

June 19, 2012

Village Council  
Village of Mackinaw City

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***Village of Mackinaw City*** (the “Village”) for the year ended February 29, 2012, and have issued our report thereon dated June 19, 2012. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter dated February 23, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Village. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village’s compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on April 24, 2012.

## **Significant Results of the Audit**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village are described in Note 1 to the financial statements. As described in Note 16 to the financial statements, the Village changed accounting policy related to governmental fund balances by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The cumulative effect of the accounting change as of the beginning of the year is reported in the notes to the financial statements. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred, other than the restatement described in Note 16 to the financial statements.

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 estimates affecting the financial statements were:

- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us 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.

Attached is the schedule of corrected financial statement misstatements, which includes the misstatements detected as a result of audit procedures and corrected by management.

*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 our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated June 19, 2012.

*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 entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

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

This information is intended solely for the use of the governing body and management of the Village Council and management of the **Village of Mackinaw City** and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson". The signature is written in a cursive, flowing style.

# VILLAGE OF MACKINAW CITY

## Attachment A - Consideration of Internal Control Over Financial Reporting For the February 29, 2012 Audit

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *Village of Mackinaw City* (the "Village") for the year ended February 29, 2012, and have issued our report thereon dated June 19, 2012.

In planning and performing our audit in accordance with auditing standards generally accepted in the United States of America, we considered the Village's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our 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, we identified certain deficiencies in internal control that we consider to be material weaknesses and another deficiency that we 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 Village's financial statements will not be prevented, or detected and corrected on a timely basis. The deficiencies we noted that we consider to be material weaknesses are described in our report on internal control over financial reporting issued in accordance with *Government Auditing Standards*.

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. The deficiency we noted that we consider to be a significant deficiency is described in our report on internal control over financial reporting issued in accordance with *Government Auditing Standards*.

### **Other Matters**

#### *Recording of Prepaid Assets*

Currently, the Village does not record certain prepaid assets. Although at the present time, these assets are immaterial to the Village for audit purposes, we recommend the Village consider recording these items.

#### *Michigan Finance Qualifying Statement*

All governmental units subject to the Revised Municipal Finance Act (PA34 of 2001) must submit a Michigan Finance Qualifying Statement that allows governmental units to be eligible to apply for financing during the fiscal year. The Village must submit their qualifying statement electronically using the Michigan Department of Treasury's website. The qualifying statement is due to the Michigan Department of Treasury by August 29, 2012.

# VILLAGE OF MACKINAW CITY

## ■ Attachment A - Consideration of Internal Control Over Financial Reporting ■ For the February 29, 2012 Audit

### *Electronically Filing the Financial Statements*

The Michigan Department of Treasury has issued Numbered Letter 2005-2 which requires (under the authority of Michigan Compiled Law 141.427(1) that all audits in accordance with Public Act 2 of 1968 and Public Act 71 of 1919 be submitted electronically to the Treasury in a Portable Document Format (PDF) compatible with Adobe Acrobat. We have provided the necessary information, in this electronic format, to the Village Clerk to enable the Village to comply.

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# Village of Mackinaw City

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[www.mackinawcity.org](http://www.mackinawcity.org) [village@mackinawcity.org](mailto:village@mackinawcity.org)

June 19, 2012

Rehmann Robson  
PO Box 250  
Cheboygan, MI 49721

We are providing this letter in connection with your audit of the financial statements of the **Village of Mackinaw City** (the "Village") as of February 29, 2012 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village and the respective changes in financial position and, where applicable, cash flows thereof in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of June 19, 2012, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all—
  - a. Financial records and related data.
  - b. Minutes of the meetings of Village Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We are in agreement with the adjusting journal entries you have proposed, and they have been posted.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.



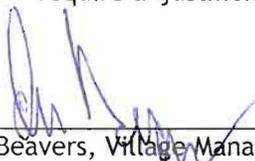
*"Crossroads of the Great Lakes."  
Equal Employment Opportunity and Service Provider*

7. We have no knowledge of any fraud or suspected fraud affecting the Village involving:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the Village received in communications from employees, former employees, analysts, regulators, or others.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
11. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
12. The Village has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
13. The following, if any, have been properly recorded or disclosed in the financial statements:
  - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

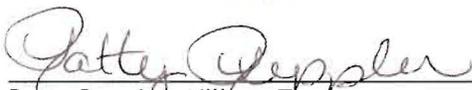
For the purposes of this letter, related parties mean members of the Village Council; administrative officials; immediate families of administrative officials, members of the Village Council; and any companies affiliated with or owned by such individuals.
  - b. Guarantees, whether written or oral, under which the Village is contingently liable.
  - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

