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TOWNSHIP OF BATAVIA

BRANCH COUNTY, MICHIGAN

FINANCIAL STATEMENTS

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	TOWNSHIP OF BATAVIA	BRANCH

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3/31/04	9/13/04	9/22/04

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.

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.

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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.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)	CAMPBELL, ANGLE & STEFFES, PC		
Street Address 428 WATER STREET	City ALLEGAN	State MI	ZIP 49010
Accountant Signature Theresa E. Steffes CPA, Campbell Angle & Steffes P.C.			

TOWNSHIP OF BATAVIA

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INDEPENDENT AUDITOR'S REPORT

September 13, 2004

To the Township Board
Township of Batavia
Branch County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Batavia, Branch County, Michigan as of and for the year ended March 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Batavia Township, Branch County, Michigan 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Batavia as of March 31, 2004, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments, as of March 31, 2004.

The management's discussion and analysis and budgetary comparison information on pages 2 and 18 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

Campbell Angle & Steffes P.C.

Campbell, Angle & Steffes, P.C.
Certified Public Accountants

Management's Discussion and Analysis
Batavia Township, Branch County

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

Net assets decreased less than $1,000 from $276,224 to $275,589, with decreased revenues due primarily to State revenue share. Township operating costs are consistent from year to year. This year Batavia Township's share of a new Fire Truck at $28,372, and extra road construction constituted the majority of the increase in expenses for the year. Conservative budgeting keeps the Township coffers in a very sound position.

Township Funds

The majority of Township revenues come from State Revenue Sharing (71%), and taxes (23%). Interest, cablevision fees and permits make up most of the remaining revenues. Other than the two Trust and Agency accounts, which are used to collect and disburse property taxes and mobile home taxes, the General Fund is the only fund used and all accounts are settled through it.
Due to the Township's predominately agricultural base, and zoning to that effect, not very much industry, commercial or residential development takes place. Due to a conservative approach by the Board, and controlled spending, the Headlee Override has not been approved by the Township Board.

Economic Factors

We anticipate more reductions in State revenue sharing for the 2004-2005 year. We do, however, expect to receive the Metro Act payment. A number of road projects, including paving one road, and regraveling four miles of existing roads will use up 30% of this years expected budget. We still project an increase in surplus at year's end.

Contacting the Township's Management

This financial report is to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

TOWNSHIP OF BATAVIA
GOVERNMENT WIDE STATEMENT OF NET ASSETS
MARCH 31, 2004

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	$ 248,123	$ 248,123
Investments	0	0
Receivables - net	17,623	17,623
Prepaids	0	0
Capital assets - net	9,843	9,843
Total Assets	275,589	275,589
LIABILITIES		
Accounts payable	0	0
Accrued and other liabilities	0	0
Noncurrent Liabilities		
Due within one year	0	0
Due in more than one year	0	0
NET ASSETS		
Invested in Capital Assets		
Net of related debt	9,843	9,843
Restricted For		
Streets and highways	0	0
Public safety	0	0
Unrestricted	265,746	265,746
Total Net Assets	$ 275,589	$ 275,589

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF BATAVIA
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Primary Government: Governmental Activities	Business-Type Activities	Total
Primary Government							
General government	43,198	912	0	0	(42,286)	0	(42,286)
Public safety	50,198	390	0	0	(49,808)	0	(49,808)
Public works	54,196	0	0	0	(54,196)	0	(54,196)
Health and welfare	0	0	0	0	0	0	0
Community/Economic development	6,863	0	0	0	(6,863)	0	(6,863)
Recreation and culture	0	0	0	0	0	0	0
Total Governmental Activities	154,455	1,302	0	0	(153,153)	0	(153,153)
Total Primary Government	$ 154,455	$ 1,302	$ 0	$ 0	(153,153)	0	(153,153)
General Revenues							
Property taxes					35,950	0	35,950
State-shared revenues					109,372	0	109,372
Unrestricted investment earnings					2,841	0	2,841
Rental income					3,816	0	3,816
Miscellaneous					539	0	539
Transfers					0	0	0
Total General Revenues-Special Items and Transfers					152,518	0	152,518
Change in Net Assets					(635)	0	(635)
Net Assets-Beginning					276,224	0	276,224
Net Assets-Ending					$ 275,589	$ 0	$ 275,589

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF BATAVIA
GOVERNMENTAL FUND BALANCE SHEET
March 31, 2004

