VILLAGE OF WHITE PIGEON, MICHIGAN
ST. JOSEPH COUNTY

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

March 31, 2005

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	WHITE PIGEON VILLAGE	ST. JOSEPH

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3/31/05	8/2/05	9/23/05

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)			
NORMAN & PAULSEN, P.C.			
Street Address	City	State	ZIP
127 West Chicago Road	Sturgis	MI	49091
Accountant Signature		Date	
Michael R. Wilson CPA Michael R. Wilson		9/22/05	

VILLAGE OF WHITE PIGEON

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Norman & Paulsen, P.C.

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INDEPENDENT AUDITOR'S REPORT

Village Council
Village of White Pigeon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of White Pigeon, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of White Pigeon management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of White Pigeon, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of White Pigeon basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As discussed in Note 1 to the financial statements, the Village of White Pigeon adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments Omnibus* and GASB 38, *Certain Financial Statement Notes Disclosures*, as of April 1, 2004.

August 2, 2005

Norman & Paulson, P.C.

VILLAGE OF WHITE PIGEON

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Village of White Pigeon financial performance provides an overview of the Village's financial activities for the fiscal year ended March 31, 2005. Please read it in conjunction with the Village's financial statements.

Financial Highlights

The Village's overall financial position decreased by $37,921 during the fiscal year ended March 31, 2005, which represents 2.7 percent of the net asset position at the beginning of the year. Included in the Village's total net assets of $1,381,699 are the Water Supply System Fund net assets of $863,544. The Water Supply System's net assets decreased by $4,734.

The Village's Governmental Funds reflected a total fund balance at March 31, 2005 of $288,387, which was an increase of $6,613 from the prior year end. Included in this increase was the General Fund which reflected an increase of $6,905.

The total Governmental Fund expenditures for the year ended March 31, 2005, amounted to $601,749, of which $298,334 (50 percent) was for public safety; $225,235 (37 percent) was for public works; and $78,180 (13 percent) was for general government.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The Fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide financial statements by providing information about the Village's most significant funds. The fiduciary fund statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

VILLAGE OF WHITE PIGEON

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Village as a Whole

The following table shows, in a condensed format, the net assets as of the current year end and compared to the prior year end under the modified accrual basis of accounting:

(dollars presented in thousands)

	Governmental Funds		Enterprise Funds	
	2005	2004	2005	2004
Assets	$ 297	$ 288	$ 1,054	$ 1,069
Liabilities	8	6	190	200
Fund Equity				
Invested in capital assets, net of related debt	-	-	643	675
Retained Earnings				
Restricted	-	-	40	40
Unreserved	-	-	181	154
Fund Balances				
Reserved	131	111	-	-
Unreserved	158	171	-	-
Total Fund Equity	$ 289	$ 282	$ 864	$ 869

VILLAGE OF WHITE PIGEON

MANAGEMENT' S DISCUSSION AND ANALYSIS

The following table shows, in a condensed format, the net assets of the current date as required by GASB 34 stated under the full accrual basis. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

(dollars presented in thousands)

	Governmental Activities	Business-Type Activities
Current and other assets	$ 296	$ 226
Capital assets	230	828
Total assets	526	1,054
Long-term debt outstanding	-	185
Other liabilities	8	5
Total liabilities	8	190
Net assets		
Invested in capital assets, net of related debt	230	643
Restricted	-	40
Unrestricted	288	181
Total net assets	$ 518	$ 864

VILLAGE OF WHITE PIGEON

MANAGEMENT' S DISCUSSION AND ANALYSIS

The following table shows the changes of the net assets during the current year as compared to the prior year, under the modified accrual basis of accounting:

(dollars presented in thousands)

	Governmental Funds		Enterprise Funds	
	2005	2004	2005	2004
Revenue				
Taxes	$ 269	$ 257	$ -	$ -
Licenses and permits	1	3	-	-
State shared revenue	284	284	-	-
Charges for services	27	19	106	94
Interest	3	3	7	8
Other	24	35	-	-
Operating transfer	-	-	-	50
Total revenue	608	601	113	152
Program expenses				
General government	78	104	-	-
Public safety	298	273	-	-
Public works	225	240	-	-
Capital outlay	-	7	-	-
Water system	-	-	66	91
Depreciation	-	-	42	42
Interest expense	-	-	10	11
Operating transfer	-	50	-	-
Total expenses	601	674	118	144
Excess (deficiency)	$ 7	$ (73)	$ (5)	$ 8