15. There are no—
  - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
  - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
16. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
17. The Village has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
18. The Village has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
19. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
20. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
21. The financial statements properly classify all funds and activities.
22. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
23. Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
24. Provisions for uncollectible receivables have been properly identified and recorded.
25. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
26. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
27. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

28. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
29. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
30. We have appropriately disclosed the Village's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
31. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
32. We acknowledge our responsibility for the required supplementary information (RSI). The required supplementary information is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
33. We have evaluated the Village's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.
34. Expenditures of federal awards were below the \$500,000 threshold in the audit period and we were not required to have an audit in accordance with OMB Circular A-133.
35. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

  
\_\_\_\_\_  
Don Beavers, Village Manager

  
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Lana Jaggi, Village Clerk

  
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Patty Pepler, Village Treasurer

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
<b>General Fund</b>			
101-000-5740	STATE SHARED REVENUE	\$ 506	
101-000-6980	MISCELLANEOUS INCOME	1,949	
101-000-0201	RECEIVABLE FROM FEDERAL DNR GRANT		\$ 2,455
To adjust state shared revenue and receivable to actual.			
101-000-2640	FRINGE BENEFITS	34,721	
101-000-7140	FRINGE-FRINGE		34,721
To close out 7140 fringe account.			
101-000-3900	FUND BALANCE	719	
101-172-9620	MISCELLANEOUS		719
To adjust fund balance to actual.			
101-999-9991	PROJECT GRADUATION-CASH	105	
101-999-9992	PROJECT GRADUATION-CONTRIBUTION PAYABLE		105
101-999-9993	CANINE FUND - CASH	101	
101-999-9994	CANINE FUND - CONTRIBUTION PAYABLE		101
101-999-9995	SHOP WITH A COP - CASH		3,558
101-999-9996	SHOP WITH A COP - CONTRIBUTIONS PAYABLE	3,558	
To record ending cash balance for the police accounts.			
101-301-8640	CONFERENCES/WRKSH	676	
101-301-8500	COMMUNICATIONS	77	
101-172-7400	OPERATING SUPPLIES	46	
101-000-2020	ACCOUNTS PAYABLE		799
101-301-7510	GAS/OIL	1,119	
101-172-7510	GAS/OIL	291	
101-336-7510	GAS/OIL	265	
101-000-2020	ACCOUNTS PAYABLE		1,675
101-336-9770	FIRE CAPITAL OUTLAY EQUIPMENT	415	
101-000-2020	ACCOUNTS PAYABLE		415
101-269-7400	OPERATING SUPPLIES	375	
101-000-2020	ACCOUNTS PAYABLE		375
101-203-8010	ATTORNEY CONTRACTED SERVICES	3,936	
101-000-2020	ACCOUNTS PAYABLE		3,936
101-203-8010	ATTORNEY CONTRACTED SERVICES	817	
101-000-2020	ACCOUNTS PAYABLE		817
To record 2012 expenses which were paid in 2013 into A/P.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
101-172-7020	WAGES	\$ 937	
101-215-7020	WAGES	230	
101-253-7020	WAGES	266	
101-265-7020	WAGES	432	
101-269-7020	WAGES	1,371	
101-285-7020	WAGES	22	
101-301-7020	WAGES	5,011	
101-448-7020	SIDEWALK WAGES	22	
101-691-7020	WAGES	151	
101-000-2040	ACCRUED PAYROLL		\$ 8,442
To record current year accrued payroll.			
101-000-4030	CURRENT PROPERTY TAX	182,644	
101-000-0200	TAXES RECEIVABLE		182,644
101-000-0200	TAXES RECEIVABLE	119,341	
101-000-4030	CURRENT PROPERTY TAX		119,341
To reverse prior year and record current year property tax receivable and revenue.			
102-301-1990	REVENUE BOND - RECREATION CENTER	23,000	
102-216-1990	RECREATION COMPLEX-SPECIAL REVENUE		23,000
To reclassify pooled cash to the correct accounts.			
101-000-0200	TAXES RECEIVABLE	14,519	
101-000-4030	CURRENT PROPERTY TAX		14,519
To adjust property tax revenue and related receivable to actual.			
101-000-0200	TAXES RECEIVABLE	6,054	
101-000-6980	MISCELLANEOUS INCOME		6,054
To record revenue and receivable related to penalty on taxes.			
101-000-6680	RENTS & ROYALTIES	5,994	
101-000-2140	DUE TO OTHER FUNDS		5,994
To reclassify Sprint revenue which should have been recorded in fund #216.			
101-000-2640	FRINGE BENEFITS	59,528	
101-101-7140	FRINGE-FRINGE		243
101-172-7140	FRINGE BENEFIT		3,564
101-215-7140	FRINGE BENEFIT		856
101-253-7140	FRINGE BENEFIT		992
101-265-7140	FRINGE BENEFIT		874
101-269-7140	FRINGE BENEFIT		5,336
101-285-7140	FRINGE BENEFIT		663
101-301-7140	FRINGE BENEFIT		14,209
101-336-7140	FRINGE BENEFIT		1,437
101-448-7140	SIDEWALK FRINGE BENEFITS		253
101-691-7140	FRINGE BENEFIT		1,153
202-463-7140	FRINGE BENEFIT		1,155
202-478-7140	FRINGE BENEFIT		575

