

Tyrone Township, Livingston County Michigan

**Financial Report
with Supplemental Information
March 31, 2010**

Tyrone Township

List of Elected Officials

| | |
|------------|------------------|
| Supervisor | Vacant |
| Clerk | Keith Kremer |
| Treasurer | David Kurtz |
| Trustee | Don Peitz |
| Trustee | Suzanne Anderson |
| Trustee | Steve Hasbrouck |
| Trustee | Brian Miles |

Tyrone Township

Contents

| | |
|---|-------|
| Report Letter | 1-2 |
| Management's Discussion and Analysis | 3-7 |
| Basic Financial Statements | |
| Government-wide Financial Statements: | |
| Statement of Net Assets | 8 |
| Statement of Activities | 9-10 |
| Fund Financial Statements: | |
| Governmental Funds: | |
| Balance Sheet | 11 |
| Reconciliation of the Balance Sheet to the Statement of Net Assets | 12 |
| Statement of Revenue, Expenditures, and Changes in Fund Balances | 13 |
| Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 14 |
| Proprietary Funds: | |
| Statement of Net Assets | 15 |
| Statement of Revenue, Expenses, and Changes in Net Assets | 16 |
| Statement of Cash Flows | 17 |
| Fiduciary Funds: | |
| Statement of Assets and Liabilities | 18 |
| Notes to Financial Statements | 19-35 |
| Required Supplemental Information | 36 |
| Budgetary Comparison Schedule - General Fund | 37-38 |
| | 39 |
| Other Supplemental Information | |
| Nonmajor Governmental Funds: | |
| Fund Descriptions | 40 |
| Combining Balance Sheet | 41-43 |
| Combining Statement of Revenue, Expenditures, and Changes in Fund Balances | 44-46 |
| Budgetary Comparison | 47-59 |



Plante & Moran, PLLC

Suite 1A

111 E. Court St.

Flint, MI 48502

Tel: 810.767.5350

Fax: 810.767.8150

plantemoran.com

Independent Auditor's Report

To the Honorable Members of the Township Board of
Tyrone Township
Livingston County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of and for the year ended March 31, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township, as of March 31, 2010 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Honorable Members of the Township Board
of Tyrone Township

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

July 19, 2010

Tyrone Township

Management's Discussion and Analysis

Our discussion and analysis of the Tyrone Township, Michigan's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2010. Please read it in conjunction with the Township's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2010:

- The township's total net assets are \$13.2 million
- During the year, the Township's total net assets decreased \$1,455,000. Governmental activities realized a \$97,000 increase in net assets. Business activities realized a decrease of \$1,551,000 in net assets
- General fund revenues exceeded expenditures by \$124,000 leaving a fund balance of \$845,000

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The Fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Tyrone Township, Michigan

Management's Discussion and Analysis (Continued)

Governmental Activities

The following table shows, in a condensed format, the current year's net assets and changes in net assets, compared to the prior two years:

| | Governmental Activities | | | | Percent |
|--|----------------------------|----------------------------|----------------------------|-------------------------|---------|
| | 2008 | 2009 | 2010 | Change | Change |
| Other assets | \$ 1,663,614 | \$ 1,827,490 | \$ 1,834,913 | \$ 7,423 | 0% |
| Capital assets | <u>179,594</u> | <u>181,419</u> | <u>168,056</u> | <u>(13,363)</u> | -7% |
| Total assets | 1,843,208 | 2,008,909 | 2,002,969 | (5,940) | 0% |
| Current liabilities | 8,224 | 103,315 | 92,520 | (10,795) | -10% |
| Long-term liabilities | <u>404,000</u> | <u>312,000</u> | <u>220,000</u> | <u>(92,000)</u> | -29% |
| Total liabilities | <u>412,224</u> | <u>415,315</u> | <u>312,520</u> | <u>(102,795)</u> | -25% |
| Net assets: | | | | | |
| Invested in capital assets, net of related debt | 179,594 | 181,419 | 168,056 | (13,363) | -7% |
| Restricted | 327,026 | 280,174 | 233,204 | (46,970) | -17% |
| Unrestricted | <u>924,364</u> | <u>1,132,001</u> | <u>1,289,189</u> | <u>157,188</u> | 14% |
| Total net assets | <u>\$ 1,430,984</u> | <u>\$ 1,593,594</u> | <u>\$ 1,690,449</u> | <u>\$ 96,855</u> | 6% |

Tyrone Township, Michigan

Management's Discussion and Analysis (Continued)

| | Governmental Activities | | | | Percent |
|-----------------------------|--------------------------|--------------------------|-------------------------|---------------------------|---------|
| | 2008 | 2009 | 2010 | Change | Change |
| Revenue | | | | | |
| Program revenue: | | | | | |
| Charges for services | \$ 322,302 | \$ 297,797 | \$ 322,708 | \$ 24,911 | 8% |
| General revenue: | | | | | |
| Property taxes | 401,870 | 428,186 | 406,196 | (21,990) | -5% |
| State-shared revenue | 573,815 | 586,982 | 508,511 | (78,471) | -13% |
| Investment earnings | 50,338 | 47,557 | 19,288 | (28,269) | -59% |
| Other revenue | 73,512 | 82,157 | 94,563 | 12,406 | 15% |
| Total revenue | <u>1,421,837</u> | <u>1,442,679</u> | <u>1,351,266</u> | <u>(91,413)</u> | -6% |
| Program Expenses | | | | | |
| General government | 674,296 | 708,060 | 694,568 | (13,492) | -2% |
| Public safety | 460,557 | 453,913 | 461,182 | 7,269 | 2% |
| Public works | 71,993 | 108,059 | 89,167 | (18,892) | -17% |
| Health and welfare | 4,769 | 4,210 | 4,035 | (175) | -4% |
| Interest on long-term debt | 19,895 | 5,827 | 5,459 | (368) | -6% |
| Total expenses | <u>1,231,510</u> | <u>1,280,069</u> | <u>1,254,411</u> | <u>(25,658)</u> | -2% |
| Change in Net Assets | <u>\$ 190,327</u> | <u>\$ 162,610</u> | <u>\$ 96,855</u> | <u>\$ (65,755)</u> | -40% |

The governmental net assets increased 6 percent from a year ago - increasing from \$1,593,594 to \$1,690,449. In contrast, last year's net assets increased by 11 percent.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations - increased by \$157,188 for the governmental activities. This represents an increase of approximately 14 percent. The current level of unrestricted net assets for our governmental activities stands at \$1,289,189, or about 102 percent of expenditures.

The Township's total governmental revenues decreased by approximately \$91,000. The decrease, which represents 6 percent, was primarily due to decreases in property taxes, state shared revenue and interest income.

Expenses decreased by about \$27,000 during the year.

Tyrone Township, Michigan

Management's Discussion and Analysis (Continued)

Business-type Activities

The following table shows, in a condensed format, the current year's net assets and changes in net assets, compared to the prior two years:

| | Business-Type Activities | | | | Percent |
|--|----------------------------|----------------------------|------------------------------|------------------------------|---------|
| | 2008 | 2009 | 2010 | Change | Change |
| Other assets | \$ 11,435,923 | \$ 10,958,908 | \$ 9,827,554 | \$ (1,131,354) | -10% |
| Capital assets | <u>16,599,466</u> | <u>16,066,603</u> | <u>15,917,080</u> | <u>(149,523)</u> | -1% |
| Total assets | 28,035,389 | 27,025,511 | 25,744,634 | (1,280,877) | -5% |
| Current liabilities | 291,820 | 228,811 | 1,223,528 | 994,717 | 435% |
| Long-term liabilities | <u>14,360,000</u> | <u>13,710,840</u> | <u>12,986,851</u> | <u>(723,989)</u> | -5% |
| Total liabilities | <u>14,651,820</u> | <u>13,939,651</u> | <u>14,210,379</u> | <u>270,728</u> | 2% |
| Net assets: | | | | | |
| Invested in capital assets, net of related debt | 2,448,549 | 2,431,135 | 2,960,213 | 529,078 | 22% |
| Restricted | 10,881,496 | 10,235,122 | 8,123,646 | (2,111,476) | -21% |
| Unrestricted | <u>53,524</u> | <u>419,603</u> | <u>450,396</u> | <u>30,793</u> | 7% |
| Total net assets | <u>\$ 13,383,569</u> | <u>\$ 13,085,860</u> | <u>\$ 11,534,255</u> | <u>\$ (1,551,605)</u> | -12% |
| Operating revenue | \$ 254,570 | \$ 404,341 | \$ 283,287 | \$ (121,054) | -30% |
| Operating expenses, other than depreciation | 327,809 | 222,744 | 190,206 | (32,538) | -15% |
| Nonoperating expense | - | - | 1,004,022 | 1,004,022 | 100% |
| Depreciation and amortization | <u>536,262</u> | <u>548,352</u> | <u>561,455</u> | <u>13,103</u> | 2% |
| Operating income (loss) | (609,501) | (366,755) | (1,472,396) | | |
| Interest income | 116,910 | 47,733 | 22,955 | (24,778) | -52% |
| Interest expense | 848,884 | 482,661 | 526,376 | 43,715 | 9% |
| Capital contributions | <u>607,664</u> | <u>503,974</u> | <u>424,212</u> | <u>(79,762)</u> | -16% |
| Change in Net Assets | <u>\$ (733,811)</u> | <u>\$ (297,709)</u> | <u>\$ (1,551,605)</u> | <u>\$ (1,253,896)</u> | 421% |

Tyrone Township, Michigan

Management's Discussion and Analysis (Continued)

The Township's business-type activities consist of Sewer Fund.

