

**MULLETT TOWNSHIP
CHEBOYGAN COUNTY, MICHIGAN**

Financial Statements
For the Year Ended
March 31, 2014

Prepared By:

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MULLETT TOWNSHIP

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Member:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

August 21, 2014

Township Board
Mullett Township
Cheboygan County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of *Mullett Township, Cheboygan County, Michigan*, as of and for the year ended March 31, 2014, which collectively comprise *Mullett Township's* basic financial statements as listed in the table of contents. These financial statements are the responsibility of *Mullett Township's* management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of *Mullett Township, Cheboygan County, Michigan*, as of March 31, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 5 and 21 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in cursive script that reads "Richard E. Mahlmeister, CPA".

Richard E. Mahlmeister, CPA
Richard E. Mahlmeister, CPA, PC

MULLETT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2014. Please read it in conjunction with the financial statements, which immediately follow this section.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position 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. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide Highlights

Net position at March 31, 2014 totaled \$2,257,704 representing an increase of \$464,443 from the previous fiscal year.

Governmental Fund Highlights

The governmental activities of the Township reported combined ending fund balances of \$1,238,178 which represents an increase of \$3,594 from the previous fiscal year.

Capital Assets and Long-term Debt

The Township does not have any long-term debt. Capital assets have increased by \$460,849. Capital asset and debt activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: 1) management's discussion and analysis; 2) the basic financial statements; and 3) required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present governmental activities and/or business-type activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

MULLETT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole, using accounting methods used by private companies. The Statement of Net Position includes all of the Township's assets and liabilities. The Statement of Activities records all of the current year's revenues and expenses, regardless of when received or paid.

The two Government-wide statements report net position and how they have changed. Net position is the difference between the Township's assets and liabilities. This is one method to measure our financial health or position.

Over time, increases or decreases in the Township's net position are an indicator of whether financial position is improving or deteriorating.

To assess the overall health of the Township, you may also consider additional factors such as tax base changes, facility conditions, and personnel changes.

Most of the activities are reported as governmental activities. These would include the operations recorded in the General Fund, Special Revenue-Fire Fund, Library Fund, Liquor Law Enforcement Fund and Street Lighting Fund.

The comparison of net position of governmental activities from year to year serves to measure a government's financial position:

**Mullett Township
Net Position
March 31,**

	GOVERNMENTAL ACTIVITIES	
	2014	2013
Current assets	\$1,247,080	\$1,254,509
Capital assets (net)	<u>1,019,526</u>	<u>558,677</u>
Total assets	<u>2,266,606</u>	<u>1,813,186</u>
Total Liabilities - all current	<u>8,902</u>	<u>19,926</u>
Net assets:		
Invested in capital assets, net of related debt	1,019,526	558,677
Restricted	757,446	854,343
Unrestricted	<u>480,732</u>	<u>380,241</u>
	<u>\$2,257,704</u>	<u>\$1,793,261</u>

MULLETT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

The most significant portion of the Township's Net Position is the investment in capital assets (e.g. land, buildings and improvements, office and other equipment, fire equipment, fire vehicles and library materials), less any related debt that is outstanding that the Township used to acquire or construct the asset. The Township has \$480,732 in unrestricted net position. These net assets represent resources that are available for appropriation, but are limited by policies regarding their use.

The following table summarizes the results of the changes in net position of the Township:

		GOVERNMENTAL ACTIVITIES	
		2014	2013
REVENUES:			
Program revenues:			
Charges for services	\$	26,614	\$ 24,556
Operating grants and contributions		36,822	1,000
General revenues:			
Property taxes		422,785	420,160
Federal-shared revenues		-	77,587
State-shared revenues		382,880	101,126
Penal fines		6,636	7,059
Interest income and rents		1,982	6,005
Other		2,610	16,277
Total Revenues		<u>880,329</u>	<u>653,770</u>
EXPENSES:			
Legislative		49,941	50,526
General government		135,255	136,431
Public safety		99,247	144,470
Public works		29,467	134,563
Recreation and culture		101,976	75,309
Total Expenses		<u>415,886</u>	<u>541,299</u>
Net assets:			
Increase (decrease)		464,443	112,471
Beginning net position		<u>1,793,261</u>	<u>1,680,790</u>
Ending net position		<u>\$ 2,257,704</u>	<u>\$ 1,793,261</u>

