Benzonia Township

Benzie County, Michigan

Audited Financial Statements

For the Year Ended March 31, 2004

Michigan Dept. of Treasury, Local Audit & Finance Division
496 (3-98), Formerly L-3147

AUDITING PROCEDURES REPORT

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

Local Government Type	Local Government Name	County
☐ City ☒ Township ☐ Village ☐ Other	Benzonia Township	Benzie

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
March 31, 2004	July 1, 2004	8/20/04

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

RECEIVED
DEPT. OF TREASURY
AUG 24 2004
LOCAL AUDIT & FINANCE DIV.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. 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.	XX		
Reports on individual federal financial assistance programs (program audits).			XX
Single Audit Reports (ASLGU).			XX

Certified Public Accountant (Firm Name)			
JL Stephan Co, PC			
Street Address	City	State	ZIP
862 E. Eighth St	Traverse City	MI	49686
Accountant Signature	John P Stone CPA		

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Comments and Recommendations	1-2
FINANCIAL SECTION	
Independent Auditor's Report	
Financial Statements	
Exhibit	
A Combined Balance Sheet – Modified Cash Basis – All Fund Types and Account Groups	3
B Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis – All Governmental Fund Types	4
C Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Modified Cash Basis – All Governmental Fund Types	5
Notes to the Financial Statements	6-10
SUPPLEMENTAL DATA SECTION	
Schedules	
1 *General Fund* – Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis	11-15
2 *Special Revenue Funds* – Combining Balance Sheet – Modified Cash Basis	16
3 *Special Revenue Funds* – Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis	17
4 *Fire Fund* – Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis	18-19

SUPPLEMENTAL DATA SECTION – continued

5	*Fire Improvement Fund* - Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis	20
6	*Road Improvement Fund* - Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis	21
7	*Park Improvement Fund* - Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis	22
8	*Fiduciary Funds* – Statement of Assets and Liabilities – Modified Cash Basis	23

INTRODUCTORY SECTION

Benzonia Township

Comments & Recommendations
March 31, 2004

We have examined the financial statements of Benzonia Township as of and for the year ended March 31, 2004 and issued our report dated July 1, 2004. As part of our examination, we studied and evaluated the Township's internal control structure. Because the study and evaluation were only part of the overall audit plan regarding the financial statements, it was not intended to be a complete review of all of your accounting procedures and, therefore, would not necessarily disclose all weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of the Township taken as a whole. As the result of our examination, we deem it necessary to make the following comments and recommendations.

Opening Comments

The records of the Township maintained by your Clerk and Treasurer are in excellent condition, and they should be commended for their efforts. Recorded revenues were deposited timely and intact. The Clerk's journals and ledgers appeared to be properly posted, although the cash balances of the Clerk and Treasurer do not appear to be compared on a regular basis.

In a continuing effort to improve the accounting system, financial reporting, and overall management, we offer the following comments and recommendations for your review.

Budget

The 2003-2004 budget did not include all information required by the Uniform Budget Act. It did not include prior year actual revenues and expenditures. We noted large amounts budgeted for contingency each year. In some cases, it was 100% of budgeted revenue and beginning fund balance. We recommend budgeted contingency amounts be no greater than 10% of total revenues and an estimated ending fund balance be budgeted. We recommend increased attention be given to budget adoption procedures.

Bank Reconciliation

In general, the bank reconciliations were in good order. However, we noted a transfer between the Tax Collection and the General Fund at year-end was not recorded. Additionally, there was an unresolved $20 difference between the Treasurer's books and the Clerk's book for the tax account. We recommend the Treasurer and Clerk reconcile their cash account balances on a monthly basis and resolve differences as soon as possible.

Invoices

We noted cases of insufficient supporting documentation attached to check copies. We also noted instances of paying amounts from vendor statements with no invoices attached. We recommend greater care be taken to document partial payments and ensure invoice copies are attached to vendor statements and check copies.

