62-1140

GRANT TOWNSHIP

OTTAWAYGO COUNTY, MICHIGAN

AUDIT REPORT

MARCH 31, 2004

RECEIVED
DEPT. OF TREASURY
AUG 1 8 2004
AUDIT &
8/16

Michigan Deptartment of Treasury
496 (2-04)

Auditing Procedures Report

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

Local Government Type	Local Government Name	County
☐ City ☒ Township ☐ Village ☐ Other	GRANT TOWNSHIP	NEWAYGO

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3-31-2004	7-8-2004	8-8-2004

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

RECEIVED
DEPT. OF TREASURY
AUG 18 2004
LOCAL AUDIT & FINANCE DIV.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.

2. We are certified public accountants registered to practice in Michigan.

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

You must check the applicable box for each item below.

☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.

☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).

☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).

☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.

☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).

☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.

☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).

☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name)			
TERRY KIRKPATRICK, CPA, P.C.			
Street Address	City	State	ZIP
211 MAPLE STREET	BIG RAPIDS	MI	49307
Accountant Signature		Date	
Terry D Kirkpatrick, CPA		8-3-04	

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TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

July 8, 2004

To the Honorable Supervisor and Members of the Township
Board of the Township of Grant, Newaygo County, Michigan:

We have audited the accompanying general purpose financial statements of the Township of Grant, Newaygo County, Michigan as of and for the year ended March 31, 2004 as listed on the contents page. These general purpose financial statements are the responsibility of the management of Grant Township. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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.

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

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary financial data as listed on the contents page is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Grant, Newaygo County, Michigan. This additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Terry Kirkpatrick, CPA, PC.

Grant Township – Newaygo County, Michigan

Combined Balance Sheet
All Fund Types and Account Groups
March 31, 2004
With Comparative Totals at March 31, 2003

	Governmental Fund Types			Trust and Agency	Account Group	Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	Agency	General Fixed Assets	2004	2003
ASSETS							
Cash in Bank - Checking	$ 27,776	$ 5,299	$ 0	$ 28,683	$ 0	$ 61,758	$ 201,452
Certificates of Deposit	285,143	120,000	0	0	0	405,143	254,650
Delinquent Personal Tax	55	172	23	0	0	250	163
Due from Current Tax Fund	4,750	314	47	0	0	5,111	3,504
Due from General Fund	0	2,276	0	0	0	2,276	2,276
Due from County - Delinquent Taxes	7,443	21,130	2,826	0	0	31,399	29,872
Land	0	0	0	0	13,119	13,119	13,119
Land Easements	0	0	0	0	1,185	1,185	1,185
Land Improvements	0	0	0	0	46,565	46,565	46,565
Buildings	0	0	0	0	268,303	268,303	268,303
Machinery and Equipment	0	0	0	0	57,762	57,762	57,762
Furniture	0	0	0	0	22,328	22,328	22,328
Total assets	$ 325,167	$ 149,191	$ 2,896	$ 28,683	$ 409,262	$ 915,199	$ 901,179
LIABILITIES AND FUND EQUITY							
Due to IRS	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,757
Due to State of Michigan	0	0	0	9,561	0	9,561	6,441
Due to General Fund	0	0	0	4,750	0	4,750	3,504
Due to Street Improvement Fund	2,276	0	0	276	0	2,552	2,276
Due to Ashland-Grant Fire District	13,375	2,884	2,896	85	0	19,240	8,828
Due to Other Units	0	0	0	14,011	0	14,011	0
Deferred Revenue (Charges)	(1,140)	0	0	0	0	(1,140)	(7,976)
Investment in General Fixed Assets	0	0	0	0	409,262	409,262	409,262
Fund Balance	310,656	146,307	0	0	0	456,963	475,087
Total liabilities and fund equity	$ 325,167	$ 149,191	$ 2,896	$ 28,683	$ 409,262	$ 915,199	$ 901,179

The "Notes to Financial Statements" are an integral part of these statements.