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
202-483-7140	FRINGE BENEFIT		\$ 675
203-463-7140	FRINGE BENEFIT		1,120
203-474-7140	FRINGEBENEFIT		2
203-478-7140	FRINGE BENEFIT		480
203-483-7140	FRINGE BENEFIT		675
209-276-7140	FRINGE BENEFIT		892
210-346-7140	FRINGE BENEFIT		6,660
216-691-7140	FRINGE BENEFIT		794
425-691-7140	FRINGE BENEFIT		1,178
490-801-7140	FRINGE BENEFIT		129
590-548-7140	FRINGE BENEFIT		6,273
590-556-7140	FRINGE BENEFIT		4,206
594-544-7140	FRINGE BENEFIT		3,151
661-901-7140	FRINGE BENEFIT		1,983
202-102-1990	DUE TO/FROM COMBINED FUND	\$ 2,405	
203-102-1990	DUE TO/FROM COMBINED FUND	2,277	
209-102-1990	DUE TO/FROM COMBINED FUND	892	
210-102-1990	DUE TO/FROM COMBINED FUND	6,660	
216-102-1990	DUE FROM/TO COMBINED FUNDS	794	
425-102-1990	DUE TO/FROM COMBINED FUND	1,178	
490-102-1990	DUE TO/FROM COMBINED FUND	129	
590-102-1990	DUE TO/FROM COMBINED FUND	10,479	
594-102-1990	DUE TO/FROM COMBINED FUND	3,151	
661-102-1990	DUE TO/FROM COMBINED FUND	1,983	
101-102-1990	DUE TO/FROM COMBINED FUND		29,948
102-101-1990	GENERAL FUND CASH	29,948	
102-202-1990	MAJOR STREETS CASH		2,405
102-203-1990	LOCAL STREETS CASH		2,277
102-209-1990	CEMETERY CASH		892
102-210-1990	AMBULANCE CASH		6,660
102-216-1990	RECREATION COMPLEX-SPECIAL REVENUE		794
102-425-1990	RECREATION CASH		1,178
102-490-1990	PLANNING COMM. CASH		129
102-590-1990	WATER SEWER CASH		10,479
102-594-1990	MARINA CASH		3,151
102-661-1990	EQUIPMENT FUND CASH		1,983

To reallocate overpayments into fringe account back into the correct accounts.

101-102-1990	DUE TO/FROM COMBINED FUND	21,255	
101-000-0670	DUE FROM OTHER FUNDS		21,255
102-000-0040	IMMA	21,255	
102-101-1990	GENERAL FUND CASH		21,255
101-000-2140	DUE TO OTHER FUNDS	3,115	
101-102-1990	DUE TO/FROM COMBINED FUND		3,115
102-101-1990	GENERAL FUND CASH	3,115	
102-000-0040	IMMA		3,115

To transfer cash to eliminate due to/due from other funds with fund 374.