Payroll Taxes

It appears taxes were paid on total gross wages for township employees for which state unemployment taxes must be paid. Taxes are required only on a portion of an employee's wages. We recommend the Clerk review the State requirements and wage cut-off for unemployment taxes. We further recommend that reports filed for the last 2-3 years be amended to receive the refunds the Township is entitled to.

GASB 34

The Township is required to adopt GASB 34 and adhere to its requirements for fiscal year ending March 31, 2005. We recommend the Township Board familiarize itself with the general requirements of the pronouncement and contact us with questions regarding conversion to this new pronouncement.

Chart of Accounts

Some account numbers, such as General Fund Roads, Land Division, Capital Outlay and Transfers out, should be corrected to conform to the new Michigan Uniform Chart of Accounts. This should be corrected in the current year to facilitate conversion to GASB 34.

Closing Comments

We will be happy to discuss any of these recommendations with you and assist you in their implementation. As a matter of course, we will forward the necessary copies of this audit report to the State Treasury Department. We further appreciate the courtesy extended our field auditors in the conduct of this audit engagement. Should any questions arise on these financial statements or our audit, please call upon us.

J L Stephan Co PC

Certified Public Accountants

Jerry L. Stephan, CPA
John P. Morse, CPA

Marty Szasz, CPA
David Skibowski, Jr., CPA

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Benzonia Township
Benzonia, MI 49616

We have audited the accompanying general-purpose financial statements of Benzonia Township, Benzie County, 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 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.

As described in Note 2, Benzonia Township prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Benzonia Township as of March 31, 2004, and the results of its operations for the year then ended in conformity with the modified cash basis of accounting.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying financial information listed as Supplemental Data in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Benzonia Township. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

J L Stephan Co., PC

July 1, 2004

862 East Eighth Street • Traverse City, MI 49686
(231) 941-7600 • E-mail: jstephan@jlspc.com • Primary Fax (231) 941-1996 • Alternate Fax (231) 929-3350

Benzonia Township

Combined Balance Sheet
Modified Cash Basis
All Fund Types and Account Groups
March 31, 2004

Exhibit A

	Governmental Fund Types		Fiduciary Fund Types	Account Group	
	General Fund	Special Revenue	Trust &Agency Funds	General Fixed Assets	Totals (Memo Only)
Assets					
Cash	$ 115,676	$ 610,987	$ 241,253	$ -	$ 967,916
Taxes Receivable	-	-	-	-	-
PTAF Receivable	-	-	-	-	-
Due from Other Funds	142,664	90,742	-	-	233,406
General Fixed Assets	-	-	-	1,242,283	1,242,283
Total Assets	$ 258,340	$ 701,729	$ 241,253	$ 1,242,283	$ 2,443,605
Liabilities and Fund Equity					
Liabilities					
Accounts Payable	$ -	$ -	$ -	$ -	$ -
Due to Other Funds	-	-	233,406	-	233,406
Due to Other Units	-	-	-	-	-
Due to Others	-	-	7,847	-	7,847
Deferred Revenue	142,664	90,742	-	-	233,406
Total Liabilities	142,664	90,742	241,253	-	474,659
Fund Equity					
Investment in General Fixed Assets	-	-	-	1,242,283	1,242,283
Fund Balances - Unreserved	115,676	610,987	-	-	726,663
Total Fund Equity	115,676	610,987	-	1,242,283	1,968,946
Total Liabilities and Fund Equity	$ 258,340	$ 701,729	$ 241,253	$ 1,242,283	$ 2,443,605

See Accompanying Notes to Financial Statements

Benzonia Township

Exhibit B

Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
All Governmental Fund Types
For the Year Ended March 31, 2004