Grant Township – Newaygo County, Michigan

Combined Statement of Revenues, Expenditures and Changes in Fund Balance – All Governmental Fund Types
For the Year Ended March 31, 2004
With Comparative Totals at March 31, 2003

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	2004	2003
REVENUES					
Taxes	$ 58,939	$ 162,134	$ 24,530	$ 245,603	$ 234,178
Licenses and Permits	3,751	0	0	3,751	5,240
State Grants	251,618	0	0	251,618	277,026
Charges for Services	15,061	0	0	15,061	10,533
Interest and Rents	4,876	247	0	5,123	13,510
Other Revenues	7,474	1,036	0	8,510	12,785
Total revenues	341,719	163,417	24,530	529,666	553,272
EXPENDITURES					
Legislative	54,296	0	0	54,296	41,005
General Government	99,920	0	0	99,920	86,220
Public Safety	82,252	19,514	24,530	126,296	116,115
Public Works	2,994	244,976	0	247,970	452,225
Recreation and Cultural	0	0	0	0	542
Other Functions	19,308	0	0	19,308	17,628
Total expenditures	258,770	264,490	24,530	547,790	713,735
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	82,949	(101,073)	0	(18,124)	(160,463)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	0	129,076	0	129,076	299,000
Operating Transfers Out	(129,076)	0	0	(129,076)	(299,000)
Total other financing sources (uses)	(129,076)	129,076	0	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(46,127)	28,003	0	(18,124)	(160,463)
FUND BALANCE - April 1	356,783	118,304	0	475,087	635,550
FUND BALANCE - March 31	$ 310,656	$ 146,307	$ 0	$ 456,963	$ 475,087

The "Notes to Financial Statements" are an integral part of these statements.

Grant Township – Newaygo County, Michigan

Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – All Annually Budgeted Governmental Fund Types
For the Year Ended March 31, 2003

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	$ 53,954	$ 58,939	$ 4,985	$ 189,925	$ 162,134	$ (27,791)
Licenses and Permits	0	3,751	3,751	0	0	0
State Grants	280,000	251,618	(28,382)	0	0	0
Charges for Services	2,000	15,061	13,061	0	0	0
Interest and Rents	4,000	4,876	876	600	247	(353)
Other Revenues	14,300	7,474	(6,826)	0	1,036	1,036
Total revenues	354,254	341,719	(12,535)	190,525	163,417	(27,108)
EXPENDITURES						
Legislative	57,000	54,296	2,704	0	0	0
General Government	133,700	99,920	33,780	0	0	0
Public Safety	149,000	82,252	66,748	25,447	19,514	5,933
Public Works	5,000	2,994	2,006	500,000	244,976	255,024
Recreation and Cultural	24,000	0	24,000	0	0	0
Other Functions	37,000	19,308	17,692	0	0	0
Total expenditures	405,700	258,770	146,930	525,447	264,490	260,957
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,446)	82,949	134,395	(334,922)	(101,073)	233,849
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	0	0	0	300,000	129,076	(170,924)
Operating Transfers Out	(300,000)	(129,076)	170,924	0	0	0
Total other financing sources (uses)	(300,000)	(129,076)	170,924	300,000	129,076	(170,924)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(351,446)	(46,127)	305,319	(34,922)	28,003	62,925
FUND BALANCE - April 1	356,783	356,783	0	118,304	118,304	0
FUND BALANCE - March 31	$ 5,337	$ 310,656	$ 305,319	$ 83,382	$ 146,307	$ 62,925

The "Notes to Financial Statements" are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Basis of Presentation

The accounts of the Township are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded in those funds.

The financial activities of Grant Township are recorded in separate funds and account groups categorized as follows:

GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all financial resources except those provided for in another fund. Revenues are primarily derived from property taxes, State and Federal aid, and charges for services to provide for the administration and operation of: (1) general local unit governmental departments, boards and commissions; (2) court systems; (3) law enforcement; and (4) health, welfare and medical assistance. The fund includes the general operating expenditures of the local unit.

