

**SPECIAL MEETING
MENOMINEE TOWNSHIP BOARD
N2283 O-1 Drive, Menominee, MI 49858
September 26, 2007**

The meeting was called to order at 6:00 p.m. by Supervisor Ken Goffin. Members in attendance as follows: Darlene Nerat – Trustee, Pat Barker – Treasurer, Dale Axtell – Trustee, Ken Goffin – Supervisor, and Julie Kass – Clerk.

Pledge of Allegiance was recited.

PURPOSE OF MEETING: Audit Report

Public Comment: None

Jay McMahon, the auditor from Schenck Business Solutions, went over the Menominee Township 2006/2007 audit report with the Board. Mr. McMahon explained that the only thing to report, due to new audit standards changed in 2006, by the American Institute of Certified Public Accountants (AICPA) to lower the definition of control deficiencies that we must communicate to management and the Township Board as part of our audit. As a result, the number of control deficiencies reported by auditors will significantly increase. For example the Township annually contracts with us to make various routine adjusting and closing entries and prepare your financial statements in conformity with generally accepted account principles, and GASB 34 state financial report require additional expertise that would entail addition training and staff time to develop. The Township contracts with Schenck and their knowledge of current accounting principles and regulatory requirements to prepare required journal entries and financial reports for the Township in an efficient manner, as do most municipalities. Schenck suggests the review of financial statements by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the financial statement or notes. The additional cost associated with hiring staff experienced in preparing year end adjusting, closing, and GASP34 conversion entries and financial reports, including addition training time out weigh the derived benefits. Schenck recommends the Township continue reviewing the adjusting, closing and GASB 34 conversion entries along with the financial reports prepared by Schenck. There are no other deficiencies to report.

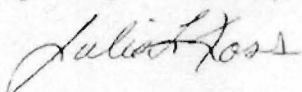
Kass added that at the MTA workshop that Barker and she attended the MTA did address this and the MTA feels the standards were developed for private industry not elected government entities and would like to see this standard changed for government entities.

Goffin asked if the Board can designate a portion of the Fund Balance to a certain project as the Township's Fund Balance does somewhat prohibit the Township's ability to receive Grants. Mr. McMahon explained that he felt it would not make a difference in the way the township's Fund Balance looked to the entity the Township was seeking a Grant from as any new Board can undo the designation of funds.


Barker asked if there is anything that we can change to do a better job. McMahon said that the internal controls have gotten better and better each year which also makes the auditing process take less time which was reflected in their bid for the project and had no suggestions for improvements.

Adjourn: Supervisor Goffin declared the meeting adjourned @ 6:27 p.m.

Respectfully Submitted by:



Julie L. Kass
Menominee Township Clerk



Ken Goffin
Menominee Township Supervisor

10-24-07