

MICHIGAN TOWNSHIPS ASSOCIATION
REPORT ON FINANCIAL STATEMENTS
(with additional information)
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Michigan Townships Association

We have audited the accompanying statement of financial position of Michigan Townships Association as of June 30, 2008, and the related statements of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's 2007 financial statements and, in our report dated August 31, 2007, we expressed an opinion on those financial statements containing a qualification noted in paragraph three of that report similar to paragraph three below.

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

The Association has excluded its obligation for post-retirement benefits from liabilities in the accompanying statement of financial position. In our opinion, accounting principles generally accepted in the United States of America require that such obligations be included in the statement of financial position. The effects on the financial statements of the preceding practice have not been determined.

In our opinion, except for the omission of the post-retirement benefits discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Michigan Townships Association as of June 30, 2008, and the change in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Maner, Costerisan + Ellis, P.C.

September 4, 2008

MICHIGAN TOWNSHIPS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008
(with comparative totals for June 30, 2007)

ASSETS	Unrestricted	Temporarily restricted	Totals	
			2008	2007
CURRENT ASSETS:				
Cash and cash equivalents	\$ 3,804,157	\$ 376,818	\$ 4,180,975	\$ 3,926,653
Investments	112,421	79,214	191,635	224,990
Accounts receivable	11,349		11,349	17,160
Interest receivable	31,885		31,885	38,795
Prepaid expenses	83,131		83,131	101,873
Inventory	-		-	8,816
	4,042,943	456,032	4,498,975	4,318,287
TOTAL CURRENT ASSETS				
PROPERTY AND EQUIPMENT, less accumulated depreciation	1,516,710		1,516,710	1,544,667
INVESTMENTS - deferred compensation	165,952		165,952	171,296
	165,952		165,952	171,296
TOTAL ASSETS	\$ 5,725,605	\$ 456,032	\$ 6,181,637	\$ 6,034,250

See notes to financial statements.

	Unrestricted	Temporarily restricted	Totals	
			2008	2007
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable	\$ 20,885	\$	\$ 20,885	\$ 23,871
Accrued payroll taxes and withholdings	35,766		35,766	27,706
Accrued compensated absences	115,371		115,371	93,713
Deferred revenue:				
Membership dues	2,021,566		2,021,566	1,991,784
Advertising	9,555		9,555	23,540
Conference income	8,163		8,163	24,909
Other income	12,300		12,300	2,935
TOTAL CURRENT LIABILITIES	2,223,606		2,223,606	2,188,458
DEFERRED COMPENSATION	165,952		165,952	171,296
TOTAL LIABILITIES	2,389,558		2,389,558	2,359,754
NET ASSETS	3,336,047	456,032	3,792,079	3,674,496
TOTAL LIABILITIES AND NET ASSETS	\$ 5,725,605	\$ 456,032	\$ 6,181,637	\$ 6,034,250

See notes to financial statements.

MICHIGAN TOWNSHIPS ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)

	Unrestricted	Temporarily restricted	Totals	
			2008	2007
REVENUES:				
Dues	\$ 2,185,963	\$ 117,603	\$ 2,303,566	\$ 2,097,493
Education income	388,594	-	388,594	411,471
Convention income	435,508	-	435,508	471,637
Publications	243,886	-	243,886	246,425
Interest and dividend income	157,870	21,263	179,133	145,213
Commissions	11,765	-	11,765	13,341
Mailing labels	3,412	-	3,412	1,996
Contributions	300	5,000	5,300	7,000
Pipeline case	-	774	774	49,269
Gain (loss) on sale of fixed assets	-	-	-	(905)
Miscellaneous income	50	-	50	56
Net realized and unrealized gain (loss) on investments	(2,077)	-	(2,077)	22,190
Net assets released from restrictions through satisfaction of program restrictions	120,707	(120,707)	-	-
Total revenues	3,545,978	23,933	3,569,911	3,465,186
EXPENSES:				
Member services:				
Member information	561,591	-	561,591	525,460
Member information - Legal Fund	111,927	-	111,927	181,287
Legislative	715,196	-	715,196	681,036
Education	658,337	-	658,337	670,456
Education - Scholarship Fund	8,780	-	8,780	2,590
Publications	296,011	-	296,011	284,929
State convention	421,830	-	421,830	428,330
Communications	265,875	-	265,875	243,524
Total member services	3,039,547	-	3,039,547	3,017,612
Supporting services:				
Board of Directors	300,468	-	300,468	286,175
N.A.T.A.T. expenditures	65,477	-	65,477	58,388
Political action committee	41,172	-	41,172	30,162
Miscellaneous	5,664	-	5,664	6,242
Total supporting services	412,781	-	412,781	380,967
Total expenses	3,452,328	-	3,452,328	3,398,579
CHANGE IN NET ASSETS	\$ 93,650	\$ 23,933	\$ 117,583	\$ 66,607