Special Revenue Funds

These funds are used to account for specific revenue (other than expendable trusts or major capital projects) derived from State and federal grants, General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements.

Capital Projects Funds

These funds are used to account for the acquisition or construction of major facilities other than those financed by proprietary fund operations.

FIDUCIARY FUNDS

Trust and Agency Funds

These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include: (a) Expendable Trust Funds; (b) Nonexpendable Trust Funds; (c) Pension Trust Funds; and (d) Agency Funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation – Continued

ACCOUNT GROUPS

General Fixed Assets Account Group

This Account Group presents the fixed assets of the Township utilized in its general operations (nonproprietary fixed assets).

Fixed assets used in the general operation of the Township are recorded as expenditures when purchased and are accounted for in the General Fixed Assets Account Group. No depreciation is recorded for these general fixed assets. Infrastructure assets, including roads, bridges, sanitary sewers, drains, curbs, and gutters are not capitalized.

Basis of Accounting

The accrual basis of accounting is used by the Proprietary Funds, Pension Trust Funds, and Nonexpendable Trust Funds. The modified-accrual basis of accounting is used by all Governmental Funds, Agency Funds and Expendable Trust Funds. Revenue and other sources are recognized in the accounting period in which they become susceptible to accrual – that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is incurred. Modifications from the accrual basis are as follows:

a. Property tax revenue should be recognized in accordance with MCGAA Statement 3:

   Properties are assessed and liened as of December 31 and their related property taxes are billed on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls.

b. Interest income on special assessments receivable is not accrued until its due date.

c. Interest expense on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.

d. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.

e. Normally, expenditures are not divided between years by the recording of prepaid expenses.

Budgetary Data

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

1. At the board meeting in March, the Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them for the General and Special Revenue Funds.

2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.

3. Prior to March 31, the budget is legally enacted on a departmental (activity) basis through passage of a resolution.

4. Budget appropriations lapse at year-end except for approved contracts and certain federal grants, which are appropriated on a contract (grant) or entitlement-length basis.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Excess of Expenditures over Appropriations in Budgetary Funds

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

In the body of the financial statements, Grant Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis.

The approved budgets of the Township for these budgetary funds were adopted to the activity level.

Current Taxes

Although the Grant Township 2003 ad valorem tax is levied and collectible on December 1, 2003, it is Grant Township's policy to recognize revenue from the current tax levy.

The 2003 taxable valuation of Grant Township totaled $51,670,000, on which ad valorem taxes levied consisted of .7982 mills for Grant Township operating purposes, 2.7552 mills for Street Improvement, .3771 mills for Fire Protection, and .4741 mills for Fire Equipment. These amounts are recognized in the respective General Fund, Special Revenue Funds, and Capital Projects Fund.

Total Column on Combined Statements – Overview

The total column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation because interfund eliminations have not been made in the aggregation of this data.

NOTE B – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets and Liabilities

1. Changes in General Fixed Assets

	Balance 4/1/2003	Additions	Deletions	Balance 3/31/2004
Land	$ 13,119	$ 0	$ 0	$ 13,119
Land Improvements	46,565	0	0	46,565
Land Easements	1,185	0	0	1,185
Buildings	268,303	0	0	268,303
Machinery & Equipment	57,762	0	0	57,762
Furniture	22,328	0	0	22,328
	$ 409,262	$ 0	$ 0	$ 409,262

2. Pension Plan

The Township maintains a pension plan with the Manufacturers Life Insurance Company, which covers some employees. Employees are required to contribute one-quarter of the current service premium, and the Township contributes the remaining three-quarters. Employees are 100% vested immediately.

The total cost of pension premiums to the Township for the year ended March 31, 2004 was $5,862.

