

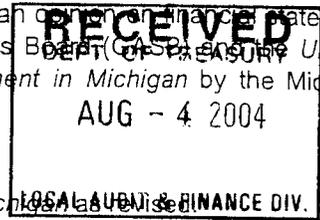
SUNFIELD, SEBEWA AND DANBY
FIRE ASSOCIATION DISTRICT
COUNTIES OF EATON AND IONIA, MICHIGAN
FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

| | | | |
|---|--------------------------------|---|--------|
| Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other | | Local Government Name <i>Sunfield, Lebewa, Derby Fire District</i> | County |
| Audit Date <i>3/31/04</i> | Opinion Date <i>6/24/04</i> | Date Accountant Report Submitted to State: <i>7/30/04</i> | |

We have audited the financial statements of this local unit of government and rendered an opinion on the financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.



We affirm that:

- We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan*.
- We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- yes no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- yes no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- yes no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- yes no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- yes no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- yes no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- yes no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- yes no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- yes no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

| | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations. | ✓ | | |
| Reports on individual federal financial assistance programs (program audits). | | | ✓ |
| Single Audit Reports (ASLGU). | | | ✓ |

| | | | |
|--|----------------------------|--------------------|---------------------|
| Certified Public Accountant (Firm Name) <i>Barry B. Gauderke, CPA, PC</i> | | | |
| Street Address <i>1107 E. 9th Street</i> | City <i>Warren City</i> | State <i>MI</i> | ZIP <i>48096</i> |
| Accountant Signature <i>Barry B. Gauderke CPA</i> | | | |

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INTRODUCTORY SECTION

Barry E. Gaudette, CPA, P.C.

CERTIFIED PUBLIC ACCOUNTANT

Members of the Board of Directors
Sunfield, Sebewa and Danby Fire
Association District
Eaton and Ionia Counties, Michigan

1107 East Eighth Street
Traverse City, Michigan 49686
(231) 946-8930
Fax (231) 946-1377

Independent Auditor's Report

We have audited the accompanying financial statements of the Sunfield, Sebewa and Danby Fire Association District, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Sunfield, Sebewa and Danby Fire Association District's management. Our responsibility is to express an opinion 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sunfield, Sebewa and Danby Fire Association District, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Sunfield, Sebewa and Danby Fire Association District. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Barry E. Gaudette, CPA, P.C.

June 24, 2004

FINANCIAL STATEMENTS

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
COMBINED BALANCE SHEETS
GENERAL FUND AND ACCOUNT GROUP
MARCH 31, 2004

=====

| | <u>General Fund</u> | <u>General Fixed Assets</u> | <u>Totals (Memorandum Only)</u> | |
|---|-------------------------|-------------------------------------|-------------------------------------|--------------------|
| | | <u>Account Group</u> | <u>March 31,</u> | |
| | | | <u>2004</u> | <u>2003</u> |
| <u>ASSETS</u> | | | | |
| Cash | \$205,215 | \$ | \$ 205,215 | \$ 386,815 |
| Taxes receivable | 11,464 | | 11,464 | 48,016 |
| Prepaid expense | 833 | | 833 | 1,315 |
| Land & buildings | | 45,000 | 45,000 | 45,000 |
| Equipment | | <u>769,998</u> | <u>769,998</u> | <u>614,717</u> |
| TOTAL ASSETS | <u>\$217,512</u> | <u>\$814,998</u> | <u>\$1,032,510</u> | <u>\$1,095,863</u> |
| <u>LIABILITIES & FUND EQUITY</u> | | | | |
| LIABILITIES: | | | | |
| Accounts payable | \$ _____ | \$ _____ | \$ _____ | \$ 184,704 |
| FUND EQUITY: | | | | |
| Investment in general fixed assets | | 814,998 | 814,998 | 659,717 |
| Fund Balance: | | | | |
| Reserved | 28,560 | | 28,560 | 28,724 |
| Unreserved | <u>188,952</u> | | <u>188,952</u> | <u>222,718</u> |
| TOTAL FUND EQUITY | <u>217,512</u> | <u>814,998</u> | <u>1,032,510</u> | <u>911,159</u> |
| TOTAL LIABILITIES & FUND EQUITY | <u>\$217,512</u> | <u>\$814,998</u> | <u>\$1,032,510</u> | <u>\$1,095,863</u> |