The net assets of business type activities decreased 12 percent from a year ago - decreasing from \$13,086,000 to \$11,534,255. In contrast, last year's net assets decreased by 2.3 percent. A significant portion of the decrease in net assets during the year resulted from the Township recognizing a liability related to a refund to the County for uncollectible delinquent sewer assessments of \$1,004,022.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations - increased by \$31,000.

The Township's Funds

Our analysis of the Township's major funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major fund for 2010 includes the General Fund.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. Over the past year Township departments overall stayed below budget, resulting in total expenditures \$47,000 below budget. This allowed the General Fund's fund balance to increase from \$721,000 a year ago to \$845,000 at March 31, 2010.

Capital Asset and Debt Administration

At the end of 2010, the Township had \$16 million invested in a broad range of capital assets, including buildings, equipment, and sewer lines.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Clerk's office.

Tyrone Township

Statement of Net Assets March 31, 2010

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 1,125,872 | \$ 218,677 | \$ 1,344,549 |
| Investments | 418,977 | 393,853 | 812,830 |
| Receivables | 268,496 | 7,714,640 | 7,983,136 |
| Internal balances | 18,326 | (18,326) | - |
| Prepaid expenses and other | 3,242 | - | 3,242 |
| Capital assets: | | | |
| Assets not subject to depreciation | 7,500 | - | 7,500 |
| Assets subject to depreciation (net of depreciation) | 160,556 | 15,917,080 | 16,077,636 |
| Cash and equivalents - Restricted | - | 917,999 | 917,999 |
| Cash held with agent - Restricted | - | 522,861 | 522,861 |
| Bond issuance cost | - | 77,850 | 77,850 |
| Total assets | 2,002,969 | 25,744,634 | 27,747,603 |
| Liabilities | | | |
| Accounts payable | 79,251 | 11,570 | 90,821 |
| Due to other governmental units | - | 1,005,022 | 1,005,022 |
| Refundable deposits, bonds, etc. | - | 19,862 | 19,862 |
| Accrued liabilities and other | 13,269 | 187,074 | 200,343 |
| Unamortized bond premium and loss on refinancing | - | (78,149) | (78,149) |
| Noncurrent liabilities: | | | |
| Due within one year | 92,000 | 735,000 | 827,000 |
| Due in more than one year | 128,000 | 12,330,000 | 12,458,000 |
| Total liabilities | 312,520 | 14,210,379 | 14,522,899 |
| Net Assets | | | |
| Invested in capital assets - Net of related debt | 168,056 | 2,960,213 | 3,128,269 |
| Restricted for: | | | |
| Debt service | 156,681 | 7,600,785 | 7,757,466 |
| Capital projects | - | 522,861 | 522,861 |
| Streets and right of way | 40,443 | - | 40,443 |
| Other purposes | 36,080 | - | 36,080 |
| Unrestricted | 1,289,189 | 450,396 | 1,739,585 |
| Total net assets | \$ 1,690,449 | \$ 11,534,255 | \$ 13,224,704 |

Tyrone Township

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 694,568 | \$ 185,322 | \$ - | \$ - |
| Public safety | 461,182 | 91,568 | - | - |
| Public works | 89,167 | 45,818 | - | - |
| Health and welfare - Seniors | 4,035 | - | - | - |
| Interest on long-term debt | 5,459 | - | - | - |
| Total governmental activities | 1,254,411 | 322,708 | - | - |
| Business-type activities: | | | | |
| Sewer Fund | 2,282,059 | 283,287 | - | 424,212 |
| Total primary government | \$ 3,536,470 | \$ 605,995 | \$ - | \$ 424,212 |
| General revenues: | | | | |
| Property taxes | | | | |
| State-shared revenue | | | | |
| Investment income | | | | |
| Franchise fees | | | | |
| Other miscellaneous income | | | | |
| Total general revenues | | | | |
| Change in Net Assets | | | | |
| Net Assets - Beginning of year | | | | |
| Net Assets - End of year | | | | |

**Statement of Activities
Year Ended March 31, 2010**

| Primary Government | | |
|----------------------------|-----------------------------|----------------------|
| Governmental Activities | Business-type Activities | Total |
| \$ (509,246) | \$ - | \$ (509,246) |
| (369,614) | - | (369,614) |
| (43,349) | - | (43,349) |
| (4,035) | - | (4,035) |
| (5,459) | - | (5,459) |
| (931,703) | - | (931,703) |
| - | (1,574,560) | (1,574,560) |
| (931,703) | (1,574,560) | (2,506,263) |
| 406,196 | - | 406,196 |
| 508,511 | - | 508,511 |
| 19,288 | 22,955 | 42,243 |
| 89,447 | - | 89,447 |
| 5,116 | - | 5,116 |
| 1,028,558 | 22,955 | 1,051,513 |
| 96,855 | (1,551,605) | (1,454,750) |
| 1,593,594 | 13,085,860 | 14,679,454 |
| \$ 1,690,449 | \$ 11,534,255 | \$ 13,224,704 |

Tyrone Township

Governmental Funds Balance Sheet March 31, 2010

| | General Fund | Non-major Funds | Total |
|--------------------------------------|-------------------|--------------------|---------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 802,131 | \$ 323,741 | \$ 1,125,872 |
| Investments | - | 418,977 | 418,977 |
| Receivables: | | | |
| Property taxes receivable | 20,427 | - | 20,427 |
| Special assessments receivable | - | 48,946 | 48,946 |
| Other receivables | 162 | 42,294 | 42,456 |
| Due from other governmental units | 107,582 | 49,085 | 156,667 |
| Due from other funds | 30,112 | 43,940 | 74,052 |
| Prepaid expenses | 3,242 | - | 3,242 |
| | \$ 963,656 | \$ 926,983 | \$ 1,890,639 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts payable | \$ 78,825 | \$ 426 | \$ 79,251 |
| Due to other funds | 30,835 | 24,891 | 55,726 |
| Accrued and other liabilities | 8,886 | - | 8,886 |
| Deferred revenue | 411 | 52,946 | 53,357 |
| | 118,957 | 78,263 | 197,220 |
| Fund Balances | | | |
| Reserved for: | | | |
| Prepaid expenses | 3,242 | - | 3,242 |
| Debt service | - | 107,735 | 107,735 |
| Other purposes | - | 74,374 | 74,374 |
| Unreserved, reported in: | | | |
| General Fund | 841,457 | - | 841,457 |
| Special Revenue Funds | - | 666,611 | 666,611 |
| | 844,699 | 848,720 | 1,693,419 |
| | \$ 963,656 | \$ 926,983 | \$ 1,890,639 |

Tyrone Township

Governmental Funds **Reconciliation of the Balance Sheet to the Statement of Net Assets** **Year Ended March 31, 2010**

| | | |
|---|-----------|-------------------------|
| Fund Balance Reported in Governmental Funds | \$ | 1,693,419 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and are not reported in the funds | | 168,056 |
| Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures | | 53,357 |
| Bonds and notes payable are not due and payable in the current period and are not reported in the funds | | (220,000) |
| Accrued interest is not due and payable in the current period and is not reported in the funds | | (4,383) |
| Net Assets of Governmental Activities | \$ | <u>1,690,449</u> |

