64-1010

TOWNSHIP OF BENONA

OCEANA COUNTY, MICHIGAN
FINANCIAL STATEMENTS

MARCH 31, 2004

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	Benona Township	Oceana

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3/31/04	6/18/04	7/15/04

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

RECEIVED
DEPT. OF TREASURY
JUL 16 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.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)			
Hendon & Slate, P.C.			
Street Address	City	State	ZIP
711 West Main Street	Fremont	MI	49412
Accountant Signature: Jodi DeKuiper, CPA		Date: 7/15/04	

CONTENTS

	Page
List of Principal Individuals	ii
Independent Auditor's Report	1
General Purpose Financial Statements - Overview:	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Special Revenue Fund Types	4
Notes to the Financial Statements	5 - 8
SUPPLEMENTARY FINANCIAL DATA:	
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	9 - 12
Special Revenue Funds	
Combining Balance Sheet	13
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Boat Ramp Fund	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Cemetery Care Fund	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Fishery Trust Fund	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Fire Fund	18
Current Tax Collection Fund	
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	19

TOWNSHIP OF BENONA

Township Board

	Position
Steve Fleming	Supervisor
Margie Shaw	Clerk
Ruth Wentzloff	Treasurer
Bart Burmeister	Trustee
John Smith	Trustee

H&S Companies

H&S Financial

Hendon & Slate, P.C.
Certified Public Accountants
Business Consultants

H&S Computers

Independent Auditor's Report

Township Board
Benona Township
Shelby, Michigan

We have audited the general purpose financial statements of Benona Township as of and for the year ended March 31, 2004 as listed on the table of contents. These general purpose financial statements are the responsibility of the Township'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 and with the standards prescribed by the state treasurer. 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 Benona, Oceana County, Michigan, at March 31, 2004 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United State of America and with applicable rules and regulations of any state department or agency.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Township of Benona, Oceana County, 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.

Respectfully submitted,

Hendon & Slate, P.C.

Hendon & Slate, P.C.
Certified Public Accountants
June 18, 2004

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TOWNSHIP OF BENONA

Combining Balance Sheet - All Fund Types and Account Groups
March 31, 2004

	Governmental Fund Types		Trust & Agency	Account Group	
	General	Special Revenue	Tax Collection Fund	General Fixed Assets	Total (Memo Only)
ASSETS					
Cash	$ 187,406	$ 11,352	$ 37,852	$ -	$ 236,610
Due From Oceana County Property Taxes	10,796	6,912	-	-	17,708
Due From Other Funds	37,158	-	-	-	37,158
Land, Buildings and Equipment	-	-	-	328,213	328,213
Total Assets	$ 235,360	$ 18,264	$ 37,852	$ 328,213	$ 619,689
LIABILITIES AND FUND EQUITY					
Liabilities					
Due to Other Funds	$ -	$ -	$ 37,158	$ -	$ 37,158
Due to Other Units of Government	-	6,912	694	-	7,606
Total Liabilities	-	6,912	37,852	-	44,764
Fund Equity					
Investments in Fixed Assets	-	-	-	328,213	328,213
Fund Balance	235,360	11,352	-	-	246,712
Total Fund Equity	235,360	11,352	-	-	574,925
Total Liabilities and Fund Equity	$ 235,360	$ 18,264	$ 37,852	$ 328,213	$ 619,689

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

TOWNSHIP OF BENONA

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

	General Fund	Special Revenue Funds	Totals Memo Only
Revenues			
Property Taxes	$ 141,251	$ 86,100	$ 227,351
Licenses and Permits	4,865	1,085	5,950
State Grants	102,977	-	102,977
Charges for Services	4,777	1,496	6,273
Interest on Investments	4,686	-	4,686
Cemetery Lot Sales	1,650	-	1,650
Refunds and Reimbursements	7,347	-	7,347
Rents	150	-	150
Great Lakes Fishery Trust Fund Grant	-	59,130	59,130
Total Revenues	267,703	147,811	415,514
Expenditures			
Legislative	14,262	-	14,262
General Government	88,494	-	88,494
Public Safety	13,303	86,100	99,403
Public Works	183,902	-	183,902
Recreation and Culture	38,882	67,789	106,671
Contingencies	-	-	-
Total Expenditures	338,843	153,889	429,732
Excess Revenues Over (Under) Expenditures	(71,140)	(6,078)	(77,218)
Other Financing Sources (Uses)			
Operating Transfer out	-	-	-
Excess Revenue and Other Sources Over (Under) Expenditures and Other Uses	(71,140)	(6,078)	(77,218)
Fund Balance - April 1	306,500	17,430	323,930
Fund Balance - March 31	$ 235,360	$ 11,352	$ 246,712