The following table shows, in a condensed format, the changes in net assets as of the current date as required by GASB 34 stated under the full accrual basis of accounting. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

(dollars presented in thousands)

	Governmental Activities	Business-Type Activities
Revenues		
Program revenues		
Charges for services	$ 16	$ 106
Operating grants and contributions	120	-
Capital grants and contributions	-	-
General revenues		
Property taxes	269	-
State shared revenues	165	-
Unrestricted investment earnings	3	7
Miscellaneous	35	-
Total revenues	608	113
Expenses		
General government	98	-
Public safety	310	-
Public works	233	-
Water system	-	118
Total expenses	641	118
Change in net assets	$ (33)	$ (5)

The Village' s Funds

Our analysis of the Village's major funds begins on page 11, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Village as a whole. Major funds for the fiscal year ended March 31, 2005 include the General Fund and the Major Street and Local Street Funds.

The General fund pays for most of the Village's governmental services. The primary services include police protection services and administrative services related to general operations that support the primary services. The General Fund is funded primarily by property taxes and state shared revenues.

General Fund Budgetary Highlights

As shown in the required supplemental information, the Village budgeted an increase of $8,548 in the original budget and a decrease of $13,592 in the amended budget. Actual operating results ended up as an increase of $6,905.

The original budget was amended to reflect a decrease in state shared revenues and to better reflect anticipated expenditures.

The actual results ended the fiscal year within $20,497 of the amended budget.

Capital Assets and Debt Administration

During the year ended March 31, 2005, the total capital assets of the Village remained the same as on March 31, 2004. There were no capital asset additions or disposals.

During the year ended March 31, 2005, the total debt obligations of the Village decreased by the scheduled principal payment of $10,000. Total debt obligations at March 31, 2005 amounted to $185,000.

Contacting the Village's Management

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF WHITE PIGEON

STATEMENT OF NET ASSETS
MARCH 31, 2005

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and investments	$ 218,693	$ 80,348	$ 299,041
Receivables, net	77,933	39,920	117,853
Receivables, long-term portion	-	105,853	105,853
Capital assets - net	229,768	827,504	1,057,272
Total assets	526,394	1,053,625	1,580,019
LIABILITIES			
Accounts payable	4,011	540	4,551
Accrued and other liabilities	4,228	4,541	8,769
Debt obligations:			
Due within one year	-	10,000	10,000
Due in more than one year	-	175,000	175,000
Total liabilities	8,239	190,081	198,320
NET ASSETS			
Invested in capital assets, net of related debt	229,768	642,504	872,272
Restricted for:			
Debt service	-	20,500	20,500
Other purposes	-	20,000	20,000
Unrestricted	288,387	180,540	468,927
Total net assets	$ 518,155	$ 863,544	$ 1,381,699

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2005

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 98,550	$ -	$ -	$ -
Public safety	309,964	16,405	1,128	-
Public works	233,035	-	119,071	-
Total governmental activities	641,549	16,405	120,199	-
Business-type activities:				
Water Supply System	118,283	106,131	-	-
Total primary government	$ 759,832	$ 122,536	$ 120,199	$ -

General revenues:
Property taxes
State shared revenues
Unrestricted investment earnings
Miscellaneous

Total general revenues

CHANGE IN NET ASSETS

NET ASSETS - BEGINNING OF YEAR, as restated

NET ASSETS - END OF YEAR

See accompanying notes to financial statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business Type Activities	Total
$ (98,550)	$ -	$ (98,550)
(292,431)	-	(292,431)
(113,964)	-	(113,964)
(504,945)	-	(504,945)
-	(12,152)	(12,152)
(504,945)	(12,152)	(517,097)
269,038	-	269,038
164,516	-	164,516
2,847	7,418	10,265
35,357	-	35,357
471,758	7,418	479,176
(33,187)	(4,734)	(37,921)
551,342	868,278	1,419,620
$ 518,155	$ 863,544	$ 1,381,699