Tyrone Township

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2010

| | General Fund | Non-major Funds | Total |
|--|--------------|--------------------|--------------|
| Revenue | | | |
| Property taxes | \$ 406,196 | \$ - | \$ 406,196 |
| Licenses and permits | 8,426 | - | 8,426 |
| State-shared revenue | 508,511 | - | 508,511 |
| Charges for services | 119,635 | 1,882 | 121,517 |
| Interest | 8,231 | 11,057 | 19,288 |
| Other revenue: | | | |
| Special assessments | - | 74,682 | 74,682 |
| Cable franchise fees | 89,447 | - | 89,447 |
| Fees | 128,870 | - | 128,870 |
| Other miscellaneous income | 19,462 | 3,731 | 23,193 |
| Total revenue | 1,288,778 | 91,352 | 1,380,130 |
| Expenditures - Current | | | |
| General government | 652,815 | 2,024 | 654,839 |
| Public safety | 459,300 | 1,882 | 461,182 |
| Public works | 13,021 | 76,146 | 89,167 |
| Health and welfare - Seniors | 4,035 | - | 4,035 |
| Capital outlay | - | 26,366 | 26,366 |
| Debt service | 39,000 | 60,052 | 99,052 |
| Total expenditures | 1,168,171 | 166,470 | 1,334,641 |
| Excess of Revenue Over (Under) Expenditures | 120,607 | (75,118) | 45,489 |
| Other Financing Sources (Uses) | | | |
| Transfers in | 71,000 | 79,200 | 150,200 |
| Transfers out | (67,900) | (82,300) | (150,200) |
| Net Change in Fund Balances | 123,707 | (78,218) | 45,489 |
| Fund Balances - Beginning of year | 720,992 | 926,938 | 1,647,930 |
| Fund Balances - End of year | \$ 844,699 | \$ 848,720 | \$ 1,693,419 |

Tyrone Township

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2010

| | |
|--|-------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 45,489 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation: | |
| Capital outlay | 9,950 |
| Depreciation expense | (23,313) |
| Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end | (28,864) |
| Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) | 92,000 |
| Change in accrued interest payable and other | 1,593 |
| Change in Net Assets of Governmental Activities | <u>\$ 96,855</u> |

Tyrone Township

Proprietary Funds Statement of Net Assets March 31, 2010

| | <u>Enterprise Fund</u> <u>Sewer Fund</u> |
|--|---|
| Assets | |
| Current assets: | |
| Cash and cash equivalents | \$ 218,677 |
| Investments | 393,853 |
| Receivables: | |
| Special assessments receivable | 545,411 |
| Accounts receivable | 45,824 |
| Due from other governmental units | <u>137,138</u> |
| Total current assets | 1,340,903 |
| Noncurrent assets: | |
| Special assessment receivables | 6,986,267 |
| Capital assets | 15,917,080 |
| Restricted cash | 917,999 |
| Cash held by agent - Restricted | 522,861 |
| Bond issuance cost | <u>77,850</u> |
| Total noncurrent assets | <u>24,422,057</u> |
| Total assets | 25,762,960 |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | 11,570 |
| Due to other governmental units | 1,005,022 |
| Due to other funds | 18,326 |
| Deposits | 19,862 |
| Accrued interest payable | 187,074 |
| Current portion of long-term debt | <u>735,000</u> |
| Total current liabilities | 1,976,854 |
| Noncurrent liabilities: | |
| Unamortized bond premium and loss on refinancing | (78,149) |
| Long-term debt - Net of current portion | <u>12,330,000</u> |
| Total noncurrent liabilities | <u>12,251,851</u> |
| Total liabilities | <u>14,228,705</u> |
| Net Assets | |
| Invested in capital assets - Net of related debt | 2,960,213 |
| Restricted: | |
| Debt service | 7,600,785 |
| Capital projects | 522,861 |
| Unrestricted | <u>450,396</u> |
| Total net assets | <u><u>\$ 11,534,255</u></u> |

Tyrone Township

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended March 31, 2010

| | Enterprise Funds <u>Sewer Fund</u> |
|---|--|
| Operating Revenue | |
| Charges for services | \$ 269,975 |
| Interest and penalty charges | 6,323 |
| Other miscellaneous revenue | <u>6,989</u> |
| Total operating revenue | 283,287 |
| Operating Expenses | |
| Cost of sewage operations and maintenance | 190,206 |
| Depreciation and amortization | <u>561,455</u> |
| Total operating expenses | <u>751,661</u> |
| Operating Loss | (468,374) |
| Nonoperating Revenue (Expenses) | |
| Investment income | 22,955 |
| Interest expense and fiscal charges | (526,376) |
| Special assessment chargebacks | <u>(1,004,022)</u> |
| Loss - Before contributions | (1,975,817) |
| Capital Contributions | |
| Special assessments | <u>424,212</u> |
| Change in Net Assets | (1,551,605) |
| Net Assets - Beginning of year | <u>13,085,860</u> |
| Net Assets - End of year | <u><u>\$ 11,534,255</u></u> |

Tyrone Township

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2010

| | Enterprise Funds |
|--|----------------------------|
| | Sewer Fund |
| Cash Flow from Operating Activities | |
| Receipts from customers | \$ 284,488 |
| Payments to suppliers | (191,877) |
| Internal activity - Payments to other funds | (1,244) |
| | <u>91,367</u> |
| Net cash provided by operating activities | 91,367 |
| Cash Flows from Capital and Related Financing Activities | |
| Special assessment collections | 998,491 |
| Purchase of capital assets | (399,932) |
| Principal and interest paid on capital debt | (1,264,010) |
| | <u>(665,451)</u> |
| Net cash used in capital and related financing activities | (665,451) |
| Cash Flows from Investment Activities | |
| Interest received on investments | 22,955 |
| Proceeds from sale and maturities of investment securities | 489,738 |
| | <u>512,693</u> |
| Net cash provided by investing activities | 512,693 |
| Net Decrease in Cash and Cash Equivalents | (61,391) |
| Cash and Cash Equivalents - Beginning of year | <u>1,720,928</u> |
| Cash and Cash Equivalents - End of year | <u>\$ 1,659,537</u> |
| Balance Sheet Classification of Cash and Cash Equivalents | |
| Cash and investments | \$ 612,530 |
| Restricted cash | 917,999 |
| Cash held with agent - Restricted | 522,861 |
| Less amounts classified as investments | (393,853) |
| | <u>\$ 1,659,537</u> |
| Total cash and cash equivalents | <u>\$ 1,659,537</u> |
| Reconciliation of Operating Loss to Net Cash from Operating Activities | |
| Operating loss | \$ (468,374) |
| Adjustments to reconcile operating loss to net cash from operating activities: | |
| Depreciation | 549,455 |
| Amortization | 12,000 |
| Changes in assets and liabilities: | |
| Receivables | 1,201 |
| Accounts payable | (1,671) |
| Due to other funds | (1,244) |
| | <u>91,367</u> |
| Net cash provided by operating activities | <u>\$ 91,367</u> |

Tyrone Township

Fiduciary Funds Statement of Fiduciary Net Assets March 31, 2010

| | <u>Agency Funds</u> |
|---------------------------------|---------------------|
| Assets | |
| Cash and cash equivalents | \$ 156,700 |
| Total assets | <u>\$ 156,700</u> |
| Liabilities | |
| Due to other governmental units | \$ 109,152 |
| Performance deposits | <u>47,548</u> |
| Total liabilities | <u>\$ 156,700</u> |

Note I - Nature of Business and Significant Accounting Policies

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

Reporting Entity

Tyrone Township is governed by an elected seven-member council (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 no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

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

Note I - Nature of Business and Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township reports the following major governmental fund:

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 Township reports the following major proprietary fund:

The Sewer Disposal System Fund accounts for the operations of the sewage pumping and collection systems.

Additionally, the Township reports the following fiduciary activities:

The Agency Funds account for assets held by the Township as an agent for individuals, private organizations and other governments.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

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

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Township's policy is to first apply restricted resources.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales and services. The Sewer Fund recognizes tap fees as capital contributions. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property Tax Revenue

The Township levies property taxes on December 1 of each year. These taxes become liens on the property at that date. Township taxes are collected without penalty from December 1 to February 28 each year.

The Township's 2009 tax is levied and collectible on December 1, 2009 and is recognized as revenue in the year ended March 31, 2010, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2009 taxable valuation of the Township totaled \$441 million, on which taxes levied consisted of .9067 mills for operating purposes. This resulted in approximately \$393,000 for operating purposes recognized in the General Fund.

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Certificates of deposit with a maturity date of greater than three months at time of purchase are recorded as investments on the financial statements.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Restricted Cash and Cash Equivalents - The Township's Sewer Enterprise Fund has cash in the amount of \$917,999 that is restricted for debt service. The balance represents special assessments that have been collected and will be used to pay off the sewer bonds. The Sewer Fund has unspent bond proceeds, investment earnings and prepayments of \$522,861 on deposit with the Livingston County Water and Waste Services Division for the construction of sewer line improvements. The Division will hold these funds on behalf of the Township and expend the proceeds for allowable construction costs.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds", activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current year, \$0 of interest expense was capitalized as part of the cost of assets under construction.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Note I - Nature of Business and Significant Accounting Policies (Continued)

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

| | |
|---------------------------|----------|
| Building | 39 years |
| Building improvements | 15 years |
| Vehicles | 5 years |
| Office equipment | 5 years |
| Furniture and fixtures | 7 years |
| Sewer distribution system | 39 years |
| Software | 5 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 or business-type activities 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 are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premium 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 are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

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.