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

TOWNSHIP OF BENONA

Combined Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - General and Special Revenue Fund Types
For the Year Ended March 31, 2004

	General Fund			Special Revenue Fund		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable Unfavorable)
Revenues						
Property Taxes	$ 136,000	$ 141,251	$ 5,251	$ -	$ 86,100	$ 86,100
Licenses and Permits	5,000	4,865	(135)	1,000	1,085	85
State Grants	106,800	102,977	(3,823)	-	-	-
Charges for Services	3,500	4,777	1,277	500	1,496	996
Interest on Investments	4,000	4,686	686	-	-	-
Cemetery Lot Sales	500	1,650	1,150	-	-	-
Refunds and Reimbursements	4,500	7,347	2,847	-	-	-
Rents	100	150	50	-	-	-
Other Grants	-	-	-	60,000	59,130	(870)
Total Revenues	260,400	267,703	7,303	61,500	147,811	86,311
Expenditures						
Legislative	15,000	14,262	738	-	-	-
General Government	95,200	88,494	6,706	-	-	-
Public Safety	14,500	13,303	1,197	-	86,100	(86,100)
Public Works	184,000	183,902	98	-	-	-
Recreation and Culture	39,000	38,882	118	73,985	67,789	6,196
Contingencies	89,850	-	89,850	-	-	-
Total Expenditures	437,550	338,843	98,707	73,985	153,889	(79,904)
Excess Revenue Over (Under) Expenditures	(177,150)	(71,140)	106,010	(12,485)	(6,078)	6,407
Other financing Sources (Uses)						
Operating Transfer In (Out)	(120,000)	-	120,000	-	-	-
Excess Revenue and Other Uses Over (Under) Expenses and Other Sources	$ (297,150)	(71,140)	$ 256,010	$ (12,485)	(6,078)	$ 6,407
Fund Balance - Beginning of Year		306,770			17,430	
Fund Balance - End of Year		$ 235,360			$ 11,352	

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

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Township's significant accounting policies applied in the preparation of the accompanying financial statements follows. The accounting practices followed by the Township are those prescribed by the State of Michigan.

1. BASIS OF PRESENTATION
   The financial activities of the local unit are recorded in separate funds, categorized and described as follows:

   Governmental Funds
   General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the Township of Benona. Revenues are derived primarily from state grants, property taxes and interest on investments.

   Special Revenue Fund - (Boat Ramp Fund, Cemetery Fund, Fishery Trust Fund and Fire Fund) - These funds are used to account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action.

   Account Groups
   General Fixed Assets - this account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

   Fiduciary Fund
   (Tax Account) - This fund is used to account for assets held as an agent for others.

2. BASIS OF ACCOUNTING
   All governmental funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

   a. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used by pay liabilities of the current period (60 days).

      Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on September 14th and February 14th , with the final collection date of February 28 before they are added to the County tax rolls.

   b. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase. There were no material inventories at year end.

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

3. BUDGETS AND BUDGETARY ACCOUNTING

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. The Township had one expenditure which materially exceeded budgeted amounts: Fire Fund-Public Safety expenditure of $86,100 exceeded the budgeted amount of $ -0- by $86,100.

In the body of the financial statements, the 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. See pages 10 through 13.

The Township of Benona prepared all budgets for the year ended March 31, 2004 on the modified accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

4. ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures/expenses. Actual results could differ from those estimates.

NOTE B PROPERTY TAXES

The 2003 taxable valuation of the Local Governmental Unit totaled $91.4 million, on which ad valorem taxes levied consisted of 1.1787 mills for operating purposes and .9428 mills for Fire Fund operations.

