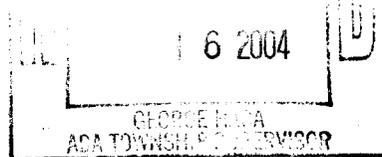


# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

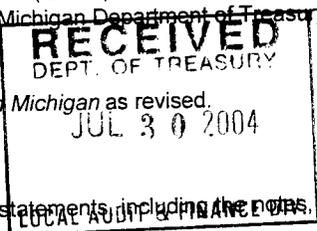


Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>TOWNSHIP OF ADA</b>	County <b>KENT</b>
Audit Date <b>3/31/04</b>	Opinion Date <b>5/24/04</b>	Date Accountant Report Submitted to State: <b>7/28/04</b>	

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.



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

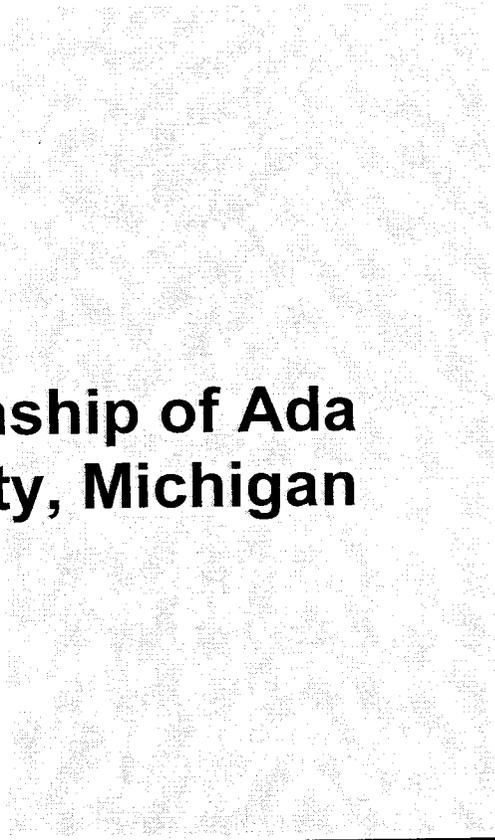
You must check the applicable box for each item below.

- 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) <b>BDO SEIDMAN, LLP</b>			
Street Address <b>99 MONROE AVE NW, SUITE 800</b>	City <b>GRAND RAPIDS</b>	State <b>MI</b>	ZIP <b>49503</b>
Accountant Signature <i>Steven Harney, CPA</i>		Date <b>7/15/04</b>	



**Township of Ada  
Kent County, Michigan**

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**Comprehensive Annual Financial Report**  
Year Ended March 31, 2004

# Township of Ada Kent County, Michigan

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# Township of Ada Kent County, Michigan

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# Township of Ada Kent County, Michigan

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## Independent Auditors' Report

Board of Trustees  
Township of Ada  
Ada, Michigan

We have audited the accompanying general purpose financial statements of the Township of Ada, Michigan as of March 31, 2004, and for the year then ended, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the Township of Ada's management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Township does not maintain a record of general fixed assets, and accordingly, a statement of general fixed assets required by accounting principles generally accepted in the United States of America is not included in the general purpose financial statements.

In our opinion, except for the omission of the general fixed assets as discussed in the preceding paragraph, the general purpose financial statements present fairly, in all material respects, the financial position of the Township of Ada, Michigan as of March 31, 2004, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Township of Ada, Michigan taken as a whole. The accompanying supplemental material, as listed 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 the Township of Ada, Michigan. Such information has been subjected to the auditing procedures applied in the audit 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.

*BDO Seidman, LLP*

Grand Rapids, Michigan  
May 24, 2004

**General Purpose Financial  
Statements - Overview**

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Governmental Fund Types

<i>Year ended March 31, 2004</i>	General	Special Revenue	Debt Service	Capital Projects
<b>Assets</b>				
Cash (Note 2)	\$ 200	\$ -	\$ -	\$ -
Deposits (Note 2)	1,011,207	1,512,667	42,778	-
Investments (Note 2)	98,490	341,305	-	-
Receivables				
Taxes (Notes 3 and 4)	21,509	-	-	-
Accounts (Note 4)	-	-	-	-
Special assessments (Note 8)	-	-	2,868	-
Due from other funds	380,617	-	-	-
Due from other governmental units (Note 5)	-	43,798	-	-
Prepays	11,870	3,449	-	-
Inventory	-	-	-	-
Restricted assets (Notes 2 and 6)	-	-	-	-
Fixed assets (net of accumulated depreciation) (Note 7)	-	-	-	-
Amount available for retirement of general long-term debt	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,523,893</b>	<b>\$ 1,901,219</b>	<b>\$ 45,646</b>	<b>\$ -</b>

# Township of Ada Kent County, Michigan

## Combined Balance Sheet All Fund Types and Account Group

Proprietary Fund Type	Fiduciary Fund Type	Account Group	Totals (memorandum only)	
Enterprise	Agency	General Long-Term Debt	2004	2003
\$ -	\$ -	\$ -	\$ 200	\$ 200
2,691,598	102,943	-	5,361,193	6,172,528
987,773	-	-	1,427,568	1,516,549
-	-	-	21,509	16,085
337,643	-	-	337,643	381,034
-	-	-	2,868	6,705
254,019	-	-	634,636	398,413
94	-	-	43,892	60,992
528	-	-	15,847	15,248
5,291	-	-	5,291	5,291
427,195	-	-	427,195	423,073
11,069,323	-	-	11,069,323	10,373,163
-	-	42,178	42,178	91,226
-	-	2,822	2,822	8,774
<b>\$ 15,773,464</b>	<b>\$ 102,943</b>	<b>\$ 45,000</b>	<b>\$ 19,392,165</b>	<b>\$ 19,469,281</b>

Governmental Fund Types

<i>Year ended March 31, 2004</i>	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
Accounts payable	\$ 109,106	\$ 65,306	\$ -	\$ -
Accrued payroll and withholdings	16,930	8,850	-	-
Accrued vacation/sick pay	36,609	11,000	-	-
Escrow deposit	-	-	-	-
Due to other funds	-	304,199	600	-
Due to other governmental units	-	-	-	-
Due to depositors	-	-	-	-
Deferred revenue (Note 8)	-	-	2,868	-
Special assessment bond payable (Note 9)	-	-	-	-
Revenue bonds payable (Note 9)	-	-	-	-
<b>Total Liabilities</b>	<b>162,645</b>	<b>389,355</b>	<b>3,468</b>	<b>-</b>
<b>Fund Equity</b>				
Contributed capital	-	-	-	-
Retained earnings:				
Reserved for revenue bond retirement	-	-	-	-
Reserved for future contingencies (Note 6)	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for debt service	-	-	42,178	-
Unreserved:				
Designated for cemeteries	48,937	-	-	-
Designated for park improvements	-	511,638	-	-
Designated for arboretum	-	214	-	-
Designated for new equipment	-	225,170	-	-
Designated for repairs	-	63,296	-	-
Designated for gypsy moth	-	20,187	-	-
Designated for building permits	-	86,940	-	-
Undesignated	1,312,311	604,419	-	-
<b>Total retained earnings/fund balances</b>	<b>1,361,248</b>	<b>1,511,864</b>	<b>42,178</b>	<b>-</b>
<b>Total Fund Equity</b>	<b>1,361,248</b>	<b>1,511,864</b>	<b>42,178</b>	<b>-</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,523,893</b>	<b>\$ 1,901,219</b>	<b>\$ 45,646</b>	<b>\$ -</b>

# Township of Ada Kent County, Michigan

## Combined Balance Sheet All Funds Types and Account Group

Proprietary Fund Type	Fiduciary Fund Type	Account Group	Totals (memorandum only)	
Enterprise	Agency	General Long-Term Debt	2004	2003
\$ 290,727	\$ -	\$ -	\$ 465,139	\$ 434,521
2,366	-	-	28,146	15,217
-	-	-	47,609	47,078
-	7,476	-	7,476	-
256,518	73,319	-	634,636	398,413
-	-	-	-	32,323
-	22,148	-	22,148	786,773
-	-	-	2,868	6,705
-	-	45,000	45,000	100,000
630,000	-	-	630,000	735,000
1,179,611	102,943	45,000	1,883,022	2,556,030
<hr/>			11,631,619	10,807,334
359,941	-	-	359,941	348,457
67,254	-	-	67,254	64,563
2,535,039	-	-	2,535,039	2,946,016
-	-	-	42,178	91,226
-	-	-	48,937	38,937
-	-	-	511,638	287,532
-	-	-	214	35,120
-	-	-	225,170	108,507
-	-	-	63,296	27,844
-	-	-	20,187	32,782
-	-	-	86,940	67,548
-	-	-	1,916,730	2,057,385
2,962,234	-	-	5,877,524	6,105,917
14,593,853	-	-	17,509,143	16,913,251
\$ 15,773,464	\$ 102,943	\$ 45,000	\$ 19,392,165	\$ 19,469,281

*See accompanying notes to general purpose financial statements.*

<i>Year ended March 31, 2004</i>	General	Special Revenue	Debt Service
<b>Revenues</b>			
Taxes	\$ 618,565	\$ 1,137,674	\$ -
Licenses and permits	130,391	120,579	-
State sources	689,509	-	-
Charges for services	39,261	-	-
Interest and rentals	23,405	68,889	1,136
Grants	-	69,309	-
Contributions	-	203,450	-
Other revenue	4,325	2,273	4,088
<b>Total Revenues</b>	1,505,456	1,602,174	5,224
<b>Other Financing Source</b>			
Operating transfers in	-	-	7,000
<b>Total Revenues and Other Financing Source</b>	1,505,456	1,602,174	12,224
<b>Expenditures</b>			
Legislative	27,405	-	-
Executive	39,017	-	-
Elections	10,062	-	-
Administrative	896,913	-	-
Law enforcement	-	311,850	-
Fire department	-	434,764	-
Building department	-	102,101	-
Operating supplies	-	12,865	-
Planning	114,228	-	-
Public works	197,405	-	-
Parks and aboretum	68,828	284,961	-

# Township of Ada Kent County, Michigan

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types

		<u>Totals</u> (memorandum only)	
Capital Projects	2004	2003	
\$ -	\$ 1,756,239	\$ 1,709,483	
-	250,970	262,596	
-	689,509	742,488	
-	39,261	15,714	
-	93,430	137,165	
-	69,309	-	
65,220	268,670	394,061	
-	10,686	27,708	
65,220	3,178,074	3,289,215	
342,896	349,896	75,721	
408,116	3,527,970	3,364,936	
-	27,405	26,724	
-	39,017	35,185	
-	10,062	32,981	
-	896,913	794,972	
-	311,850	247,541	
-	434,764	749,801	
-	102,101	99,451	
-	12,865	6,950	
-	114,228	104,048	
408,116	605,521	157,211	
-	353,789	764,104	

