					
Restricted for:					
Special revenue funds	24,462	8,217	-	-	32,679
Capital projects fund	-	-	-	159,392	159,392
Assigned for:					
Debt service	-	-	1,421	-	1,421
Total fund balances	<u>24,462</u>	<u>8,217</u>	<u>1,421</u>	<u>159,392</u>	<u>193,492</u>
Total liabilities and fund balances	<u>\$ 37,769</u>	<u>\$ 10,562</u>	<u>\$ 3,652</u>	<u>\$ 159,392</u>	<u>\$ 211,375</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, 2012**

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</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>Sewer Capital Projects Fund</u>	
<b>Revenues</b>					
Charges for services	\$ 45,597	2,100	\$ -	\$ -	\$ 47,697
Interest income	<u>28</u>	<u>27</u>	<u>5</u>	<u>516</u>	<u>576</u>
Total revenues	<u>45,625</u>	<u>2,127</u>	<u>5</u>	<u>516</u>	<u>48,273</u>
<b>Expenditures</b>					
Public works	47,126	2,938	-	-	50,064
Principal retirement	-	-	50,000	-	50,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>4,463</u>	<u>-</u>	<u>4,463</u>
Total expenditures	<u>47,126</u>	<u>2,938</u>	<u>54,463</u>	<u>-</u>	<u>104,527</u>
Excess (deficiency) of revenues over expenditures	(1,501)	(811)	(54,458)	516	(56,254)
<b>Other financing sources</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>55,338</u>	<u>-</u>	<u>55,338</u>
Net change in fund balance	(1,501)	(811)	880	516	(916)
Fund balance - beginning of year	<u>25,963</u>	<u>9,028</u>	<u>541</u>	<u>158,876</u>	<u>194,408</u>
Fund balance - end of year	<u>\$ 24,462</u>	<u>\$ 8,217</u>	<u>\$ 1,421</u>	<u>\$ 159,392</u>	<u>\$ 193,492</u>

See Accompanying Notes to Financial Statements

**Township of Atlas**  
**Other Supplemental Information**  
**Schedule of Indebtedness**  
**March 31, 2012**

Description	Interest Rate	Fiscal Year Date of Maturity	Amount of Annual Maturity	Semi-Annual Interest Payments		Total
				May 1st	Nov 1st	
<b>Governmental Activities</b>						
2004 Building Authority	3.75%	2013	\$ 55,000	\$ 2,231	\$ 1,200	\$ 58,431
Amount of original issue - \$ 445,000	4.00%	2014	<u>60,000</u>	<u>1,200</u>	<u>-</u>	<u>61,200</u>
			<u>\$ 115,000</u>	<u>\$ 3,431</u>	<u>\$ 1,200</u>	<u>\$ 119,631</u>

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