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
<b>Major Street</b>			
202-000-5690	GAS & WEIGHT TAX	\$ 14,081	
202-000-0400	ACCOUNTS RECEIVABLE		\$ 14,081
To reverse prior year PA 51 receivable.			
202-000-0400	ACCOUNTS RECEIVABLE	8,223	
202-000-5690	GAS & WEIGHT TAX		8,223
To record current year PA 51 receivable.			
202-463-7020	WAGES	290	
202-474-7020	WAGES	33	
202-478-7020	WAGES	392	
202-483-7020	WAGES	246	
202-000-2040	ACCRUED PAYROLL		961
To record current year accrued wages.			
<b>Local Street</b>			
203-000-5690	GAS & WEIGHT TAX	6,563	
203-000-0400	ACCOUNTS RECEIVABLE		6,563
To reverse prior year PA 51 receivable.			
203-000-0400	ACCOUNTS RECEIVABLE	3,799	
203-000-5690	GAS & WEIGHT TAX		3,799
To record current year PA 51 receivable.			
203-451-7020	WAGES	33	
203-463-7020	WAGES	66	
203-474-7020	WAGES	22	
203-478-7020	WAGES	265	
203-483-7020	WAGES	246	
203-000-2040	ACCRUED PAYROLL		632
To record current year accrued wages.			
<b>Municipal Street</b>			
204-000-4030	CURRENT PROPERTY TAX	65,028	
204-000-0200	TAXES RECEIVABLE		65,028
204-000-0200	TAXES RECEIVABLE	42,576	
204-000-4030	CURRENT PROPERTY TAX		42,576
To reverse prior year and record current year property tax revenue and receivable.			
204-000-3100	DEFERRED REVENUE-WEST JAMET	9,669	
204-000-0410	SPECIAL ASSESSMENT RECEIVABLE-WEST JAMET		9,669
To adjust special assessment receivable and deferred revenue for amounts collected in current year - W. Jamet.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
204-000-0671	DELINQUENT ASSESSMENTS RECVABL-W CENTRAL	\$ 3,601	
204-000-6722	SPECIAL ASSESSMENT REVENUE - W. JAMET		\$ 1,343
204-000-6642	INTEREST INCOME-W. JAMET		2,258
To reclassify special assessment revenue for amounts that were posted to the incorrect accounts.			
204-000-6642	INTEREST INCOME-W. JAMET	1,278	
204-000-6722	SPECIAL ASSESSMENT REVENUE - W. JAMET		1,278
To reclassify special assessment income and interest income - W. Jamet.			
204-000-3102	DEFERRED REVENUE-M-108	1,164	
204-000-0120	RESERVE ACCOUNT		1,164
204-000-0412	SPECIAL ASSESSMENT RECEIVABLE-M-108	1,494	
204-000-0415	SPECIAL ASSESSMENT RECEIVABLE-N HURON		1,494
To reclassify prior year adjusting entry which was posted to the wrong account.			
204-000-3102	DEFERRED REVENUE-M-108	14,010	
204-000-0412	SPECIAL ASSESSMENT RECEIVABLE-M-108		14,010
To adjust special assessment receivable and deferred revenue for amounts collected in the current year - M-108.			
204-000-3103	DEFERRED REVENUE - LOUVIGNY	2,434	
204-000-0413	SPECIAL ASSESSMENT RECEIVABLE - LOUVIGNY		2,434
To adjust special assessment A/R and deferred revenue for principal amounts collected related to Louvigny Phase I.			
204-000-3105	DEFERRED REVENUE-N HURON	1,047	
204-000-0415	SPECIAL ASSESSMENT RECEIVABLE-N HURON		1,047
To adjust special assessment A/R and deferred revenue for principal amounts collected during the year related to North Huron.			
204-000-3101	DEFERRED REVENUE-WEST CENTRAL	7,319	
204-000-0411	SPECIAL ASSESSMENT RECEIVABLE-WEST CENTRAL		7,319
To adjust special assessment A/R and deferred revenue for amounts collected in the current year - W. Central.			
204-000-6641	INTEREST INCOME - M-108	1,553	
204-000-6722	SPECIAL ASSESSMENT REVENUE - W. JAMET		1,278
204-000-6642	INTEREST INCOME-W. JAMET		275
204-000-6721	SPECIAL ASSESSMENTS REVENUE - W. CENTRAL	4,389	
204-000-6644	INTEREST INCOME - W. CENTRAL		4,389
204-000-6640	INTEREST INCOME		518
204-000-6725	N HURON SPEC ASST PRINC	518	
204-000-6720	SPECIAL ASSESSMENTS REVENUE - M-108	3,088	
204-000-6641	INTEREST INCOME - M-108		3,088
204-000-6722	SPECIAL ASSESSMENT REVENUE - W. JAMET	1,278	
204-000-6642	INTEREST INCOME-W. JAMET	614	
204-000-6720	SPECIAL ASSESSMENTS REVENUE - M-108		1,347
204-000-6641	INTEREST INCOME - M-108		545
To adjust special assessment accounts to actual.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
204-000-6722	SPECIAL ASSESSMENT REVENUE - W. JAMET	\$ 386	
204-000-6642	INTEREST INCOME-W. JAMET		\$ 386
To reclassify delinquent special assessment revenue which was recorded to special assessment receivable.			
204-000-0671	DELINQUENT ASSESSMENTS RECVABL-W CENTRAL	15,504	
204-000-0670	DELINQUENT ASSESSMENTS RECVABL-W.JAMET		15,504
To reclassify an entry which was posted to the wrong account.			
204-000-0200	TAXES RECEIVABLE	4,560	
204-000-4030	CURRENT PROPERTY TAX		4,560
To adjust property tax revenue and related receivable to actual.			
204-102-1990	DUE TO/FROM COMBINED FUND	10,707	
204-000-6910	CONTRIB FROM OTHER FUND		10,707
102-000-0040	IMMA	10,707	
102-204-1990	MUNICIPAL STREETS CASH		10,707
To record contribution of excess fund balance from fund #374.			