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to February 1, the supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them, for the General and Special Revenue Funds.
2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted on a departmental (activity) basis through passage of a resolution in accordance with Public Act 621 of the State of Michigan.
4. The Supervisor is authorized to transfer budgeted amounts within departmental appropriation accounts. However, any revisions that alter the total expenditures of any department must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. The amount of encumbrances at year end is not known. Also, all budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budget appropriations lapse at year-end except for approved contracts which are appropriated on a contract (grant) length basis.

Budgeted amounts are reported on the financial statements as originally adopted and as amended by the Township Board.

The following is a comparison of budget (on a project basis) and actual expenditures for the Parkin Lane Road Maintenance Fund:

| <u>Project Budget</u> | <u>Expended During 2010</u> | <u>Unexpended Balance at 3/31/2010</u> |
|-----------------------|-----------------------------|--|
| \$442,000 | \$ 3,340 | \$438,660 |

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Building Department Revenues and Expenses - The State Construction Code Act Michigan Public Act 245 of 1999, and rules promulgated by the Department of Treasury regarding that Act, requires that a local unit's fees collected from construction code permits be accounted for in a method which shows that all of these fees were used for expenditures related to the operations of the enforcing agency. The rules indicated that if the revenues exceeded the expenditures, the fees collected must be kept in a separate fund. The rules allowed for monitoring these funds in a separate activity center within the General fund if the expenditures would normally exceed the revenues. The Township chose the latter. The activity related to construction code activities for the year ended March 31, 2010 is as follows:

| | |
|--|---------------------|
| Surplus (shortfall) at April 1, 2009 | \$ (251,304) |
| Construction permit revenue | 7,135 |
| Related expenses: | |
| Building department expenditures | <u>34,511</u> |
| Current year shortfall | <u>(27,376)</u> |
| Cumulative surplus (shortfall) at March 31, 2010 | <u>\$ (278,680)</u> |

Fund Deficits - The Beautification Fund and Parkin Lane Road Maintenance Fund had deficits of \$3,469 and \$3,340, respectively. The outstanding assessment that will be collected in the future and recognized as revenue on the modified accrual basis of accounting will be adequate to eliminate the deficits.

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated several banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997. The Township's deposits and investment policies are in accordance with statutory authority.

Note 3 - Deposits and Investments (Continued)

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the Township had \$420,452 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments - Custodial credit risk 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 in the possession of an outside party. The Township does not have a policy for custodial credit risk. At year end, \$315,115 of investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U. S. government) are as follows:

| Investment | Fair Value | Rating | Rating Organization |
|--------------------------|------------|--------|---------------------|
| MBIA CLASS - Mutual fund | \$ 315,115 | AAA | Fitch |

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 4 - Receivables and Deferred Revenue

Receivables as of year end for the Township's general and the nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | Non-major Funds | Total |
|-----------------------------------|-------------------|--------------------|-------------------|
| Receivables: | | | |
| Accounts | \$ 162,206 | \$ - | \$ 162,206 |
| Property taxes | 20,427 | - | 20,427 |
| Special assessments | - | 48,946 | 48,946 |
| Other receivables | 162 | 42,294 | 42,456 |
| Due from other governmental units | 107,582 | 49,085 | 156,667 |
| Less allowance for uncollectibles | <u>(162,206)</u> | <u>-</u> | <u>(162,206)</u> |
| Net receivables | <u>\$ 128,171</u> | <u>\$ 140,325</u> | <u>\$ 268,496</u> |

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:

| | Governmental Funds Unavailable |
|------------------------------------|--------------------------------------|
| Delinquent property taxes | \$ 411 |
| Special assessments | 52,946 |
| Total | <u>\$ 53,357</u> |
| | <u>Sewer Fund</u> |
| Business-type activities: | |
| Receivables: | |
| Accounts | \$ 45,824 |
| Special assessments | 7,531,678 |
| Intergovernmental | <u>137,138</u> |
| Gross receivables | 7,714,640 |
| Less: Allowance for uncollectibles | <u>-</u> |
| Net total receivables | <u>\$ 7,714,640</u> |

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 5 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

| | Balance April 1, 2009 | Additions | Disposals | Balance March 31, 2010 |
|---------------------------------------|--------------------------|--------------|-----------|---------------------------|
| Governmental Activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 7,500 | \$ - | \$ - | \$ 7,500 |
| Capital assets being depreciated: | | | | |
| Buildings | 324,391 | - | - | 324,391 |
| Land improvements | 70,424 | - | - | 70,424 |
| Machinery and equipment | 150,380 | - | - | 150,380 |
| Information technology | 25,670 | 9,950 | - | 35,620 |
| Subtotal | 570,865 | 9,950 | - | 580,815 |
| Accumulated depreciation: | | | | |
| Buildings | 189,197 | 9,745 | - | 198,942 |
| Land improvements | 60,888 | 4,419 | - | 65,307 |
| Machinery and equipment | 141,727 | 2,025 | - | 143,752 |
| Information technology | 5,134 | 7,124 | - | 12,258 |
| Subtotal | 396,946 | 23,313 | - | 420,259 |
| Net capital assets being depreciated | 173,919 | (13,363) | - | 160,556 |
| Net capital assets | \$ 181,419 | \$ (13,363) | \$ - | \$ 168,056 |
| Business-type Activities | | | | |
| Capital assets being depreciated: | | | | |
| Sewer system | \$ 19,043,092 | \$ 375,621 | \$ - | \$ 19,418,713 |
| Machinery and equipment | 336,500 | 24,310 | - | 360,810 |
| Subtotal | 19,379,592 | 399,931 | - | 19,779,523 |
| Accumulated depreciation: | | | | |
| Sewer system | 3,024,562 | 497,911 | - | 3,522,473 |
| Machinery and equipment | 288,426 | 51,544 | - | 339,970 |
| Subtotal | 3,312,988 | 549,455 | - | 3,862,443 |
| Net capital assets being depreciated | 16,066,604 | (149,524) | - | 15,917,080 |
| Net capital assets | \$ 16,066,604 | \$ (149,524) | \$ - | \$ 15,917,080 |

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities

| | |
|--------------------|-----------|
| General government | \$ 21,323 |
|--------------------|-----------|

Business-type Activities

| | |
|-------|------------|
| Sewer | \$ 549,455 |
|-------|------------|

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of March 31, 2010 is as follows:

| Receivable Fund | Payable Fund | Amount |
|-------------------------------------|---|-----------|
| Due to/from Other Funds | | |
| | Hill 1 & 2 Road Improvement Fund | \$ 101 |
| | Hill 4 Road Improvement Fund | 101 |
| | Jane Hill Lighting Fund | 250 |
| | Walnut Drive Lighting Fund | 50 |
| | Parkin Snow Removal Fund | 11,284 |
| | Sewer Fund | 18,326 |
| | Total General Fund | 30,112 |
| Road Improvement Fund | Other governmental funds | 16 |
| Township Improvement Revolving Fund | Other governmental funds | 13,089 |
| | General fund | 30,835 |
| | Total Township Improvement Revolving Fund | 43,924 |
| | Total | \$ 74,052 |

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

| <u>Fund Providing Resources</u> | <u>Fund Receiving Resources</u> | <u>Amount</u> |
|--|---------------------------------|-------------------|
| General Fund | Road Improvement Fund | \$ 38,700 |
| | Technology Fund | 29,200 |
| | Total General Fund | 67,900 |
| Parkin Snow Removal Fund | Road Improvement Fund | 11,300 |
| Township Improvement Revolving Fund | General fund | 71,000 |
| | Total | <u>\$ 150,200</u> |

The transfer from the General Fund represent the movement of resources to be used for future improvements, operation of the and technology needs. The transfer from the Parkin Snow Removal Fund represents the movement of resources to pay for snow removal services.