	General Fund	Special Revenue Funds	Totals (Memo Only)
Revenues			
Taxes	$ 156,691	$ 96,397	$ 253,088
State Shared Revenue	133,260	-	133,260
Contributions From Local Units	-	42,465	42,465
Charges for Services	2,882	-	2,882
Interest & Rentals	5,408	9,651	15,059
Other Revenues	1,153	2,245	3,398
Total Revenues	299,394	150,758	450,152
Expenditures			
General Government	242,106	-	242,106
Public Safety	370	101,299	101,669
Public Works	2,864	-	2,864
Recreation & Culture	13,102	844	13,946
Total Expenditures	258,442	102,143	360,585
Excess Revenues (Expenditures)	40,952	48,615	89,567
Other Financing Sources (Uses)			
Operating Transfers In	-	144,000	144,000
Operating Transfers (Out)	(84,000)	(60,000)	(144,000)
Total Other Financing Sources (Uses)	(84,000)	84,000	-
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	(43,048)	132,615	89,567
Fund Balance - Beginning of Year	158,724	478,372	637,096
Fund Balance - End of Year	$ 115,676	$ 610,987	$ 726,663

See Accompanying Notes to Financial Statements

Benzonia Township

Exhibit C

Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Modified Cash Basis
All Governmental Fund Types
For the Year Ended March 31, 2004

	General Fund			Special Revenue Funds		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues						
Taxes	$ 157,500	$ 156,691	$ (809)	$ 96,000	$ 96,397	$ 397
State Shared Revenue	140,200	133,260	(6,940)	-	-	-
Contributions From Local Units	-	-	-	42,500	42,465	(35)
Charges for Services	7,725	2,882	(4,843)	-	-	-
Interest & Rentals	10,000	5,408	(4,592)	12,280	9,651	(2,629)
Other Revenue	3,000	1,153	(1,847)	2,000	2,245	245
Total Revenues	318,425	299,394	(19,031)	152,780	150,758	(2,022)
Expenditures						
General Government	358,825	242,106	116,719	-	-	-
Public Safety	1,000	370	630	548,200	101,299	446,901
Public Works	5,000	2,864	2,136	129,000	-	129,000
Recreation & Culture	19,600	13,102	6,498	6,580	844	5,736
Total Expenditures	384,425	258,442	125,983	683,780	102,143	581,637
Excess Revenues (Expenditures)	(66,000)	40,952	106,952	(531,000)	48,615	579,615
Other Financing Sources (Uses)						
Operating Transfers In	-	-	-	120,000	144,000	24,000
Operating Transfers (Out)	(84,000)	(84,000)	-	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	(84,000)	(84,000)	-	60,000	84,000	24,000
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	$ (150,000)	(43,048)	$ 106,952	$ (471,000)	132,615	$ 603,615
Fund Balance - Beginning of Year		158,724			478,372	
Fund Balance - End of Year		$ 115,676			$ 610,987	

See Accompanying Notes to Financial Statements

Note 1 - Description of Operations and Fund Types

Benzonia Township is a common law township as defined by the laws of the State of Michigan. An elected Supervisor and Township Board govern the Township. The current state taxable value is $137,773,215 and the 2000 census reported a population of 2,839.

A. Reporting Entity
The criteria established by Statement 14 of the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, the financial statements of certain other governmental organizations are not included in the financial statements of the Township.

B. Basis of Presentation
The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund - This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, and other intergovernmental revenues.

Special Revenue Funds - These Funds are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The four Special Revenue Funds currently maintained by the Township are the Fire Fund, Fire Improvement Fund, Road Improvement Fund and the Park Improvement Fund.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Tax Collection Fund and Trust and Agency Fund belong to this fund group.

Account Groups

General Fixed Assets Account Group - This Account Group presents the fixed assets of the local unit utilized in its general operations (non-proprietary fixed assets).

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Township's policy is to prepare its financial statements on the modified cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when cash is disbursed rather than when the obligation is incurred. Agency Funds of the township also recognize assets and liabilities on the modified cash basis.

The general fixed asset account group is not a fund. It is concerned only with the measurement of financial position. It is not involved with measuring the results of operations.

B. Budgets

The General Fund and Special Revenue Fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified cash basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the combined financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Township for these budgetary funds were adopted at the activity level.

Encumbrance accounting is not used and appropriations normally lapse at year-end.

C. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are excluded from general fixed assets as such items are immovable and of value only to the Township. No depreciation has been provided on general fixed assets.

Fixed Assets are recorded at historical cost. Donated fixed assets are valued at the fair market value as of the date received.

D. Property Taxes

The Township collects property taxes between December 1 and February 28. Any uncollected real property taxes that become delinquent March 1 are purchased (paid) by Benzie County within 90 days of the Township's year-end. It is the Township's policy to recognize tax revenue in the year of intended use instead of the year of levy and is therefore reflected as deferred revenue on the combined balance sheet. This is a Non-GAAP method of recognizing property tax revenue.

Note 2 - Summary of Significant Accounting Policies - continued

E. Total Column
The total column on the financial statements is captioned (Memo Only) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Note 3 - Material Violations of Legal and Contractual Provisions

Budget Compliance
P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. For the current year, the Township did not incur any expenditure in excess of the amount appropriated.

Note 4 - Deposits with Financial Institutions

A. Legal or Contractual Provisions for Deposits and Investments
The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by act No. 217, Public Acts of 1982 and Public Act 196 of 1997, states the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

A. In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.

B. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with Subsection (2).

C. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.

D. In United States government or Federal agency obligation repurchase agreements.

E. In banker's acceptances of United States banks.

F. In mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments
The Township maintains all its surplus funds with two local banks in the form of savings/checking accounts and certificates of deposit. Interpreting the FDIC insurance coverage of $100,000 per deposit to apply separately to the demand and time deposits of a public unit, the bank balances as of March 31, 2004 appear to be $103,807 FDIC insured and $864,109 uninsured for total deposits of $967,916.

Note 5 - Changes in General Fixed Assets

Fixed assets in the General Fixed Asset Group of Accounts as of March 31, 2004, are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Improvements	$ 90,557	$ -	$ -	$ 90,557
Buildings	213,743	-	-	213,743
Furniture and Equip.	92,807	10,495	-	103,302
Fire Department	656,692	17,463	-	674,155
Park Equipment	158,973	1,553	-	160,526
Total	$1,212,772	$ 29,511	$ -	$1,242,283

Note 6 – Risk Management

The Township pays an annual premium to Michigan Municipal Underwriters for its general insurance coverage through the Michigan Township Participating Plan. The Township carries coverage for property damage, liability, wrongful acts, automobile, crime, and inland marine claims. Also, it carries worker's compensation insurance with The Accident Fund of Michigan and volunteer firefighters accident insurance with MCM Group Inc. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 7 – Related Party Transaction

The Township is insured through the Michigan Township Participating Plan. The Township Clerk is a Director and Officer of this organization.

Note 8 – Pension Plan

The Township participates in a defined contribution pension plan. The plan covers the Township's firefighters and elected officials with contribution based on their years of service. The Township's 2003-2004 contribution was $16,700.

Note 9 – Deferred Compensation Plan

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Variable Annuity Life Insurance Company (VALIC) administers the plan. The plan, available to all Township employees, permits them to defer a portion of their salary until future years.

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation investments are not reported in the Township's financial statements.

SUPPLEMENTAL DATA SECTION

Benzonia Township

Schedule 1

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Property Taxes	$ 116,500	$ 116,511	$ 11
Interest/Penalties on Taxes	1,600	930	(670)
Property Tax Admin. Fee	39,400	39,250	(150)
State Shared Revenue	140,000	133,057	(6,943)
State Swamp Tax	200	203	3
Cemetery Lot Sales	5,500	2,400	(3,100)
Cable TV Fee	925	-	(925)
Voter Registration	50	-	(50)
Hall Usage	100	100	-
Photocopies	50	22	(28)
Park Usage	100	-	(100)
Land Division Applications	1,000	360	(640)
Refunds & Reimbursements	3,000	1,153	(1,847)
Interest Earned	10,000	5,408	(4,592)
Miscellaneous	-	-	-
Total Revenues	318,425	299,394	(19,031)
Expenditures			
General Government			
Township Board			
Salaries & Wages		2,125	
Wages - Secretary		18,900	
Employer's Social Security		8,529	
Health Insurance		35,700	
Annuity		4,300	
Supplies		1,089	
Audit Fees		1,430	
Contractual Services		-	
Legal Services		-	
Telephone		1,842	
Mileage		-	
Community Promotion		5,578	
Printing and Publishing		1,401	
Insurance and Bonds		8,516	
Unemployment Comp. Insurance		160	
Expressway Lighting		1,606	
Repairs & Maintenance		813	
Miscellaneous		21	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 1