<i>Year ended March 31, 2004</i>	General	Special Revenue	Debt Service
Library service	\$ 9,282	\$ -	\$ -
Other	32,256	-	-
Debt service	-	-	61,272
Loss on investments	-	5,340	-
<b>Total Expenditures</b>	1,395,396	1,151,881	61,272
<b>Other Financing Use</b>			
Operating transfer out	170,000	172,896	-
<b>Total Expenditures and Other Financing Use</b>	1,565,396	1,324,777	61,272
Excess (deficiency) of revenues over expenditures	(59,940)	277,397	(49,048)
<b>Fund Balances, beginning of year</b>	1,421,188	1,234,467	91,226
<b>Fund Balances, end of year</b>	\$ 1,361,248	\$ 1,511,864	\$ 42,178

# Township of Ada Kent County, Michigan

## Combined Sheet of Revenues, Expenditures and Changes In Fund Balances - All Governmental Fund Types

		<u>Totals</u> (memorandum only)	
Capital Projects	2004	2003	
\$ -	\$ 9,282	\$ -	
-	32,256	28,027	
-	61,272	101,457	
-	5,340	-	
408,116	3,016,665	3,148,452	
-	342,896	1,234,331	
408,116	3,359,561	4,382,783	
-	168,409	(1,017,847)	
-	2,746,881	3,764,728	
\$ -	\$ 2,915,290	\$ 2,746,881	

*See accompanying notes to general purpose financial statements.*

	General Fund		
<i>Year ended March 31, 2004</i>	Budget	Actual	Variances favorable (unfavorable)
<b>Revenues</b>			
Taxes	\$ 604,196	\$ 618,565	\$ 14,369
Licenses and permits	126,000	130,391	4,391
State sources	707,000	689,509	(17,491)
Charges for services	36,610	39,261	2,651
Interest and rentals	18,100	23,405	5,305
Grants	-	-	-
Contributions	200,500	-	(200,500)
Other revenue	4,800	4,325	(475)
<b>Total Revenues</b>	<b>1,697,206</b>	<b>1,505,456</b>	<b>(191,750)</b>
<b>Expenditures</b>			
Legislative	32,609	27,405	5,204
Executive	38,693	39,017	(324)
Elections	21,561	10,062	11,499
Administrative	887,094	896,913	(9,819)
Law enforcement	-	-	-
Fire department	-	-	-
Planning	152,660	114,228	38,432
Public works	189,363	197,405	(8,042)
Recreation and parks	70,037	68,828	1,209
Building permits	-	-	-
Operating supplies	-	-	-
Library service	4,650	9,282	(4,632)
Historical Society	5,000	-	5,000
Other township	44,310	32,256	12,054
Debt service	-	-	-
Loss on investments	-	-	-
<b>Total Expenditures</b>	<b>1,445,977</b>	<b>1,395,396</b>	<b>50,581</b>

# Township of Ada Kent County, Michigan

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General, Special Revenue and Debt Service Funds

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variances favorable (unfavorable)	Budget	Actual	Variances favorable (unfavorable)
\$ 1,120,355	\$ 1,137,674	\$ 17,319	\$ -	\$ -	\$ -
112,000	120,579	8,579	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,856	68,889	2,033	1,040	1,136	96
90,000	69,309	(20,691)	-	-	-
500	203,450	202,950	-	-	-
2,600	2,273	(327)	3,115	4,088	973
<u>1,392,311</u>	<u>1,602,174</u>	<u>209,863</u>	<u>4,155</u>	<u>5,224</u>	<u>1,069</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
275,000	311,850	(36,850)	-	-	-
499,395	434,764	64,631	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
456,828	284,961	171,867	-	-	-
105,494	102,101	3,393	-	-	-
17,100	12,865	4,235	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	38,550	61,272	(22,722)
-	5,340	(5,340)	-	-	-
<u>1,353,817</u>	<u>1,151,881</u>	<u>201,936</u>	<u>38,550</u>	<u>61,272</u>	<u>(22,722)</u>

<i>Year ended March 31, 2004</i>	General Fund		Variances favorable (unfavorable)
	Budget	Actual	
<b>Other Financing Sources (Uses)</b>			
Transfer from other funds	\$ -	\$ -	\$ -
Transfer to other funds	(170,000)	(170,000)	-
<b>Total Other Financing Sources (Uses)</b>	(170,000)	(170,000)	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	81,229	(59,940)	(141,169)
<b>Fund Balances, beginning of year</b>	1,421,188	1,421,188	-
<b>Fund Balances, end of year</b>	\$ 1,502,417	\$ 1,361,248	\$ (141,169)

# Township of Ada Kent County, Michigan

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General, Special Revenue and Debt Service Funds

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variances favorable (unfavorable)	Budget	Actual	Variances favorable (unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$ 7,000
-	(172,896)	(172,896)	-	-	-
-	(172,896)	(172,896)	-	7,000	7,000
38,494	277,397	238,903	(34,395)	(49,048)	(14,653)
1,234,467	1,234,467	-	91,226	91,226	-
<b>\$ 1,272,961</b>	<b>\$ 1,511,864</b>	<b>\$ 238,903</b>	<b>\$ 56,831</b>	<b>\$ 42,178</b>	<b>\$ (14,653)</b>

*See accompanying notes to general purpose financial statements.*

# Township of Ada Kent County, Michigan

## Combined Statement of Revenues, Expenses and Changes in Fund Equity - Proprietary Fund Type

<i>Year ended March 31,</i>	2004	2003
<b>Operating Revenues</b>		
Charges for services	\$ 2,342,040	\$ 2,153,101
<b>Operating Expenses</b>		
Salaries and administration	111,383	100,001
Contracted services	1,829,720	1,620,953
Purchased services	6,558	21,923
Utilities	57,235	53,095
Operating supplies	97,641	131,417
Maintenance and repairs	260,864	137,505
Insurance	31,253	29,844
Depreciation	232,167	215,351
Total operating expenses	2,626,821	2,310,089
Operating loss	(284,781)	(156,988)
<b>Nonoperating Revenues (Expenses)</b>		
Interest earnings	29,593	68,299
Interest expense	(38,035)	(42,680)
Net nonoperating revenues (expenses)	(8,442)	25,619
Income (loss) before capital contributions and operating transfers	(293,223)	(131,369)
Contributions	727,706	130,927
Operating transfers in	-	1,158,609
Operating transfer (out)	(7,000)	-
Net income	427,483	1,158,167
<b>Fund Equity, beginning of year</b>	14,166,370	13,008,203
<b>Fund Equity, end of year</b>	\$ 14,593,853	\$ 14,166,370

*See accompanying notes to general purpose financial statements.*

# Township of Ada Kent County, Michigan

## Combined Statement of Cash Flows Proprietary Fund Type

<i>Year ended March 31,</i>	2004	2003
<b>Operating Activities</b>		
Cash received from customers	\$ 2,385,431	\$ 2,069,206
Cash payments to suppliers for goods and services	(2,176,689)	(1,972,430)
Cash payments to employees for services	(137,522)	(132,230)
<b>Net cash from (for) operating activities</b>	<b>71,220</b>	<b>(35,454)</b>
<b>Capital and Related Financing Activities</b>		
Principal paid on bonds	(105,000)	(110,000)
Interest paid on bonds	(38,035)	(42,680)
Acquisition of capital assets	(928,327)	(307,912)
Operating transfers	(7,000)	1,158,609
Contributed capital	727,706	130,927
<b>Net cash from (for) capital and related financing activities</b>	<b>(350,656)</b>	<b>828,944</b>
<b>Investing Activities</b>		
Interest earned on deposits and investments	29,593	68,299
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(249,843)</b>	<b>861,789</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>4,356,409</b>	<b>3,494,620</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 4,106,566</b>	<b>\$ 4,356,409</b>

# Township of Ada Kent County, Michigan

## Combined Statement of Cash Flows Proprietary Fund Type

<i>Year ended March 31,</i>	2004	2003
<b>Reconciliation of Operating Income to Net Cash From</b>		
<b>Operating Activities</b>		
Operating income	\$ (284,781)	\$ (156,988)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	232,167	215,351
Change in assets and liabilities:		
Decrease (increase) in accounts receivable	43,391	(84,725)
Decrease (increase) in prepaids	3,852	(2,385)
Increase (decrease) in accounts payable	76,067	187,286
Increase (decrease) in due to other funds	524	(2,698)
Increase (decrease) in due to other governmental units	-	(191,295)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 71,220</b>	<b>\$ (35,454)</b>

**Disclosure of Accounting Policy**

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased, to be cash equivalents.

*See accompanying notes to general purpose financial statements.*

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

### 1. Summary of Significant Accounting Policies

The Township of Ada (Township) was organized under general law of the State of Michigan and is governed by a Board of Trustees which consists of a supervisor, clerk, treasurer and four trustees, each of whom is elected for a four-year term. The Township provides, or contributes to the providing of, the following services to its residents: public safety (police, fire and inspections), highways and streets, sanitation and water, parks and recreation, public improvement, cultural, planning and zoning, general administrative and other services.

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

#### *Reporting Entity*

The general purpose financial statements of the Township contain all the funds that are controlled by, or dependent on, the Township's executive or legislative branches. Control by, or dependence on, the Township was determined on the basis of appointment of the governing authority, budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township, obligation of the Township to finance any deficits that may occur, receipt of significant subsidies from the Township, disposition of surplus funds and scope of public service.

#### *Basis of Presentation*

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Township resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the general purpose financial statements in this report, into three broad fund categories: governmental funds, proprietary funds and fiduciary funds.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

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### *Governmental Funds*

*General Fund* - The General Fund is used to record transactions relating to the general activities of the Township which are not required to be accounted for in another fund.

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

*Bicentennial Park* - To account for contributions to be used for capital improvements to the Ada Township Bicentennial Park.

*Improvement Revolving* - To account for contributions from other funds and interest earnings to be used for future water and sewer expansion projects.

*Public Safety* - To account for the collection of taxes levied to provide funds for police protection and the maintenance, equipment and operation of the Township fire department.

*Building Department* - To account for various building permit fees generated from building permits, mechanical permits, electrical permits, and plumbing permits.