See notes to financial statements.

MICHIGAN TOWNSHIPS ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)

	Unrestricted					Temporarily restricted				Totals	
	General fund	Designated for equipment replacement	Designated for building sinking fund	Designated for land, building and equipment fund	Townships 2100 fund	Total unrestricted	Legal fund	Township Governance Academy Scholarship Fund	Total temporarily restricted	2008	2007
NET ASSETS, beginning of year	\$1,264,210	\$ 252,121	\$ 181,399	\$ 1,544,667	\$ -	\$3,242,397	\$405,822	\$ 26,277	\$ 432,099	\$ 3,674,496	\$3,607,889
Transfers for acquisitions	(24,824)	(9,784)	(25,534)	60,142	-	-	-	-	-	-	-
Transfers for depreciation expense	88,099	-	-	(88,099)	-	-	-	-	-	-	-
Transfers for equipment replacement	(42,000)	42,000	-	-	-	-	-	-	-	-	-
Transfers for new fund	(150,000)	-	-	-	150,000	-	-	-	-	-	-
Change in net assets	69,249	12,137	5,167	-	7,097	93,650	26,616	(2,683)	23,933	117,583	66,607
NET ASSETS, end of year	<u>\$1,204,734</u>	<u>\$ 296,474</u>	<u>\$ 161,032</u>	<u>\$ 1,516,710</u>	<u>\$ 157,097</u>	<u>\$3,336,047</u>	<u>\$432,438</u>	<u>\$ 23,594</u>	<u>\$ 456,032</u>	<u>\$ 3,792,079</u>	<u>\$3,674,496</u>

See notes to financial statements.

**MICHIGAN TOWNSHIPS ASSOCIATION
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2008 AND 2007**

	2008	2007
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash flows from operating activities:		
Change in net assets	\$ 117,583	\$ 66,607
Adjustments to change in net assets to nete cash provided (used) by operating activities:		
Depreciation	88,099	89,058
Unrealized loss (gain) on sale of investments	9,235	(22,190)
Loss on sale of fixed assets	-	905
Receivables	12,721	(4,924)
Prepaid expenses	18,742	(7,926)
Inventory	8,816	(79)
Deferred compensation investments	5,344	956
Accounts payable	(2,986)	(24,148)
Accrued payroll taxes and withholdings	8,060	1,878
Accrued compensated absences	21,658	9,838
Deferred compensation liability	(5,344)	(956)
Deferred revenue	8,416	195,751
Total adjustments	172,761	238,163
Net cash provided by operating activities	290,344	304,770
Cash flows from investing activities:		
Purchase of fixed assets	(60,142)	(33,130)
Proceeds from sale of fixed assets	-	90
Sale of investments - net	24,120	435
Net cash used by investing activities	(36,022)	(32,605)
NET INCREASE IN CASH AND CASH EQUIVALENTS	254,322	272,165
CASH AND CASH EQUIVALENTS:		
Beginning of year	3,926,653	3,654,488
End of year	\$ 4,180,975	\$ 3,926,653

See notes to financial statements.

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation - The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted assets consist of assets derived from dues paid by townships, which are restricted to subsidize legal costs incurred that affect Michigan townships, and contributions to the Township Governance Scholarship Fund. The Association has no permanently restricted net assets.

Internal Accounting Records - In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

The financial activities of the Association are recorded in separate funds as follows:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating revenues and expenses of the Association.

Equipment Replacement Fund - This fund accounts for all monies designated by the Association for future equipment replacement.