FUND FINANCIAL STATEMENTS

VILLAGE OF WHITE PIGEON

GOVERNMENTAL FUNDS
BALANCE SHEET
MARCH 31, 2005

	General Fund
ASSETS	
Cash and cash equivalents	$ 129,566
Due from other governmental units	59,661
Due from other funds	-
Total assets	$ 189,227
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	$ 3,500
Accrued liabilities	4,228
Due to other funds	-
Total liabilities	7,728
FUND BALANCE	
Reserved for road maintenance	47,914
Reserved for drug forfeiture program	17,922
Reserved for capital acquisitions	50,351
Reserved for depot restoration	6,337
Reserved for salvage inspection program	7,423
Reserved for unemployment	1,000
Reserved for disaster contingency	131
Unreserved	50,421
Total fund balance	181,499
Total liabilities and fund balance	$ 189,227

See accompanying notes to financial statements

Major Street Fund	Local Street Fund	Total Governmental Funds
$ 41,365	$ 47,762	$ 218,693
15,034	3,238	77,933
-	-	-
$ 56,399	$ 51,000	$ 296,626
$ 432	$ 79	$ 4,011
-	-	4,228
-	-	-
432	79	8,239
-	-	47,914
-	-	17,922
-	-	50,351
-	-	6,337
-	-	7,423
-	-	1,000
-	-	131
55,967	50,921	157,309
55,967	50,921	288,387
$ 56,399	$ 51,000	$ 296,626

VILLAGE OF WHITE PIGEON

GOVERNMENTAL FUNDS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
MARCH 31, 2005

Total governmental fund balances		$ 288,387
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets	$ 857,780	
Less accumulated depreciation	(628,012)	229,768
Net assets of governmental activities		$ 518,155

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2005

	General Fund
REVENUES	
Property taxes	$ 269,038
State aid	164,516
State grants	7,298
Interest and penalties	2,847
Licenses, permits and fees	1,364
Rent	27,052
Other	23,346
Total revenues	495,461
EXPENDITURES	
General government	190,376
Park	565
Fire service	3,000
Village hall	4,053
Police department	290,562
Major streets	-
Local streets	-
Total expenditures	488,556
Excess (deficiency) of revenues over expenditures	6,905
OTHER FINANCING SOURCES (USES)	
Operating transfers in	-
Operating transfers out	-
Total other financing sources (uses)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	6,905
FUND BALANCE - BEGINNING	174,594
FUND BALANCE - ENDING	$ 181,499

See accompanying notes to financial statements

Major Street Fund	Local Street Fund	Total Governmental Funds
$ -	$ -	$ 269,038
84,041	28,860	277,417
-	-	7,298
-	-	2,847
-	-	1,364
-	-	27,052
-	-	23,346
84,041	28,860	608,362
-	-	190,376
-	-	565
-	-	3,000
-	-	4,053
-	-	290,562
71,858	-	71,858
-	41,335	41,335
71,858	41,335	601,749
12,183	(12,475)	6,613
-	13,000	13,000
(13,000)	-	(13,000)
(13,000)	13,000	-
(817)	525	6,613
56,784	50,396	281,774
$ 55,967	$ 50,921	$ 288,387

VILLAGE OF WHITE PIGEON

GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2005

Net change in fund balances - total governmental funds	$	6,613
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets		-
Depreciation expense		(39,800)
Change in net assets of governmental activities	$	(33,187)

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
YEAR ENDED MARCH 31, 2005

	Water Supply System Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 39,848
Accounts receivable	30,920
Special assessments receivable	9,000
Total current assets	79,768
NONCURRENT ASSETS	
Restricted cash and cash equivalents	40,500
Special assessments receivable	105,853
Capital assets, net of depreciation	827,504
Total noncurrent assets	973,857
Total assets	1,053,625
LIABILITIES	
CURRENT LIABILITIES	
Current portion of long-term debt	10,000
Accounts payable	540
Accrued liabilities	4,541
Total current liabilities	15,081
NONCURRENT LIABILITIES	
Long-term debt, net of current portion	175,000
Total liabilities	190,081
NET ASSETS	
Invested in capital assets, net of related debt	642,504
Restricted for debt service	20,500
Restricted for maintenance	20,000
Unrestricted	180,540
Total net assets	$ 863,544