	General Fund	Total Governmental Fund
ASSETS		
Cash and cash equivalents	$ 248,123	$ 248,123
Investments	0	0
Receivables - net	17,533	17,533
Due from other funds	90	90
Total Assets	265,746	265,746
LIABILITIES		
Accounts payable	0	0
Due to other funds	0	0
Total Liabilities	0	0
FUND BALANCES		
Reserved for		
Unreserved	265,746	265,746
Total Fund Balances	$ 265,746	$ 265,746

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	9,843
Net Assets of Governmental Activities	$ 275,589

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF BATAVIA
GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
March 31, 2004

	General Fund	Total Governmental Funds
Revenues		
Taxes and penalties	35,950	35,950
Licenses and permits	390	390
State aid	109,372	109,372
Charges for services	912	912
Interest and rentals	6,657	6,657
Other revenue	539	539
Total Revenues	153,820	153,820
Expenditures		
Current		
General government	42,433	42,433
Public safety	50,198	50,198
Public works	54,196	54,196
Health and welfare	0	0
Recreation and cultural	0	0
Community/Economic development	6,863	6,863
Capital outlay	0	0
Total Expenditures	153,690	153,690
Excess of Revenues Over (Under) Expenditures	130	130
Other Financing Sources (Uses)		
Transfers in	0	0
Transfers (out)	0	0
Total Other Financing Sources (Uses)	0	0
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	130	130
Fund Balance-April 1, 2003	265,616	265,616
Fund Balance-March 31, 2004	$ 265,746	$ 265,746

The Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF BATAVIA
FIDUCIARY FUNDS-STATEMENT OF NET ASSETS
MARCH 31, 2004

	Agency Fund (Property Tax Collection Fund)	Trust & Agency Fund
ASSETS		
Cash and cash equivalents	$ 90	$ 2,625
Total Assets	$ 90	$ 2,625
LIABILITIES		
Accounts payable	$ 0	$ 2,625
Due to other governmental units	90	0
Total Liabilities	$ 90	$ 2,625

The Notes to Financial Statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Batavia, Branch County, Michigan is a general law Township. The Township operates under an elected Board/Supervisor form of government and provides the following services as authorized by its charter: public safety, highways and street, public improvements, cultural recreation, planning and zoning, and administrative services.

The accounting policies of the Township of Batavia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", these financial statements present the Township. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current period. All other revenue items are considered to be available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule would be charges between the government's enterprise funds and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. The Township of Batavia does not have enterprise funds.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Finally, the government reports the following fund types:

The two Tax Collection Funds are Fiduciary Funds accountable for assets held by the Township in a trustee or agency capacity for individuals, private organizations, other governments, and/or other funds.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments-Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables-In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed. Summer State Education Tax was collected directly by the County.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Inventories and Prepaid Items-Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets-Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	30 to 40 years
Building Improvements	15 to 30 years
Roads	10 to 30 years
Fire Equipment	07 to 25 years
Vehicles	03 to 05 years
Office Equipment	05 to 07 years
Computer Equipment	03 to 07 years

Compensated Absences (Vacation and Sick Leave)-It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Fund Equity-In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide financial statements differ from the Governmental fund financial statements only for the effect of the inclusion of capital assets.

Capitalized Asset Costs	$ 19,908
Less Accumulated Depreciation	(10,065)
Capital Assets, net	9,843
Governmental Fund Balances	265,746
Net Assets of Governmental Activities	$ 275,589

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information-The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year. These budgets are adopted on a basis consistent with generally accepted accounting principles.

2. The Township Board approves, by ordinance, total budget appropriations only. Any revisions that alter the total appropriations of any fund must be approved by the Township Board, therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).

3. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.

4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds-During the year, the Local Governmental Unit did not incur expenditures in certain budgeted funds which were in excess of the amounts appropriated.

Fund Deficits-The Local Governmental Unit has no accumulated fund balance deficits at this time.

NOTE 4 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government of federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated several banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash and Cash Equivalents	$ 248,123	$ 2,715	$ 250,838

The breakdown between deposits and investments is as follows:

	Primary Government
Bank Deposits (checking and savings accounts, certificates of deposit)	$ 250,838
Investments in Securities, Mutual Funds and Similar Vehicles	-
Petty Cash and Cash on Hand	-
Total	$ 250,838

The bank balance of the primary government's deposits is $250,838, of which $250,838 is covered by federal depository insurance.