MULLETT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Governmental Activities

The Township is able to report positive balances in net position. Net position increased by \$434,443. Property tax revenue remained stable and state revenue increased due to a \$280,000 grant for recreational improvements to the Topinabee beach. The continuing decline in interest income is due to lower rates earned on our cash deposit balances. The greatest factor expenses have decreased was due to fewer road projects undertaken during the current and declining depreciation expense on our older capital assets.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. They may also be created by the Township Board. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds

Most of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

The Township maintains five individual governmental funds; General Fund, Fire Fund, Library Fund and Street Lighting Fund of which we consider major funds. We also have Liquor Law Enforcement Fund, which we consider a non-major fund. The Township funds are financed primarily by property tax revenue, state shared revenues, and for the Library Fund, county penal fines.

Fiduciary Funds

The Township acts as a trustee or fiduciary and is responsible for insuring that the assets of these activities are collected and disbursed to the respective entities to which the funds belong. The Township maintains these funds and is responsible for insuring that the assets of these activities are spent for their intended purpose and at the direction of those individuals/organizations to which the funds belongs. These activities do not appear in the Township's government-wide financial statements since the assets do not belong to the Township. The Township maintains a Tax Collection Fund in this category.

MULLETT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental Fund Activities

Overall the governmental funds had a net increase in fund balance over the prior year. The Township continued to provide the same services to its residents: administrative, assessing, elections, township hall maintenance, road maintenance, fire protection, library service and tax collection. The General Fund decreased its fund balance by \$116,125, bringing the fund balance to \$625,972; the Fire Fund increased its fund balance by \$98,475, bringing the fund balance to \$514,313; the Library Fund increased its fund balance by \$15,792, bringing the fund balance to \$57,379; the Street Lighting Fund increased its fund balance by \$5,144, bringing the fund balance to \$39,948 and the Liquor Law Enforcement Fund increased its fund balance by \$308, bringing the fund balance to \$566.

Capital Asset and Debt Administration

Capital Assets

At March 31, 2014, the Township's governmental activities had \$2,302,942 in capital assets (land, buildings and improvements, office and other equipment, fire equipment, fire vehicles, and library materials). We had capital expenditures of \$493,222 in the current year. These expenditures consisted primarily of expenditures on the Topinabee Beach Park improvement project and streetscape projects.

Long-Term Debt

We have no debt and no new debt was incurred during the year.

BUDGETARY HIGHLIGHTS

There were no significant differences between the original and final budget.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The Township expects financial aspects of governing to be generally the same as in the current year. We plan on improving our recreational facilities, local roads, library services, public safety and are striving to keep all our current buildings in good repair as money permits each year.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our citizens, creditors, investors, and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for revenues it receives. If you have any questions concerning this report, or need additional information, please contact any township official at 231.238.8808 (Mullett Township Hall).


Mary Anne Gale
Mullett Township Supervisor


Rachel Osborn
Mullett Township Clerk


Kathy Flory
Mullett Township Treasurer

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MULLETT TOWNSHIP
STATEMENT OF NET POSITION
MARCH 31, 2014

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash and cash equivalents	\$ 988,126
Investments	222,154
Receivables:	
Property taxes	22,603
Due from fiduciary fund	2
Due from other governmental units	14,195
Capital assets (net of accumulated depreciation)	<u>1,019,526</u>
 TOTAL ASSETS	 <u>2,266,606</u>
 <u>LIABILITIES</u>	
Accounts payable	1,783
Accrued payroll	<u>7,119</u>
 TOTAL LIABILITIES	 <u>8,902</u>
 <u>NET POSITION</u>	
Invested in capital assets	1,019,526
Restricted for	
Public Safety	514,879
Public Works	39,948
Recreation and culture	57,379
Unrestricted	<u>625,972</u>
 TOTAL NET POSITION	 <u>\$ 2,257,704</u>

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

MULLETT TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
					TOTAL
Primary government					
Governmental activities					
Legislative	\$ 49,941	\$ -	\$ -	\$ -	(49,941)
General government	135,255	-	-	-	(135,255)
Public safety	99,247	26,614	-	-	(72,633)
Public works	29,467	-	-	-	(29,467)
Recreation and culture	101,976	-	9,835	306,987	214,846
Total governmental activities	\$ 415,886	\$ 26,614	\$ 9,835	\$ 306,987	(72,450)
General Revenues					
					422,785
					102,880
					6,636
					1,982
					2,610
					536,893
					464,443
					1,793,261
					\$ 2,257,704