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2005

	Water Supply System Fund
OPERATING REVENUE	
Charges for services	$ 106,131
OPERATING EXPENSES	
Operating and administrative	66,223
Depreciation	42,000
Total operating expenses	108,223
OPERATING INCOME (LOSS)	(2,092)
NONOPERATING REVENUES (EXPENSES)	
Interest income	7,418
Interest expense	(10,060)
Total nonoperating revenues (expenses)	(2,642)
CHANGE IN NET ASSETS	(4,734)
NET ASSETS - BEGINNING OF YEAR	868,278
NET ASSETS - ENDING OF YEAR	$ 863,544

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2005

	Water Supply System Fund
Cash flows from operating activities	
Receipts from customers	$ 99,491
Payments to suppliers	(18,083)
Payments to employees	(24,425)
Benefit payments	(17,481)
Payments for interfund services used	(6,219)
Net cash provided (used) by operating activities	33,283
Cash flows from capital and related financing activities	
Receipts from special assessments	8,919
Principal paid on debt	(10,000)
Interest paid on debt	(10,275)
Purchase of capital assets	-
Net cash provided (used) by capital and related financing activities	(11,356)
Cash flows from investing activities	
Interest received on investments	7,418
Net increase (decrease) in cash	29,345
Cash and Cash Equivalents - Beginning of Year	51,003
Cash and Cash Equivalents - End of Year	$ 80,348

See accompanying notes to financial statements

VILLAGE OF WHITE PIGEON

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS - Continued
YEAR ENDED MARCH 31, 2005

	Water Supply System Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	$ (2,092)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	42,000
(Increase) decrease in:	
Accounts receivable	(6,640)
Increase (decrease) in:	
Accounts payable	(107)
Accrued liabilities	122
Net cash provided by (used for) operating activities	$ 33,283

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of White Pigeon conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to villages. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB 20 and 34 provide the Village the option of electing to apply FASB pronouncements issued after November 30, 1989. The Village has elected not to apply those pronouncements. The more significant accounting policies establishing GAAP and used by the Village are discussed below.

The Village adopted GASB 34, Basic *Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB 37, Basic *Financial Statements - and Management's Discussion and Analysis - for State and Local Governments Omnibus* as of April 1, 2004. Certain of the significant changes in GASB 34 include the following:

* A Management Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operation has been included with the financial statements.

* Government-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the Village's activities have been provided.

* Capital assets in the governmental activities column of the statement of net assets includes assets totaling $269,568 previously reported in the General Fixed Asset Account Group. In addition, the governmental activities column includes debt obligations totaling $-0- previously reported in the General Long-Term Debt Account Group.

* A change in the fund financial statements to focus on major funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Village also adopted GASB 38, Certain *Financial Statement Note Disclosures*, as of April 1, 2004. GASB 38 modifies note disclosures required by GAAP. The adoption of this change in accounting principles had no effect on the financial condition or result of operations of any of the Village's funds as of and for the year ended March 31, 2005, but did change some of the disclosures required for the notes to the financial statements.

Reporting Entity

The Village of White Pigeon operates a Council-President form of government and provides the following services as authorized by its charter: public safety (police, fire and inspections), highways and streets, sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, GASB 14, these financial statements present the Village (the primary government) and its component units, entities for which the Village is considered to be financially accountable. There are no component units to be included in these financial statements.

Basis of Accounting - Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the Village as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in preparation of the proprietary fund financial statements but differs from the manner in which the governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the Village and for each governmental and component unit program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Some functions, such as administrative and financial services include expenses that are, in essence, indirect expenses of other functions. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Village.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Basis of Accounting - Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

* Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

* Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The Village reports the following major funds:

General Fund - The general fund is the general operating fund of the Village. The fund is used to account for all financial transactions except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state shared revenues and charges for services.