See notes to financial statements

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2004

| | <u>Original</u> <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|---|----------------------------------|------------------|---|
| REVENUES: | | | |
| Townships & Village of Sunfield | \$148,776 | \$146,548 | \$(2,228) |
| Interest | 2,200 | 2,050 | (150) |
| Other | <u>2,000</u> | <u>34,260</u> | <u>32,260</u> |
| TOTAL REVENUES | <u>152,976</u> | <u>182,858</u> | <u>29,882</u> |
| EXPENDITURES: | | | |
| Public Safety: | | | |
| Insurance | 18,000 | 18,322 | (322) |
| First response | 16,000 | 17,369 | (1,369) |
| Repairs | 7,000 | 7,188 | (188) |
| Miscellaneous & supplies | 5,000 | 6,704 | (1,704) |
| Firemen's wages & meetings | 4,000 | 6,151 | (2,151) |
| Utilities | 1,500 | 1,261 | 239 |
| Bookkeeping, training & memberships | 4,200 | 738 | 3,462 |
| Equipment, maintenance | 5,000 | 651 | 4,349 |
| Officers & board members | 540 | 480 | 60 |
| Telephone & alarm system | 1,300 | 452 | 848 |
| Gas & oil | 1,500 | 438 | 1,062 |
| Sewer & water | 460 | 418 | 42 |
| Building maintenance | 3,000 | 386 | 2,614 |
| Capital outlay | <u>95,328</u> | <u>156,230</u> | <u>(60,902)</u> |
| TOTAL EXPENDITURES | <u>162,828</u> | <u>216,788</u> | <u>(53,960)</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (9,852) | (33,930) | (24,078) |
| FUND BALANCE, beginning | <u>251,442</u> | <u>251,442</u> | _____ |
| FUND BALANCE, ending | <u>\$241,590</u> | <u>\$217,512</u> | <u>\$(24,078)</u> |

See notes to financial statements

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Sunfield, Sebewa and Danby Fire Association District (Fire District) complies with Generally Accepted Accounting Principles (GAAP). The Fire District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the Fire District's financial activities for the fiscal year ended March 31, 2004.

B. Reporting Entity

The Townships of Sunfield, Sebewa and Danby organized the volunteer fire department at a meeting on July 9, 1941. New by-laws were adopted and bound by a resolution signed by each municipality effective February 3, 1986. It is now called the Sunfield, Sebewa and Danby Fire Association District. It was established for the purpose of furnishing fire protection throughout the Township of Sunfield, including the Village of Sunfield, the Township of Sebewa, and a portion of the Township of Danby.

The fire department administrative board consists of five members who are appointed by the Townships and the Village of Sunfield; Sunfield and Sebewa each have two members, on a three year staggered term, a president and secretary/treasurer. This board appoints a fire chief for a term of three years staggered with the officers of the board.

C. Basis of Presentation

The accounts of the Fire District are organized on the basis of a fund and an account group, each of which is considered to be a separate accounting entity.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation - Continued

The major fund categories and account groups are:

Governmental Fund Type

These funds are those through which most governmental functions typically are financed. The focus of Governmental Fund measurement is upon determination of financial position and changes in financial position (sources, uses and balances of the financial resources) rather than upon net income. The following is a description of the Governmental Fund Type of the Fire District:

General Fund

The General Fund is the general operating fund of the Fire District. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from contributions from each Township, the Village of Sunfield, and interest income.

Account Group

Account Groups are not funds; they do not reflect available financial resources and related liabilities, but are accounting records of the following:

General Fixed Asset Account Group

The General Fixed Asset Account Group is used to maintain control and cost information for all fixed assets of the Fire District utilized in its general operations. Expenditures for fixed assets are shown as expenditures in the General Fund and added to the General Fixed Asset Account Group. No depreciation is taken on these assets.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Total Columns (Memorandum Only)

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Modified Accrual

The Governmental Fund Type (General Fund) is accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Taxpayer-assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seem certain.

F. Budgets

Annual operating budgets are adopted by the Fire District Board for the General Fund in accordance with Public Act 621 of 1978.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Budgets - Continued

The Fire District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Board submits a proposed operating budget for the fiscal year commencing the following April 1st. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
- b. Public hearings are conducted by the Board to obtain taxpayer comments.
- c. Prior to March 31st, the budget is legally enacted on a departmental (activity) basis through passage of an appropriations act.
- d. Budget amendments are made by the Board as the need arises during the year.
- e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.
- f. Budget appropriations lapse at year end.