*Gypsy Moth Suppression* - To account for the collection of taxes levied to provide funds for gypsy moth suppression in Ada Township.

*Debt Service Funds* - Debt Service Funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal and interest.

*Capital Projects Fund* - The Capital Projects Fund is used to account for major Township projects, generally extending over two or more fiscal years.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

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### *Proprietary Funds*

*Enterprise Funds* - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Water and Sewer* - To account for the provision of water and sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, operations, maintenance, installations, administration, debt service, construction and billing and collection. The Township does not maintain its own sewage disposal plant but contracts with the City of Grand Rapids for the treatment of sewage.

### *Fiduciary Funds*

*Agency Tax Fund* - The Tax Fund is used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include tax monies collected for the Township and other local governmental units. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Developer Escrow Fund* - The Developer Escrow Fund is used to account for expenses and costs incurred by the Township which are directly associated with reviewing and processing developer zoning applications. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

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### *Account Group*

*General Long-Term Debt Account Group* - The General Long-Term Debt Account Group is used to account for long-term liabilities expected to be financed from governmental funds. The bonds payable are financed by the Debt Service Funds.

### *Basis of Accounting*

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

All governmental funds and fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are generally considered available when they are received in cash (unless legally restricted to some future period) or when earned and expected to be collected soon enough after year-end to pay liabilities of the current period. Significant revenues susceptible to accrual include real property taxes and charges for services. Most state source revenues (income and sales taxes), licenses and permits, local intergovernmental and miscellaneous revenue sources generally are recorded as revenues when received in cash because they are not measurable until actually received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, provided the liability normally would be liquidated with expendable available financial resources. The major exception to this general rule is principal and interest on general long-term debt, which is recognized when due. Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

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### *Budgetary Accounting*

The Township establishes budgets which are reflected in the general purpose financial statements for the General, Special Revenue and Debt Service Funds. The budgets are generated with input from the various department heads, the supervisor, the clerk, the treasurer and the Township trustees. This is the legal level of budgetary control.

Budgeted amounts are legally enacted on a departmental (activity) basis through passage of a resolution and may be amended by action of the Township Board. Department line items may be adjusted by giving notice to the Township Board. The original General Fund budget was amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act). The budget to actual revenues and expenditures in the general purpose financial statements represent the final budget as amended by the Township.

### *Investments*

It is the Township's policy to account for investments at fair value.

### *Inventory*

Inventory in the Proprietary Funds is valued at the lower of cost (first-in, first-out) or market. Inventory consists of supplies held for use in the subsequent year.

### *Fixed Assets*

Since the Township has not maintained a record of general fixed assets, a statement of such is not included in the general purpose financial statements.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

Depreciation of all exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on the Proprietary Fund balance sheet. Depreciation has been provided using the straight-line method over the estimated useful lives of the related assets as follows:

	Years
Water and sewer facilities	66
Buildings	30
Vehicles	3-5
Furniture and equipment	3-5
Computers	5

### *Compensated Absences*

Township employees are granted vacation and sick leave in varying amounts based on length of service. Unused vacation time from the prior calendar year, up to five days, may be claimed over the next year only. Sick leave is accumulated at different rates for various categories of employees. Unused sick leave accumulates from year to year up to a maximum accumulation of 24 days. The Township has accrued a liability for the amount of unused vacation and sick leave pay due to Township employees as of year-end.

### *Comparative Data*

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

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

### *Total Columns on General Purpose Financial Statements - Overview*

Total columns on the general purpose financial statements - overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do 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. Interfund eliminations have not been made in the aggregation of this data.

## 2. Cash, Deposits and Investments

### *Cash and Deposits*

Cash consists of cash on hand. Deposits consist of bank savings accounts and money market accounts. Investments consist of U.S. government securities, pooled money market accounts and monies at the Kent County Investment Pool.

March 1, 2004, the carrying amount of the Township deposits was \$5,491,421 and the bank balance (without recognition of outstanding checks or deposits in transit) was \$5,500,873. Of the bank balance, \$566,724 was covered by federal depository insurance and \$4,934,149 was uninsured.

### *Investments*

The State of Michigan allows a political subdivision to authorize its treasurer or other chief fiscal officer to invest surplus funds in bonds and other direct obligations of the United States, or an agency or instrumentality of the United States; in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank or savings and loan association which is a member of the Federal Deposit Insurance Corporation or a credit union which is insured by the National Credit Union Administration; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time or in mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

The Kent County Investment Pool consists of monies advanced to Kent County for investment. Accounts are established in the Township's name within the pool. Interest earnings from the subsequent reinvestment of the pooled funds are credited to the Township on a pro-rata basis in relation to its percentage of deposits in the pool.

The Township also participates in a Public Funds Investment Trust with a local bank. The Township owns a pro-rata share of each investment, which is held in the name of the Fund.

The Township's investments are categorized in the following table to give an indication of the level of risk assumed by the Township at March 31, 2004. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the Township's name. The Township's investments are classified as follows:

<i>Year ended March 31, 2004</i>	Category			Carrying Amount
	1	2	3	
Public Funds Investment Trust	\$ -	\$ -	\$ -	\$ 602,189
Kent County Investment Pool				1,122,346
	\$ -	\$ -	\$ -	\$ 1,724,535

### 3. General Property Taxes

Property taxes for the Township and County become due and payable on December 1 of each year. School district taxes become due and payable July 1 and December 1 each year, under a split-levy system, pursuant to the Michigan Code of 1976. All taxes are returned delinquent March 1 of the following year.

The Township bills and collects its own taxes in addition to taxes for Kent County, Kent Intermediate School District, Grand Rapids Community College, Forest Hills Public Schools, Lowell Area Schools and Northview Public Schools. Collection and remittance of taxes are accounted for in the Tax Account Agency Fund.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

Township property tax revenues are recognized in the General and Debt Service Funds in the fiscal year levied, to the extent they are measurable and available. The 2002 property tax roll, levied December 1, 2003, represents revenue for the fiscal year ended March 31, 2004.

The Township is permitted to levy up to 1.1 mills of general property taxes on the assessed valuation in the Township. In addition, Township electors have authorized an additional 1.25 mills for law enforcement and fire protection, .25 mills for parks, .125 for gypsy moths and .4000 for parks and land improvements. Due to the effect of the Headlee Amendment, actual tax levies were .7619 for general operation, 1.2153 for law enforcement and fire protection, .2420 for parks, 0.0 for gypsy moths and 0.4000 for parks and land improvements.

Street lighting assessments are levied on benefiting real property in the Township.

The tax collection record of Township taxes for the past five fiscal years is shown in the following summary:

	2004	2003	2002	2001	2000
Township taxes levied	\$1,629,691	\$1,650,766	\$1,181,993	\$1,175,076	\$1,148,859
Taxes collected:					
Current to March 1	1,561,700	1,560,664	1,133,867	1,123,114	1,101,998
Total to March 31	1,597,844	1,596,428	1,168,426	1,154,010	1,133,097
Percentages of collection:					
Current to March 1	95.83	94.54	95.93	95.98	95.92
Total to March 31	98.05	96.71	98.85	98.21	98.63

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

Taxable property in the Township is assessed initially by the assessing official of the Township. These valuations are then equalized by the County and finally by the State of Michigan. Michigan statutes provide that all ad valorem taxes be levied upon taxable value which approximates 50% of true cash value. The valuations of taxable property in the Township for prior fiscal years are compared with 2003 valuations for fiscal year 2004 in the following summary:

	Real	Personal	Total
2004	\$580,244,253	\$ 81,435,468	\$661,679,721
2003	528,272,428	101,993,020	630,265,448
2002	483,075,316	103,300,961	586,376,277
2001	435,102,408	98,621,090	533,723,498
2000	400,771,344	108,209,810	508,981,154
1999	371,250,209	98,019,429	469,269,638
1998	338,373,340	86,047,438	424,420,778
1997	325,969,993	74,186,416	400,156,409
1996	287,859,884	68,906,676	356,766,560
1995	287,859,884	68,906,676	356,766,560

The State Equalized Valuations do not include valuation of certain facilities which are exempt under Act 198, Public Acts of 1974 or Act 255, Public Acts of 1978. The Acts are designed to provide stimulus in the form of significant tax incentives to industry and commercial enterprises to renovate and expand aging facilities and to build new facilities in Michigan.

An Industrial (Act 198) or Commercial (Act 255) Facilities Exemption Certificate entitles the facility to exemption from ad valorem real and personal property taxes for a period of up to 12 years. In lieu of the property tax, the firm will pay a specific tax. The tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the ad valorem property tax, the important difference being that the State Equalized Valuation of the property remains at the level assessed on the obsolete facility prior to the improvements, even though the restoration or replacement substantially

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

increases the true cash value of the facility. For a new facility being built in a rehabilitation or a development district, the tax is also determined as the ad valorem property tax, but instead of using the total mills levied as ad valorem taxes, only half the millage rate is applied. The amount of the resulting tax thus is equal to 50% of the property tax which otherwise would be payable. The 2003 valuation of these certificates for fiscal year 2004 is compared with prior fiscal years in the following exhibit:

	Real	Personal	Total
2004	\$24,183,955	\$ 5,126,500	\$ 29,310,455
2003	23,826,559	5,716,135	29,542,694
2002	23,087,753	6,666,191	29,753,944
2001	22,371,856	7,731,251	30,103,107
2000	21,954,718	11,557,024	33,511,742
1999	20,162,203	7,273,276	27,435,479
1998	20,266,377	8,593,178	28,859,555
1997	21,840,500	10,929,100	32,769,600
1996	20,974,382	9,817,160	30,791,542
1995	22,833,800	10,929,100	33,762,900

#### 4. Receivables

Amounts shown as taxes receivable represent personal property taxes that are delinquent. Amounts shown as accounts receivable of the Enterprise Funds consist of current and delinquent water and sewer usage charges.

#### 5. Due From Other Governmental Units

Amounts due from other governmental units are primarily delinquent real property taxes due from Kent County.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

### 6. Restricted Assets/Reserved Fund Equity

Certain deposits and investments of the Water and Sewer Enterprise Funds are restricted by bond ordinance for debt service purposes and by Township policy for future contingencies.