Special Revenue Funds

Major Street Fund - To account for gas and weight tax allocations to the Village by the Michigan Department of Transportation for construction and maintenance of major streets within the Village.

Local Street Fund - To account for gas and weight tax allocations to the Village by the Michigan Department of Transportation for construction and maintenance of local streets within the Village.

Enterprise Funds

Water Supply System Fund - To account for user charges and for operating expenses and debt service of the Village's water system.

The following is a description of two major categories and various fund types within those categories into which the funds are grouped:

Governmental Fund - All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., when they become both measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition - "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes, special assessments, licenses, interest revenue and charges for sales and services as susceptible to accrual if the amount was due on or before fiscal year end and collection was within one year after year end except for property taxes for which collection must be within two months of year end. Reimbursements due for state and federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made. All other revenue is recognized as payments are received.

Expenditure Recognition - The measurement focus of governmental accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocation of costs, such as depreciation and amortization, are not recognized in the governmental funds.

The following is a description of the governmental fund types of the Village:

General Fund - The general fund is the general operating fund of the Village. The fund is used to account for all financial transactions except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state shared revenues and charges for services.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary Funds - All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility receivables are recorded at year end.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following is a description of the proprietary fund types of the Village:

Enterprise Funds - Enterprise funds report operations that provide services which are financed primarily by user charges, or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control or other purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Budgets and Budgetary Accounting - Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the general and special revenue funds. The Village adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

* On or about March 31, the Village Council submits to the general public 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.

* Public hearings are conducted to obtain taxpayer comments.

* On or about April 1, the budget is legally enacted through passage of resolution.

* The Village Council is authorized to transfer budgeted amounts within departments.

* The budget for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles.

* Appropriations for the general fund and special revenue funds lapse at the end of the fiscal year.

* Budgeted amounts are as originally adopted or as amended by the Village Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deposits and Investments - Statutes authorize the primary government and component units to invest in the following:

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

* In certificates of deposit, savings accounts, deposit accounts or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation, a saving and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration.

* 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.

* In United States government of federal agency obligation repurchase agreements.

* In banker's acceptances of United States banks.

* In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets and Depreciation - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost of purchase or construction. Contributed assets are recorded at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are also capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	Depreciable Life-Years
Land improvements	15-40
Streets	15-20
Utility systems	30-50
Buildings and improvements	15-50
Machinery and equipment	5-20
Vehicles	2-7
Furniture and other	3-7

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Long-Term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Property Taxes - The Village's property taxes are levied as an enforceable lien on property as of December 1. Village taxes are levied on the following July 1 and are payable without penalty through September 16. Real property taxes not collected as of March 1 are turned over to St. Joseph County for collection. The County advances the Village 100% for delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Village's treasurer. The Village's property taxes levied on July 1 provide the revenue for the current fiscal year.

The assessed and state equalized taxable value of real and personal property located in the Village totaled $25,235,807. The Village's general operating levy for the year was based on a millage rate of 9.2497.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Compensated Absences - It is the Village's policy to not pay for unused vacation or sick days and not to allow accumulation of unpaid days. Therefore, no current or long-term liability has been accrued.

Fund Equity - In the fund statements, reservations of fund balance represent amounts that are not available for appropriation or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Village's deposits and investments are included on the balance sheet under the following classifications:

	Primary Government
Statement of Net Assets:	
Cash and investments	$ 299,041

NOTE 2 - DEPOSITS AND INVESTMENTS- Continued

Cash - Statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts are made with banks doing and having a place of business in the state of Michigan that are also members of a federal or national insurance corporation.

At March 31, 2005, the book balance was $299,041 and the bank balance (without recognition of outstanding checks or deposits in transit) was $337,351, of which $275,710 was insured by federal depository insurance and $61,641 was uninsured.

The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Village evaluates each financial institution it deposits Village Funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

NOTE 3 - RECEIVABLES

Receivables in the governmental activities are 100 percent due from other governments. Business-type activities receivables are 78 percent special assessments receivable and 22 percent due from customers.