NOTE C – BALANCE SHEET – CASH AND INVESTMENTS

Deposits are carried at cost. Deposits are in one financial institution in the name of Grant Township. Michigan Compiled Laws, Section 129.91, authorizes Grant Township to deposit and invest in the accounts of Federally-insured banks, credit unions, and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the Unites States, which are guaranteed as to principal and interest by the United States, including securities issued by the Government National Mortgage Association; United States government or federal agency obligation repurchase agreements; bankers' acceptance of United States banks; and commercial paper rated with the two highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan, unless the out-of-state bank has a branch located in Michigan. The Grant Township deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year-end are as follows:

	Bank Balance
Deposits	Primary Government
Insured (FDIC)	$ 200,000
Uninsured	278,968
Total deposits	$ 478,968

At year-end, the balance sheet carrying amount of deposits was $466,901.

NOTE D – RISK FINANCING

Grant Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; liability; and natural disasters. These risks are covered by insurance purchased from independent third parties. Settled claims for these risks have not exceeded insurance coverage for the past two years.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Grant Township – Newaygo County, Michigan

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended March 31, 2004
With Comparative Actual Amounts for March 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)	2003 Actual
REVENUES				
Taxes	$ 53,954	$ 58,939	$ 4,985	$ 56,223
Licenses and Permits	0	3,751	3,751	5,240
State Grants	280,000	251,618	(28,382)	277,026
Charges for Services - Sales	2,000	1,300	(700)	2,275
Charges for Services - Fees	0	13,761	13,761	8,258
Interest and Rents	4,000	4,876	876	12,831
Other Revenues	14,300	7,474	(6,826)	12,785
Total revenues	354,254	341,719	(12,535)	374,638
EXPENDITURES				
Legislative				
Township board	57,000	54,296	2,704	41,005
General Government				
Supervisor	19,700	14,230	5,470	14,296
Elections	2,800	841	1,959	3,375
Assessor	12,000	12,420	(420)	12,400
Clerk	19,900	18,395	1,505	16,561
Board of review	2,600	2,350	250	2,164
Treasurer	33,500	29,512	3,988	16,035
Township hall	23,600	11,071	12,529	9,902
Cemetery	19,600	11,101	8,499	11,487
Total general government	133,700	99,920	33,780	86,220
Public Safety				
Police	50,000	25,192	24,808	22,896
Fire protection	56,000	21,664	34,336	14,767
Zoning and planning	43,000	35,396	7,604	36,457
Total public safety	149,000	82,252	66,748	74,120
Public Works				
Drains	5,000	2,844	2,156	2,552
Highways, streets and bridges	0	150	(150)	0
Total public works	5,000	2,994	2,006	2,552
Recreation and Cultural				
Library	24,000	0	24,000	542
Other Functions				
Insurance and bonds	15,000	10,098	4,902	12,133
Retirement	22,000	9,210	12,790	5,495
Total other functions	37,000	19,308	17,692	17,628
Total expenditures	405,700	258,770	146,930	222,067

Grant Township – Newaygo County, Michigan

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - Continued

For the Year Ended March 31, 2004

With Comparative Actual Amounts for March 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)	2003 Actual
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,446)	82,949	134,395	152,571
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	(300,000)	(129,076)	170,924	(299,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(351,446)	(46,127)	305,319	(146,429)
FUND BALANCE - April 1	356,783	356,783	0	503,212
FUND BALANCE - March 31	$ 5,337	$ 310,656	$ 305,319	$ 356,783

Grant Township – Newaygo County, Michigan

Special Revenue Funds
Combining Balance Sheet
March 31, 2004
With Comparative Totals for March 31, 2003