G. Encumbrance System

The Fire District does not use an encumbrance system.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Assets and Liabilities

1. Cash and investments

Michigan Compiled Laws, Section 129.91, authorizes the Sunfield, Sebewa and Danby Fire Association District to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase, and which involve no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Fire District has designated one bank for the deposit of the Fire District funds.

The Fire District's deposits are in accordance with statutory authority.

2. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund inventories are not recorded.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Assets and Liabilities - Continued

3. Property, Plant and Equipment

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

See Schedule of General Fixed Assets page 14.

4. Capitalized Interest

Generally accepted accounting principles require that interest expenditures incurred during construction of assets be capitalized. They are capitalized only to the extent that interest cost exceeds interest earned on related interest bearing investments. The District did not capitalize interest on fixed assets in the current year.

I. Allowance for Doubtful Accounts

The Fire District does not use an allowance for doubtful accounts.

J. Accrued Vacation and Sick Leave

The Fire District does not maintain a policy providing accrued vacation and sick leave for its employees.

K. Fund Balance Reserve

The Fund Balance Reserve represents amounts reserved for prepaid insurance of \$833 and a Certificate of Deposit for \$27,727.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2004
 (Continued)

=====

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the District's actual expenditures and budget expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the District for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the District incurred expenditures in the General Fund in excess of the amounts appropriated by \$53,960.

NOTE 3: DETAILED NOTES ON FUNDS AND ACCOUNT GROUPS

A. Assets

1. Deposits and Investments

The District's deposits are in accordance with statutory authority. The GASB Statement No. 3 risk disclosure for the District's cash deposits are as follows:

| | <u>Bank Balance</u> | <u>Book Balance</u> |
|------------------|-------------------------|-------------------------|
| Insured (FDIC) | \$ 200,000 | \$ 200,000 |
| Uninsured: | | |
| Uncollateralized | <u>5,434</u> | <u>5,215</u> |
| Total | <u>\$ 205,434</u> | <u>\$ 205,215</u> |

2. Property and Equipment

See Schedule of General Fixed Assets page 14.

NOTE 4: RETIREMENT PLAN

The District does not provide a pension plan for its employees.

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004
(Continued)

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NOTE 5: INDIVIDUAL FUND PRESENTATION

The General Fund is the only fund of its kind. Therefore, it is not presented in a combining statement in the supplemental data portion of this report.

NOTE 6: RELATED PARTY TRANSACTIONS

Nothing came to our attention during the audit effort that would warrant separate mention related to transactions between the Fire District and its employees and/or elected officials.

NOTE 7: SUBSEQUENT EVENTS

On April 16, 2004 the Fire District borrowed \$70,211.78 from the Ionia County National Bank for the purchase of a 2003 Spartan Fire Truck. The terms of the loan is an interest rate of 3.860% that matures on April 16, 2006. Two payments of \$37,179.94 are to be made on April 16, 2005 and 2006. A check in the amount of \$170,211.78 was paid to Wolerine Fire Apparatus, Inc. for the purchase of the Fire Truck on April 16, 2004.

NOTE 8: COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Fire District's financial position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

SUPPLEMENTARY DATA SECTION

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
COMPARATIVE BALANCE SHEET
GENERAL FUND
MARCH 31, 2004 AND 2003

=====

| | March 31, | |
|---------------------------------------|------------|------------|
| | 2004 | 2003 |
| <u>ASSETS</u> | | |
| Cash | \$ 205,215 | \$ 386,815 |
| Taxes receivable | 11,464 | 48,016 |
| Prepaid expenses | 833 | 1,315 |
| TOTAL ASSETS | \$ 217,512 | \$ 436,146 |
| <u>LIABILITIES & FUND BALANCE</u> | | |
| LIABILITIES: | | |
| Accounts payable | \$ _____ | \$ 184,704 |
| FUND BALANCE: | | |
| Reserved | 28,560 | 28,724 |
| Unreserved: | | |
| Undesignated | 188,952 | 222,718 |
| TOTAL FUND BALANCE | 217,512 | 251,442 |
| TOTAL LIABILITIES & FUND BALANCE | \$ 217,512 | \$ 436,146 |

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GENERAL FUND**
 FOR THE YEARS ENDED MARCH 31, 2004 AND 2003