Accounts receivable in the governmental activities and the business-type activities are reported net of an allowance for uncollectible accounts of -0-.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2005, was as follows:

	As Amended Balance April 1, 2004	Additions	Disposals	Balance March 31, 2005
Primary Government				
Governmental activities				
Capital assets, not being depreciated:				
Land	$ 23,500	$ -	$ -	$ 23,500
Capital assets, being depreciated:				
Land improvements	15,900	-	-	15,900
Buildings and improvements	379,645	-	-	379,645
Machinery and equipment	438,735	-	-	438,735
Subtotal	834,280	-	-	834,280
Accumulated depreciation				
Land improvements	10,600	1,060	-	11,660
Buildings and improvements	270,497	9,491	-	279,988
Machinery and equipment	307,115	29,249	-	336,364
Subtotal	588,212	39,800	-	628,012
Net capital assets being depreciated	246,068	39,800	-	206,268
Net capital assets	$ 269,568	$ 39,800	$ -	$ 229,768

NOTE 4 - CAPITAL ASSETS - Continued

	As Amended Balance April 1, 2004	Additions	Disposals/ Transfers	Balance March 31, 2005
Business-Type activities				
Capital assets, not being depreciated:				
Land	$ 15,800	$ -	$ -	$ 15,800
Capital assets, being depreciated:				
Water supply system	1,219,970	-	-	1,219,970
Accumulated depreciation				
Water supply system	366,266	42,000	-	408,266
Net capital assets being depreciated	853,704	42,000	-	811,704
Net capital assets	$ 869,504	$ 42,000	$ -	$ 827,504

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

Governmental activities:		Business-type activities:	
General government	$ 20,370	Water Supply System	$ 42,000
Public safety	11,630		
Public works	7,800		
Total	$ 39,800		

NOTE 5 - LONG-TERM DEBT

Following is a summary of long-term debt transactions for the year ended March 31, 2005:

	Balance April 1, 2004	Additions	Reductions	Balance March 31, 2005	Current Portion
Business-Type Activities					
Revenue bonds	$ 195,000	$ -	$ 10,000	$ 185,000	$ 10,000

Long-term debt payables at March 31, 2005, consisted of the following individual issues:

Business-Type Activities

Water Supply System bonds payable in annual installments of $5,000 to $15,000 through May 1, 2017; interest at 5.25%	$ 185,000

Debt Service Requirements

The annual requirements to service all debt outstanding as of March 31, 2005 including both principal and interest, are as follows:

	Business-Type Activities		
	Principal	Interest	Total
2006	$ 10,000	$ 9,713	$ 19,713
2007	10,000	9,188	19,188
2008	15,000	8,663	23,663
2009	15,000	7,875	22,875
2010	15,000	7,088	22,088
2011-2015	75,000	23,625	98,625
2016-2020	45,000	4,725	49,725
Total	$ 185,000	$ 70,877	$ 255,877

NOTE 6 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for most risks of loss to which it is exposed. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 7 - RETIREMENT PROGRAMS

The Village has a retirement plan which covers certain employees. The Village pays the total cost of the plan. There were no unfunded past service costs at March 31, 2005. The retirement expense of the Village included in computing excess of revenues over expenditures for the year ended March 31, 2005, was $15,171.

NOTE 8 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The annual budget is prepared by the Village management and adopted by the Village Council; subsequent amendments are approved by the Village Council. Unexpended appropriations lapse at year-end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with generally accepted accounting principles.

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Village were adopted on a fund level basis.

During the year ended March 31, 2005, the Village incurred no expenditures in excess of the amounts appropriated at the legal level of budgetary control.