204-450-9260	STREET LIGHTS	672	
204-000-2020	ACCOUNTS PAYABLE		672
To record accounts payable to actual.			
<b>Cemetery</b>			
209-000-4030	CURRENT PROPERTY TAX	4,126	
209-000-0200	TAXES RECEIVABLE		4,126
209-000-0200	TAXES RECEIVABLE	2,737	
209-000-4030	CURRENT PROPERTY TAX		2,737
To reverse prior year and record current year property tax revenue and receivable.			
209-000-0200	TAXES RECEIVABLE	291	
209-000-4030	CURRENT PROPERTY TAX		291
To adjust property tax revenue and related receivable to actual.			
209-276-7020	WAGES	151	
209-000-2040	ACCRUED PAYROLL		151
To record current year accrued wages.			
209-276-9621	CEMETERY - CONTINGENCY	45	
209-000-2020	ACCOUNTS PAYABLE		45
To record accounts payable to actual.			
<b>Ambulance</b>			
210-346-7510	GAS/OIL	295	
210-000-2020	ACCOUNTS PAYABLE		295
To move 2012 expenses which were paid in 2013 into A/P.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
210-346-7020	WAGES	\$ 1,865	
210-000-2040	ACCRUED PAYROLL		\$ 1,865
To record current year accrued wages.			
210-000-0400	ACCOUNTS RECEIVABLE	24,630	
210-000-6260	CHARGE FOR SERVICES		24,630
To record revenue and related receivable which was billed in March 2012.			
210-346-9631	AMBULANCE UNCOLLECTIBLE	19,000	
210-000-0401	ALLOWANCE FOR DOUBTFUL ACCOUNTS		19,000
To increase allowance for doubtful accounts.			
<b>#216 Fund</b>			
216-000-0400	ACCOUNTS RECEIVABLE	30,000	
216-000-3100	DEFERRED REVENUE		30,000
To record receivable and deferred revenue for 2011/12 Skating Association fees.			
216-000-6422	ICE REVENUE	42,500	
216-000-0400	ACCOUNTS RECEIVABLE		42,500
To reclassify Skating Association payments that were recorded to revenue instead of reducing the receivable.			
217-102-1990	DUE TO/FROM COMBINED FUND	112	
217-691-7020	WAGES		73
217-691-7140	FRINGE BENEFIT		39
216-102-1990	DUE FROM/TO COMBINED FUNDS		112
216-691-7020	WAGES - REC CENTER	73	
216-691-7140	FRINGE BENEFIT	39	
102-216-1990	RECREATION COMPLEX-SPECIAL REVENUE	112	
102-217-1990	TRAIL GROOM FUND		112
To move wages inappropriately recorded to fund 217 which should have went to fund 216.			
216-691-7510	GAS/OIL	90.00	
216-000-2020	ACCOUNTS PAYABLE		90.00
To move 2012 expenses which were paid in 2013 into A/P.			
216-691-7020	WAGES - REC CENTER	500	
216-000-2040	ACCRUED PAYROLL		500
To record current year accrued wages.			
216-000-0670	DUE FROM OTHER FUNDS	20,079	
216-000-6682	TOWER LEASE		20,079
101-000-6680	RENTS & ROYALTIES	14,085	
101-000-2140	DUE TO OTHER FUNDS		14,085
To reclassify Sprint tower lease revenue which was recorded in the general fund.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
216-000-6682	TOWER LEASE	\$ 12,420	
216-000-0400	ACCOUNTS RECEIVABLE		\$ 12,420
To reclassify revenue from Sprint which should have been recorded against accounts receivable.			
<b>#244 Fund</b>			
244-000-4030	CURRENT PROPERTY TAX	10,974	
244-000-0200	TAXES RECEIVABLE		10,974
244-000-0200	TAXES RECEIVABLE	2,070	
244-000-4030	CURRENT PROPERTY TAX		2,070
To reverse prior year and record current year property tax revenue and receivable.			
<b>#300 Fund</b>			
300-000-0060	1999 ICE SYSTEM DEBT FUND	44	
300-102-1990	DUE TO/FROM COMBINED FUND		44
To reclassify individual cash from combined account.			
<b>#310 Fund</b>			
310-000-6720	SPECIAL ASSESSMENTS	11,709	
310-000-2140	DUE TO OTHER FUNDS		11,709
204-000-0675	DUE FROM OTHER FUNDS	11,709	
204-000-6721	SPECIAL ASSESSMENTS REVENUE - W. CENTRAL		11,709
To reclassify special assessment revenue that was recieved into the incorrect fund for W. Central.			
310-000-0080	2002 G/O DEBT SERVICE CASH	36,418	
310-932-9100	PRINCIPAL ON BONDS		35,000
310-932-9950	INTEREST EXPENSE		1,418
102-310-1990	2002 CAP IMP DEBT SERVICE		36,417
To reverse debt payment which was recorded twice and to balance fund #102.			
310-000-0670	DUE FROM OTHER FUNDS	11,431	
310-000-6910	CONTRIB. FROM GENERAL FUND		11,431
101-444-9655	G.O. BOND 2002	11,431	
101-000-2140	DUE TO OTHER FUNDS		11,431
To record transfer from general fund to cover the debt service payments.			
<b>#352 Fund</b>			
661-901-9651	TRANSFER '04 BOND FUND	1,175	
661-000-9951	INTEREST EXPENSE		1,175
352-906-9950	INTEREST EXPENSE	2,025	
352-000-6992	CONTRIB. FROM EQUIP. FUND		1,175
352-000-6990	CONTRIB. FROM DDA		850
To record transfer of debt payment which was not recorded.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
<b>#363 Fund</b>			
363-932-9950	INTEREST EXPENSE	\$ 55	
363-932-9951	PRINCIPAL ON BONDS		\$ 55
To reclass principal and interest expense.			
<b>#374 Fund</b>			
374-000-2140	DUE TO OTHER FUND	21,255	
374-102-1990	DUE TO/FROM COMBINED FUND		21,255