Building Maintenance/Improvement Fund - This fund accounts for all monies designated by the Association for future building replacement and improvements.

Land, Building, and Equipment Fund - This fund accounts for the fixed asset activity.

Townships 2100 Fund - This fund accounts for all monies designated by the Association to create resources to provide township perspectives on state-wide ballot issues.

Legal Fund - This fund accounts for revenues and expenses pertaining to the Association's legal aid program. Revenues are derived primarily from dues paid by the various townships to help subsidize legal costs incurred that affect all Michigan townships.

Township Governance Academy Scholarship Fund - This fund accounts for the contributions and scholarships pertaining to the Association's Township Governance Academy. Revenues consist primarily of contributions from township vendors, and scholarships are awarded to assist elected officials from MTA-member townships to participate in the Township Governance Academy.

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interrelated Organizations - The Association does not consolidate financially interrelated not-for-profit organizations in the financial statements. Accounting principles generally accepted in the United States of America require consolidation of all financially interrelated not-for-profit organizations in which the Association has control and economic interest, as defined. For the Association, these entities include the following:

Michigan Townships Association Political Action Committee - A voluntary non-profit unincorporated political action committee.

Robert R. Robinson Memorial Scholarship Fund, Inc. - A not-for-profit organization sharing common control with Michigan Townships Association.

These organizations are excluded from the financial statements based on immateriality.

Cash and Cash Equivalents - The Association considers cash in operating bank accounts, cash on hand, certificates of deposits, highly liquid debt instruments, and all short-term debt securities purchased with maturity of 90 days or less to be cash and cash equivalents.

Investments - The Association records investments at fair value.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Currently, no allowance for doubtful accounts is considered necessary. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Inventory - The Association's inventory consists primarily of publication documents, which are reported at cost.

Property and Equipment - Uses of unrestricted operating and other fund monies for building and equipment acquisitions are accounted internally as equity transfers to the land, building, and equipment fund.

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Land, building, and equipment are stated at cost less accumulated depreciation. The Association had adopted a policy to capitalize furniture and equipment when cost exceeds \$500 individually and building improvements when cost exceeds \$1,000 individually. Depreciation of building and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis:

Buildings	39 years
Furniture and fixtures	10-15 years
Office equipment	5 years

Revenue Recognition - The annual township dues and assessments are billed in advance on May 15th to finance operations for the upcoming fiscal year. Those dues and assessments collected prior to June 30 are recorded as deferred revenue and will be recognized as income in the subsequent fiscal year.

Advertising - The Association expenses costs as incurred for advertising.

Comparative Data - The financial statements include certain 2007 comparative information. With respect to the statement of activities, such prior year information is not presented by net asset class and, in the statement of functional expenses, 2007 expenses are presented by object total rather than by functional category. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2007 from which the summarized information was derived.

Functional Allocation of Expenses - The costs of providing the various programs and other activities of the Association have been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the member and supporting services based on time studies.

NOTE 2 - NATURE OF ORGANIZATION, RISKS AND UNCERTAINTIES

The Michigan Townships Association (the Association) is an incorporated association composed of members of townships in the State of Michigan. It was organized October 6, 1953. The Association is a non-profit membership organization exempt from income tax under Section 501(c)(4) of the U.S. Internal Revenue Code.

The purpose of the Association is to unite township officials throughout the State of Michigan for the purpose of improving township government for the benefit of the citizens of Michigan as a whole.

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - NATURE OF ORGANIZATION, RISKS AND UNCERTAINTIES (Concluded)

The Association is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Association to concentrations of credit risk consist principally of cash investments and accounts receivable. The Association places its temporary cash investments with high-credit-quality financial institutions. Although such investments and cash balances exceeded the federally insured limits at certain times during the year and at year-end they are, in the opinion of management, subject to minimal risk. Concentrations of credit risk with respect to trade receivables are limited to the Association's variety of customers predominately related to programs and advertising in the Association's publications provided within the state of Michigan.