NOTE 5 - RECEIVABLES

Receivables as of year-end for the government's individual major, nonmajor funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are reported in the Government Wide Statement of Net Assets as follows:

	Major Fund	
	General Fund	Total
Taxes receivable	$ 3,085	$ 3,085
State share revenue receivable	$ 14,448	$ 14,448
Due from other funds	90	90
Less: allowance for uncollectibles	0	0
Net Receivables	$ 17,623	$ 17,623

NOTE 6 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 6,708	0	0	$ 6,708
Construction in Progress	0	0	0	0
Subtotal	6,708	0	0	6,708
Capital Assets Being Depreciated				
Buildings & improvements	6,600	0	0	6,600
Machinery and equipment	6,600	0	0	6,600
Infrastructure	0	0	0	0
Subtotal	13,200	0	0	13,200
Less Accumulated Depreciation for				
Buildings	3,300	165	0	3,465
Machinery and equipment	6,000	600	0	6,600
Subtotal	9,300	765	0	10,065
Net Capital Assets Being Depreciated	3,900	(765)	0	3,135
Governmental Activities Capital Total Capital Assets-Net of Depreciation	$ 10,608	$ (765)	$ 0	$ 9,843

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
General government	$ 765
Public safety	0
Public works	0
Economic development	0
Recreation and culture	0
Total Governmental Activities	$ 765

NOTE 7 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

Receivable Fund		Payable Fund	Amount
General	$ 90	Tax Collection	$ 90
Total	$ 90		$ 90

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF BATAVIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	$ 265,616	$ 265,616	265,616	0
Resources (Inflows)				
Property taxes	29,500	29,500	35,950	6,450
State aid	115,000	115,000	109,372	(5,628)
Licenses and permits	900	900	390	(510)
Charges for services	4,000	4,000	912	(3,088)
Interest and rentals	3,000	3,000	6,657	3,657
Miscellaneous revenues	450	450	539	89
Transfers from other funds	0	0	0	0
Amounts Available for Appropriation	418,466	418,466	419,436	970
Charges to Appropriations (Outflows)				
General Government				
Township board	9,920	10,394	8,425	1,969
Supervisor	6,950	6,950	6,749	201
Finance	1,000	1,000	0	1,000
Treasurer	8,500	8,500	7,891	609
Assessing	8,350	8,500	8,471	29
Clerk	7,600	7,600	7,201	399
Elections	500	500	0	500
Board of review	855	855	588	267
Other General Government				
Building and grounds	1,400	3,220	1,095	2,125
Cemetery	3,850	3,862	2,013	1,849
Public Safety				
Fire	50,201	50,201	50,198	3
Public Works				
Roads	41,050	55,876	52,016	3,860
Drain	4,000	4,000	2,180	1,820
Community & economic development	7,900	7,900	6,863	1,037
Capital outlay	0	0	0	0
Transfers to other funds	0	0	0	0
Total Charges to Appropriations	152,076	169,358	153,690	15,668
Budgetary Fund Balance-March 31	$ 266,390	$ 249,108	$ 265,746	$ 16,638

CAMPBELL, ANGLE & STEFFES, P.C.

Members of:
American Institute of Certified
Public Accountants (AICPA)

Michigan Association of Certified
Public Accountants (MACPA)

CERTIFIED PUBLIC ACCOUNTANTS
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Theresa E. Steffes, CPA

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LOCAL AUDIT & FINANCE DIV.

September 13, 2004

In planning and performing the audit of the Basic Financial Statements of the Township of Batavia for the year ended March 31, 2004, we considered the Township's internal control structure to determine audit procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

New Financial Reporting Model
The Governmental Accounting Standards Board (GASB) has recently approved a new financial reporting model. The Batavia Township officials have completed this reporting conversion in this fiscal year. The Township records now include necessary accrual balances and capitalized fixed assets of the Township. We appreciate the cooperation of Township officials in making this conversion.

General
In general the internal control systems of the Township are good and functioning properly. The comments noted above will help the Township strengthen the existing controls and will help provide greater accountability to residents of the Township.

We greatly appreciate the help and cooperation given us by all the Township employees and officials.

Respectfully submitted,

Campbell Angle & Steffes P.C.

Campbell, Angle & Steffes, P.C.
Certified Public Accountants