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the Township) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 7 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

| | <u>Interest Rate</u> | <u>Final Payment Due</u> | <u>Balance at March 31, 2009</u> | <u>Reductions</u> | <u>Balance at March 31, 2010</u> | <u>Due Within One Year</u> |
|--|-----------------------------|----------------------------------|----------------------------------|-------------------|----------------------------------|----------------------------|
| Governmental Activities | | | | | | |
| Tyrone Fire Authority Contract | 0% | January 15, 2012 | \$ 117,000 | \$ 39,000 | \$ 78,000 | \$ 39,000 |
| Jayne Hill No. 1 & 2 Road Improvement Project Special Assessment Bonds | 3.7 | April 1, 2015 | 124,600 | 17,800 | 106,800 | 17,800 |
| Jayne Hill No. 4 Road Improvement Special Assessment bonds | 3.47 | April 1, 2010 | <u>70,400</u> | <u>35,200</u> | <u>35,200</u> | <u>35,200</u> |
| Total bonds payable | | | <u>\$ 312,000</u> | <u>\$ 92,000</u> | <u>\$ 220,000</u> | <u>\$ 92,000</u> |
| | <u>Interest Rate Ranges</u> | <u>Principal Maturity Ranges</u> | <u>Beginning Balance</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
| Business-type Activities | | | | | | |
| Livingston County Sanitary Sewer Improvement Bonds Series 2007 | 4% | June 30, 2023 | \$ 4,120,000 | \$ 10,000 | \$ 4,110,000 | \$ 10,000 |
| Less deferred amounts: | | | | | | |
| Unamortized bond premium and loss on refinancing | | | (84,160) | (6,011) | (78,149) | - |
| Livingston County Sanitary Sewer Improvement Bonds Series 2005 | 3.375-4.25% | May 1, 2028 | 7,500,000 | 375,000 | 7,125,000 | 375,000 |
| Livingston County Sanitary Sewer Improvement Bonds Series 2003 | 3.25-4.125% | June 30, 2014 | <u>2,175,000</u> | <u>345,000</u> | <u>1,830,000</u> | <u>350,000</u> |

Tyrone Township

Notes to Financial Statements March 31, 2010

Note 7 - Long-term Debt (Continued)

| | | | | |
|---------------------|---------------------|-------------------|---------------------|-------------------|
| Total bonds payable | <u>\$13,710,840</u> | <u>\$ 723,989</u> | <u>\$12,986,851</u> | <u>\$ 735,000</u> |
|---------------------|---------------------|-------------------|---------------------|-------------------|

Total interest expense for the year was approximately \$526,376. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

| Year Ending March 31 | Governmental Activities | | | Business-type Activities | | |
|-------------------------|-------------------------|------------------|-------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2011 | \$ 92,000 | \$ 5,260 | \$ 97,260 | \$ 735,000 | \$ 507,581 | \$ 1,242,581 |
| 2012 | 56,800 | 3,349 | 60,149 | 750,000 | 481,027 | 1,231,027 |
| 2013 | 17,800 | 2,679 | 20,479 | 750,000 | 453,333 | 1,203,333 |
| 2014 | 17,800 | 2,010 | 19,810 | 765,000 | 424,475 | 1,189,475 |
| 2015 | 17,800 | 1,340 | 19,140 | 775,000 | 393,903 | 1,168,903 |
| 2016-2020 | 17,800 | 670 | 18,470 | 3,970,000 | 1,499,013 | 5,469,013 |
| 2021-2025 | - | - | - | 3,820,000 | 672,925 | 4,492,925 |
| 2026-2030 | - | - | - | 1,500,000 | 127,500 | 1,627,500 |
| Total | <u>\$ 220,000</u> | <u>\$ 15,308</u> | <u>\$ 235,308</u> | <u>\$ 13,065,000</u> | <u>\$ 4,559,757</u> | <u>\$ 17,624,757</u> |

Tyrone Township Jayne Hill Farms Subdivision 1 & 2 Road Improvement Special Assessment Bonds - Tyrone Township issued \$178,000 in Special Assessment Bonds. The Jayne Hill Farms Subdivision 1 & 2 Road Improvement Special Assessment Bonds were issued pursuant to Act 188, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the District. The bonds are dated August 30, 2005 with interest payable April 1, beginning on April 1, 2006. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate.

Tyrone Township Jayne Hill Farms Subdivision No. 4 Road Improvement Special Assessment Bonds - Tyrone Township issued \$176,000 in Special Assessment Bonds. The Livingston County Jayne Hill Farms Subdivision No. 4 Road Improvement Special Assessment Bonds were issued pursuant to Act 188, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the District. The bonds are dated August 30, 2005 with interest payable April 1, beginning in April 2007. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate.

Tyrone Township Fire Authority Contract - The Township entered into a settlement agreement contract because they opted out of the joint venture Hartland Deerfield Tyrone Fire Authority. The settlement requires five annual payments of \$39,000 each, commencing on January 15, 2008.

Note 7 - Long-term Debt (Continued)

Tyrone Township Sewer Bonds - Series 2003 - Tyrone Township, through Livingston County, issued \$7,725,000 in Sanitary Sewer Improvement Bonds. The Livingston County Sanitary Sewer Improvement Bonds Series 2003 (Tyrone Township Sewer Bonds) were issued pursuant to Act 185 and 342, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the District. The bonds are dated August 27, 2003 with interest payable November 1 and May 1, beginning on November 1, 2003. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate.

Tyrone Township Sewer Bonds - Series 2005 - Tyrone Township, through Livingston County, issued \$8,640,000 in Sanitary Sewer Improvement Bonds. The Livingston County Sanitary Sewer Improvement Bonds Series 2005 (Tyrone Township Sewer Bonds) were issued pursuant to Act 185 and 342, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the District. The bonds are dated June 22, 2005 with interest payable November 1 and May 1, beginning on May 1, 2007. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate.

Tyrone Township Sewer Bonds - Series 2007 - Tyrone Township, through Livingston County, issued \$4,155,000 in Sanitary Sewer Improvement Bonds. The Livingston County Sanitary Sewer Improvement Bonds Series 2007 (Tyrone Township Sewer Bonds) were issued pursuant to Act 185 and 342, Michigan Public Acts of 1954, as amended. They are primarily payable from collections of special assessments levied against the benefited properties in the District. The bonds are dated December 12, 2007 with interest payable June 30 and December 31, beginning on June 30, 2008. The Township's limited tax full faith and credit are pledged for the payment of the bonds if the special assessments are not adequate.

Act 359, Public Acts of State 1947, as amended, provides that net indebtedness of municipalities cannot exceed 10% of the assessed real and personal property in the Township. As of March 31, 2009, the Tyrone Township had not incurred any indebtedness which would be limited under Act 359. The Township's existing general long-term debt obligation contracts are specifically exempted from consideration in the 10% limit computation.

Current Refundings - In prior years, the Township defeased the Livingston County Sanitary Sewer Improvement Bonds, Tyrone Township Series 2003 by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the general purpose financial statements. At March 31, 2010, \$5,805,000 of bonds outstanding are considered defeased.

Note 8 - Pension

The Township has a qualified, contributory pension plan covering all elected officials established by Township Ordinance No. 31. The plan is administered by John Hancock. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan generally requires contributions of 10% of covered wages of participating employees. The employer contributes 75% and the employees contribute 25% of the required contribution. Benefits attributable to the employer contributions shall vest 100% upon the participants death, disability, normal retirement or upon the termination of the plan. Employee contributions are immediately 100% vested.

The Township's total payroll for the year ended March 31, 2010 was \$314,125. Contributions were based on the covered payroll (base salary) of \$63,260 during the plan period, which is April 1, 2009 through March 31, 2010. The Township and the covered employees made the required contributions of \$5,139 and \$1,956.

Note 9 - Risk Management and Contingent Liabilities

The Township is exposed to various risks of loss related to property loss, torts, errors and omission, and employee injuries. The Township has purchased commercial insurance for these claims. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Livingston County purchases delinquent tax rolls from the County's local units. In the event that those taxes become uncollectible, the County charges those amounts back to the local units. Therefore, the Township is exposed to potential refunds to Livingston County for the amount of uncollectible taxes and special assessment that were purchased by the County. The County has purchased a significant amount of delinquent special assessments levied by the Sewer Fund over the past three years. As of the day of this report, the County has not been able to collect on a significant portion of those delinquent amounts. The Township estimates \$1,004,022 will be repaid to the County and thus a payable has been recorded in the sewer fund at year end.

Note 10 - Upcoming Accounting Pronouncements

In June 2007, the GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets, effective for the Township's 2011 fiscal year end. This Statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life. This statement also establishes specified conditions upon which internally generated intangible assets should be recognized and amortized, including internally generated computer software. The Township is currently evaluating the impact this standard will have on the financial statements when adopted.

Note 10 - Upcoming Accounting Pronouncements (Continued)

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned and unassigned. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The Township will implement Statement No. 54 beginning with the fiscal year ended March 31, 2012.