102-374-1990	23/STRAITS 2000 SPEC ASST	21,255	
102-000-0040	IMMA		21,255
374-102-1990	DUE TO/FROM COMBINED FUND	3,115	
374-000-0671	DUE FROM OTHER FUNDS		3,115
102-000-0040	IMMA	3,115	
102-374-1990	23/STRAITS 2000 SPEC ASST		3,115
To transfer pooled cash to eliminate due to/due from other funds.			
374-000-6960	CONTRIB. FROM OTHER FUNDS	10,707	
374-102-1990	DUE TO/FROM COMBINED FUND		10,707
102-374-1990	23/STRAITS 2000 SPEC ASST	10,707	
102-000-0040	IMMA		10,707
To transfer remaining fund balance to fund 204.			
<b>#375 Fund</b>			
375-000-6720	SPECIAL ASSESSMENTS	5,308	
375-000-6640	INTEREST INCOME		5,308
To correct incorrect posting of interest income on special assessment receipt.			
375-000-3100	DEFERRED REVENUE	27,177	
375-000-0410	SPECIAL ASSESSMENT RECEIVABLE		27,177
To adjust deferred revenue and A/R Louvingney II.			
375-000-6720	SPECIAL ASSESSMENTS	2,608	
375-000-2140	DUE TO OTHER FUND		2,608
204-000-0675	DUE FROM OTHER FUNDS	2,608	
204-000-6723	SPECIAL ASSESSMENT REVENUE - LOUVIGNY		2,434
204-000-6643	INTEREST INCOME - LOUVIGNY		174
To reclassify special assessments amounts recorded as revenue in the incorrect fund.			
<b>#376 Fund</b>			
376-000-6720	SPECIAL ASSESSMENTS	1,565	
376-000-2140	DUE TO OTHER FUND		1,565
204-000-0675	DUE FROM OTHER FUNDS	1,565	
204-000-6725	N HURON SPEC ASST PRINC		1,565
To adjust principal payments received on the S. Huron project into fund 376 instead of fund 204.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
<b>Fund #425</b>			
425-691-7400	OPERATING SUPPLIES	\$ 378	
425-000-2020	ACCOUNTS PAYABLE		\$ 378
To move 2012 expenses which were paid in 2013 into A/P.			
425-691-7020	WAGES	120	
425-000-2040	ACCRUED PAYROLL		120
To record current year accrued wages.			
<b>Fund #478</b>			
478-000-9770	CAPITAL OUTLAY	132,613	
478-000-2020	ACCTS PAYABLE		132,613
To reclassify capital outlay expense which was recorded to accounts payable.			
<b>Water/Sewer Fund</b>			
590-000-3950	SEWER FUND BALANCE		320,000
590-000-3951	WATER FUND BALANCE		240,000
590-000-3902	PPA SEWER	320,000	
590-000-3901	PPA WATER	240,000	
To reclassify 2/28/2011 prior period adjustment to net assets.			
* Lana post this amount to account 590-000-3960			
** Lana post this amount to account 590-000-3961			
590-000-0340	WATER/SEWER DELINQUENT BILLS	1,052	
590-000-3950	SEWER FUND BALANCE	16,084	
590-000-0340	WATER/SEWER DELINQUENT BILLS		17,071
590-548-9580	SEWER - MEMBERSHIP/DUES		65
To post prior year audit entries in order to tie out beginning fund balance.			
590-000-1401	WATER EQUIPMENT	5,200	
590-556-9770	WATER CAPITAL OUTLAY		5,200
To record water additions.			
590-548-9590	DEPRECIATION EXPENSE-SEWER	136,883	
590-556-9590	DEPRECIATION EXPENSE-WATER	58,719	
590-000-1370	SEWER DEPRECIATION BUILDINGS		3,410
590-000-1371	WATER DEPRECIATION BUILDINGS		1,128
590-000-1510	DEPRECIATION OTHER THAN BLDGS.-SEWER		121,450
590-000-1511	DEPRECIATION OTHER THAN BLDGS.-WATER		39,240
590-000-1410	SEWER DEPRECIATION EQUIPMENT		12,023
590-000-1411	WATER DEPRECIATION EQUIPMENT		18,351
To record current year depreciation.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
590-000-1410	SEWER DEPRECIATION EQUIPMENT	\$ 2,200	
590-000-1400	SEWER EQUIPMENT		\$ 2,200
To record current year disposals of equipment.			
590-548-7020	WAGES	2,051	
590-556-7020	WAGES	1,818	
590-000-2040	ACCRUED PAYROLL		3,869
To record current year accrued wages.			
590-556-9770	WATER CAPITAL OUTLAY	3,619	
590-000-2020	ACCOUNTS PAYABLE		3,619
To record accounts payable for December 2011 invoices from C2AE which were paid in April 2012.			
590-556-7510	GAS/OIL	300	
590-548-7510	GAS/OIL	491	
590-000-2020	ACCOUNTS PAYABLE		791
590-556-8010	CONTRACTED SERVICE	3,419	
590-000-2020	ACCOUNTS PAYABLE		3,419
To move 2012 expenses which were paid in 2013 into A/P.			
<b>Marina Fund</b>			
594-000-1110	MARINA INVENTORY GASOLINE	7,909	
594-544-7510	GAS/OIL		7,909
To adjust inventory to actual.			
594-000-0400	ACCOUNTS RECEIVABLE		7,189
594-000-3100	DEFERRED REVENUE-SEASONAL	68,104	
594-000-6531	TEMPORARY MOORAGE	7,189	
594-000-6534	SEASONAL MOORAGE 2000		68,104
To adjust 2010/11 seasonal moorage revenue.			
594-000-3900	FUND BALANCE	1,894	
594-544-9620	MISCELLANEOUS		1,894
To adjust fund balance to actual.			
594-544-9590	DEPRECIATION EXPENSE-MARINA	37,298	
594-000-1530	DEPRECIATION LAND IMPROVEMENTS		2,856
594-000-1410	MARINA DEPREC. MACH/EQUIP		137
594-000-1550	MARINA ACCUM/DEPRECIATION		34,305
To record current year depreciation.			
594-000-3101	DEFERRED REVENUE-SPHERIX	4,443	
594-000-6530	MOORAGE TRANSIENT		4,443
To adjust deferred revenue from spherix to actual.			