### 7. Summary of Proprietary Fund Fixed Assets

Fixed assets of the Proprietary Fund are detailed by the Enterprise Funds as follows:

<i>March 31, 2004</i>	GV Estates	Water	Sewer	Total
Facilities	\$ 1,091,996	\$ 7,062,510	\$ 6,452,115	\$ 14,606,621
Building remodeling	-	20,545	20,545	41,090
Vehicles	-	1,645	-	1,645
Computers	-	20,158	14,952	35,110
Construction in progress	1,588	23,009	29,542	54,139
	1,093,584	7,127,867	6,517,154	14,738,605
Less accumulated depreciation	82,638	1,781,416	1,805,228	3,669,282
<b>Net Fixed Assets</b>	<b>\$ 1,010,946</b>	<b>\$ 5,346,451</b>	<b>\$ 4,711,926</b>	<b>\$ 11,069,323</b>

The cost to complete the items classified as construction in progress as of March 31, 2004 is estimated to be approximately \$6,000.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

### 8. Special Assessments/Deferred Revenue

Deferred revenue of the Debt Service and Enterprise Funds represents the uncollected balances of special assessment roles levied on benefiting water and sewer customers in the Township. As these special assessments are collected, they are recognized as revenues in the appropriate fund and credited at that time to fund balance or retained earnings.

### 9. Long-Term Debt

The following is a summary of long-term debt transactions of the Township:

	Debt Payable April 1, 2003		Debt Issued		Debt Retired	Debt Payable March 31, 2004
Special assessment bonds						
September 29, 1988	\$ 10,000	\$	-	\$	10,000	\$ -
May 1, 1990	50,000		-		25,000	25,000
October 1, 1990	40,000		-		20,000	20,000
Revenue bond						
October 29, 1996	735,000		-		105,000	630,000
	\$ 835,000	\$	-	\$	160,000	\$ 675,000

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

The long-term debt of the Township is comprised of the following:

<i>March 31,</i>	2004	2003
<b>Special assessment bonds</b>		
\$250,000 of Water/Sewer Bonds dated September 29, 1988, payable in annual installments of \$10,000 to \$15,000 through May 1, 2003, plus interest at 7.10% to 8.00%	\$ -	\$ 10,000
\$315,000 of Water Bonds dated May 1, 1990, payable in annual installments of \$20,000 to \$25,000 through September 1, 2004, plus interest at 6.60% to 7.00%	25,000	50,000
\$230,000 of Water/Sewer Bonds dated October 1, 1990, payable in annual installments of \$15,000 to \$20,000 through December 1, 2004, plus interest at 6.00% to 7.00%	20,000	40,000
<b>Total Special Assessment Bonds</b>	<b>45,000</b>	<b>100,000</b>
<b>Water Enterprise Fund</b>		
Revenue bond:		
\$1,275,000 of Water Supply System Refunding Bonds dated October 29, 1996, payable in annual installments of \$75,000 to \$115,000 through January 1, 2010, plus interest at 4.20% to 5.40%	630,000	735,000
	<b>\$ 675,000</b>	<b>\$ 835,000</b>

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

The annual requirements to amortize all long-term debt outstanding as of March 31, 2004, including interest of \$118,905, are as follows:

<i>Year ending March 31,</i>	Bond Issues		
	Special Assessment	Revenue	Total
2005	\$ 47,075	\$ 137,470	\$ 184,545
2006	-	132,325	132,325
2007	-	122,075	122,075
2008	-	116,975	116,975
2009	-	116,775	116,775
2010	-	121,210	121,210
	\$ 47,075	\$ 746,830	\$ 793,905

### 10. Segment Information for Enterprise Funds

The Township maintains three Enterprise Funds which provide water and sewer services. Segment information is provided as follows:

<i>Year ended March 31, 2004</i>	Water Fund	GV Estates Water Systems	Sewer Fund	Total
Operating revenues	\$1,619,117	\$ 405,735	\$ 1,044,894	\$ 3,069,746
Depreciation	118,347	16,380	97,440	232,167
Operating income (loss)	49,147	323,278	70,500	442,925
Net income	15,867	323,966	87,650	427,483
Net working capital	1,255,087	(144,824)	2,512,072	3,622,335
Total assets	7,308,490	1,137,301	7,327,673	15,773,464
Long-term liabilities	525,000	-	-	525,000
Total equity				
Contributed capital	4,667,492	686,312	6,277,815	11,631,619
Retained earnings	1,836,241	179,810	946,183	2,962,234

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

### 11. Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. In order to minimize its exposure to these risks, the Township is insured with commercial insurance companies.

### 12. Employee Benefit Plan

#### *Defined Contribution Pension*

The Township has a defined contribution pension plan covering all elected officials, full-time employees and paid on-call firefighters. The plan is administered by the Ada Township clerk and plan assets are invested with Manulife Financial under an allocated Retirement Account contract. Contributions will be allocated to a ten-year Guaranteed Account.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed by the Township and the eligible employee into the participant's account and the returns earned on investments of those contributions. Employees become vested in the plan after 90 days. Vested benefits are equal to the death benefit or cash value, which is equal to the actual annual premiums plus interest. The plan may only be amended upon Township board approval.

The Township contributes 5% of compensation for paid on-call firefighters and 10% of compensation for all other eligible employees. Paid on-call firefighters are required to contribute 6.2% of compensation to the plan. All other covered employees may voluntarily contribute up to 10% of their compensation to the plan. All costs associated with the plan are paid or accrued currently and there are no past service costs. Covered payroll for the year ended March 31, 2004 was \$681,744. Total payroll for the Township was \$840,080. Township contributions to the plan totaled \$12,058 and employee contributions to the plan totaled \$66,002 for the year ended March 31, 2004.

# Township of Ada Kent County, Michigan

## Notes to General Purpose Financial Statements

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### 13. Commitments and Contingencies

In the normal course of its activities, the Township becomes a party in various legal actions. The Township is currently involved in a Michigan Tax Tribunal case filed by Ada Cogeneration, which could have a significant financial impact. The Township cannot reasonably predict what the possible range of potential cost may be. Management intends to vigorously defend its position when, and if, this matter ultimately proceeds to trial.

## Supplemental Information



# Township of Ada Kent County, Michigan

## Comparative Balance Sheet General Fund

<i>Year ended March 31,</i>	2004	2003
<b>Assets</b>		
Cash	\$ 200	\$ 200
Deposits	1,011,207	928,233
Investments	98,490	248,722
Taxes receivable	21,509	16,085
Due from other funds	380,617	351,659
Prepays	11,870	7,808
<b>Total Assets</b>	<b>\$ 1,523,893</b>	<b>\$1,552,707</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 109,106	\$ 54,016
Accrued payroll and withholdings	16,930	8,892
Accrued vacation/sick pay	36,609	36,288
Due to other governmental units	-	32,323
<b>Total Liabilities</b>	<b>162,645</b>	<b>131,519</b>
<b>Fund Balance</b>		
Unreserved:		
Designated for cemeteries	48,937	36,337
Undesignated	1,312,311	1,384,851
<b>Total Fund Balance</b>	<b>1,361,248</b>	<b>1,421,188</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,523,893</b>	<b>\$1,552,707</b>

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31,</i>	2004	2003
<b>Revenues</b>		
Taxes		
Current property:		
General operating	\$ 542,690	\$ 487,858
Street lighting	37,316	20,973
Industrial/commercial facilities	11,890	11,254
Penalties and interest	7,258	6,820
Tax administration fees	19,411	18,810
<b>Total taxes</b>	<b>618,565</b>	<b>545,715</b>
Licenses and permits		
Cell tower rents	48,888	65,966
Cable television fees	81,503	80,305
<b>Total licenses and permits</b>	<b>130,391</b>	<b>146,271</b>
State sources		
Sales taxes	685,906	739,654
Liquor licenses fees	3,603	2,834
<b>Total state sources</b>	<b>689,509</b>	<b>742,488</b>
Charges for services		
Zoning and appeals fees	15,908	5,897
Grave openings	4,625	5,250
Sale of cemetery lots	12,600	2,600
Office rent	5,192	-
Other	936	1,967
<b>Total charges for services</b>	<b>39,261</b>	<b>15,714</b>

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31,</i>	2004	2003
Interest and rentals		
Interest on deposits and investments	\$ 23,405	\$ 52,360
Other revenues		
Refunds	72	140
Miscellaneous	4,253	7,085
Total other revenues	4,325	7,225
<b>Total Revenues</b>	<b>1,505,456</b>	<b>1,509,773</b>
<b>Expenditures</b>		
Current		
Legislative:		
Township board:		
Salaries	23,264	22,433
Payroll taxes and benefits	4,141	3,802
Travel, workshops, and conferences	-	489
Total legislative	27,405	26,724
Executive:		
Supervisor:		
Salary	27,652	26,053
Payroll taxes and benefits	8,831	8,072
Travel, workshops and conferences	2,312	760
Dues and memberships	115	300
New equipment	107	-
Total executive	39,017	35,185

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31,</i>	2004	2003
<b>Elections:</b>		
Salaries	\$ 5,758	\$ 18,198
Payroll taxes and benefits	456	674
Supplies	3,201	9,197
Qualified voters expense	647	379
Printing and publishing	-	266
New equipment	-	4,267
<b>Total elections</b>	<b>10,062</b>	<b>32,981</b>
<b>Administrative:</b>		
<b>Legal and accounting:</b>		
Legal fees	107,090	80,227
Audit/consulting fees	15,649	13,080
<b>Total legal and accounting</b>	<b>122,739</b>	<b>93,307</b>
<b>Assessor:</b>		
Salary	70,227	45,345
Payroll taxes and benefits	17,156	8,471
Supplies	8,632	12,179
Data processing	9,969	9,294
Travel, workshops and conferences	2,240	1,213
Dues and memberships	200	170
New equipment	6,791	3,303
<b>Total assessor</b>	<b>115,215</b>	<b>79,975</b>
<b>Clerk:</b>		
Salary	45,573	42,800
Salaries - clerical	28,751	27,119
Payroll taxes and benefits	27,040	26,051
Travel, workshops and conferences	5,848	3,369
Printing and publishing	11,667	18,644
Dues and memberships	345	574
New equipment	-	247
<b>Total clerk</b>	<b>119,224</b>	<b>118,804</b>

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31.</i>	2004	2003
Board of review:		
Salaries	\$ 675	\$ 975
Payroll taxes and benefits	52	75
Travel, workshops and conferences	70	150
<b>Total board of review</b>	<b>797</b>	<b>1,200</b>
Treasurer:		
Salary	43,636	41,600
Salary - assistant	18,259	19,960
Salary - other	13,490	11,635
Payroll taxes and benefits	22,579	28,413
Data processing	9,679	9,852
Travel, workshops and conferences	3,848	1,567
Dues and memberships	50	50
New equipment	5,035	4,719
<b>Total treasurer</b>	<b>116,576</b>	<b>117,796</b>
Buildings and grounds:		
Salary	43,427	40,974
Payroll taxes and benefits	17,630	15,962
Contracted services	263	361
Supplies	9,216	6,700
Repairs and maintenance	38,023	27,738
New equipment	1,168	860
Building improvements	17,857	-
<b>Total buildings and grounds</b>	<b>127,584</b>	<b>92,595</b>
Cemetery:		
Contracted services	16,443	15,331
Supplies	1,254	2,724
Utilities	77	70
Repairs and maintenance	3,319	7,284
Buildings improvements	5,320	-
<b>Total cemetery</b>	<b>26,413</b>	<b>25,409</b>