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Township Board - continued			
Membership & Dues		2,205	
Education & Training		180	
Capital Outlay		45	
Utilities		172	
Contingency		-	
Computer Services		3,170	
	186,450	97,782	88,668
Supervisor			
Salaries & Wages		15,000	
Wages - Deputy		-	
Supplies		74	
Mileage		-	
Repairs & Maintenance		-	
Miscellaneous		100	
Education & Training		70	
Capital Outlay		-	
	16,550	15,244	1,306
Elections			
Salaries & Wages		667	
Office Supplies		1,325	
Professional Services		-	
Meals		34	
Printing & Publishing		49	
Capital Outlay		-	
	6,300	2,075	4,225
Assessor			
Salaries & Wages		27,200	
Office Supplies		-	
Operating Supplies		814	
Tax Roll Preparation		3,000	
Mileage		-	
Printing & Publishing		-	
Repair & Maintenance		-	
Membership & Dues		-	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 1

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Assessor - continued			
Education		-	
Error in Tax Roll		-	
Computer Services		740	
	35,975	31,754	4,221
Clerk			
Salaries & Wages - Clerk		17,500	
- Deputy		-	
- Clerical		4,500	
Supplies		60	
Mileage		131	
Printing & Publishing		-	
Repairs & Maintenance		-	
Miscellaneous		-	
Membership & Dues		-	
Education & Training		586	
	32,500	22,777	9,723
Board of Review			
Salaries & Wages		1,470	
Supplies		-	
Meals		-	
Mileage		-	
Printing & Publishing		100	
Education & Training		-	
	3,300	1,570	1,730
Treasurer			
Salaries & Wages - Treasurer		14,500	
- Deputy		-	
- Clerical		328	
Office Supplies		244	
Operating Supplies		1,832	
Professional Services. - Legal		93	
Tax Roll Printing		2,574	
Mileage		-	
Printing & Publishing		-	
Repairs & Maintenance		-	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 1

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Treasurer - continued			
Miscellaneous		-	
Membership & Dues		-	
Education & Training		100	
	22,500	19,671	2,829
Township Hall & Grounds			
Salaries & Wages		-	-
Fuel		767	
Maintenance Supplies		1,261	
Contract Services		1,517	
Utilities		1,513	
Water & Garbage		334	
Repairs & Maintenance		6,014	
Miscellaneous		-	
Capital Outlay		-	
	14,500	11,406	3,094
Cemetery			
Salaries		3,600	
Repair & Maint. Supplies		811	
Contract Services - Lawn Care		14,295	
Printing & Publishing		53	
Insurance & Bonds		500	
Public Utilities		105	
Repair & Maintenance		1,728	
Miscellaneous		1,785	
Capital Outlay		10,450	
	34,250	33,327	923
Other General Government			
Historical Society	2,000	2,000	-
Betsie River	500	500	-
Libraries	4,000	4,000	-
	6,500	6,500	-
Total General Government	358,825	242,106	116,719
Public Safety			
Land Division Wages	1,000	370	630