=====

| | Year Ended March 31, | |
|---|-------------------------|-----------|
| | 2004 | 2003 |
| REVENUES: | | |
| Village of Sunfield | \$ 18,070 | \$ 12,946 |
| Sunfield Township | 69,147 | 69,951 |
| Sebewa Township | 48,016 | 48,016 |
| Danby Township | 11,315 | 709 |
| Interest | 2,050 | 3,092 |
| Other | 34,260 | 15,511 |
| TOTAL REVENUES | 182,858 | 150,225 |
| EXPENDITURES: | | |
| Public Safety: | | |
| Insurance | 18,322 | 15,851 |
| First response | 17,369 | 14,701 |
| Repairs | 7,188 | 7,434 |
| Miscellaneous | 6,704 | 3,396 |
| Firemen - wages & meeting fees | 6,151 | 7,795 |
| Utilities | 1,261 | 1,382 |
| Bookkeeping, training, & memberships | 738 | 2,395 |
| Supplies & equipment maintenance | 651 | 2,220 |
| Board officers | 480 | 480 |
| Telephone & alarm service | 452 | 435 |
| Gas & oil | 438 | 870 |
| Sewer & water | 418 | 665 |
| Building maintenance | 386 | 464 |
| Capital outlay | 156,230 | 274,379 |
| TOTAL EXPENDITURES | 216,788 | 332,467 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (33,930) | (182,242) |
| OTHER FINANCING SOURCES: | | |
| Insurance proceeds | | 220,000 |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | (33,930) | 37,758 |
| FUND BALANCE, beginning | 251,442 | 213,684 |
| FUND BALANCE, ending | \$217,512 | \$251,442 |

SUNFIELD, SEBEWA AND DANBY FIRE ASSOCIATION DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS
 FOR THE YEAR ENDED MARCH 31, 2004

=====

| | <u>03/31/03</u> <u>Balance</u> | <u>Additions</u> <u>(Deductions)</u> | <u>03/31/04</u> <u>Balance</u> |
|--|-----------------------------------|---|-----------------------------------|
| LAND & BUILDINGS | \$ 45,000 | \$ _____ | \$ 45,000 |
| MAJOR EQUIPMENT: | | | |
| 1941 International | | | |
| - Antique | 8,000 | | 8,000 |
| 1975 Tanker | 13,000 | | 13,000 |
| 1979 Dodge Power Wagon | 33,000 | | 33,000 |
| 1984 Pumper | 51,829 | | 51,829 |
| 1990 Telephone Dispatch System | 20,055 | | 20,055 |
| 1996 Fire Truck | 82,558 | | 82,558 |
| 1997 Surplus Tanker Truck | 4,680 | | 4,680 |
| 2004 Update 911 unit, turnout gear, tanks, radios, etc | 56,366 | | 56,366 |
| 2000 GPM tanker/pumper | 265,062 | | 265,062 |
| 2002 Gladiator Classic/ Evolution chassis | _____ | <u>125,067</u> | <u>125,067</u> |
| TOTAL MAJOR EQUIPMENT | <u>534,550</u> | <u>125,067</u> | <u>659,617</u> |
| MINOR EQUIPMENT: | | | |
| 1991 | 949 | (949) | |
| 1992 | 5,982 | | 5,982 |
| 1993 | 3,363 | | 3,363 |
| 1994 | 3,026 | | 3,026 |
| 1995 | 2,647 | | 2,647 |
| 1996 | 9,896 | | 9,896 |
| 1997 | 16,872 | | 16,872 |
| 1998 | 9,496 | | 9,496 |
| 2001 | 15,502 | | 15,502 |
| 2002 | 3,117 | | 3,117 |
| 2003 | 9,317 | | 9,317 |
| 2004 | _____ | <u>31,163</u> | <u>31,163</u> |
| TOTAL MINOR EQUIPMENT | <u>80,167</u> | <u>30,214</u> | <u>110,381</u> |
| TOTAL FIXED ASSETS | <u>\$659,717</u> | <u>\$155,281</u> | <u>\$814,998</u> |

COMMENTS AND RECOMMENDATIONS

Barry E. Gaudette, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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Fax (231) 946-1377

Members of the Board of Directors
Sunfield, Sebewa and Danby Fire
Association District
Eaton and Ionia Counties, Michigan

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

This letter supplements the information in the Financial Statements and Notes to Financial Statements. It is intended solely for the use of management and should not be used for any other purpose.

Barry E. Gaudette, CPA, P.C.

June 24, 2004