	Street Improvement Fund	Fire Fund	Totals 2004	Totals 2003
ASSETS				
Cash in Bank - Checking	$ 5,299	$ 0	$ 5,299	$ 96,605
Certificates of Deposit	120,000	0	120,000	0
Delinquent Personal Tax	152	20	172	121
Due from General Fund	2,276	0	2,276	2,276
Due from Current Tax Fund	276	38	314	0
Due from County - Delinquent Taxes	18,304	2,826	21,130	21,959
Total assets	$ 146,307	$ 2,884	$ 149,191	$ 120,961
LIABILITIES AND FUND EQUITY				
Due to Ashland-Grant Fire District	$ 0	$ 2,884	$ 2,884	$ 2,657
Fund Balance	146,307	0	146,307	118,304
Total liabilities and fund equity	$ 146,307	$ 2,884	$ 149,191	$ 120,961

Grant Township – Newaygo County, Michigan

Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2004
With Comparative Actual Amounts for March 31, 2003

	Street Improvement Fund	Fire Fund	Totals 2004	Totals 2003
REVENUES				
Taxes	$ 142,620	$ 19,514	$ 162,134	$ 154,563
Interest and Rents	247	0	247	679
Other Revenue	1,036	0	1,036	0
Total revenues	143,903	19,514	163,417	155,242
EXPENDITURES				
Public Safety	0	19,514	19,514	18,603
Public Works	244,976	0	244,976	449,673
Total expenditures	244,976	19,514	264,490	468,276
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(101,073)	0	(101,073)	(313,034)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	129,076	0	129,076	299,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	28,003	0	28,003	(14,034)
FUND BALANCE - April 1	118,304	0	118,304	132,338
FUND BALANCE - March 31	$ 146,307	$ 0	$ 146,307	$ 118,304

Grant Township – Newaygo County, Michigan

Street Improvement Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended March 31, 2004
With Comparative Actual Amounts for March 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)	2003 Actual
REVENUES				
Taxes				
Current property tax	$ 164,478	$ 142,620	$ (21,858)	$ 135,960
Interest and Rents				
Interest earned on deposits	600	247	(353)	679
Other Revenue	0	1,036	1,036	0
Total revenues	165,078	143,903	(21,175)	136,639
EXPENDITURES				
Public Works				
Highways, streets and bridges				
Contracted services	500,000	244,976	255,024	449,673
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(334,922)	(101,073)	233,849	(313,034)
OTHER FINANCING SOURCES (USES)				
Transfer from General fund	300,000	129,076	(170,924)	299,000
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(34,922)	28,003	62,925	(14,034)
FUND BALANCE - April 1	118,304	118,304	0	132,338
FUND BALANCE - March 31	$ 83,382	$ 146,307	$ 62,925	$ 118,304

Grant Township – Newaygo County, Michigan

Fire Fund
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended March 31, 2004
With Comparative Actual Amounts for March 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)	2003 Actual
REVENUES				
Taxes				
Current property tax	$ 25,447	$ 19,514	$ (5,933)	$ 18,603
EXPENDITURES				
Public Safety				
Fire department				
Contracted services	25,447	19,514	5,933	18,603
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0
FUND BALANCE - April 1	0	0	0	0
FUND BALANCE - March 31	$ 0	$ 0	$ 0	$ 0

Grant Township – Newaygo County, Michigan

Fire Equipment Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2004
With Comparative Amounts for March 31, 2003

	2004	2003
REVENUES		
Taxes		
Current property tax	$ 24,530	$ 23,392
EXPENDITURES		
Public Safety		
Contributed to Ashland - Grant Fire District	24,530	23,392
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	0	0
FUND BALANCE - April 1	0	0
FUND BALANCE - March 31	$ 0	$ 0

SUPPLEMENTARY FINANCIAL DATA

Grant Township – Newaygo County, Michigan

General Fund
Detail Schedule of Actual Expenditures
For the Year Ended March 31, 2004
With Comparative Amounts for March 31, 2003