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

FUND FINANCIAL STATEMENTS

MULLETT TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2014

<u>ASSETS</u>	GENERAL FUND	FIRE FUND	LIBRARY FUND	STREET LIGHT FUND	NON-MAJOR FUND		TOTAL GOVERNMENTAL FUNDS
					LIQUOR LAW ENFORCEMENT FUND		
Cash and cash equivalents	\$ 489,201	\$ 400,035	\$ 59,573	\$ 38,671	\$ 646		\$ 988,126
Investments	116,563	105,591	-	-	-		222,154
Taxes receivable	12,639	8,687	-	1,277	-		22,603
Due from other governmental units	14,195	-	-	-	-		14,195
Due from tax collection fund	2	-	-	-	-		2
<u>TOTAL ASSETS</u>	\$ 632,600	\$ 514,313	\$ 59,573	\$ 39,948	\$ 646		\$ 1,247,080
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 1,783	\$ -	\$ -	\$ -	\$ 1,783
Accrued payroll	6,628	-	411	-	80		7,119
TOTAL LIABILITIES	6,628	-	2,194	-	80		8,902
FUND BALANCES							
Restricted for:							
Public safety	-	514,313	-	-	566		514,879
Public works	-	-	-	39,948	-		39,948
Recreation and culture	-	-	57,379	-	-		57,379
Unrestricted:							
Assigned for budgeted use of fund							
balance in subsequent year	330,045	-	-	-	-		330,045
Unassigned	295,927	-	-	-	-		295,927
TOTAL FUND BALANCES	625,972	514,313	57,379	39,948	566		1,238,178
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 632,600	\$ 514,313	\$ 59,573	\$ 39,948	\$ 646		\$ 1,247,080

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

MULLETT TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2014

Reconciliation of fund balances on the balance sheets for governmental activities
to the statement of net position

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	1,238,178
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Amounts reported for governmental activities in the statement of net position
are different because:

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

Add: capital assets	2,302,942
Subtract: accumulated depreciation	<u>(1,283,416)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>2,257,704</u>
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The accompanying notes are an integral part of these financial statements.

MULLETT TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2014

	GENERAL FUND	FIRE FUND	LIBRARY FUND	STREET LIGHT FUND	NON-MAJOR FUND LIQUOR LAW ENFORCEMENT FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Taxes	\$ 242,249	\$ 158,121	\$ -	\$ 22,415	\$ -	\$ 422,785
State shared revenues and grants	381,604	-	655	-	621	382,880
Private grants	-	-	9,835	-	-	9,835
Charges for service	18	26,596	-	-	-	26,614
Penal fines	-	-	6,636	-	-	6,636
Donations	-	0	1,485	-	-	1,485
Interest	990	951	28	13	-	1,982
Other	27,699	-	413	-	-	28,112
TOTAL REVENUES	652,560	185,668	19,052	22,428	621	880,329
EXPENDITURES:						
Current:						
Legislative	49,941	-	-	-	-	49,941
General government	129,256	-	-	-	-	129,256
Public safety	-	87,193	-	-	1,033	88,226
Public works	12,183	-	-	17,284	-	29,467
Recreation and culture	37,826	-	48,797	-	-	86,623
Capital outlay	489,759	-	3,463	-	-	493,222
TOTAL EXPENDITURES	718,965	87,193	52,260	17,284	1,033	876,735
REVENUES OVER (UNDER) EXPENDITURES	(66,405)	98,475	(33,208)	5,144	(412)	3,594
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	49,000	-	720	49,720
Operating transfers (out)	(49,720)	-	-	-	-	(49,720)
TOTAL OTHER FINANCING SOURCES (USES)	(49,720)	-	49,000	-	720	-
NET CHANGE IN FUND BALANCES	(116,125)	98,475	15,792	5,144	308	3,594
FUND BALANCES, BEGINNING OF YEAR	742,097	415,838	41,587	34,804	258	1,234,584
FUND BALANCES, END OF YEAR	\$ 625,972	\$ 514,313	\$ 57,379	\$ 39,948	\$ 566	\$ 1,238,178

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

MULLETT TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2014

Reconciliation of statement of revenues, expenditures and changes in fund balances of governmental funds to statement of activities

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	3,594
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, those costs are allocated over their useful lives as annual depreciation expense in the statement of activities.