The delinquent real property taxes of the Township of Benona are purchased by the County of Oceana. The 2003 delinquent taxes ($17,708) will be received by the Township in June, 2004, which exceeds the general rule (60 days), however, is soon enough to pay liabilities of the current period. These taxes have been recorded as revenue for the year ended March 31, 2004 (the year in which the taxes were levied).

NOTE C DEPOSITS WITH FINANCIAL INSTITUTIONS

1. Legal or Contractual Provisions for Deposits and Investments

Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 196, Public Acts of 1997, states the District by resolution may authorize investment of surplus funds as follows:

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

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

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

D. In repurchase agreements consisting of instruments listed in A.

E. In bankers' acceptances of United States banks.

F. In obligations of this state of any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
G. In mutual funds composed of investment vehicles which are legal for direct investment by a public corporation with further details in the act.
H. In obligations described above if purchased through an inter local agreement under the urban co-operations act of 1967.
I. In investment pools organized under the local government investment pool act of 1982 and 1985.

2. Deposits are carried at cost and are made at the Shelby State Bank. The Township holds all deposits in its own name. Following is a schedule of deposits:

	Carrying Value	Market Value
Demand Account - General	$ 1,494	$ 2,944
Money Market - General	185,912	185,912
Savings - Cemetery	6,867	6,867
Demand Account - Boat Ramp	4,134	4,134
Demand Account - Fishery Trust	351	351
Demand Account - Tax Collection	11,898	31,625
Money Market - Tax Collection	25,954	25,954
Total Deposits	$ 236,610	$ 257,787
FDIC Insured	$ 24,744	$ 45,921
Money Market Funds	211,866	211,866
Total Deposits	$ 236,610	$ 257,787

NOTE D TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined 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 in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation, inter fund eliminations have not been made in the aggregation of this data.

NOTE E CHANGES IN GENERAL FIXED ASSETS

Changes in the General Fixed Asset Account Group were as follows for March 31, 2004:

	Balances 04/01/03	Additions	Deletions	Balances 03/31/04
Land & Improvements	$ 105,751	$ 87,648	$ -	$ 193,399
Buildings	71,818	-	-	71,818
Equipment	62,175	821	-	62,996
Total General Fixed Assets	$ 239,744	$ 88,469	$ -	$ 328,213

NOTE F 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; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

TOWNSHIP OF BENONA

Statement of Revenues, Expenditures and Change in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Property Taxes	$ 136,000	$ 141,251	$ 5,251
Licenses and Permits	5,000	4,865	(135)
State Grants	106,800	102,977	(3,823)
Charges for services	3,500	4,777	1,277
Interest on Investments	4,000	4,686	686
Cemetery Lot Sales	500	1,650	1,150
Refunds and Reimbursements	4,500	7,347	2,847
Rents	100	150	50
Total Revenues	260,400	267,703	7,303
Expenditures			
Legislative			
Township Board			
Salaries and Wages		2,200	
Fringe Benefits		168	
Professional services		2,972	
Dues and Publications		1,433	
Printing and Publishing		731	
Education and Training		32	
Insurance		6,726	
Total Legislative	15,000	14,262	738
General Government			
Supervisor			
Salaries and Wages		9,000	
Deputy		22	
Fringe Benefits		690	
Office Supplies		12	
	11,000	9,724	1,276
Elections	2,000	-	2,000
Assessor			
Professional Services		32,990	
Office supplies		1,122	
Capital Outlay		685	
	$ 35,000	$ 34,797	$ 203

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General Fund (Continued)

	Budget	Actual	Favorable (Unfavorable)
Clerk			
Salaries and Wages		$ 9,600	
Deputy		267	
Fringe Benefits		755	
Office Supplies		201	
Education and Training		433	
Transportation		103	
	$ 12,000	11,359	$ 641
Board of Review			
Salaries and Wages		631	
Fringe Benefits		48	
Office supplies		128	
Printing		222	
	1,500	1,029	471
Treasurer			
Salaries and Wages		12,450	
Deputy		441	
Fringe Benefits		986	
Office Supplies		2,792	
Professional Services		635	
Transportation		103	
Education and Training		433	
Printing and Publishing		352	
	18,200	18,192	8
Building and Grounds			
Salaries and Wages		682	
Fringe Benefits		52	
Supplies		1,292	
Professional Services		750	
Printing		23	
Utilities		4,622	
Repairs and Maintenance		950	
Capital Outlay		136	
	$ 8,500	$ 8,507	$ (7)