	2004	2003
LEGISLATIVE		
Township Board		
Salaries and wages	$ 3,200	$ 3,200
Office supplies	240	649
Contracted services	47,078	32,377
Printing and publishing	220	809
Miscellaneous	2,030	319
Memberships and dues	1,528	1,808
Capital outlay	0	1,843
Total legislative	$ 54,296	$ 41,005
GENERAL GOVERNMENT		
Supervisor		
Salaries and wages	$ 14,000	$ 14,000
Office supplies	0	20
Education & training	230	276
Total supervisor	14,230	14,296
Elections		
Salaries and wages	757	2,061
Miscellaneous	84	1,314
Total elections	841	3,375
Assessor		
Supplies	420	0
Contracted services	12,000	12,400
Total assessor	12,420	12,400
Clerk		
Salaries and wages	15,000	15,000
Office supplies	2,655	806
Miscellaneous	740	755
Total clerk	18,395	16,561
Board of Review		
Salaries and wages	2,100	2,100
Miscellaneous	250	64
Total board of review	2,350	2,164
Treasurer		
Salaries and wages	18,456	15,000
Office supplies	1,744	290
Contracted services	9,215	120
Miscellaneous	97	625
Total treasurer	29,512	16,035
Township Hall		
Salaries and wages	1,920	1,600
Supplies	1,093	816
Utilities	6,547	5,444
Repairs and maintenance	1,511	2,042
Total township hall	11,071	9,902

Grant Township – Newaygo County, Michigan
General Fund
Detail Schedule of Actual Expenditures – Continued
For the Year Ended March 31, 2004
With Comparative Amounts for March 31, 2003

	2004	2003
GENERAL GOVERNMENT - Continued		
Cemetery		
Salaries and wages	10,343	10,516
Operating supplies	570	791
Repairs and maintenance	188	180
Total cemetery	11,101	11,487
Total general government	$ 99,920	$ 86,220
PUBLIC SAFETY		
Police		
Contracted services	$ 25,192	$ 22,896
Fire Protection		
Contracted services	21,664	14,767
Zoning and Planning		
Salaries and wages	24,521	23,337
Office supplies	260	151
Contracted services	9,370	10,096
Printing and publishing	1,100	2,616
Miscellaneous	145	257
Total zoning and planning	35,396	36,457
Total public safety	$ 82,252	$ 74,120
PUBLIC WORKS		
Highways and streets		
Contracted services	$ 150	$ 0
Drains		
Drains at large	2,844	2,552
Total public works	$ 2,994	$ 2,552
RECREATION AND CULTURAL		
Library		
Contributions to Grant Public Library	$ 0	$ 542
OTHER FUNCTIONS		
Insurance and Bonds		
Insurance	$ 10,098	$ 12,133
Retirement		
Retirement contributions	5,862	2,984
Social security and medicare	3,348	2,511
Total retirement	9,210	5,495
Total other functions	$ 19,308	$ 17,628

Grant Township – Newaygo County, Michigan

Current Tax Fund
Statement of 2003 Tax Levy – Receipts and Disbursements
For the Year Ended March 31, 2004

	Rate in Mills	Taxable Valuation	Taxes Levied	Taxes Returned Delinquent	Total Tax Collected
Newaygo County	7.0684	$ 51,670,000	$ 365,159	$ 47,065	$ 318,094
Grant Township	4.4046	51,670,000	227,532	31,475	196,057
Grant Schools - Debt	7.4800	44,700,000	334,454	44,065	290,389
Operating	18.0000	5,124,000	92,241	18,842	73,399
Newaygo Schools - Debt	7.0000	6,623,774	46,365	5,089	41,276
Operating	18.0000	2,340,000	42,119	3,466	38,653
Kent City Schools - Debt	8.2500	208,003	1,716	208	1,508
Operating	18.0000	2,701	49	0	49
Building & Site	.9648	208,003	201	24	177
Newaygo County ISD	5.7541	51,461,997	296,067	38,169	257,898
Kent County ISD	3.7903	208,003	788	96	692
Grant District Library	1.8094	51,670,000	93,467	12,047	81,420
Grand Rapids Community College	1.7865	208,003	372	45	327
State Education Tax	5.0000	51,670,000	258,325	20,794	237,531
Newaygo County Drains			19,999	1,380	18,619
			$ 1,778,854	$ 222,765	$ 1,556,089