# Village of Mackinaw City

## Adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
594-000-1410	MARINA DEPREC. MACH/EQUIP	\$ 4,003	
594-000-1400	MARINA MACHINERY/EQUIP		\$ 4,003
To record current year disposals.			
594-000-1540	MARINA	32,482	
594-544-9770	CAPITAL OUTLAY		32,482
To record current year additions.			
594-544-7020	WAGES	649	
594-000-2040	ACCRUED PAYROLL		649
To record current year accrued wages.			
<b>Equipment Fund</b>			
661-000-1400	MACHINERY/EQUIPMENT	16,000	
661-901-9770	CAPITAL OUTLAY EQUIPMENT		10,000
661-901-9300	R/M EQUIPMENT		6,000
To record current year additions.			
661-000-1410	EQUIP DEPRECIATION		65,696
661-901-9590	EQUIPMENT DEPRECIATION	65,696	
To adjust internal service fund depreciation for year.			
661-901-7020	WAGES	2,414	
661-000-2040	ACCRUED PAYROLL		2,414
To record current year accrued wages.			
661-901-7510	GAS/OIL	851	
661-000-2020	ACCOUNTS PAYABLE		851
661-901-9300	R/M EQUIPMENT	1,195	
661-000-2020	ACCOUNTS PAYABLE		1,195
661-901-7400	OPERATING SUPPLIES	855	
661-000-2020	ACCOUNTS PAYABLE		855
To move 2012 expenses which were paid in 2013 into A/P.			
661-000-3000	LONG TERM DEBT	927	
661-000-3001	CP LTD		927
To record current portion of LTD.			
661-000-3000	LONG TERM DEBT	33,291	
661-901-9770	CAPITAL OUTLAY EQUIPMENT		33,291
To reduce long-term debt for payments which were recorded to expense.			