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31,</i>	2004	2003
Other administrative:		
Salaries - clerical	\$ 35,303	\$ 34,070
Salary - other	21,029	22,741
Vacation/sick pay		-
Payroll taxes and benefits	14,588	15,321
Contracted services	3,556	2,156
Supplies	21,065	31,817
Telephone	15,327	14,988
Travel, workshops and conferences	998	375
Printing and publishing	13,125	17,002
Utilities	20,138	21,911
Repairs and maintenance	11,976	16,696
Equipment rentals	4,138	2,798
Dues and memberships	16,293	15,562
Community service programs	85,351	70,449
New equipment	5,478	-
<b>Total other administrative</b>	<b>268,365</b>	<b>265,886</b>
<b>Total administrative</b>	<b>896,913</b>	<b>794,972</b>
Planning:		
Salaries:		
Administrator	31,564	48,345
Assistant	28,611	15,190
Planning commission	4,680	4,275
Board of appeals	2,910	2,985
Payroll taxes and benefits	33,752	23,136
Travel, workshops and conferences	4,317	3,143
Consultant fees	1,330	1,350
Supplies	5,736	4,395
New equipment	209	211
Dues and memberships	1,119	1,018
<b>Total planning</b>	<b>114,228</b>	<b>104,048</b>

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31,</i>	2004	2003
Public works:		
Highways, streets and bridges:		
Engineers service/phase II	\$ 26,889	\$ 31,849
Street lighting	45,157	44,252
Dust layer	5,459	9,015
Road construction/major	71,600	3,458
Total highways, streets and bridges	149,105	88,574
Other public works:		
Drain maintenance	-	3,092
Hydrant rental	48,300	48,300
Total other public works	48,300	51,392
Total public works	197,405	139,966
Parks and aboretum:		
Salary - superintendent	34,916	33,734
Salaries - custodial and maintenance	13,478	7,563
Payroll taxes and benefits	14,580	14,684
Park maintenance	5,376	-
Uniforms	478	250
Total parks and aboretum	68,828	56,231
Library service:		
Library state refund	9,282	-
Total current expenditures	1,363,140	1,190,107

# Township of Ada Kent County, Michigan

## Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

<i>Year ended March 31,</i>	2004	2003
Other township		
Retirement plan contribution	\$ 2,474	\$ 2,041
Insurance and bonds	20,945	17,569
Hospitalization and life insurance	7,854	7,061
Tax refunds	338	69
MESC	98	60
Miscellaneous	547	1,227
Total other township	32,256	28,027
<b>Other Financing Use</b>		
Operating transfers out	170,000	-
<b>Total Expenditures and Transfers</b>	<b>1,565,396</b>	<b>1,218,134</b>
Excess (deficiency) of revenues over expenditures and other financing uses	(59,940)	291,639
<b>Fund Balance, beginning of year</b>	<b>1,421,188</b>	<b>1,129,549</b>
<b>Fund Balance, end of year</b>	<b>\$ 1,361,248</b>	<b>\$1,421,188</b>

<i>Year ended March 31, 2004</i>	Bicentennial Park	Public Safety	Building Department
<b>Assets</b>			
Deposits	\$ 754,440	\$ 645,078	\$ 92,962
Investments	52,839	288,466	-
Due from other governmental units	15,053	28,745	-
Prepays	128	2,441	880
<b>Total Assets</b>	<b>\$ 822,460</b>	<b>\$ 964,730</b>	<b>\$ 93,842</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 6,409	\$ 54,231	\$ 4,666
Accrued vacation/sick pay	-	11,000	-
Accrued payroll and withholdings	-	6,614	2,236
Due to other funds	304,199	-	-
Due to other governmental units	-	-	-
Deferred revenue	-	-	-
<b>Total Liabilities</b>	<b>310,608</b>	<b>71,845</b>	<b>6,902</b>
<b>Fund Balances</b>			
Unreserved:			
Designated for future contingencies	-	-	-
Designated for park improvement	511,638	-	-
Designated for arboretum	214	-	-
Designated for new equipment	-	225,170	-
Designated for repairs	-	63,296	-
Designated for gypsy moth	-	-	-
Designated for building permits	-	-	86,940
Undesignated	-	604,419	-
<b>Total Fund Balances</b>	<b>511,852</b>	<b>892,885</b>	<b>86,940</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 822,460</b>	<b>\$ 964,730</b>	<b>\$ 93,842</b>

# Township of Ada Kent County, Michigan

## Combining Balance Sheet Special Revenue Funds

Gypsy Moth	Totals	
	2004	2003
\$ 20,187	\$ 1,512,667	\$ 1,856,064
-	341,305	669,222
-	43,798	32,755
-	3,449	10,022
\$ 20,187	\$ 1,901,219	\$ 2,568,063
\$ -	\$ 65,306	\$ 18,689
-	11,000	10,999
-	8,850	6,325
-	304,199	41,810
-	-	15,307
-	-	3,335
-	389,355	96,465
-	-	1,111,514
-	511,638	-
-	214	35,334
-	225,170	108,507
-	63,296	27,844
20,187	20,187	-
-	86,940	49,482
-	604,419	1,138,917
20,187	1,511,864	2,471,598
\$ 20,187	\$ 1,901,219	\$ 2,568,063

<i>Year ended March 31, 2004</i>	Bicentennial Park	Public Safety	Building Department
<b>Revenues</b>			
Taxes	\$ 390,382	\$ 747,292	\$ -
Permits	-	-	120,579
Interest and rentals	56,975	10,730	914
Grants	-	69,309	-
Contributions	203,450	-	-
Other revenue	1,590	683	-
<b>Total Revenues</b>	<b>652,397</b>	<b>828,014</b>	<b>121,493</b>
<b>Expenditures</b>			
Recreation and parks	284,961	-	-
Building department	-	-	102,101
Operating supplies	-	-	-
Law enforcement	-	311,850	-
Fire department	-	434,764	-
Loss on investments	5,340	-	-
<b>Total Expenditures</b>	<b>290,301</b>	<b>746,614</b>	<b>102,101</b>
<b>Other Financing Use</b>			
Operating transfers out	172,896	-	-
<b>Total Expenditures and Other Financing Use</b>	<b>463,197</b>	<b>746,614</b>	<b>102,101</b>
Excess (deficiency) of revenues over expenditures and other financing use	189,200	81,400	19,392
<b>Fund Balances, beginning of year</b>	<b>322,652</b>	<b>811,485</b>	<b>67,548</b>
<b>Fund Balances, end of year</b>	<b>\$ 511,852</b>	<b>\$ 892,885</b>	<b>\$ 86,940</b>

# Township of Ada Kent County, Michigan

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds

Gypsy Moth	Totals	
	2004	2003
\$ -	\$ 1,137,674	\$ 742,454
-	120,579	110,677
270	68,889	120,884
-	69,309	-
-	203,450	-
-	2,273	192,618
270	1,602,174	1,166,633
-	284,961	140,477
-	102,101	103,760
12,865	12,865	22,126
-	311,850	191,957
-	434,764	266,679
-	5,340	-
12,865	1,151,881	724,999
-	172,896	97,395
12,865	1,324,777	822,394
(12,595)	277,397	344,239
32,782	1,234,467	2,127,359
\$ 20,187	\$ 1,511,864	\$ 2,471,598

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Bicentennial Park Special Revenue Fund

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Taxes	\$ 385,060	\$ 390,382	\$ 5,322	\$ 403,669
Interest and rentals	54,260	56,975	2,715	53,881
Grants	21,000	-	(21,000)	-
Gain on investments	-	-	-	-
Contributions	500	203,450	202,950	394,061
Other revenue	1,600	1,590	(10)	4,174
<b>Total Revenues</b>	<b>462,420</b>	<b>652,397</b>	<b>189,977</b>	<b>855,785</b>
<b>Other Financing Source</b>				
Operating transfers in	-	-	-	-
<b>Total revenues and other financing source</b>	<b>462,420</b>	<b>652,397</b>	<b>189,977</b>	<b>855,785</b>
<b>Expenditures</b>				
Recreation and parks	456,828	284,961	171,867	707,873
Loss on investments	-	5,340	(5,340)	-
<b>Total Expenditures</b>	<b>456,828</b>	<b>290,301</b>	<b>166,527</b>	<b>707,873</b>
<b>Other Financing Use</b>				
Operating transfers out	-	172,896	(172,896)	75,721
<b>Total Expenditures and Other Financing Use</b>	<b>456,828</b>	<b>463,197</b>	<b>(6,369)</b>	<b>783,594</b>
Excess of revenues over expenditures and other financing use	5,592	189,200	183,608	72,191
<b>Fund Balances, beginning of year</b>	<b>322,652</b>	<b>322,652</b>	<b>-</b>	<b>250,461</b>
<b>Fund Balances, end of year</b>	<b>\$ 328,244</b>	<b>\$ 511,852</b>	<b>\$ 183,608</b>	<b>\$ 322,652</b>

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Public Safety Special Revenue Fund

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Taxes	\$ 735,295	\$ 747,292	\$ 11,997	\$ 760,094
Interest and rentals	10,700	10,730	30	20,303
Grant revenue	69,000	69,309	309	-
Other revenue	1,000	683	(317)	7,374
<b>Total Revenues</b>	<b>815,995</b>	<b>828,014</b>	<b>12,019</b>	<b>787,771</b>
<b>Expenditures</b>				
Law enforcement	275,000	311,850	(36,850)	247,541
Fire department	499,395	434,764	64,631	749,801
<b>Total Expenditures</b>	<b>774,395</b>	<b>746,614</b>	<b>27,781</b>	<b>997,342</b>
Excess (deficiency) of revenues over expenditures	41,600	81,400	39,800	(209,571)
<b>Fund Balances, beginning of year</b>	<b>811,485</b>	<b>811,485</b>	<b>-</b>	<b>1,021,056</b>
<b>Fund Balances, end of year</b>	<b>\$ 853,085</b>	<b>\$ 892,885</b>	<b>\$ 39,800</b>	<b>\$ 811,485</b>