Receipts:	
Total taxes collected	$ 1,556,089
Industrial facilities tax	5,771
Collection fees	17,630
Total receipts	$ 1,579,490
Disbursements:	
Newaygo County (Including SET)	$ 572,525
Grant Township	214,554
Grant Schools	363,788
Kent City Schools	1,733
Newaygo Schools	79,930
Kent County ISD	692
Newaygo County ISD	257,898
Grand Rapids Community College	326
Grant District Library	81,420
Total disbursements	$ 1,572,866

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DEPT. OF TREASURY
AUG 1 8 2004
LOCAL AUDIT & FINANCE DIV.

July 8, 2004

Members of the Grant Township Board
Grant Township
Newaygo County, MI

We recently completed our audit of the general-purpose financial statements of Grant Township for the year ended March 31, 2004. During our audit, we had an opportunity to test internal controls and to observe the accounting and financial procedures and many of the general management practices of the Grant Township. Based upon these tests and observations, there are several matters that we specifically want to call to your attention.

ESCROW ACCOUNTS

The Clerk's record keeping for the escrow accounts appears to be getting much better. It is very important to stay on top of these accounts. Keep up the good work.

FORM 941 and FORMS W-2

The Forms 941 for the calendar year 2003 did not agree with the Forms W-2 filed for the year 2003. It is possible that you will eventually receive a letter from the Social Security Administration requesting that you explain the difference.

CERTIFICATES OF DEPOSIT

The certificate of deposit that was cashed on August 6, 2003 for $104,075.80 and used for streets was actually a General Fund certificate and not a Street Fund certificate. The only problem here is that the Township Board should approve the cashing of a certificate of this size to be used to pay for street improvements.

In addition, the certificate of deposit purchased on March 19, 2004, was purchased with General Fund money and not Street Fund assets. The certificate itself says "street improvement fund" on it.

SUMMER TAX COLLECTION PAY

The Township Board should have approved the pay to be received by the Treasurer for summer tax collection in the normal salary resolution that is to take place at least thirty days prior to the annual meeting (if you have one) or the start of the fiscal year. The pay for elected officials cannot be changed once the fiscal year has begun. The only place we saw approval of the salary increase was in the Board minutes of July 7, 2003.

BUDGET FOR LIBRARY

The Township Board approved a budget for the Library for the years 2003–04 and 2004-05. The Library is now a separate entity with the authority to levy tax on its own, so there is no further need for the Grant Township Board to prepare any budgets for the Library.

TAX ACCOUNT BALANCE

At March 31, 2004, the tax fund bank accounts had a balance of approximately $28, 683. Of this balance, it appears that the industrial facilities tax from the current year in the amount of $5,771 is owed to various units. The State's portion of the industrial facilities tax from the tax years 2001 and 2002 is also still owed and included in the bank balance.

Above and beyond what is known-to-be owed to other units of government, it appears that there is still a balance of approximately $12, 000 that is in the bank accounts of the tax fund. The only source of this excess that comes to mind is the possibility that a deposit was made in the tax account, but that the credit was not made to the taxpayer accounts. Thus they would have been turned in as delinquent to the County. Unless the Treasurer has the answer, we would suggest that she look back at her tax deposits which were in the amount $12,000 or less and double check that the taxpayers accounts were given credit as having been paid.

The Treasurer did settle with the County Treasurer, but the fact that so much cash is still in the bank account leads me to believe that something similar to the last paragraph may have occurred.

OTHER MATTERS

We have enjoyed working with your staff. Their competence and assistance were instrumental in our timely completion of the audit.

Two copies of the audit report, the auditing procedures report, and this letter should be mailed to the Michigan Department of Treasury, Local Audit Division. A pre-addressed envelope is provided for your convenience.

If you have any questions regarding this letter or the audit, please do not hesitate to contact us.

Terry Knight & Co., CPA, P.C.