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General Fund (Continued)

	Budget	Actual	Favorable (Unfavorable)
Cemetery			
Salaries and Wages		$ 2,951	
Fringe Benefits		226	
Operating Supplies		615	
Professional services		446	
Printing		37	
Repairs and Maintenance		182	
Utilities		107	
Miscellaneous		322	
	$ 7,000	$ 4,886	$ 2,114
Total General Government	95,200	88,494	6,706
Public Safety			
Planning			
Salaries and Wages		1,810	
Fringe Benefits		138	
Office Supplies		13	
Transportaion		131	
Printing and Publishing		224	
	3,000	2,316	684
Zoning			
Salaries		9,770	
Fringe Benefits		747	
Supplies		45	
Professional Services		70	
Printing		246	
Education and Training		109	
	11,500	10,987	513
Total Public Safety	14,500	13,303	1,197
Public Works			
Highways, Streets and Bridges			
Professional Services		183,902	
Total Public Works	184,000	183,902	98
Recreation and Culture			
Library	$ 9,000	$ 9,000	$ -

Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual - General Fund (Continued)

Parks			
Salaries and Wages		$ 5,237	
Fringe Benefits		401	
Operating Supplies		1,756	
Professional Services		2,156	
Repairs and Maintenance		450	
Capital Outlay		19,882	
	$ 30,000	29,882	$ 118
Total Recreation and Culture	39,000	38,882	118
Contingencies	89,850	-	89,850
Total Expenditures	437,550	338,843	98,707
Excess Revenues Over (Under) Expenditures	(177,150)	(71,140)	106,010
Other Financing Sources(Uses)			
Operating Transfers Out	(120,000)	-	120,000
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (297,150)	(71,140)	$ 226,010
Fund Balance - Beginning of Year		306,500	
Fund Balance - End of Year		$ 235,360	

TOWNSHIP OF BENONA

Combining Balance Sheet
Special Revenue Funds
March 31, 2004

ASSETS	Boat Ramp Fund	Cemetery Care Fund	Fishery Trust Fund	Fire Fund	Total
Cash	$ 4,134	$ 6,867	$ 351	$ -	$ 11,352
Due from Oceana County Property Taxes	-	-	-	6,912	6,912
Total Assets	$ 4,134	$ 6,867	$ 351	$ 6,912	$ 18,264
LIABILITIES AND FUND BALANCE					
Due to Other Governmental Units	$ -	$ -	$ -	$ 6,912	$ 6,912
Fund Balance	4,134	6,867	351	-	11,352
Total Liabilities and Fund Balance	$ 4,134	$ 6,867	$ 351	$ 6,912	$ 18,264

TOWNSHIP OF BENONA

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

	Boat Ramp Fund	Cemetery Care Fund	Fishery Trust Fund	Fire Fund	Total
Revenues					
Property Taxes	$ -	$ -	$ -	$ 86,100	$ 86,100
Licenses and Permits	1,085	-	-	-	1,085
Charges for Services	-	1,496	-	-	1,496
Great Lakes Fishery Trust Grant	-	-	59,130	-	59,130
Total Revenues	1,085	1,496	59,130	86,100	147,811
Expenditures					
Public Safety	-	-	-	86,100	86,100
Recreation and Culture	23	-	67,766	-	67,789
Total Expenditures	23	-	67,766	86,100	153,889
Excess Revenues Over (Under) Expenditures	1,062	1,496	(8,636)	-	(6,078)
Fund Balance - April 1	3,072	5,371	8,987	-	17,430
Fund Balance - March 31	$ 4,134	$ 6,867	$ 351	$ -	$ 11,352

TOWNSHIP OF BENONA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Boat Ramp Fund
For the Year Ended March 31, 2004

	Budget	Actual	Favorable Unfavorable
Revenues			
Licenses and Permits	$ 1,000	$ 1,085	$ 85
Expenditures			
Fees	1,000	23	977
Excess Revenues Over (Under Expenditures)	$ -	1,062	$ 1,062
Fund Balance - April 1		3,072	
Fund Balance - March 31		$ 4,134	