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Building Department

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Permits	\$ 112,000	\$ 120,579	\$ 8,579	\$ 116,325
Interest and rentals	1,200	914	(286)	1,192
<b>Total Revenues</b>	113,200	121,493	8,293	117,517
<b>Expenditures</b>				
Inspection department	105,494	102,101	3,393	99,451
Excess (deficiency) of revenues over expenditures	7,706	19,392	11,686	18,066
<b>Fund Balances, beginning of year</b>	67,548	67,548	-	49,482
<b>Fund Balances, end of year</b>	\$ 75,254	\$ 86,940	\$ 11,686	\$ 67,548

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Gypsy Moth Suppression

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 5
Interest and rentals	696	270	(426)	642
Other revenue	-	-	-	-
<b>Total Revenues</b>	696	270	(426)	647
<b>Expenditures</b>				
Operating supplies	17,100	12,865	4,235	6,950
Excess (deficiency) of revenues over expenditures	(16,404)	(12,595)	3,809	(6,303)
<b>Fund Balances, beginning of year</b>	32,782	32,782	-	39,085
<b>Fund Balances, end of year</b>	\$ 16,378	\$ 20,187	\$ 3,809	\$ 32,782

<i>Year ended March 31, 2004</i>	Special Assessment		
	1987 Water	1988 Water/Sewer	1990 Water
<b>Assets</b>			
Deposits	\$ 764	\$ 37,694	\$ 3,266
Receivables			
Special assessments	-	-	2,544
<b>Total Assets</b>	<b>\$ 764</b>	<b>\$ 37,694</b>	<b>\$ 5,810</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Deferred revenue	\$ -	\$ -	\$ 2,544
Due to other funds	600	-	-
<b>Fund Balances</b>			
Reserved for debt service	164	37,694	3,266
<b>Total Liabilities and Fund Balances</b>	<b>\$ 764</b>	<b>\$ 37,694</b>	<b>\$ 5,810</b>

# Township of Ada Kent County, Michigan

## Combining Balance Sheet Debt Service Funds

	Totals	
1990 Water/Sewer	2004	2003
\$ 1,054	\$ 42,778	\$ 222,057
324	2,868	12,305
\$ 1,378	\$ 45,646	\$ 234,362
\$ 324	\$ 2,868	\$ 12,305
-	600	-
1,054	42,178	222,057
\$ 1,378	\$ 45,646	\$ 234,362

<i>Year ended March 31, 2004</i>	Special Assessment		
	1987 Water	1988 Water/Sewer	1990 Water
<b>Revenues and Transfers</b>			
Interest and rentals:			
Interest on deposits and investments	\$ 2	\$ 360	\$ 101
Interest on rolls	76	53	440
Other revenue:			
Special assessments	354	619	2,800
Transfer in	-	-	-
<b>Total revenues and transfers</b>	<b>432</b>	<b>1,032</b>	<b>3,341</b>
<b>Expenditures</b>			
Debt service:			
Principal repayment	-	10,000	25,000
Interest and fiscal charges	-	420	3,150
Other	-	-	-
Transfer out	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>10,420</b>	<b>28,150</b>
Excess (deficiency) of revenues over expenditures	432	(9,388)	(24,809)
<b>Fund Balances, beginning of year</b>	<b>(268)</b>	<b>47,082</b>	<b>28,075</b>
<b>Fund Balances, end of year</b>	<b>\$ 164</b>	<b>\$ 37,694</b>	<b>\$ 3,266</b>

# Township of Ada Kent County, Michigan

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds



	Totals	
1990 Water/Sewer	2004	2003
\$ 53	\$ 516	\$ 6,893
51	620	2,559
315	4,088	18,341
7,000	7,000	-
7,419	12,224	27,793
20,000	55,000	114,000
2,702	6,272	19,590
-	-	-
-	-	-
22,702	61,272	133,590
(15,283)	(49,048)	(105,797)
16,337	91,226	327,854
\$ 1,054	\$ 42,178	\$ 222,057

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - 1987 Water Special Assessment - Debt Service Fund

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Interest and rentals:				
Interest on deposits and investments	\$ -	\$ 2	\$ 2	\$ 120
Interest on rolls	-	76	76	47
Other revenue:				
Special assessments	-	354	354	414
<b>Total revenues and transfers</b>	-	432	432	581
<b>Expenditures</b>				
Debt service:				
Principal repayments	-	-	-	35,000
Interest and fiscal charges	-	-	-	1,513
<b>Total expenditures</b>	-	-	-	36,513
Excess (deficiency) of revenues over expenditures	-	432	432	(35,932)
<b>Fund Balances, beginning of year</b>	(268)	(268)	-	35,664
<b>Fund Balances, end of year</b>	\$ (268)	\$ 164	\$ 432	\$ (268)

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - 1988 Water/Sewer Special Assessment - Debt Service Fund

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Interest and rentals:				
Interest on deposits and investments	\$ 400	\$ 360	\$ (40)	\$ 719
Interest on rolls	-	53	53	187
Other revenue:				
Special assessments	-	619	619	1,585
<b>Total revenues</b>	<b>400</b>	<b>1,032</b>	<b>632</b>	<b>2,491</b>
<b>Expenditures</b>				
Debt service:				
Principal repayments	10,000	10,000	-	10,000
Interest and fiscal charges	400	420	(20)	1,200
<b>Total expenditures</b>	<b>10,400</b>	<b>10,420</b>	<b>(20)</b>	<b>11,200</b>
Deficiency of revenues over expenditures	(10,000)	(9,388)	612	(8,709)
<b>Fund Balances, beginning of year</b>	<b>47,082</b>	<b>47,082</b>	<b>-</b>	<b>55,791</b>
<b>Fund Balances, end of year</b>	<b>\$ 37,082</b>	<b>\$ 37,694</b>	<b>\$ 612</b>	<b>\$ 47,082</b>

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - 1990 Water Special Assessment - Debt Service Fund

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Interest and rentals:				
Interest on deposits and investments	\$ 150	\$ 101	\$ (49)	\$ 500
Interest on rolls	440	440	-	735
Other revenue:				
Special assessments	2,800	2,800	-	3,033
<b>Total revenues</b>	<b>3,390</b>	<b>3,341</b>	<b>(49)</b>	<b>4,268</b>
<b>Expenditures</b>				
Debt service:				
Principal repayments	25,000	25,000	-	25,000
Interest and fiscal charges	3,150	3,150	-	4,638
<b>Total expenditures</b>	<b>28,150</b>	<b>28,150</b>	<b>-</b>	<b>29,638</b>
Deficiency of revenues over expenditures	(24,760)	(24,809)	(49)	(25,370)
<b>Fund Balances, beginning of year</b>	<b>28,075</b>	<b>28,075</b>	<b>-</b>	<b>53,445</b>
<b>Fund Balances, end of year</b>	<b>\$ 3,315</b>	<b>\$ 3,266</b>	<b>\$ (49)</b>	<b>\$ 28,075</b>

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - 1990 Water/Sewer Special Assessment - Debt Service Fund

<i>Year ended March 31, 2004</i>	Budget	Actual	Variance favorable (unfavorable)	2003 Actual
<b>Revenues</b>				
Interest and rentals:				
Interest on deposits and investments	\$ -	\$ 53	\$ 53	\$ 372
Interest on rolls	50	51	1	75
Other revenue:				
Special assessments	315	315	-	315
Transfer in	-	7,000	7,000	-
<b>Total revenues</b>	<b>365</b>	<b>7,419</b>	<b>7,054</b>	<b>762</b>
<b>Expenditures</b>				
Debt service:				
Principal repayments	-	20,000	(20,000)	20,000
Interest and fiscal charges	-	2,702	(2,702)	4,106
<b>Total expenditures</b>	<b>-</b>	<b>22,702</b>	<b>(22,702)</b>	<b>24,106</b>
Excess (deficiency) of revenues over expenditures	365	(15,283)	(15,648)	(23,344)
<b>Fund Balances, beginning of year</b>	<b>16,337</b>	<b>16,337</b>	<b>-</b>	<b>39,681</b>
<b>Fund Balances, end of year</b>	<b>\$ 16,702</b>	<b>\$ 1,054</b>	<b>\$ (15,648)</b>	<b>\$ 16,337</b>

# Township of Ada Kent County, Michigan

## Balance Sheet Capital Project Fund

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<i>March 31,</i>	2004		2003
<b>Assets</b>			
Due from other governmental units	\$	-	\$ 23,786
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$	-	\$ 23,786
<b>Fund Balance</b>		-	-
<b>Total Liabilities and Fund Balance</b>	\$	-	\$ 23,786

---

# Township of Ada Kent County, Michigan

## Statement of Revenues, Expenditures and Changes in Fund Balances Capital Project Fund

<i>Year ended March 31,</i>	2004	2003
<b>Revenues</b>		
Contributions	\$ 65,220	\$ -
<b>Other Financing Source</b>		
Operating transfers in	342,896	75,721
Total revenues and other financing source	408,116	75,721
<b>Expenditures</b>		
Public works	408,116	17,245
Excess of revenues and other financing source over expenditures	-	58,476
<b>Fund Deficit, beginning of year</b>	-	(58,476)
<b>Fund Balance, end of year</b>	\$ -	\$ -

<i>March 31,</i>	Water	GV Estates Water Systems	Sewer
<b>Assets</b>			
<b>Current Assets</b>			
Deposits	\$ 471,997	\$ 126,355	\$ 2,093,246
Investments	602,189	-	385,584
Receivables:			
Accounts	201,037	-	136,606
Due from other funds	254,019	-	-
Due from other governmental units	47	-	47
Inventory	5,291	-	-
Prepays	264	-	264
<b>Total Current Assets</b>	<b>1,534,844</b>	<b>126,355</b>	<b>2,615,747</b>
<b>Restricted Assets</b>	<b>427,195</b>	<b>-</b>	<b>-</b>
<b>Fixed Assets (net of accumulated depreciation)</b>	<b>5,346,451</b>	<b>1,010,946</b>	<b>4,711,926</b>
<b>Total Assets</b>	<b>\$ 7,308,490</b>	<b>\$ 1,137,301</b>	<b>\$ 7,327,673</b>

# Township of Ada Kent County, Michigan

## Combining Balance Sheet Enterprise Funds



2004	2003
\$ 2,691,598	\$ 2,953,122
987,773	980,214
337,643	381,034
254,019	46,754
94	94
5,291	5,291
528	4,380
4,276,946	4,370,889
427,195	423,073
11,069,323	10,373,163
\$ 15,773,464	\$ 15,167,125