Add: capital outlay capitalized during the current year.		493,222
Subtract: depreciation expense.		(32,373)
		464,443

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	464,443
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The accompanying notes are an integral part of these financial statements.

MULLETT TOWNSHIP
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
MARCH 31, 2014

<u>ASSETS</u>	<u>AGENCY FUND</u>
Cash	<u>\$ 2</u>
<u>LIABILITIES</u>	
Due to other funds	<u>2</u>
<u>NET POSITION</u>	
Fiduciary Net Position	<u>\$ -</u>

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

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Mullett Township, Cheboygan County, Michigan 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 policies used by Mullett Township.

A. Reporting Entity

The Township is governed by an elected five-member Township Board. Generally accepted accounting principles require that if the Township has certain oversight responsibilities over other organizations, those organizations should be included in the Township's financial statements. The basic criterion for including a governmental department, agency, institution, commission, public authority or other governmental organization in a governmental unit's financial report is the exercise of oversight responsibility over such agencies by the governmental unit's elected officials. The manifestations of such oversight responsibility are financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The Township has determined that no entities should be consolidated into its financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only.

The Township jointly operates two separate cemeteries with Burt and Aloha Townships of Cheboygan County. Both the Mullet-Burt Cemetery and Aloha Township Cemetery have separate independent boards. Burt and Aloha Townships have historically reported the financial activity for each cemetery. Mullett Township's share of the costs is shown as expenses of the General Fund.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The township does not have any business type activities.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment 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 are not properly included among program revenues are reported instead as general revenue.

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Financial Statements: 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. GASB Statement No. 34 sets forth minimum criteria, based on percentage of the assets, liabilities, revenues or expenditures/expenses of the governmental and proprietary funds, for the determination of major funds.

C. 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 revenues in the year which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, state shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal year. All other revenue items are considered to be available when cash is received by the government.

The Township reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund. Financing is provided primarily by property taxes and state shared revenues.

Fire Fund: The Fire Fund is used to account for expenditures related to contracted, township provided, fire service. Financing is provided primarily by a special property tax levy.

Library Fund: The Library Fund is used to account for expenditures related to the Township's public library. Financing is provided primarily by penal fines, state aid and contributions from the General Fund.

Street Lighting Fund: The Street Lighting Fund accounts for providing street lighting for a special district. Financing is provided primarily by a special property tax levy.

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The Township reports the following non-major fund:

Liquor Law Enforcement Fund: The Liquor Fund accounts for liquor license fees refunded by the State and utilized for enforcement of the State's liquor laws.

The Township reports the following fiduciary fund:

Trust and Agency Fund: Tax Collection Fund is used to account for property taxes collected for the Township and as an agent for other governmental units. Fiduciary activities are not reported in the government-wide financial statements, in accordance with GASB Statement No. 34.

D. Assets, Liabilities, and Net Position or Equity

Bank Deposits and Investments: Cash and cash equivalents consist of demand deposits, cash in savings and money market accounts. Investments are stated at market, and consist of certificates of deposit with maturity values of three months or longer.

Receivables, Payables and Transfers: All receivables are reported at their gross values. Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed.

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Receivable from other governments represents various shared revenues, grants, and reimbursements from other governments.

Capital Assets: Capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are generally defined by the government as assets with an initial individual cost of \$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. Expenditures for maintenance and repair are charged to current expenditures as incurred. Depreciation is computed using the straight-line method.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, Liabilities, and Net Position or Equity - Continued

Capital Assets (continued): Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and improvements	15 – 40 years
Office and other equipment	5 – 10 years
Fire equipment	5 – 10 years
Fire vehicles	5 – 20 years
Library books and materials	3 – 5 years

Compensated Absences and Post-employment Benefits: There is no accumulated vacation, sick leave, or post-employment benefits to be recognized.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. 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.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable**: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Township did not have any nonspendable resources as of March 31, 2014.
- **Restricted**: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Township has restricted balances for public safety, public works and recreation and culture as shown in the body of the financial statements.

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Assets, Liabilities, and Net Position or Equity - Continued

- Assigned: This classification includes amounts that are constrained by The Township's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Township's Board or through the Township Board delegating this responsibility to the management through the budgetary process. The Township has fund balance assigned for use in subsequent year as of March 31, 2014.
- Unassigned: This classification includes the residual fund balance for the General Fund.