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 3 - CASH AND CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

The Association's cash and cash equivalents and temporary investments include the following at June 30:

	2008						
	General fund	Equipment replacement fund	Building maintenance improvement fund	Legal fund	Township Governance Academy Scholarship Fund	Townships 2100 fund	Totals
Cash:							
Cash accounts	\$ (52,959)	\$ 1	\$ (1)	\$ 88,368	\$ 21,489	\$ -	\$ 56,898
Certificate of deposits	838,733	296,473	161,033	264,856	2,105	-	1,563,200
Mutual funds	148,676	-	-	-	-	-	148,676
Money market	2,255,104	-	-	-	-	157,097	2,412,201
Subtotal	3,189,554	296,474	161,032	353,224	23,594	157,097	4,180,975
Temporary investments:							
Marketable securities	112,421	-	-	79,214	-	-	191,635
Total	<u>\$ 3,301,975</u>	<u>\$ 296,474</u>	<u>\$ 161,032</u>	<u>\$ 432,438</u>	<u>\$ 23,594</u>	<u>\$ 157,097</u>	<u>\$ 4,372,610</u>

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CASH AND CASH EQUIVALENTS AND TEMPORARY INVESTMENTS (Concluded)

	2007						
	General fund	Equipment replacement fund	Building maintenance improvement fund	Legal fund	Township Governance Academy Scholarship fund	Townships 2100 fund	Totals
Cash:							
Cash accounts	\$ 16,505	\$ (44,638)	\$ (71,054)	\$ 81,918	\$ 25,268	\$ -	\$ 7,999
Certificate of deposits	1,090,539	296,759	252,453	244,690	1,009	-	1,885,450
Money market	2,033,204	-	-	-	-	-	2,033,204
Subtotal	3,140,248	252,121	181,399	326,608	26,277	-	3,926,653
Temporary investments:							
Marketable securities	145,776	-	-	79,214	-	-	224,990
Total	<u>\$ 3,286,024</u>	<u>\$ 252,121</u>	<u>\$ 181,399</u>	<u>\$ 405,822</u>	<u>\$ 26,277</u>	<u>\$ -</u>	<u>\$ 4,151,643</u>

The marketable securities held at June 30 consist of the following:

	2008		2007	
	Cost	Fair value	Cost	Fair value
Government Securities	\$ 38,350	\$ 39,087	\$ 74,175	\$ 72,419
Mortgage Backed Securities	164,314	152,548	152,609	152,571
Total marketable securities	<u>\$ 202,664</u>	<u>\$ 191,635</u>	<u>\$ 226,784</u>	<u>\$ 224,990</u>

Investment income reported on the statement of activity for the year ended June 30 is as follows:

	2008	2007
Interest and dividend income	\$ 179,133	\$ 145,213
Net realized and unrealized gains and losses	(2,077)	22,190
	<u>\$ 177,056</u>	<u>\$ 167,403</u>

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30 consists of the following:

	2008	2007
Land	\$ 264,781	\$ 264,781
Building	1,814,671	1,796,421
Furniture and equipment	499,095	458,811
	2,578,547	2,520,013
Less accumulated depreciation	1,061,837	975,346
Property and equipment - net	\$ 1,516,710	\$ 1,544,667
Depreciation expense	\$ 88,099	\$ 89,058

NOTE 5 - PENSION PLAN AND DEFERRED COMPENSATION

The Association has a contributory defined contribution retirement plan covering substantially all employees. The current plan was adopted as of July 1, 1997. Under the Plan, an employee can elect to contribute to the Plan subject to Internal Revenue Service limits. The Association provides a matching contribution equal to 250% of the amount deferred by the employee up to a maximum of 12.5% of eligible compensation. The employees' rights to this contribution vest 20% per year for the first five years of employment. The Association's contributions to the Plan for the years ended June 30, 2008 and 2007 amounted to \$169,615 and \$168,003, respectively.

In addition, the Association has made available to its employees a voluntary contribution deferred compensation plan. The Association recognizes the plan's assets and corresponding liability to the plan members on the Statement of Financial Position. The Plan's assets and the corresponding liabilities to plan members were \$165,952 and \$171,296 as of June 30, 2008 and 2007, respectively.

NOTE 6 - ACCRUED COMPENSATED ABSENCES

The Association allows employees to carry unused accumulated accrued vacation from one year into the next. The maximum amount of vacation time that an employee may accumulate is eight weeks. For the periods ending June 30, 2008 and 2007, the Association's employees have accumulated \$115,371 and \$93,713, respectively, of unused vacation time.