Required Supplemental Information

Tyrone Township

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|--|-----------------|----------------|------------|---------------------------------|
| Revenue | | | | |
| Property taxes | \$ 425,500 | \$ 425,500 | \$ 406,196 | \$ (19,304) |
| Licenses and permits | 6,260 | 6,260 | 8,426 | 2,166 |
| State-shared revenue and grants | 545,300 | 545,300 | 508,511 | (36,789) |
| Charges for services | 89,860 | 89,860 | 119,635 | 29,775 |
| Investment income | 10,130 | 10,130 | 8,231 | (1,899) |
| Other revenue: | | | | |
| Cable franchise fees | 70,000 | 70,000 | 89,447 | 19,447 |
| Fees | 132,088 | 132,088 | 128,870 | (3,218) |
| Other miscellaneous income | 13,700 | 13,700 | 19,462 | 5,762 |
| Total revenue | 1,292,838 | 1,292,838 | 1,288,778 | (4,060) |
| Expenditures - Current | | | | |
| General government: | | | | |
| Township Board | 110,113 | 143,433 | 133,236 | 10,197 |
| Supervisor | 26,160 | 26,660 | 26,434 | 226 |
| Cemeteries | 7,600 | 4,600 | 3,280 | 1,320 |
| Zoning Administrator | 32,905 | 34,855 | 34,511 | 344 |
| Planning Commission | 62,622 | 69,122 | 66,557 | 2,565 |
| Zoning Board of Appeals | 7,164 | 5,464 | 5,273 | 191 |
| Treasurer | 90,298 | 88,798 | 82,193 | 6,605 |
| Assessing | 46,100 | 47,150 | 44,272 | 2,878 |
| Board of Review | 3,120 | 3,120 | 1,253 | 1,867 |
| Clerk | 88,166 | 88,166 | 86,448 | 1,718 |
| Elections | 50,440 | 37,284 | 34,284 | 3,000 |
| Buildings and grounds | 32,825 | 31,325 | 23,467 | 7,858 |
| Economic development | 4,000 | 4,000 | 4,000 | - |
| Other | 26,200 | 16,950 | 14,045 | 2,905 |
| Insurance, bond and fringes | 101,148 | 101,148 | 93,562 | 7,586 |
| Total general government | 688,861 | 702,075 | 652,815 | 49,260 |
| Public safety: | | | | |
| Police | 129,490 | 129,490 | 133,882 | (4,392) |
| Fire | 355,780 | 330,600 | 321,977 | 8,623 |
| Ordinance enforcement | 2,827 | 3,543 | 3,441 | 102 |
| Total public safety | 488,097 | 463,633 | 459,300 | 4,333 |
| Public works | | | | |
| Public works | 7,500 | 5,750 | 13,021 | (7,271) |
| Health and welfare - Seniors | | | | |
| Health and welfare - Seniors | 4,380 | 4,380 | 4,035 | 345 |
| Total health and welfare | 4,380 | 4,380 | 4,035 | 345 |
| Capital outlay | | | | |
| Capital outlay | 7,500 | - | - | - |
| Debt service | | | | |
| Debt service | 39,000 | 39,000 | 39,000 | - |
| Total expenditures | 1,235,338 | 1,214,838 | 1,168,171 | 46,667 |
| Excess of Revenue Over (Under) Expenditures | 57,500 | 78,000 | 120,607 | 42,607 |

Tyrone Township

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|-------------------|-------------------|-------------------|---------------------------------|
| Other Financing Sources (Uses) | | | | |
| Transfers in | \$ - | \$ - | \$ 71,000 | \$ 71,000 |
| Transfers out | (57,500) | (78,000) | (67,900) | (10,100) |
| Total other financing sources (uses) | (57,500) | (78,000) | 3,100 | 60,900 |
| Net Change in Fund Balance | - | - | 123,707 | 103,507 |
| Fund Balance - Beginning of year | 720,992 | 720,992 | 720,992 | - |
| Fund Balance - End of year | <u>\$ 720,992</u> | <u>\$ 720,992</u> | <u>\$ 844,699</u> | <u>\$ 123,707</u> |

Other Supplemental Information

Tyrone Township

Other Supplemental Information Nonmajor Enterprise Funds Fund Descriptions

Liquor Law Enforcement - to account for funds received by the Township for liquor law enforcement.

Road Improvement - to account for funds transferred from the Township's General Fund for road improvement projects.

Building and Site - to account for funds transferred from the Township General Fund for various building and site improvements.

Improvement Revolving - to account for funds transferred from the Township's General Fund for various capital improvement projects.

Jayne Hill 1 & 2 Road Improvement - to account for the collection of special assessments levied on affected properties for road improvements.

Jayne Hill 4 Road Improvement - to account for the collection of special assessments levied on affected properties for road improvements.

Parkwood/Driftwood Maintenance - to account for the collection of special assessments levied on affected properties for road improvements.

Jayne Hill Lighting - to account for the collection of special assessments levied on affected properties for lighting improvements.

Walnut Drive Lighting - to account for the collection of special assessments levied on affected properties for lighting improvements.

Jayne Hill Waste Removal - to account for the collection of special assessments for waste disposal.

Technology - to account for purchases and maintenance of computer equipment.

Parkin Snow Removal – to account for the collection of special assessments levied on affected properties for snow removal.

Beautification Fund - To collect revenue and expenses associated with projects taken on by the township to clean up or raze resident properties in order to make the township more attractive. Funded by the property owner.

Parkin Lane Road Construction Maintenance - To account for the collection of special assessments levied on affected properties for road construction (fund currently is accumulating expenses associated with this project until special assessment is approved by affected parties).

Tyrone Township

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

| | Special Revenue Funds | | | | |
|--------------------------------------|---------------------------|---------------------|----------------------|---|---|
| | Liquor Law Enforcement | Road Improvement | Building and Site | Township Improvement Revolving Fund | Jayne Hill 1 & 2 Road Improvement |
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ 96,622 | \$ 4,471 | \$ 59,208 | \$ 65,561 |
| Investments | - | 240,136 | - | 178,841 | - |
| Receivables: | | | | | |
| Special assessments receivable | - | - | - | - | 48,946 |
| Other receivables | - | - | - | 38,294 | - |
| Due from other governmental units | - | - | - | 43,278 | 239 |
| Due from other funds | - | - | 16 | 43,924 | - |
| | \$ - | \$ 336,758 | \$ 4,487 | \$ 363,545 | \$ 114,746 |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to other funds | - | - | 665 | - | 101 |
| Deferred revenue | - | - | - | - | 48,946 |
| | - | - | 665 | - | 49,047 |
| Fund Balances | | | | | |
| Reserved for: | | | | | |
| Debt service | - | - | - | - | 65,699 |
| Other purposes | - | - | - | 38,294 | - |
| Unreserved, reported in: | | | | | |
| Special Revenue Funds | - | 336,758 | 3,822 | 325,251 | - |
| | - | 336,758 | 3,822 | 363,545 | 65,699 |
| Total liabilities and fund balances | \$ - | \$ 336,758 | \$ 4,487 | \$ 363,545 | \$ 114,746 |

Tyrone Township

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds March 31, 2010

| | Special Revenue Funds | | | | |
|--|-------------------------------------|---------------------------------------|--------------------------------------|--|-----------------------------|
| | Jayne Hill 4 Road Improvement | Parkwood/ Driftwood Maintenance | Jayne Hill Lighting Assessment | Walnut Drive Lighting Assessment | Jayne Hill Waste Removal |
| Assets | | | | | |
| Cash and cash equivalents | \$ 39,755 | \$ 5,728 | \$ 1,596 | \$ 203 | \$ 24,586 |
| Investments | - | - | - | - | - |
| Receivables: | | | | | |
| Special assessments receivable | - | - | - | - | - |
| Other receivables | - | - | - | - | - |
| Due from other governmental units | 2,382 | - | 124 | - | 795 |
| Due from other funds | - | - | - | - | - |
| Total assets | \$ 42,137 | \$ 5,728 | \$ 1,720 | \$ 203 | \$ 25,381 |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ 387 | \$ 39 | \$ - |
| Due to other funds | 101 | - | 250 | 50 | - |
| Deferred revenue | - | - | - | - | - |
| Total liabilities | 101 | - | 637 | 89 | - |
| Fund Balances | | | | | |
| Reserved for: | | | | | |
| Debt service | 42,036 | - | - | - | - |
| Other purposes | - | 5,728 | 1,083 | 114 | 25,381 |
| Unreserved, reported in: | | | | | |
| Special Revenue Funds | - | - | - | - | - |
| Total fund balances | 42,036 | 5,728 | 1,083 | 114 | 25,381 |
| Total liabilities and fund balances | \$ 42,137 | \$ 5,728 | \$ 1,720 | \$ 203 | \$ 25,381 |