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 1

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Public Works			
Roads			
Repairs and Maintenance	5,000	2,864	2,136
Capital Outlay/Infrastructure	-	-	-
	5,000	2,864	2,136
Recreation & Cultural			
Township Park			
Park Treasurer		-	
Salaries & Wages		6,596	
Gasoline		159	
Insurance		500	
Utilities		943	
Refuse		164	
Repairs & Maintenance		4,030	
Capital Outlay		710	
	19,600	13,102	6,498
Total Expenditures	384,425	258,442	125,983
Excess Revenues (Expenditures)	(66,000)	40,952	106,952
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	(84,000)	(84,000)	-
Total Other Financing Sources (Uses)	(84,000)	(84,000)	-
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	$ (150,000)	(43,048)	$ 106,952
Fund Balance - Beginning of Year		158,724	
Fund Balance - End of Year		$ 115,676	

See Accompanying Notes to Financial Statements

Benzonia Township

Special Revenue Funds
Combining Balance Sheet
Modified Cash Basis
March 31, 2004

Schedule 2

Assets	*Fire Fund*	*Fire Improvement Fund*	*Road Improvement Fund*	*Park Improvement Fund*	*Total*
Cash	$ 138,482	$ 314,063	$ 152,724	$ 5,718	$ 610,987
Taxes Receivable	-	-	-	-	-
Due from Other Funds	90,742	-	-	-	90,742
Total Assets	$ 229,224	$ 314,063	$ 152,724	$ 5,718	$ 701,729
Liabilities & Fund Equity					
Deferred Revenue	$ 90,742	$ -	$ -	$ -	$ 90,742
Fund Balance	138,482	314,063	152,724	5,718	610,987
Total Liabilities & Equity	$ 229,224	$ 314,063	$ 152,724	$ 5,718	$ 701,729

See Accompanying Notes to Financial Statements

Benzonia Township

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

Schedule 3

	Fire Fund	*Fire Improvement Fund*	*Road Improvement Fund*	*Park Improvement Fund*	*Total*
Revenues					
Property Taxes	$ 96,397	$ -	$ -	$ -	$ 96,397
State Grant	-	-	-	-	-
Fire Contracts	42,465	-	-	-	42,465
Interest	4,423	4,372	832	24	9,651
Miscellaneous	245	-	-	-	245
Donations	-	-	-	2,000	2,000
Total Revenues	143,530	4,372	832	2,024	150,758
Expenditures					
Public Safety	101,299	-	-	-	101,299
Recreation & Culture	-	-	-	844	844
Total Expenditures	101,299	-	-	844	102,143
Excess Revenues (Expenditures)	42,231	4,372	832	1,180	48,615
Other Financing Sources (Uses)					
Operating Transfer In	-	60,000	84,000	-	144,000
Operating Transfer (Out)	(60,000)	-	-	-	(60,000)
Total Other Financing Sources (Uses)	(60,000)	60,000	84,000	-	84,000
Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses	(17,769)	64,372	84,832	1,180	132,615
Fund Balance - Beginning of Year	156,251	249,691	67,892	4,538	478,372
Fund Balance - End of Year	$ 138,482	$ 314,063	$ 152,724	$ 5,718	$ 610,987

See Accompanying Note to Financial Statements

Benzonia Township

Schedule 4

Fire Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Property Taxes	$ 96,000	$ 96,397	$ 397
State Grant	-	-	-
Fire Contracts	42,500	42,465	(35)
Interest	6,500	4,423	(2,077)
Miscellaneous	-	245	245
Total Revenues	145,000	143,530	(1,470)
Expenditures			
Wages and Salaries	35,000	29,841	5,159
Employer Social Security	3,000	2,283	717
Annuity	12,000	12,400	(400)
Office Expenses	300	165	135
Operating Supplies	6,000	3,546	2,454
Fuel	2,000	1,321	679
Gasoline	2,300	1,856	444
Repair & Maintenance	10,000	3,456	6,544
Professional Fees	2,000	4,769	(2,769)
Audit Fees	1,500	1,200	300
Physicals	10,000	4,431	5,569
Cellular Phone	500	323	177
Mileage	500	-	500
Printing & Publishing	300	394	(94)
Insurance & Bonds	15,000	11,009	3,991
Public Utilities	1,000	992	8
Water & Garbage	300	172	128
Repair & Maintenance	6,000	2,871	3,129
Miscellaneous	100	311	(211)
Membership & Dues	1,500	345	1,155
Education & Training	5,000	2,151	2,849
Capital Outlay (Building)	10,000	-	10,000
Capital Outlay (Equipment)	50,000	17,463	32,537
Contingency	60,700	-	60,700
Total Expenditures	235,000	101,299	133,701
Excess Revenues (Expenditures)	(90,000)	42,231	132,231