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - OPERATING LEASES

The Association leases an automobile for use by the Executive Director. The lease term is three years beginning on November 21, 2006 with monthly lease payments of \$611. The previous lease was also a three year lease that began December 31, 2003 with monthly lease payments of \$571. The following is a schedule by years of future minimum rental payments required under the operating lease:

Year ending June 30,		
2009	\$	7,327
2010		3,053
	\$	10,380

The Association also leases two copiers for use in its Lansing office. The lease term is five years beginning on August 1, 2004. The two leases combined require monthly lease payments of \$1,464. Beginning April 1, 2007 the Association terminated their current copier leases and began leasing two new copiers. The lease term on the new copies is five years and the combined monthly lease payment is \$1,485. The following is a schedule by years of future minimum lease payments required under the operating leases:

June 30,		
2009	\$	17,803
2010		17,803
2011		17,803
2012		14,294
	\$	67,703

NOTE 8 - RELATED PARTY TRANSACTIONS

The Association has an affiliated organization called the Michigan Townships Association Political Action Committee. The Association is not able to contribute funds to this political action committee. The Association is able to perform services for the political action committee, which include mailings and printings to solicit funds from contributors. The Association performed services in the amount of \$41,172 and \$30,162 for the years ended June 30, 2008 and 2007, respectively.

**MICHIGAN TOWNSHIPS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes.

Purpose restrictions accomplished:

Member information - Legal Fund	\$ 111,927
Education - Scholarship Fund	<u>8,780</u>
Total temporarily restricted net assets released from restriction	<u><u>\$ 120,707</u></u>

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

Our report on our audit of the financial statements of Michigan Townships Association appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The additional information on pages 16 through 23 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Maner, Costeusan + Ellis, P.C.

September 4, 2008

**MICHIGAN TOWNSHIPS ASSOCIATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)**

	Budget 2008	Actual 2008	Variance favorable (unfavorable)	Actual 2007
REVENUES:				
Dues:				
Township dues	\$ 2,163,187	\$ 2,163,187	\$ -	\$ 2,009,090
County dues	22,776	22,776	-	22,636
Total dues	2,185,963	2,185,963	-	2,031,726
Education seminars:				
District meetings	88,500	83,596	(4,904)	96,681
Professional development program	-	-	-	40,601
Seminars	107,000	108,328	1,328	147,332
Board of review	104,000	103,276	(724)	100,986
National convention	-	(185)	(185)	(65)
Spring conference	17,505	17,267	(238)	-
Summer conference	46,171	46,180	9	-
TGA	28,500	30,132	1,632	25,936
Total education seminars	391,676	388,594	(3,082)	411,471
Conventions:				
State convention	335,089	335,635	546	364,473
State exhibits	99,870	99,873	3	107,164
Total conventions	434,959	435,508	549	471,637
Publications:				
Township Allied Service Providers	70,900	60,520	(10,380)	55,385
Advertising - Michigan Township News	97,000	95,374	(1,626)	87,358
Subscription - Michigan Township News	13,092	14,319	1,227	13,887
Directories - advertising	-	-	-	7,930
Other publications	70,000	71,716	1,716	77,602
Special projects	705	703	(2)	2,321
Capitol Currents	672	654	(18)	858
Fax subscriptions	843	600	(243)	825
Washington Report	-	-	-	259
Total publications	253,212	243,886	(9,326)	246,425

