

Township of Somerset  
Year Ended June 30, 2017

Audit Presentation  
October 18, 2017

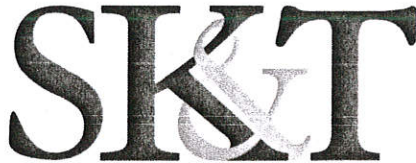
Presented by:  
William I. Tucker IV, CPA  
Principal

**SKT**

STEVENS KIRINOVIC & TUCKER P.C.



SETTING THE STANDARD FOR QUALITY  
GOVERNMENTAL AUDITS



STEVENS KIRINOVIC & TUCKER P.C.

## **INDEPENDENT AUDITOR'S REPORT**

Members of the Township Board  
Township of Somerset  
Hillsdale County, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Somerset, Michigan (the Township), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Somerset, Michigan, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Stevens Kirinovic & Tucker, P.C.*

STEVENS, KIRINOVIC & TUCKER, P.C.  
Certified Public Accountants

October 17, 2017

Township of Somerset

Governmental Funds

BALANCE SHEET

June 30, 2017

	General	Road Fund	Fire Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 556,096	\$ 155,022	\$ 181,836
Investments	330,202	13,280	-
Due from other funds	7,000	-	-
Due from other governmental units	77,282	4,300	-
Accounts receivable	10,922	-	50,601
Prepays	3,500	-	-
<b>TOTAL ASSETS</b>	<b>\$ 985,002</b>	<b>\$ 172,602</b>	<b>\$ 232,437</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 9,322	\$ 17,507	\$ 4,050
Accrued liabilities	-	-	3,931
Due to other funds	-	-	7,553
<b>TOTAL LIABILITIES</b>	<b>9,322</b>	<b>17,507</b>	<b>15,534</b>
<b>FUND BALANCES</b>			
Nonspendable - prepaids	3,500	-	-
Restricted			
Public safety	-	-	216,903
Public works	-	155,095	-
Perpetual care and endowment	601	-	-
Parks and recreation	-	-	-
Capital improvements	-	-	-
<b>Unassigned</b>	<b>971,579</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUND BALANCES</b>	<b>975,680</b>	<b>155,095</b>	<b>216,903</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 985,002</b>	<b>\$ 172,602</b>	<b>\$ 232,437</b>

Police Fund	Nonmajor Governmental Funds	Total
\$ 22,994	\$ 113,622	\$ 1,029,570
-	50,095	393,577
216	337	7,553
-	-	81,582
-	-	61,523
-	1,325	4,825
<u>\$ 23,210</u>	<u>\$ 165,379</u>	<u>\$ 1,578,630</u>
\$ 1,653	\$ 2,114	\$ 34,646
-	-	3,931
-	-	7,553
<u>1,653</u>	<u>2,114</u>	<u>46,130</u>
-	1,325	4,825
21,557	-	238,460
-	-	155,095
-	-	601
-	57,788	57,788
-	104,152	104,152
-	-	971,579
<u>21,557</u>	<u>163,265</u>	<u>1,532,500</u>
<u>\$ 23,210</u>	<u>\$ 165,379</u>	<u>\$ 1,578,630</u>