The Township would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information: Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of the fiscal year, the Township Clerk submits to the Township Board a proposed operating budget for the fiscal year commencing on April 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to March 31, the budget is legally enacted through passage of a resolution.
4. Budgeted amounts are as originally adopted, or as amended by the Township Board.
5. Appropriations expire at the end of the fiscal year.

The Township Board's budgetary procedures are in compliance with P.A 621 of 1978 (The Uniform Budgeting Act).

NOTE 3: PROPERTY TAX

Property tax revenues for the year ended March 31, 2014, reflected in the accompanying financial statements include property taxes levied December 31, 2013. These taxes are due by February 15, 2014, and are added to the County tax rolls after February 28, 2014. The Township normally receives 100% payment for the delinquent tax by June, 2014.

The taxable value of the Township totaled \$105,843,705, on which ad valorem taxes consisted of 1.9714 mills for the Township's operating purposes, 1.5000 mills for fire protection, and .4000 mills for street lighting; raising \$207,873 for operating purposes, \$158,121 for fire protection, and \$22,415 for street lighting.

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 4: DEPOSITS AND INVESTMENTS

Statutory Authority: Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township Board has designated five financial institutions for the deposit of Township funds. The investment policy adopted by the board, in accordance with Public Act 196 of 1997, has authorize investments in bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority

The caption on the statement of net position relating to cash and cash equivalents and investments represent deposits in varying amounts as follows:

Cash and cash equivalents	\$ 988,128
Investments (certificates of deposit)	<u>222,154</u>
	<u>\$1,210,282</u>

Interest Rate Risk: State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: The Township's investment policy does not have specific limits in excess of state law on investment credit risk. The Township has no investments for which ratings are required.

Custodial Credit Risk: At year-end the carrying amounts of cash and cash equivalents were classified as to risk as follows:

	Carrying Amount	Bank Balance
Insured	\$ 810,492	\$ 810,492
Uninsured – uncollateralized	<u>399,792</u>	<u>357,369</u>
	<u>\$1,210,284</u>	<u>\$1,167,861</u>

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 4: DEPOSITS AND INVESTMENTS - CONTINUED

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 with which it deposits Township funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated level of risk are used as depositories. The Township may experience significant fluctuations in deposit balances through the year.

NOTE 5: INTERFUND BALANCES AND TRANSFERS

The composition of interfund receivables and payables for the year ended March 31, 2014 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 2	\$ -
Tax Collection	-	2
Total	<u>\$ 2</u>	<u>\$ 2</u>

Interfund transfers consisted of the following for the year ended March 31, 2014:

Fund	Transfer Out	Transfer In
General	\$ 49,720	\$ -
Library	-	49,000
Liquor Law Enforcement	-	720
Total	<u>\$ 49,720</u>	<u>\$ 49,720</u>

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, (2) use unrestricted resources collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

MULLETT TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 6: CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	<u>Balance</u> <u>April 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>March 31, 2014</u>
<u>Not being depreciated:</u>				
Land and improvements	\$ 178,842	\$ 489,759	\$ -	\$ 668,601
<u>Being depreciated:</u>				
Buildings and Improvements	574,974	-	-	574,974
Office and other Equipment	64,683	-	-	64,683
Fire equipment	212,730	-	-	212,730
Fire vehicles	761,622	-	-	761,622
Library books and Materials	16,869	3,463	-	20,332
Subtotal	1,809,720	493,222	-	2,302,942
Less accumulated depreciation	(1,251,043)	(32,373)	-	(1,283,416)
Total	<u>\$ 558,677</u>	<u>\$ (460,849)</u>	<u>\$ -</u>	<u>\$ 1,019,526</u>

Depreciation was charged to the Township's governmental activities as follows:

General government	\$ 5,999
Public safety	11,021
Recreation and culture.	<u>15,353</u>
	<u>\$ 32,373</u>

NOTE 7: RISK MANAGEMENT

Mullett Township participates in the Michigan Township Participating Plan for general liability, property loss, professional, public official errors and omissions liabilities. This plan is a self-insurance risk association operating within the State of Michigan pursuant to Act 138, Michigan Public Acts of 1982. This plan, through its risk manager, secures insurance policies or reinsurance treaties to cover the risks undertaken on behalf of the Township. The Township pays an annual premium to the Michigan Participating Plan for its general insurance coverage and has no additional liability beyond the premiums made to this plan. The Township continues to carry commercial insurance for all other risks of loss, including worker's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8: SUBSEQUENT EVENTS