**MICHIGAN TOWNSHIPS ASSOCIATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)**

	Budget 2008	Actual 2008	Variance favorable (unfavorable)	Actual 2007
REVENUES (Concluded):				
Commissions	\$ 11,750	\$ 11,765	\$ 15	\$ 13,341
Mailing labels	3,500	3,412	(88)	1,996
Interest and dividend income	100,000	128,802	28,802	117,841
Gain (loss) on sale of fixed assets	-	-	-	(905)
Miscellaneous income	-	50	50	56
Unrealized gain (loss) on investment	-	(2,077)	(2,077)	22,190
Total revenues	<u>3,381,060</u>	<u>3,395,903</u>	<u>14,843</u>	<u>3,315,778</u>
EXPENSES:				
Board of directors	304,235	300,468	3,767	286,175
Political action committee	39,948	41,172	(1,224)	30,162
Scholarship board	50	73	(23)	94
Communications	275,850	265,875	9,975	243,524
National Association	65,594	65,477	117	58,388
Information services	565,680	561,591	4,089	525,460
Legislative services	717,963	715,196	2,767	681,036
Education services	667,164	658,337	8,827	670,456
Michigan Township News	300,774	296,011	4,763	284,929
Annual convention	424,615	421,830	2,785	428,330
Capital outlay	27,550	25,448	2,102	17,417
Total expenses	<u>3,389,423</u>	<u>3,351,478</u>	<u>37,945</u>	<u>3,225,971</u>
Excess (deficiency) of revenues over expenses before year end balance sheet adjustments	<u>\$ (8,363)</u>	44,425	<u>\$ 52,788</u>	<u>\$ 89,807</u>
Plus adjustment to capitalize fixed assets		<u>24,824</u>		
Excess of revenues over expenses		<u>\$ 69,249</u>		

MICHIGAN TOWNSHIPS ASSOCIATION
SCHEDULE OF EXPENSES – BY FUNCTION
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)

	Member services	Supporting services	Totals	
			2008	2007
EXPENSES:				
Personnel costs	\$ 1,762,445	\$ 198,734	\$ 1,961,179	\$ 1,852,882
Contracted services	73,939	425	74,364	29,233
Legal services	104,682	7,863	112,545	103,406
Legal fees	111,927	-	111,927	181,926
Board of directors	-	86,695	86,695	86,372
Other per diem reimbursements	4,455	1,923	6,378	4,343
Board of review	31,166	-	31,166	36,664
Travel	28,418	4,851	33,269	31,088
Conferences and meetings	98,572	-	98,572	53,582
Seminars	90,025	-	90,025	121,919
Conventions	181,991	-	181,991	201,735
Public affairs	10,863	-	10,863	8,882
Allied service providers	1,047	-	1,047	1,135
Employee training	23,290	370	23,660	11,928
Legislative reports	18,448	-	18,448	19,487
Insurance	18,630	3,917	22,547	23,812
Telephone	14,327	-	14,327	14,643
Membership expense	798	-	798	2,937
Other publications	43,843	-	43,843	38,336
Bookkeeping and audit	12,462	598	13,060	12,510
Office supplies and postage	49,699	11,164	60,863	50,163
Advertising expense	995	-	995	1,953
Maintenance and repairs	54,225	12,165	66,390	57,173
Utilities	10,452	4,091	14,543	14,295
Property taxes	26,965	10,554	37,519	35,728
Federal UBIT tax	660	-	660	2,284
Bank service charge	488	22	510	736
Depreciation expense	63,315	24,784	88,099	89,058
Subscriptions and dues	2,832	54	2,886	2,150
Capitol Currents	35,237	-	35,237	33,936

**MICHIGAN TOWNSHIPS ASSOCIATION
SCHEDULE OF EXPENSES – BY FUNCTION
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)**

	Member services	Supporting services	Totals	
			2008	2007
EXPENSES:				
N.A.T.A.T. - dues	\$ -	\$ 22,606	\$ 22,606	\$ 21,736
N.A.T.A.T. - conference	-	12,964	12,964	5,430
N.A.T.A.T. - newsletter	-	-	-	3,251
Municipal health service	600	-	600	600
Computer services	16,641	765	17,406	20,013
Special projects	9,717	-	9,717	80,572
Design services	23,308	-	23,308	23,870
Printing	113,085	2,645	115,730	112,663
Miscellaneous	-	5,591	5,591	6,148
	<u>\$ 3,039,547</u>	<u>\$ 412,781</u>	<u>\$ 3,452,328</u>	<u>\$ 3,398,579</u>

MICHIGAN TOWNSHIPS ASSOCIATION
COMBINING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2008
(with comparative totals for June 30, 2007)