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 4

Fire Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

For the Year Ended March 31, 2004

	Budget	*Actual*	*Favorable (Unfavorable)*
Other Financing Sources (Uses)			
Operating Transfer In	-	-	-
Operating Transfer (Out)	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	(60,000)	(60,000)	-
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	$ (150,000)	(17,769)	$ 132,231
Fund Balance - Beginning of Year		156,251	
Fund Balance - End of Year		$ 138,482	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 5

Fire Improvement Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Contributions/Other Units	$ -	$ -	$ -
Interest	4,200	4,372	172
Miscellaneous	-	-	-
Total Revenues	4,200	4,372	172
Expenditures			
Contingency	313,200	-	313,200
Capital Outlay	-	-	-
Miscellaneous	-	-	-
Total Expenditures	313,200	-	313,200
Excess Revenues (Expenditures)	(309,000)	4,372	313,372
Other Financing Sources (Uses)			
Operating Transfer In	60,000	60,000	-
Operating Transfer (Out)	-	-	-
Total Other Financing Sources (Uses)	60,000	60,000	-
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	$ (249,000)	64,372	$ 313,372
Fund Balance - Beginning of Year		249,691	
Fund Balance - End of Year		$ 314,063	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 6

Road Improvement Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Interest	$ 1,500	$ 832	$ (668)
Miscellaneous	-	-	-
Total Revenues	1,500	832	(668)
Expenditures			
Capital Outlay	-	-	-
Contingency	129,000	-	129,000
Total Expenditures	129,000	-	129,000
Excess Revenues (Expenditures)	(127,500)	832	128,332
Other Financing Sources (Uses)			
Operating Transfer In	60,000	84,000	24,000
Operating Transfer (Out)	-	-	-
Total Other Financing Sources (Uses)	60,000	84,000	24,000
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	$ (67,500)	84,832	$ 152,332
Fund Balance - Beginning of Year		67,892	
Fund Balance - End of Year		$ 152,724	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 7

Park Improvement Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Tribal Grants	$ -	$ -	$ -
Donations	2,000	2,000	-
Interest	80	24	(56)
Miscellaneous	-	-	-
Total Revenues	2,080	2,024	(56)
Expenditures			
Committee Programs	-	-	-
Playground Equipment	-	-	-
Furniture & Fixtures	-	-	-
Landscaping	-	-	-
Repair and Maintenance	-	-	-
Construction/Capital Outlay	-	844	(844)
Contingency	6,580	-	6,580
Total Expenditures	6,580	844	5,736
Excess Revenues (Expenditures)	(4,500)	1,180	5,680
Other Financing Sources (Uses)			
Operating Transfer In	-	-	-
Operating Transfer (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses	$ (4,500)	1,180	$ 5,680
Fund Balance - Beginning of Year		4,538	
Fund Balance - End of Year		$ 5,718	

See Accompanying Notes to Financial Statements

Benzonia Township

Schedule 8

Fiduciary Funds
Statement of Assets and Liabilities
Modified Cash Basis
March 31, 2004

	Trust and Agency Fund	*Tax Collection Fund*	*Total*
Assets			
Cash in Bank	$ 7,847	$ 233,406	$ 241,253
Total Assets	$ 7,847	$ 233,406	$ 241,253
Liabilities			
Due to General Fund	$ -	$ 142,664	$ 142,664
Due to Fire Fund	-	90,742	90,742
Due to Other Units	7,847	-	7,847
Total Liabilities	$ 7,847	$ 233,406	$ 241,253

See Accompanying Notes to Financial Statements