<i>March 31.</i>	Water	GV Estates Water Systems	Sewer
<b>Liabilities and Fund Balance</b>			
<b>Current Liabilities</b>			
Payable from current assets:			
Accounts payable	\$ 171,724	\$ 17,760	\$ 101,243
Accrued payroll and withholdings	1,178	-	1,188
Due to other funds	1,855	253,419	1,244
<hr/>			
Total payable from current assets	174,757	271,179	103,675
Payable from restricted net assets:			
Current portion of revenue bonds payable	105,000	-	-
<hr/>			
<b>Total Current Liabilities</b>	<b>279,757</b>	<b>271,179</b>	<b>103,675</b>
<b>Long-Term Liabilities</b>			
Revenue bonds payable (net of current portion)	525,000	-	-
<hr/>			
<b>Total Liabilities</b>	<b>804,757</b>	<b>271,179</b>	<b>103,675</b>
<hr/>			
<b>Fund Equity</b>			
Contributed capital	4,667,492	686,312	6,277,815
<hr/>			
Retained earnings:			
Reserved for revenue bond retirement	359,941	-	-
Reserved for future contingencies	67,254	-	-
Unreserved	1,409,046	179,810	946,183
<hr/>			
Total retained earnings	1,836,241	179,810	946,183
<hr/>			
<b>Total Fund Equity</b>	<b>6,503,733</b>	<b>866,122</b>	<b>7,223,998</b>
<hr/>			
<b>Total Liabilities and Fund Equity</b>	<b>\$ 7,308,490</b>	<b>\$ 1,137,301</b>	<b>\$ 7,327,673</b>

# Township of Ada Kent County, Michigan

## Combining Balance Sheet Enterprise Funds



	2004		2003
	\$ 290,727		\$ 216,400
	2,366		-
	256,518		49,355
	549,611		265,755
	105,000		105,000
	654,611		370,755
	525,000		630,000
	1,179,611		1,000,755
	11,631,619		10,807,334
	359,941		348,457
	67,254		64,563
	2,535,039		2,946,016
	2,962,234		3,359,036
	14,593,853		14,166,370
	\$ 15,773,464		\$ 15,167,125

<i>Year ended March 31,</i>	Water	GV Estates Water Systems	Sewer
<b>Operating Revenues</b>			
Charges for services	\$ 1,448,913	\$ 60,190	\$ 832,937
<b>Operating Expenses</b>			
Salaries and administration	62,236	1,720	47,427
Contracted services	1,238,144	3,069	588,507
Purchased services	3,004	-	3,554
Utilities	16,548	7,341	33,346
Operating supplies	57,830	26,132	13,679
Maintenance and repairs	60,925	26,782	173,157
Insurance	12,936	1,033	17,284
Depreciation	118,347	16,380	97,440
Total operating expenses	1,569,970	82,457	974,394
Operating loss	(121,057)	(22,267)	(141,457)
<b>Nonoperating Revenues (Expenses)</b>			
Interest earnings	11,755	688	17,150
Interest expense	(38,035)	-	-
Net nonoperating revenues (expenses)	(26,280)	688	17,150
Loss before operating transfers and contributions	(147,337)	(21,579)	(124,307)
Contributions	170,204	345,545	211,957
Operating transfers in	-	-	-
Operating transfers (out)	(7,000)	-	-
Net income	15,867	323,966	87,650
<b>Fund Equity, beginning of year</b>	6,487,866	542,156	7,136,348
<b>Fund Equity, end of year</b>	\$ 6,503,733	\$ 866,122	\$ 7,223,998

# Township of Ada Kent County, Michigan

## Combining Statement of Revenues, Expenses and Changes in Fund Equity - Enterprise Funds

<u>2004</u>	<u>2003</u>
<u>\$ 2,342,040</u>	<u>\$ 2,153,101</u>
111,383	100,001
1,829,720	1,620,953
6,558	21,923
57,235	53,095
97,641	131,417
260,864	137,505
31,253	29,844
<u>232,167</u>	<u>215,351</u>
<u>2,626,821</u>	<u>2,310,089</u>
<u>(284,781)</u>	<u>(156,988)</u>
29,593	68,299
<u>(38,035)</u>	<u>(42,680)</u>
<u>(8,442)</u>	<u>25,619</u>
<u>(293,223)</u>	<u>(131,369)</u>
727,706	130,927
-	1,158,609
<u>(7,000)</u>	<u>-</u>
427,483	1,158,167
<u>14,166,370</u>	<u>13,008,203</u>
<u>\$ 14,593,853</u>	<u>\$ 14,166,370</u>

<i>Year ended March 31,</i>	Water	GV Estates Water Systems	Sewer
<b>Operating Activities</b>			
Cash received from customers	\$ 1,510,122	\$ 60,190	\$ 815,119
Cash payments to suppliers for goods and services	(1,527,619)	119,617	(768,687)
Cash payments to employees for services	(73,196)	(1,601)	(62,725)
Net cash from (for) operating activities	(90,693)	178,206	(16,293)
<b>Capital and Related Financing Activities</b>			
Principal paid on bonds	(105,000)	-	-
Interest paid on bonds	(38,035)	-	-
Acquisition of capital assets	(200,496)	(515,874)	(211,957)
Operating transfers	(7,000)	-	-
Contributed capital	170,204	345,545	211,957
Net cash from (for) capital and related financing activities	(180,327)	(170,329)	-
<b>Investing Activities</b>			
Interest earned on deposits and investments	11,755	688	17,150
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(259,265)	8,565	857
<b>Cash and Cash Equivalents, beginning of year</b>	1,760,646	117,790	2,477,973
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,501,381	\$ 126,355	\$ 2,478,830

# Township of Ada Kent County, Michigan

## Combining Statement of Cash Flows Enterprise Funds

2004	2003
\$ 2,385,431	\$ 2,069,206
(2,176,689)	(1,972,430)
(137,522)	(132,230)
71,220	(35,454)
(105,000)	(110,000)
(38,035)	(42,680)
(928,327)	(307,912)
(7,000)	1,158,609
727,706	130,927
(350,656)	828,944
29,593	68,299
(249,843)	861,789
4,356,409	3,494,620
\$ 4,106,566	\$ 4,356,409

<i>Year ended March 31,</i>	Water	GV Estates Water Systems	Sewer
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
<b>From Operating Activities:</b>			
Operating income (loss)	\$ (121,057)	\$ (22,267)	\$ (141,457)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	118,347	16,380	97,440
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	61,209	-	(17,818)
Decrease (increase) in prepaids	1,350	1,152	1,350
Increase (decrease) in accounts payable	56,190	(24,324)	44,201
Increase (decrease) in interfunds	(206,732)	207,265	(9)
Increase (decrease) in due to other governmental units	-	-	-
<b>Net Cash From Operating Activities</b>	<b>\$ (90,693)</b>	<b>\$ 178,206</b>	<b>\$ (16,293)</b>

# Township of Ada Kent County, Michigan

## Combining Statement of Cash Flows Enterprise Funds



Totals			
	2004		2003
	\$ (284,781)		\$ (156,988)
	232,167		215,351
	43,391		(84,725)
	3,852		(2,385)
	76,067		187,286
	524		(2,698)
	-		(191,295)
	\$ 71,220		\$ (35,454)

# Township of Ada Kent County, Michigan

## Schedule of Principal and Interest Payments Water Enterprise Fund

### \$1,275,000 Water Supply System Revenue Refunding Bonds Dated October 16, 1996

<i>Payment date</i>	Rate	Principal	Interest	Total
July 1, 2004			\$ 16,235	\$ 16,235
January 1, 2005	4.90	\$ 105,000	16,235	121,235
July 1, 2005			13,663	13,663
January 1, 2006	5.00	105,000	13,663	118,663
July 1, 2006			11,037	11,037
January 1, 2007	5.10	100,000	11,037	111,037
July 1, 2007			8,488	8,488
January 1, 2008	5.20	100,000	8,488	108,488
July 1, 2008			5,887	5,887
January 1, 2009	5.30	105,000	5,887	110,887
July 1, 2009			3,105	3,105
January 1, 2010	5.40	115,000	3,105	118,105
		\$ 630,000	\$ 116,830	\$ 746,830

# Township of Ada Kent County, Michigan

## Statement of Changes in Assets and Liabilities Agency Funds

<i>Year ended March 31, 2004</i>	Balances April 1, 2003	Additions	Deductions	Balances March 31, 2004
<b><i>Agency Tax Fund</i></b>				
<b>Assets</b>				
Deposits	\$ 827,009	\$ 22,128,004	\$ 22,878,020	\$ 76,993
<b>Liabilities</b>				
Due to General Fund	\$ 40,236	\$ 14,609	\$ -	\$ 54,845
Due to depositors	786,773	22,113,395	22,878,020	22,148
	\$ 827,009	\$ 22,128,004	\$ 22,878,020	\$ 76,993
<b><i>Developers Escrow Fund</i></b>				
<b>Assets</b>				
Deposits	\$ -	\$ 25,950	\$ -	\$ 25,950
<b>Liabilities</b>				
Escrow Deposit	\$ -	\$ 7,476	\$ -	\$ 7,476
Due to General Fund	-	18,474	-	18,474
	\$ -	\$ 25,950	\$ -	\$ 25,950
<b><i>Total - Agency Funds</i></b>				
<b>Assets</b>				
Deposits	\$ 827,009	\$ 22,153,954	\$ 22,878,020	\$ 102,943
<b>Liabilities</b>				
Escrow deposit	\$ -	\$ 7,476	\$ -	\$ 7,476
Due to General Fund	40,236	33,083	-	73,319
Due to depositors	786,773	22,113,395	22,878,020	22,148
	\$ 827,009	\$ 22,153,954	\$ 22,878,020	\$ 102,943

# Township of Ada Kent County, Michigan

## Statement of Cash Receipts and Disbursements Agency Funds

<i>Year ended March 31,</i>	2004
<b>Cash and Deposits, beginning of year</b>	\$ 827,009
<b>Cash Receipts</b>	
Current and delinquent taxes, penalties, collection fees and dog licenses	22,113,395
Interest on investments	14,609
Escrow receipts	25,950
<b>Total cash receipts</b>	<b>22,153,954</b>
<b>Total available balances</b>	<b>22,980,963</b>
<b>Disbursements</b>	
Cash disbursements:	
Current ad valorem taxes:	
Kent County	3,369,404
Kent Intermediate School District	2,450,259
Grand Rapids Community College	1,154,879
Kent District Library	552,248
Kent County Drains	21
Forest Hills Public Schools	8,169,784
Lowell Area Schools	629,924
Northview Public Schools	76,174
State of Michigan Education	3,232,299
Township of Ada:	
Operating	514,413
Law enforcement/fire protection	687,380
Street lighting	36,145
Delinquent water/sewer usage	6,668
Parks	359,888
<b>Total current ad valorem taxes</b>	<b>21,239,486</b>