	Unrestricted					Temporarily restricted				Totals	
	Undesignated	Designated				Total	Township		Total		
	General fund	Equipment replacement fund	Building Maintenance/ Improvement fund	Land, building and equipment fund	Townships 2100 Fund		unrestricted	Legal fund		Governance Academy Scholarship Fund	temporarily restricted
ASSETS											
CURRENT ASSETS:											
Cash and cash equivalents	\$ 3,189,554	\$ 296,474	\$ 161,032	\$ -	\$ 157,097	\$ 3,804,157	\$ 353,224	\$ 23,594	\$ 376,818	\$ 4,180,975	\$ 3,926,653
Investments	112,421	-	-	-	-	112,421	79,214	-	79,214	191,635	224,990
Accounts receivable	11,349	-	-	-	-	11,349	-	-	-	11,349	17,160
Interest receivable	31,885	-	-	-	-	31,885	-	-	-	31,885	38,795
Prepaid expenses	83,131	-	-	-	-	83,131	-	-	-	83,131	101,873
Inventory	-	-	-	-	-	-	-	-	-	-	8,816
TOTAL CURRENT ASSETS	3,428,340	296,474	161,032	-	157,097	4,042,943	432,438	23,594	456,032	4,498,975	4,318,287
PROPERTY AND EQUIPMENT, less accumulated depreciation	-	-	-	1,516,710	-	1,516,710	-	-	-	1,516,710	1,544,667
INVESTMENTS - deferred compensation	165,952	-	-	-	-	165,952	-	-	-	165,952	171,296
TOTAL ASSETS	\$ 3,594,292	\$ 296,474	\$ 161,032	\$ 1,516,710	\$ 157,097	\$ 5,725,605	\$ 432,438	\$ 23,594	\$ 456,032	\$ 6,181,637	\$ 6,034,250

	Unrestricted					Temporarily restricted				Totals	
	Undesignated	Designated			Townships 2100 Fund	Total unrestricted	Township Governance Academy Scholarship Fund		Total temporarily restricted		
	General fund	Equipment replacement fund	Building Maintenance/ Improvement fund	Land, building and equipment fund			Legal fund				
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES:											
Accounts payable	\$ 20,885	\$	\$	\$	\$	\$ 20,885	\$	\$	\$ -	\$ 20,885	\$ 23,871
Accrued payroll taxes and withholdings	35,766	-	-	-	-	35,766	-	-	-	35,766	27,706
Accrued compensated absences	115,371	-	-	-	-	115,371	-	-	-	115,371	93,713
Deferred revenue:										-	-
Membership dues	2,021,566	-	-	-	-	2,021,566	-	-	-	2,021,566	1,991,784
Advertising	9,555	-	-	-	-	9,555	-	-	-	9,555	23,540
Conference income	8,163	-	-	-	-	8,163	-	-	-	8,163	24,909
Other income	12,300					12,300			-	12,300	2,935
TOTAL CURRENT LIABILITIES	2,223,606	-	-	-	-	2,223,606	-	-	-	2,223,606	2,188,458
DEFERRED COMPENSATION	165,952	-	-	-	-	165,952	-	-	-	165,952	171,296
TOTAL LIABILITIES	2,389,558	-	-	-	-	2,389,558	-	-	-	2,389,558	2,359,754
NET ASSETS:											
Unrestricted	1,204,734	296,474	161,032	1,516,710	157,097	3,336,047	-	-	-	3,336,047	3,242,397
Temporarily restricted	-	-	-	-	-	-	432,438	23,594	456,032	456,032	432,099
TOTAL NET ASSETS	1,204,734	296,474	161,032	1,516,710	157,097	3,336,047	432,438	23,594	456,032	3,792,079	3,674,496
TOTAL LIABILITIES AND NET ASSETS	\$ 3,594,292	\$ 296,474	\$ 161,032	\$ 1,516,710	\$ 157,097	\$ 5,725,605	\$ 432,438	\$ 23,594	\$ 456,032	\$ 6,181,637	\$ 6,034,250