Tyrone Township

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds March 31, 2010

| | Special Revenue Funds | | | | Total Nonmajor Governmental Funds |
|--|-----------------------|----------------------|------------------------|------------------------------------|--|
| | Technology Fund | Snow Removal Fund | Beautification Fund | Parkin Lane Road Maintenance | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 7,589 | \$ 17,207 | \$ 531 | \$ 684 | \$ 323,741 |
| Investments | - | - | - | - | 418,977 |
| Receivables: | | | | | |
| Special assessments receivable | - | - | - | - | 48,946 |
| Other receivables | - | - | 4,000 | - | 42,294 |
| Due from other governmental units | - | 2,267 | - | - | 49,085 |
| Due from other funds | - | - | - | - | 43,940 |
| Total assets | \$ 7,589 | \$ 19,474 | \$ 4,531 | \$ 684 | \$ 926,983 |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 426 |
| Due to other funds | - | 15,700 | 4,000 | 4,024 | 24,891 |
| Deferred revenue | - | - | 4,000 | - | 52,946 |
| Total liabilities | - | 15,700 | 8,000 | 4,024 | 78,263 |
| Fund Balances | | | | | |
| Reserved for: | | | | | |
| Debt service | - | - | - | - | 107,735 |
| Other purposes | - | 3,774 | - | - | 74,374 |
| Unreserved, reported in: | | | | | |
| Special Revenue Funds | 7,589 | - | (3,469) | (3,340) | 666,611 |
| Total fund balances | 7,589 | 3,774 | (3,469) | (3,340) | 848,720 |
| Total liabilities and fund balances | \$ 7,589 | \$ 19,474 | \$ 4,531 | \$ 684 | \$ 926,983 |

Tyrone Township

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year Ended March 31, 2010

| | Special Revenue Funds | | | | |
|--|---------------------------|---------------------|----------------------|---|---|
| | Liquor Law Enforcement | Road Improvement | Building and Site | Township Improvement Revolving Fund | Jayne Hill 1 & 2 Road Improvement |
| Revenue | | | | | |
| Charges for services | \$ 1,882 | \$ - | \$ - | \$ - | \$ - |
| Investment income | - | 4,296 | - | 6,248 | 383 |
| Other revenue: | | | | | |
| Special assessments | - | - | - | - | 13,137 |
| Other miscellaneous income | - | - | - | - | - |
| Total revenue | <u>1,882</u> | <u>4,296</u> | <u>-</u> | <u>6,248</u> | <u>13,520</u> |
| Expenditures - Current | | | | | |
| General government: | | | | | |
| Buildings and grounds | - | - | 2,024 | - | - |
| Public safety: | | | | | |
| Public safety | 1,882 | - | - | - | - |
| Public works: | | | | | |
| Street construction | - | 40,532 | - | - | - |
| Routine maintenance | - | - | - | - | - |
| Winter maintenance | - | - | - | - | - |
| Rubbish disposal | - | - | - | - | - |
| Street lighting | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | 17,800 |
| Interest on long-term debt | - | - | - | - | 4,610 |
| Total expenditures | <u>1,882</u> | <u>40,532</u> | <u>2,024</u> | <u>-</u> | <u>22,410</u> |
| Excess of Revenue Over (Under) Expenditures | - | (36,236) | (2,024) | 6,248 | (8,890) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | 50,000 | - | - | - |
| Transfers out | - | - | - | (71,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>(71,000)</u> | <u>-</u> |
| Net Change in Fund Balances | - | 13,764 | (2,024) | (64,752) | (8,890) |
| Fund Balances - Beginning of year | - | 322,994 | 5,846 | 428,297 | 74,589 |
| Fund Balances (Deficit) - End of year | <u>\$ -</u> | <u>\$ 336,758</u> | <u>\$ 3,822</u> | <u>\$ 363,545</u> | <u>\$ 65,699</u> |

Tyrone Township

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended March 31, 2010

| | Special Revenue Funds | | | | |
|--|-------------------------------------|---------------------------------------|--------------------------------------|--|-----------------------------|
| | Jayne Hill 4 Road Improvement | Parkwood/ Driftwood Maintenance | Jayne Hill Lighting Assessment | Walnut Drive Lighting Assessment | Jayne Hill Waste Removal |
| Revenue | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment income | 130 | - | - | - | - |
| Other revenue: | | | | | |
| Special assessments | 21,429 | 500 | 1,612 | 165 | 19,239 |
| Other miscellaneous income | - | - | - | - | - |
| Total revenue | <u>21,559</u> | <u>500</u> | <u>1,612</u> | <u>165</u> | <u>19,239</u> |
| Expenditures - Current | | | | | |
| General government: | | | | | |
| Buildings and grounds | - | - | - | - | - |
| Public safety: | | | | | |
| Public safety | - | - | - | - | - |
| Public works: | | | | | |
| Street construction | - | - | - | - | - |
| Routine maintenance | - | - | - | - | - |
| Winter maintenance | - | - | - | - | - |
| Rubbish disposal | - | - | - | - | 19,188 |
| Street lighting | - | - | 1,838 | 184 | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal | 35,200 | - | - | - | - |
| Interest on long-term debt | 2,442 | - | - | - | - |
| Total expenditures | <u>37,642</u> | <u>-</u> | <u>1,838</u> | <u>184</u> | <u>19,188</u> |
| Excess of Revenue Over (Under) Expenditures | (16,083) | 500 | (226) | (19) | 51 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (16,083) | 500 | (226) | (19) | 51 |
| Fund Balances - Beginning of year | <u>58,119</u> | <u>5,228</u> | <u>1,309</u> | <u>133</u> | <u>25,330</u> |
| Fund Balances (Deficit) - End of year | <u>\$ 42,036</u> | <u>\$ 5,728</u> | <u>\$ 1,083</u> | <u>\$ 114</u> | <u>\$ 25,381</u> |

Tyrone Township

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended March 31, 2010

| | Special Revenue Funds | | | | Total Nonmajor Governmental Funds |
|--|-----------------------|----------------------|------------------------|------------------------------------|--|
| | Technology Fund | Snow Removal Fund | Beautification Fund | Parkin Lane Road Maintenance | |
| Revenue | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ - | \$ 1,882 |
| Investment income | - | - | - | - | 11,057 |
| Other revenue: | | | | | |
| Special assessments | - | 18,600 | - | - | 74,682 |
| Other miscellaneous income | - | - | 3,731 | - | 3,731 |
| Total revenue | - | 18,600 | 3,731 | - | 91,352 |
| Expenditures - Current | | | | | |
| General government: | | | | | |
| Buildings and grounds | - | - | - | - | 2,024 |
| Public safety: | | | | | |
| Public safety | - | - | - | - | 1,882 |
| Public works: | | | | | |
| Street construction | - | - | - | 3,340 | 43,872 |
| Routine maintenance | - | - | 7,200 | - | 7,200 |
| Winter maintenance | - | 3,864 | - | - | 3,864 |
| Rubbish disposal | - | - | - | - | 19,188 |
| Street lighting | - | - | - | - | 2,022 |
| Capital outlay | 26,366 | - | - | - | 26,366 |
| Debt service | | | | | |
| Principal | - | - | - | - | 53,000 |
| Interest on long-term debt | - | - | - | - | 7,052 |
| Total expenditures | 26,366 | 3,864 | 7,200 | 3,340 | 166,470 |
| Excess of Revenue Over (Under) Expenditures | (26,366) | 14,736 | (3,469) | (3,340) | (75,118) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 29,200 | - | - | - | 79,200 |
| Transfers out | - | (11,300) | - | - | (82,300) |
| Total other financing sources (uses) | 29,200 | (11,300) | - | - | (3,100) |
| Net Change in Fund Balances | 2,834 | 3,436 | (3,469) | (3,340) | (78,218) |
| Fund Balances - Beginning of year | 4,755 | 338 | - | - | 926,938 |
| Fund Balances (Deficit) - End of year | <u>\$ 7,589</u> | <u>\$ 3,774</u> | <u>\$ (3,469)</u> | <u>\$ (3,340)</u> | <u>\$ 848,720</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Liquor Law Enforcement Budgetary Comparison Year Ended March 31, 2010