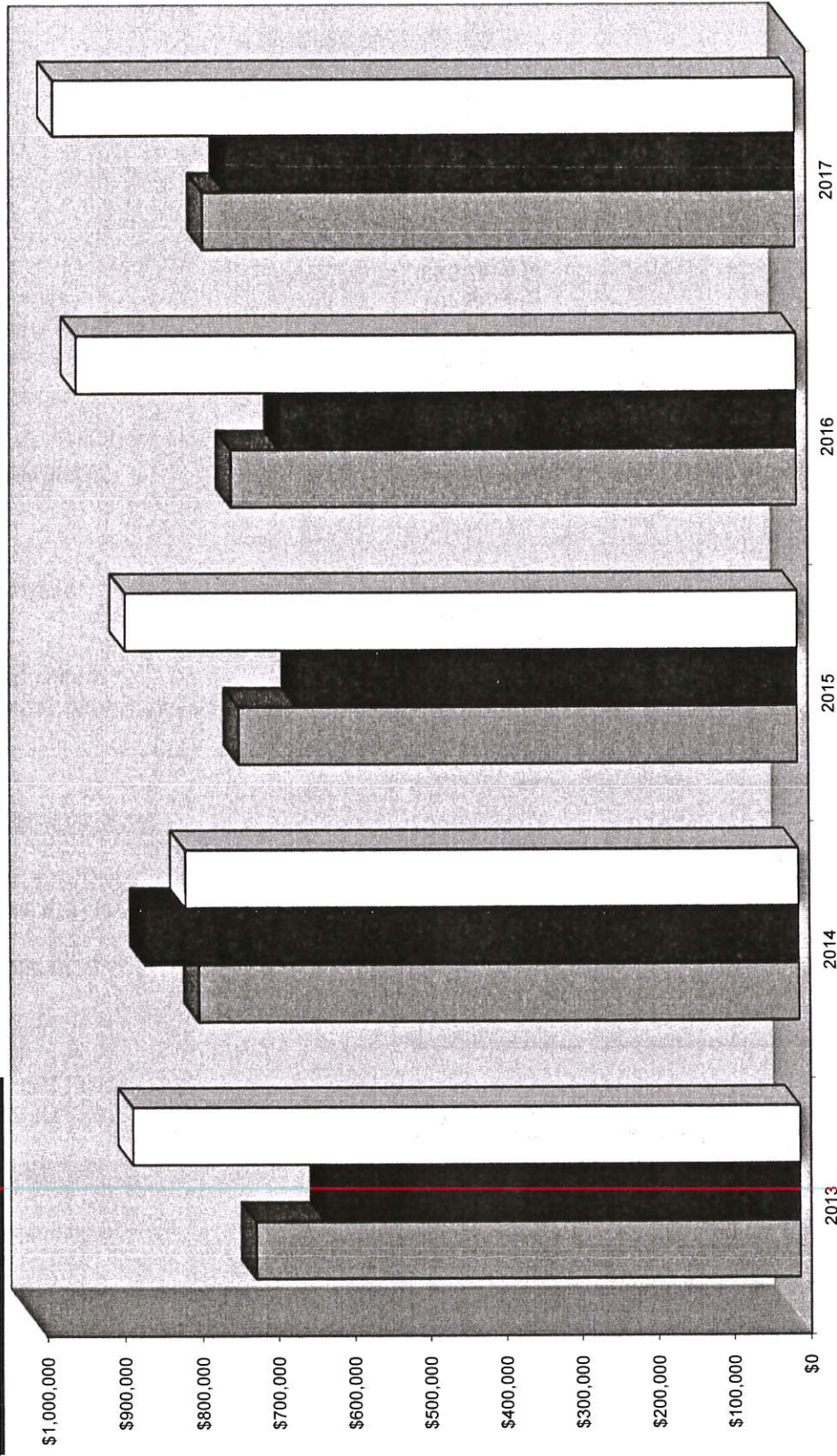


Police Fund	Nonmajor Governmental Funds	Total
\$ 95,788	\$ 95,744	\$ 575,565
2,539	-	17,953
-	-	85,401
-	-	378,453
116	-	451,960
301	3,494	16,372
4,706	18,393	38,840
<u>103,450</u>	<u>117,631</u>	<u>1,564,544</u>
-	-	375,986
205,875	-	712,539
-	-	99,353
-	54,554	84,649
-	-	15,874
-	-	53,344
5,793	70,541	103,621
<u>211,668</u>	<u>125,095</u>	<u>1,445,366</u>
(108,218)	(7,464)	119,178
84,920	-	300,351
-	-	(300,351)
<u>84,920</u>	<u>-0-</u>	<u>-0-</u>
(23,298)	(7,464)	119,178
<u>44,855</u>	<u>170,729</u>	<u>1,413,322</u>
<u>\$ 21,557</u>	<u>\$ 163,265</u>	<u>\$ 1,532,500</u>



**Township of Somerset  
General Fund Revenues, Expenditures, and Fund Balance**

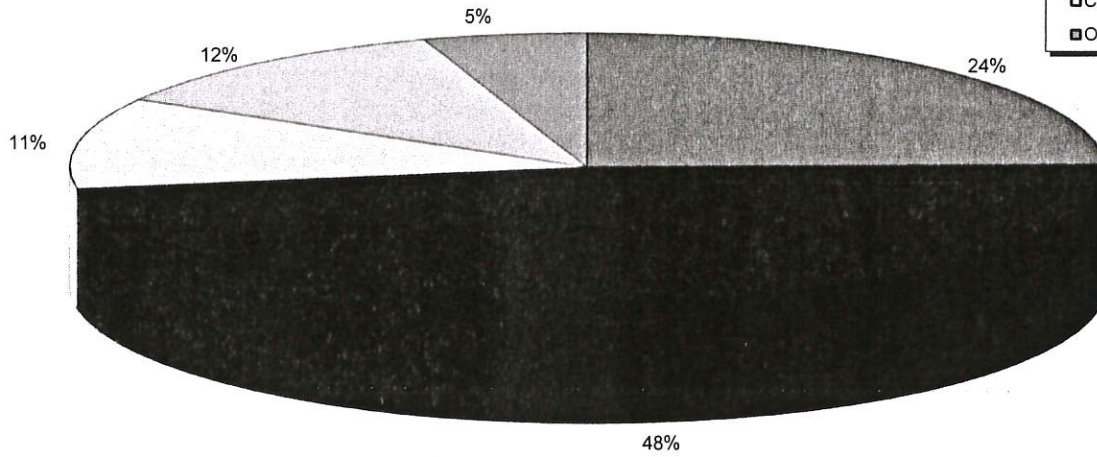
- Revenues and Other Financing Sources
- Expenditures and Other Financing Uses
- Fund Balance





**Township of Somerset  
General Fund Revenues  
2017**

- Taxes
- Intergovernmental
- Licenses and Permits
- Charges for Services
- Other



**Township of Somerset  
General Fund Expenditures  
2017**

- General Government
- Public Safety
- Recreation and Culture
- Community and Economic Development
- Other