**MICHIGAN TOWNSHIPS ASSOCIATION
COMBINING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)**

	Unrestricted					Temporarily restricted				Totals	
	Undesignated	Designated				Legal fund	Township Governance Academy Scholarship Fund		Total temporarily restricted		
	General Fund	Equipment replacement fund	Building Maintenance/Improvement fund	Land, building, and equipment fund	Townships 2100 Fund		Total unrestricted	Total		Total	
									2008	2007	
REVENUES:											
Dues	\$ 2,185,963	\$ -	\$ -	\$ -	\$ -	\$ 2,185,963	\$ 117,603	\$ -	\$ 117,603	\$ 2,303,566	\$ 2,097,493
Education income	388,594	-	-	-	-	388,594	-	-	-	388,594	411,471
Convention income	435,508	-	-	-	-	435,508	-	-	-	435,508	471,637
Publications	243,886	-	-	-	-	243,886	-	-	-	243,886	246,425
Interest and dividend income	128,802	13,529	8,742	-	6,797	157,870	20,166	1,097	21,263	179,133	145,213
Commissions	11,765	-	-	-	-	11,765	-	-	-	11,765	13,341
Mailing labels	3,412	-	-	-	-	3,412	-	-	-	3,412	1,996
Miscellaneous income	50	-	-	-	-	50	-	-	-	50	56
Contributions	-	-	-	-	300	300	-	5,000	5,000	5,300	7,000
Pipeline case	-	-	-	-	-	-	774	-	774	774	49,269
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	(905)
Unrealized gain (loss) on investments	(2,077)	-	-	-	-	(2,077)	-	-	-	(2,077)	22,190
Total revenues	3,395,903	13,529	8,742	-	7,097	3,425,271	138,543	6,097	144,640	3,569,911	3,465,186
EXPENSES:											
Member services:											
Information	561,591	-	-	-	-	561,591	111,927	-	111,927	673,518	706,747
Legislative	715,196	-	-	-	-	715,196	-	-	-	715,196	681,036
Education	658,337	-	-	-	-	658,337	-	8,780	8,780	667,117	673,046
Publications	296,011	-	-	-	-	296,011	-	-	-	296,011	284,929
State convention	421,830	-	-	-	-	421,830	-	-	-	421,830	428,330
Communications	265,875	-	-	-	-	265,875	-	-	-	265,875	243,524
Total member services	2,918,840	-	-	-	-	2,918,840	111,927	8,780	120,707	3,039,547	3,017,612

	Unrestricted					Temporarily restricted				Totals	
	Undesignated	Designated				Total unrestricted	Legal fund	Township Governance	Total temporarily restricted	2008	2007
	General Fund	Equipment replacement fund	Building Maintenance/ Improvement fund	Land, building, and equipment fund	Townships 2100 Fund			Academy Scholarship Fund			
EXPENSES:											
Supporting services:											
Board of Directors	\$ 300,468	\$ -	\$ -	\$ -	\$ -	\$ 300,468	\$ -	\$ -	\$ -	\$ 300,468	\$ 286,175
N.A.T.A.T. expenditures	65,477	-	-	-	-	65,477	-	-	-	65,477	58,388
Political action committee	41,172	-	-	-	-	41,172	-	-	-	41,172	30,162
Scholarship Board	73	-	-	-	-	73	-	-	-	73	94
Capital outlay	624	-	-	-	-	624	-	-	-	624	1,133
Miscellaneous	-	1,392	3,575	-	-	4,967	-	-	-	4,967	5,015
Total supporting services	407,814	1,392	3,575	-	-	412,781	-	-	-	412,781	380,967
Total expenses	3,326,654	1,392	3,575	-	-	3,331,621	111,927	8,780	120,707	3,452,328	3,398,579
CHANGE IN NET ASSETS	69,249	12,137	5,167	-	7,097	93,650	26,616	(2,683)	23,933	117,583	66,607
Transfer of funds	(128,725)	32,216	(25,534)	(27,957)	150,000	-	-	-	-	-	-
NET ASSETS, beginning of year	1,264,210	252,121	181,399	1,544,667	-	3,242,397	405,822	26,277	432,099	3,674,496	3,607,889
NET ASSETS, end of year	\$ 1,204,734	\$ 296,474	\$ 161,032	\$ 1,516,710	\$ 157,097	\$ 3,336,047	\$ 432,438	\$ 23,594	\$ 456,032	\$ 3,792,079	\$ 3,674,496