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> | <u>Variance with Amended Budget</u> |
|---|------------------------|---------------------------|---------------|---|
| Revenue | | | | |
| Charges for services | \$ 1,864 | \$ 1,864 | \$ 1,882 | \$ 18 |
| Expenditures - Current | | | | |
| Public safety: | | | | |
| Combined public safety department | <u>1,864</u> | <u>1,864</u> | <u>1,882</u> | <u>(18)</u> |
| Fund Balance - Beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance - End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Road Improvement Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|--|-------------------|-------------------|-------------------|------------------------------------|
| Revenue | | | | |
| Investment income | \$ - | \$ - | \$ 4,296 | \$ 4,296 |
| Expenditures - Current | | | | |
| Public works: | | | | |
| Streets | 83,200 | 83,200 | 40,532 | 42,668 |
| Excess of Revenue Over (Under) Expenditures | (83,200) | (83,200) | (36,236) | 46,964 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 50,000 | 50,000 | 50,000 | - |
| Net Change in Fund Balance | (33,200) | (33,200) | 13,764 | 46,964 |
| Fund Balance - Beginning of year | 322,994 | 322,994 | 322,994 | - |
| Fund Balance - End of year | \$ 289,794 | \$ 289,794 | \$ 336,758 | \$ 46,964 |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Building and Site Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|--|-----------------|-------------------|-----------------|------------------------------------|
| Expenditures - Current | | | | |
| General government: | | | | |
| Buildings and grounds | \$ 1,696 | \$ 1,696 | \$ 2,024 | \$ (328) |
| Excess of Revenue Over (Under) Expenditures | (1,696) | (1,696) | (2,024) | (328) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,696 | 1,696 | - | (1,696) |
| Net Change in Fund Balance | - | - | (2,024) | (2,024) |
| Fund Balance - Beginning of year | 5,846 | 5,846 | 5,846 | - |
| Fund Balance - End of year | <u>\$ 5,846</u> | <u>\$ 5,846</u> | <u>\$ 3,822</u> | <u>\$ (2,024)</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Township Improvement Revolving Fund Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|--|-------------------|-------------------|-------------------|------------------------------------|
| Revenue | | | | |
| Investment income | \$ 1,580 | \$ 1,580 | \$ 6,248 | \$ 4,668 |
| Excess of Revenue Over (Under) Expenditures | 1,580 | 1,580 | 6,248 | 4,668 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 52,177 | 52,177 | - | (52,177) |
| Transfers out | - | - | (71,000) | 71,000 |
| Net Change in Fund Balance | 53,757 | 53,757 | (64,752) | 23,491 |
| Fund Balance - Beginning of year | 428,297 | 428,297 | 428,297 | - |
| Fund Balance - End of year | <u>\$ 482,054</u> | <u>\$ 482,054</u> | <u>\$ 363,545</u> | <u>\$ 23,491</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Jayne Hill I & 2 Road Improvement Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|------------------|-------------------|------------------|------------------------------------|
| Revenue | | | | |
| Investment income | \$ - | \$ - | \$ 383 | \$ 383 |
| Other revenue: | | | | |
| Special assessments | 13,654 | 13,654 | 13,137 | (517) |
| Total revenue | 13,654 | 13,654 | 13,520 | (134) |
| Expenditures - Current | | | | |
| Debt service: | | | | |
| Principal | 17,800 | 17,800 | 17,800 | - |
| Interest on long-term debt | 5,269 | 5,269 | 4,610 | 659 |
| Net Change in Fund Balance | (9,415) | (9,415) | (8,890) | 525 |
| Fund Balance - Beginning of year | 74,589 | 74,589 | 74,589 | - |
| Fund Balance - End of year | <u>\$ 65,174</u> | <u>\$ 65,174</u> | <u>\$ 65,699</u> | <u>\$ 525</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Jayne Hill 4 Road Improvement Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|------------------|-------------------|------------------|------------------------------------|
| Revenue | | | | |
| Investment income | \$ - | \$ - | \$ 130 | \$ 130 |
| Other revenue: | | | | |
| Special assessments | 23,305 | 23,305 | 21,429 | (1,876) |
| Total revenue | 23,305 | 23,305 | 21,559 | (1,746) |
| Expenditures - Current | | | | |
| Debt service: | | | | |
| Principal | 35,200 | 35,200 | 35,200 | - |
| Interest on long-term debt | 3,664 | 3,664 | 2,442 | 1,222 |
| Net Change in Fund Balance | (15,559) | (15,559) | (16,083) | (524) |
| Fund Balance - Beginning of year | 58,119 | 58,119 | 58,119 | - |
| Fund Balance - End of year | <u>\$ 42,560</u> | <u>\$ 42,560</u> | <u>\$ 42,036</u> | <u>\$ (524)</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Parkwood/Driftwood Maintenance Budgetary Comparison Year Ended March 31, 2010

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> | <u>Variance with Amended Budget</u> |
|---|------------------------|---------------------------|-----------------|---|
| Revenue | | | | |
| Other revenue | \$ 500 | \$ 500 | \$ 500 | \$ - |
| Net Change in Fund Balance | 500 | 500 | 500 | - |
| Fund Balance - Beginning of year | <u>5,228</u> | <u>5,228</u> | <u>5,228</u> | <u>-</u> |
| Fund Balance - End of year | <u>\$ 5,728</u> | <u>\$ 5,728</u> | <u>\$ 5,728</u> | <u>\$ -</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Jayne Hill Lighting Assessment Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|-----------------|-------------------|-----------------|------------------------------------|
| Revenue | | | | |
| Other revenue: | | | | |
| Special assessments | \$ 1,456 | \$ 1,456 | \$ 1,612 | \$ 156 |
| Expenditures - Current | | | | |
| Public works: | | | | |
| Street lighting | 1,565 | 1,565 | 1,838 | (273) |
| Net Change in Fund Balance | (109) | (109) | (226) | (117) |
| Fund Balance - Beginning of year | 1,309 | 1,309 | 1,309 | - |
| Fund Balance - End of year | <u>\$ 1,200</u> | <u>\$ 1,200</u> | <u>\$ 1,083</u> | <u>\$ (117)</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Walnut Drive Lighting Assessment Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|-----------------|-------------------|--------|------------------------------------|
| Revenue | | | | |
| Other revenue: | | | | |
| Special assessments | \$ 155 | \$ 155 | \$ 165 | \$ 10 |
| Expenditures - Current | | | | |
| Public works: | | | | |
| Street lighting | 134 | 134 | 184 | (50) |
| Net Change in Fund Balance | 21 | 21 | (19) | (40) |
| Fund Balance - Beginning of year | 133 | 133 | 133 | - |
| Fund Balance - End of year | \$ 154 | \$ 154 | \$ 114 | \$ (40) |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Jayne Hill Waste Removal Budgetary Comparison Year Ended March 31, 2010

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> | <u>Variance with Amended Budget</u> |
|---|------------------------|---------------------------|------------------|---|
| Revenue | | | | |
| Other revenue: | | | | |
| Special assessments | \$ 21,844 | \$ 21,844 | \$ 19,239 | \$ (2,605) |
| Expenditures - Current | | | | |
| Public works: | | | | |
| Rubbish disposal | 19,188 | 19,188 | 19,188 | - |
| Net Change in Fund Balance | 2,656 | 2,656 | 51 | (2,605) |
| Fund Balance - Beginning of year | 25,330 | 25,330 | 25,330 | - |
| Fund Balance - End of year | <u>\$ 27,986</u> | <u>\$ 27,986</u> | <u>\$ 25,381</u> | <u>\$ (2,605)</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Technology Fund Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|-----------------|--------------------|-----------------|------------------------------------|
| Expenditures - Current | | | | |
| Capital outlay | \$ 5,000 | \$ 23,500 | \$ 26,366 | \$ (2,866) |
| Excess of Revenue Over (Under) | | | | |
| Expenditures | (5,000) | (23,500) | (26,366) | (2,866) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 7,500 | 7,500 | 29,200 | 21,700 |
| Net Change in Fund Balance | 2,500 | (16,000) | 2,834 | 18,834 |
| Fund Balance - Beginning of year | 4,755 | 4,755 | 4,755 | - |
| Fund Balance - End of year | <u>\$ 7,255</u> | <u>\$ (11,245)</u> | <u>\$ 7,589</u> | <u>\$ 18,834</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Snow Removal Fund Budgetary Comparison Year Ended March 31, 2010

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|-----------------|-------------------|-----------------|------------------------------------|
| Revenue | | | | |
| Other revenue: | | | | |
| Special assessments | \$ 7,088 | \$ 7,088 | \$ 18,600 | \$ 11,512 |
| Expenditures - Current | | | | |
| Public works: | | | | |
| Streets | 7,088 | 7,088 | 3,864 | 3,224 |
| Transfers out | - | - | (11,300) | 11,300 |
| Net Change in Fund Balance | - | - | 3,436 | 26,036 |
| Fund Balance - Beginning of year | 338 | 338 | 338 | - |
| Fund Balance - End of year | <u>\$ 338</u> | <u>\$ 338</u> | <u>\$ 3,774</u> | <u>\$ 3,436</u> |

Tyrone Township

Other Supplemental Information Nonmajor Governmental Fund - Beautification Fund Budgetary Comparison Year Ended March 31, 2010

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> | <u>Variance with Amended Budget</u> |
|---|------------------------|---------------------------|-------------------|---|
| Revenue | | | | |
| Other revenue: | | | | |
| Other miscellaneous income | \$ - | \$ 9,300 | \$ 3,731 | \$ (5,569) |
| Expenditures - Current | | | | |
| Public works | - | 9,300 | 7,200 | 2,100 |
| Net Change in Fund Balance | - | - | (3,469) | (3,469) |
| Fund Balance - Beginning of year | - | - | - | - |
| Fund Balance - End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,469)</u> | <u>\$ (3,469)</u> |