The Township has evaluated subsequent events and transactions for potential recognition and disclosure through August 21, 2014, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

MULLETT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property tax	\$ 209,699	\$ 209,699	\$ 207,873	\$ (1,826)
Property taxes - administrative fee	31,000	31,000	34,376	3,376
Total taxes	240,699	240,699	242,249	1,550
State shared revenues:				
State shared revenues	90,000	90,000	97,017	7,017
State grants	280,000	280,000	280,000	-
State shared revenues-METRO Act	2,500	2,500	2,541	41
Swampland and commercial forest tax	12,000	12,000	2,046	(9,954)
Total state shared revenues	384,500	384,500	381,604	(2,896)
Charges for service	-	-	18	18
Interest	3,000	3,000	990	(2,010)
Other revenue:				
Contributions and donations	100	100	25,502	25,402
Rents	400	400	945	545
Other	125	125	1,252	1,127
Total other revenue	625	625	27,699	27,074
TOTAL REVENUES	628,824	628,824	652,560	23,736

MULLETT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL AMENDED BUDGET POSITIVE (NEGATIVE)
CURRENT:				
LEGISLATIVE				
Township board	\$ 64,050	\$ 64,050	\$ 49,941	\$ 14,109
GENERAL GOVERNMENT				
Supervisor	11,000	11,000	8,736	2,264
Assessor	27,300	27,300	23,528	3,772
Elections	3,430	3,430	1,042	2,388
Professional services	18,000	15,000	14,780	220
Board of Review	5,150	5,150	4,253	897
Clerk	23,500	23,500	21,242	2,258
Treasurer	23,200	23,200	17,777	5,423
Township property	30,350	42,850	26,298	16,552
Cemetery	9,000	12,000	11,600	400
TOTAL GENERAL GOVERNMENT	150,930	163,430	129,256	34,174
PUBLIC WORKS				
Highways and streets	222,400	222,400	9,763	212,637
Sanitation	5,200	5,200	2,420	2,780
TOTAL PUBLIC WORKS	227,600	227,600	12,183	215,417
RECREATION AND CULTURE				
Parks	60,500	45,000	37,826	7,174
CAPITAL OUTLAY	438,000	493,500	489,759	3,741
TOTAL EXPENDITURES	941,080	993,580	718,965	274,615
REVENUES OVER (UNDER) EXPENDITURES	(312,256)	(364,756)	(66,405)	298,351
OTHER FINANCING SOURCES (USES)				
Operating transfers (out)	(49,600)	(60,600)	(49,720)	10,880
NET CHANGE IN FUND BALANCE	(361,856)	(425,356)	(116,125)	309,231
FUND BALANCE - BEGINNING OF YEAR	742,097	742,097	742,097	-
FUND BALANCE - END OF YEAR	\$ 380,241	\$ 316,741	\$ 625,972	\$ 309,231

MULLETT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE - FIRE FUND
FOR THE YEAR ENDED MARCH 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes	\$ 159,527	\$ 159,527	\$ 158,121	\$ (1,406)
Charges for service	27,000	27,000	26,596	(404)
Interest	800	800	951	151
TOTAL REVENUES	187,327	187,327	185,668	(1,659)
EXPENDITURES:				
Public safety	193,100	193,100	87,193	105,907
Capital outlay	5,000	5,000	-	5,000
TOTAL EXPENDITURES	198,100	198,100	87,193	110,907
NET CHANGE IN FUND BALANCE	(10,773)	(10,773)	98,475	109,248
FUND BALANCE, BEGINNING OF YEAR	415,838	415,838	415,838	-
FUND BALANCE, END OF YEAR	\$ 405,065	\$ 405,065	\$ 514,313	\$ 109,248