# Village of Mackinaw City

## Government-wide financial statements adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
934-000-6880	GASB 34 - GA ISF NET INCOME		\$ 296
934-170-0000	GASB 34 - GA GENERAL GOVT EXPENSES	\$ 87	
934-640-0000	GASB 34 - GA HIGHWAYS AND STREETS EXPENSES	184	
934-740-0000	GASB 34 - GA HEALTH AND WELFARE EXP	3	
934-840-0000	GASB 34 - GA RECREATION	22	
To allocate net income from Internal Service Funds back to participating governmental and enterprise funds.			
934-000-3000	GASB 34 - GA LONG-TERM DEBT	193,989	
934-905-9910	GASB 34 - GA PRINCIPAL EXPENSE		193,989
934-170-0000	GASB 34 - GA GENERAL GOVT EXPENSES		
Record debt service principal payments expense as a offset to long term debt.			
934-000-2020	GASB 34 - GA ACCOUNTS PAYABLE	1,353	
934-905-9950	GASB 34 - GA INTEREST EXPENSE		1,353
To adjust accrued interest payable.			
934-000-3000	GASB 34 - GA LONG-TERM DEBT	40,603	
934-000-3010	GASB 34 - GA CURRENT PORTION OF LTD		40,603
To adjust current portion of LTD for governmental fund types.			
934-000-6980	GASB 34 - GA BOND PROCEEDS	750,000	
934-000-3000	GASB 34 - GA LONG-TERM DEBT		750,000
To record liability related to issuance of new bonds.			
934-000-4010	GASB 34 - GA SPECIAL ASSESSMENT REVENUE	61,656	
934-000-2980	GASB 34 - GA DEFERRED REVENUE		61,656
To reduce current year revenue for special assessments collected and recorded as current year revenue for the individual fund statements.			
934-000-1322	GASB 34 - GA CAP ASSETS CONSTRUCTION IN PROCES	132,613	
934-902-0000	GASB 34 - GA CAPITAL OUTLAY EXPENSE-HS		132,613
To capitalize governmental funds capital outlay for current year additions.			
934-000-1330	GASB 34 - GA ACCUMULATED DEPRECIATION	76,591	
934-000-1320	GASB 34 - GA CAPITAL ASSETS		76,591
To record current year disposals.			
934-900-0000	GASB 34 - GA CAPITAL OUTLAY EXPENSE-GG		56,753
934-170-0000	GASB 34 - GA GENERAL GOVT EXPENSES	22,908	
934-300-0000	GASB 34 - GA PUBLIC SAFETY EXPENSES	29,510	
934-840-0000	GASB 34 - GA RECREATION	3,500	
934-740-0000	GASB 34 - GA HEALTH AND WELFARE EXP	835	
To reclassify capital outlay accounts that were not capitalized.			

# Village of Mackinaw City

## Government-wide financial statements adjusting journal entries

February 29, 2012

Account #	Description	Debit	Credit
934-170-0000	GASB 34 - GA GENERAL GOVT EXPENSES	\$ 57,217	
934-300-0000	GASB 34 - GA PUBLIC SAFETY EXPENSES	66,599	
934-440-0000	GASB 34 - GA PUBLIC WORKS EXPENSES	10,399	
934-640-0000	GASB 34 - GA HIGHWAYS AND STREETS EXPENSES	233,833	
934-740-0000	GASB 34 - GA HEALTH AND WELFARE EXP	11,574	
934-840-0000	GASB 34 - GA RECREATION	78,709	
934-000-1330	GASB 34 - GA ACCUMULATED DEPRECIATION		\$ 458,331
To record current year depreciation expense by function for governmental assets.			
934-000-3001	GASB 34 - GA ACCRUED COMPENSATION	37,505	
934-170-0000	GASB 34 - GA GENERAL GOVT EXPENSES		26,778
934-300-0000	GASB 34 - GA PUBLIC SAFETY EXPENSES	8,539	
934-440-0000	GASB 34 - GA PUBLIC WORKS EXPENSES	381	
934-840-0000	GASB 34 - GA RECREATION		19,647
To adjust accrued sick and vacation to actual.			
934-000-3002	GASB 34 - GA ACCRUED COMPENSATION-CURRENT		26,582
934-000-3001	GASB 34 - GA ACCRUED COMPENSATION	26,582	
To adjust current portion of accrued sick and vacation.			
934-170-0000	GASB 34 - GA GENERAL GOVT EXPENSES	11,726	
934-000-2990	GASB 34 - OPEB LIABILITY		11,726
To record change in liability related to other postemployment benefits.			