# Township of Ada Kent County, Michigan

## Statement of Cash Receipts and Disbursements Agency Funds

<i>Year ended March 31,</i>	2004
<hr/>	
Industrial/commercial facilities taxes:	
Kent County	\$ 77,878
Kent Intermediate School District	55,548
Grand Rapids Community College	26,182
Kent District Library	12,765
Forest Hills Public Schools	111,380
State of Michigan Education	448,066
Township of Ada:	
Operating	11,890
Law enforcement/fire protection	15,888
Parks	8,318
<hr/>	
Total industrial/commercial facilities taxes	767,915
<hr/>	
Interest and penalties:	
Township of Ada	5,211
Kent Intermediate School District	1,877
Grand Rapids Community College	884
Forest Hills Public Schools	1,536
Lowell Area Schools	459
Northview Public Schools	41
State of Michigan	2,476
Other	47
<hr/>	
Total interest and penalties	12,531
<hr/>	
Delinquent personal property taxes	7,611
<hr/>	
Dog licenses - Kent County treasurer	2,117
<hr/>	
Refunds	115,496
<hr/>	
Prior year balances	732,864
<hr/>	
Total disbursements	22,878,020
<hr/>	
<b>Cash and Deposits, end of year</b>	<b>\$ 102,943</b>

<i>March 31, 2004</i>	Bond	
	October 1, 1987	September 29, 1988
		Special
<b>Amounts Available and to be Provided</b>		
Amounts available for retirement of general long-term debt:		
Debt Service Funds	\$ -	\$ 37,694
Amounts to be provided for retirement of long-term debt:		
Debt Service Funds:		
Payment of bonds payable	-	(37,694)
<b>Total Amounts Available and to be Provided</b>	<b>\$ -</b>	<b>\$ -</b>
<b>General Long-Term Debt Payable</b>		
Bonds payable	\$ -	\$ -

# Township of Ada Kent County, Michigan

## Statement of General Long-Term Debt General Long-Term Debt Account Group

Issues		
Assessment		
May 1, 1990	October 1, 1990	Total
\$ 1,054	\$ 3,266	\$ 42,014
23,946	16,734	2,986
\$ 25,000	\$20,000	\$ 45,000
\$ 25,000	\$20,000	\$ 45,000

<i>Year ended March 31, 2004</i>	<u>Bond</u>	
	<u>October 1,</u>	<u>September 29,</u>
	1987	1988
<b>Long-Term Debt Payable</b> , beginning of year	\$ -	\$ 10,000
Debt retired during year	-	10,000
<b>Long-Term Debt Payable</b> , end of year	\$ -	\$ -

# Township of Ada Kent County, Michigan

## Statement of Changes in General Long-Term Debt General Long-Term Debt Account Group

Issues

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Assessment

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May 1, 1990	October 1, 1990	Total
\$50,000	\$40,000	\$ 100,000
25,000	20,000	55,000
\$25,000	\$20,000	\$ 45,000

**Township of Ada  
Kent County, Michigan**

**Statement of Principal and Interest Payments  
General Long-Term Debt Account Group**

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**\$315,000 Water Special Assessment Bonds Series A dated May 1, 1990**

<i>Payment date</i>	Rate	Principal	Interest	Total
September 1, 2004	7.0	\$25,000	\$ 875	\$25,875
		\$25,000	\$ 875	\$25,875

**Township of Ada  
Kent County, Michigan**

**Statement of Principal and Interest Payments  
General Long-Term Debt Account Group**

---

**\$230,000 Water/Sewer Special Assessment Bonds Series B dated October 1, 1990**

<i>Payment date</i>	Rate	Principal	Interest	Total
June 1, 2004		\$ -	\$ 600	\$ 600
December 1, 2004	6.0	20,000	600	20,600
		\$20,000	\$1,200	\$21,200

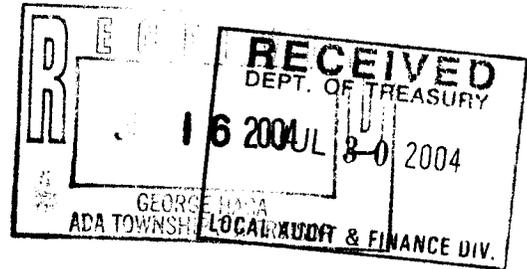


**BDO Seidman, LLP**  
Accountants and Consultants

99 Monroe Avenue NW, Suite 800  
Grand Rapids, Michigan 49503-2698  
Telephone: (616) 774-7000  
Fax: (616) 776-3680

June 24, 2004

Board of Trustees  
Township of Ada  
Ada, Michigan



Dear Members:

Professional standards require us to advise you of the following matters relating to our recently completed audit. The matters discussed herein are those that we have noted as of May 24, 2004, and we have not updated our procedures regarding these matters since that date.

### **Our Responsibility Under Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements, whether caused by error or fraud. An audit in accordance with generally accepted auditing standards does not provide absolute assurance or guarantee the accuracy of the financial statements and is subject to the inherent risk that errors or fraud, if they exist, have not been detected. Such standards also require that we obtain a sufficient understanding of the Township of Ada, Michigan's (Township) internal control to plan the audit. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

### **Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application.

The significant accounting policies used by the Township are described in the notes to the general purpose financial statements. No new significant accounting policies were adopted and the application of existing policies was not changed during fiscal year 2004. We noted no transactions entered into by the Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.



## **Management Judgments and Accounting Estimates**

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. Our audit procedures included inquiries about, and a review of, significant management judgments and accounting estimates, including certain estimates used in developing the adjustment for contributed capital.

## **Significant Audit Adjustments**

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Township that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed several audit adjustments related to receivables, revenues and cash, all of which were recorded by management. We also proposed entries related to cash and accrued expenses that have not been recorded by management.

## **Disagreements With Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the Township's financial statements or the audit report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Consultation With Other Accountants**

There may be circumstances where the Township considers consulting with other accountants about accounting and auditing matters. We are not aware of any situation where this occurred during this period.

## **Major Issues Discussed With Management Prior to Retention**

Prior to our being retained as auditor for the current fiscal year, there were no major accounting or other issues of concern discussed with management.

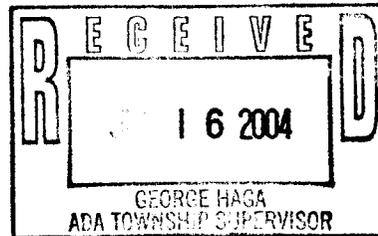


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Accountants and Consultants

99 Monroe Avenue NW, Suite 800  
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Fax: (616) 776-3680

May 24, 2004

Board of Trustees  
Township of Ada  
Ada, Michigan



Dear Members of the Board:

We have audited the general purpose financial statements of the Township of Ada, Michigan (Township) as of and for the year ended March 31, 2004, and have issued our report thereon dated May 24, 2004. In planning and performing our audit, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control. We have not considered internal controls since the date of our report.

During our audit, we noted certain matters involving accounting procedures and certain business practices that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal controls, financial reporting practices or result in other operating efficiencies.

### **New Reporting Model**

The Governmental Accounting Standards Board's Statement No. 34 will greatly change governmental financial statements. There will be two levels of reporting. The government-wide perspective will provide financial statements that are comparable to private businesses. The activity statement will be presented on a "net cost" basis to allow readers to see what it costs to run the Township. The fund-level statements will provide basically the same financial information as in prior years, with a few changes in presentation.

The government-wide statements will be prepared on the accrual basis of accounting. All governmental fund activity will be consolidated into one column, including fixed assets and long-term debt. The Township will have to calculate depreciation to date and record depreciation expense on an annual basis. The fund-level statements will continue to use modified accrual accounting.

In conjunction with the adoption of GASB Statement No. 34, the Township will have to implement GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Government Fund Financial Statements*. The Township will no longer record any current portion of compensated absences in the funds. Until they mature, all amounts will be considered long-term and recorded only in the government-wide financial statements.



The Township will be required to implement the new reporting model for the year ending March 31, 2005.

***Recommendation***

Although progress has been made, there is a significant amount of work involved to implement the new model. Continue to address the various issues and consider what changes will be needed to comply with the new requirements.

**Periodic Change of Passwords**

Access to the system software, including applications, is gained by entering valid user identifications and passwords to the system; however, passwords are not changed on a frequent basis. Without changing passwords, the possibility exists that unauthorized persons could obtain unchanged passwords and access the system. This could result in unauthorized data or erroneous transactions entering the system.

***Recommendation***

Change passwords on a periodic basis to strengthen overall electronic data processing security (e.g., every 90 days).

**Cash Accounts and General Ledger**

Cash accounts are reconciled monthly; however, some cash accounts are not recorded in the general ledger and others are not reflected in the ledger at the correct amount. Also, an escrow deposit was received in 2004 and a separate bank account was opened. However, the deposit was not recorded in the general ledger.

***Recommendation***

Record all cash accounts in the general ledger at the current reconciled balance. Increase communication by the Treasurer's department to ensure all accounts are recorded and reconciled to the trial balance monthly. Set up a cash account and liability for the escrow deposit and reconcile it to the bank statement each month.

**Tax Collection**

The tax collection bank accounts earn interest, which in prior years, was transferred to the General Fund and reported therein. For the last three years the interest has not been transferred to the General Fund. Instead some of the money was used to pay refunds to taxpayers. It appears that the Treasurer has been using the interest owed to the General Fund to pay refunds instead of charging each fund their share.



Board of Trustees

-3-

May 24, 2004

When refunds are issued after the tax has been remitted to the various Township funds, the proper procedure is to require each fund to reimburse the Tax Collection Fund. Each fund should record an expense and payable to the Tax Collection Fund at that time.

***Recommendation***

Transfer the interest earned by the tax collection fund every year to the general fund. When refunds are issued, the various funds should record an expense and reimburse the tax collection fund for their share of the refund.

We would be happy to further discuss our recommendations with you and provide whatever assistance you deem appropriate to implement them.

We appreciate the cooperation that our personnel received from the Township's staff during the audit.

This memorandum is intended solely for the information and use of the Board of Trustees, management and others within the Township.

Very truly yours,

*BDO Seidman, LLP*