MULLETT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE - LIBRARY FUND
FOR THE YEAR ENDED MARCH 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
State aid	\$ 700	\$ 700	\$ 655	\$ (45)
Private grants	-	-	9,835	9,835
Penal fines	7,000	7,000	6,636	(364)
Donations	1,000	1,000	1,485	485
Interest	20	20	28	8
Other	500	500	413	(87)
TOTAL REVENUES	9,220	9,220	19,052	9,832
EXPENDITURES:				
Recreation and culture	67,250	69,250	48,797	20,453
Capital outlay	10,000	8,000	3,463	4,537
TOTAL EXPENDITURES	77,250	77,250	52,260	24,990
REVENUES OVER (UNDER) EXPENDITURES	(68,030)	(68,030)	(33,208)	34,822
OTHER FINANCING SOURCES (USES)				
Operating transfers in	49,000	49,000	49,000	-
NET CHANGE IN FUND BALANCES	(19,030)	(19,030)	15,792	34,822
FUND BALANCE, BEGINNING OF YEAR	41,587	41,587	41,587	-
FUND BALANCE, END OF YEAR	\$ 22,557	\$ 22,557	\$ 57,379	\$ 34,822

MULLETT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE -
SPECIAL REVENUE - STREET LIGHT FUND
FOR THE YEAR ENDED MARCH 31, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL AMENDED BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes	\$ 22,934	\$ 22,934	\$ 22,415	\$ (519)
Interest	12	12	13	1
TOTAL REVENUES	22,946	22,946	22,428	(518)
EXPENDITURES:				
Public works	21,000	21,000	17,284	3,716
TOTAL EXPENDITURES	21,000	21,000	17,284	3,716
NET CHANGE IN FUND BALANCES	1,946	1,946	5,144	3,198
FUND BALANCE, BEGINNING OF YEAR	34,804	34,804	34,804	-
FUND BALANCE, END OF YEAR	\$ 36,750	\$ 36,750	\$ 39,948	\$ 3,198



*Member:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants*

August 21, 2014

COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES IN INTERNAL CONTROL

Township Board
Mullett Township
Cheboygan County, Michigan

In planning and performing my audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mullett Township as of and for the year ended March 31, 2014, in accordance with auditing standards generally accepted in the United States of America, I considered Mullett Township's internal control over financial reporting (internal control) as a basis for designing my auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mullett Township's internal control. Accordingly, I do not express an opinion on the effectiveness of Mullett Township's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, I identified a certain deficiency in internal control that I consider to be a material weakness, one deficiency that I consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

I consider the following deficiency in Mullett Township's internal control to be a material weakness:

Financial Statement Preparation

Mullett Township does not have procedures in place to prepare financial statements in accordance with U.S. generally accepted accounting principles, and to present required financial statement disclosures. However, small organizations with limited resources and personnel inherently have difficulty in establishing and maintaining effective internal accounting controls related to the preparation and review of the formal year-end financial statements.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

I consider the following deficiency in Mullett Township's internal control to be significant deficiency:

Lack of Segregation of Duties

Lack of segregation of duties exists in the accounting function due to the limited number of accounting personnel.

This condition is generally inherent in organizations the size of Mullett Township, where corrective action is not practical, and to the extent possible, duties are allocated between accounting personnel to mitigate the risk of material asset misappropriation.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Richard E. Mahlmeister, CPA
Richard E. Mahlmeister, CPA, PC



Member:
American Institute of Certified Public Accountants
Michigan Association of Certified Public Accountants

August 21, 2014

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Township Board
Mullett Township
Cheboygan County, Michigan

I have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Mullett Township for the year ended March 31, 2014. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my letter to you dated May 9, 2014. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Mullett Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2014. I noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the determination of depreciation expense. Management's estimate of depreciation expense is based on the estimated lives of the capital assets. I evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from management that are included in the management representation letter dated August 21, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Auditing standards require me to report to you significant audit findings or issues. Following are the significant findings I noted during my audit:

- Mullett Township does not have procedures in place to prepare financial statements in accordance with U.S. generally accepted accounting principles, and to present required financial statement disclosures. However, small organizations with limited resources and personnel inherently have difficulty in establishing and maintaining effective internal accounting controls related to the preparation and review of the formal year-end financial statements.
- There is a lack of segregation of duties in the accounting function due to the limited number of accounting personnel. This condition is generally inherent in organizations the size of Mullett Township, where corrective action is not practical, and to the extent possible, duties are allocated between accounting personnel to mitigate the risk of material asset misappropriation.

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and my responses were not a condition to my retention.

This information is intended solely for the use of the Board and management of Mullett Township and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Richard E. Mahlmeister, CPA
Richard E. Mahlmeister, CPA, PC