TOWNSHIP OF BENONA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Cemetery Care Fund
For the Fiscal Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Charges for Services	$ 500	$ 1,496	$ 996
Expenditures			
Charges for Services	-	-	-
Excess Revenues Over (Under) Expenditures	$ 500	1,496	$ 996
Fund Balance - Beginning of Year		5,371	
Fund Balance - End of Year		$ 6,867	

TOWNSHIP OF BENONA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Fishery Trust Fund
For the Fiscal Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Great Lakes Fishery Trust Fund Grant	$ 60,000	$ 59,130	$ (870)
Expenditures			
Recreation and culture			
Capital Outlay	72,985	67,766	5,219
Excess Revenues Over (Under) Expenditures	$ (12,985)	(8,636)	$ 4,349
Fund Balance - Beginning of Year		8,987	
Fund Balance - End of Year		$ 351	

TOWNSHIP OF BENONA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Fire Fund
For the Fiscal Year Ended March 31, 2004

	Budget	Actual	Favorable (Unfavorable)
Revenues			
Property Taxes	$ -	$ 86,100	$ 86,100
Expenditures			
Public Safety			
Charges for Services	-	86,100	(86,100)
Excess Revenues Over (Under) Expenditures	$ -	-	$ -
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		$ -	

TOWNSHIP OF BENONA

Combining Statement of Changes in Assets and
Liabilities - All Agency Funds
For the Fiscal Year Ended March 31, 2004

	Current Tax Collection Fund			
	Balance 04/01/03	Additions	Deductions	Balance 03/31/04
ASSETS				
Cash	$ 4,844	$ 3,125,234	$ 3,092,226	$ 37,852
Taxes Receivable	-	3,359,707	3,359,707	-
Total Assets	$ 4,844	$ 6,484,941	$ 6,451,933	$ 37,852
LIABILITIES				
Due to Other Funds	$ 4,844	$ 129,926	$ 97,612	$ 37,158
Due to County	-	1,228,490	1,228,267	223
Due to Schools	-	1,687,630	1,687,188	442
Due to Others	-	79,188	79,159	29
Total Liabilities	$ 4,844	$ 3,125,234	$ 3,092,226	$ 37,852

H&S Companies

H&S Financial

Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

H&S Computers

July 12, 2004

Township Board
Benona Township
Oceana County, Michigan

Dear Board Members:

In connection with our recent examination of the financial statements of Benona Township for the year ended March 31, 2004, we offer the following comments and recommendations:

BOOKS AND RECORDS

The books and records of the Township were well maintained by the Clerk and Treasurer. We would like to recommend that the Clerk, fully implement the use of the current software program for all record keeping for the Township. Currently, only expenditures are being tracked through this program. This information is then posted to the Township's hand registers. The Township could have all revenue and expenditures tracked through the program and reports can be automatically generated from the program. In addition, the budget could be entered to provide the board with a budget to actual report, thus reducing the additional time needed for the clerk to prepare this report by hand. We have an expert in this software program who would be happy to assist in the implementation and use of this software program.

BUDGETING

We commend the Board for preparing and amending the General Fund budget within all State requirements. However, we noted that the Fire Fund is not being budgeted. The Fire millage is currently being collected and paid by the Treasurer directly to the Fire Department. This millage is a Township millage, as evidenced by the Form L-4029 filed with the County and by the remittance of delinquent Fire taxes to the Township, by the County. However, the Township has an agreement with the Fire Department for remitting these taxes to the department in exchange for providing fire protection services for the Township. Even though the taxes are not being remitted into a Township cash account and a check written to the Fire Department for these services, does not mean that these taxes are not Township property. For example, if the Township choose to hire another fire department to provide these same services, the tax collection would not be effected, the organization receiving the tax funds would be the only change. Therefore, we recommend that the Township properly approve an annual budget for the Fire Fund.

We appreciate the courtesy extended to us during the course of the audit. We will by happy to assist in the implementation of any of the recommendations mentioned in this letter or answer any questions regarding the audit.

Respectfully submitted,

Jodi DeKuiper, CPA

Jodi DeKuiper, CPA
Hendon & Slate, P.C.

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