REQUIRED SUPPLEMENTAL INFORMATION

VILLAGE OF WHITE PIGEON

REQUIRED SUPPLEMENTAL INFORMATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2005

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
REVENUES				
Taxes	$ 258,500	$ 261,406	$ 269,038	$ 7,632
Licenses and permits	3,200	1,364	1,364	-
Intergovernmental	190,000	169,300	171,814	2,514
Charges for services	23,000	24,424	27,052	2,628
Fines and forfeits	13,000	17,726	16,405	(1,321)
Miscellaneous	19,800	8,407	9,788	1,381
Total revenues	507,500	482,627	495,461	12,834
EXPENDITURES				
General government	100,532	88,788	78,180	10,608
Public safety	270,370	295,488	298,334	(2,846)
Public works	128,050	111,943	112,042	(99)
Total expenditures	498,952	496,219	488,556	7,663
Excess of revenues over expenditures	8,548	(13,592)	6,905	20,497
FUND BALANCE - Beginning of year	174,594	174,594	174,594	-
FUND BALANCE - End of year	$ 183,142	$ 161,002	$ 181,499	$ 20,497

VILLAGE OF WHITE PIGEON

REQUIRED SUPPLEMENTAL INFORMATION
MAJOR STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
REVENUE				
State shared revenue	$ 80,000	$ 85,220	$ 84,041	$ (1,179)
EXPENDITURES				
Public works	59,660	72,030	71,858	172
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	20,340	13,190	12,183	(1,007)
OTHER FINANCING (USES)				
Operating transfers out	(20,000)	(13,000)	(13,000)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER USES	340	190	(817)	(1,007)
FUND BALANCE - BEGINNING OF YEAR	56,784	56,784	56,784	-
FUND BALANCE - END OF YEAR	$ 57,124	$ 56,974	$ 55,967	$ (1,007)

VILLAGE OF WHITE PIGEON

REQUIRED SUPPLEMENTAL INFORMATION
LOCAL STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2005

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
REVENUE				
State shared revenue	$ 30,000	$ 31,650	$ 28,860	$ (2,790)
EXPENDITURES				
Public works	57,800	41,975	41,335	640
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(27,800)	(10,325)	(12,475)	(2,150)
OTHER FINANCING SOURCES				
Operating transfers in	20,000	13,000	13,000	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES	(7,800)	2,675	525	(2,150)
FUND BALANCE - BEGINNING OF YEAR	50,396	50,396	50,396	-
FUND BALANCE - END OF YEAR	$ 42,596	$ 53,071	$ 50,921	$ (2,150)

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF WHITE PIGEON

GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
REVENUES			
Property taxes - general	$ 238,626	$ 244,009	$ 5,383
Property taxes - road maint.	22,780	25,029	2,249
Licenses and permits	1,364	1,364	-
State shared revenues	162,003	164,516	2,513
State reimb. - police training	1,128	1,128	-
State Metro Act funds	6,169	6,170	1
Interest income	2,189	2,847	658
Rental income	24,424	27,052	2,628
Miscellaneous income	3,548	4,271	723
Contributions	2,670	2,670	-
Drug forfeitures	3,143	3,464	321
Police charges and fines	14,583	12,941	(1,642)
Total revenues	482,627	495,461	12,834
EXPENDITURES			
Village council	96,633	87,011	9,622
Elections	70	9	61
Clerk	5,652	5,652	-
Treasurer	6,283	6,273	10
Village hall	3,850	4,053	(203)
Police department	287,590	290,562	(2,972)
Fire service	3,000	3,000	-
Building official	898	897	1
Rubbish	700	699	1
Park	600	565	35
Maintenance	90,943	89,835	1,108
Total expenditures	496,219	488,556	7,663
Excess (deficiency) of revenues over expenditures	(13,592)	6,905	20,497
FUND BALANCE - BEGINNING	174,594	174,594	-
FUND BALANCE - ENDING	$ 161,002	$ 181,499	$ 20,497

VILLAGE OF WHITE PIGEON

GENERAL FUND
STATEMENTS OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
VILLAGE COUNCIL			
Council salaries	$ 5,300	$ 5,220	$ 80
Office salaries	23,000	21,641	1,359
Employer's social security	2,100	2,048	52
Hospitalization insurance	6,343	6,155	188
Retirement	1,380	507	873
Workers' compensation	1,500	1,431	69
Office supplies	1,600	1,712	(112)
Professional services	4,100	4,374	(274)
Memberships and dues	2,600	2,579	21
Communications	1,200	1,123	77
Community promotion	1,750	1,707	43
Printing and publishing	1,250	1,240	10
General insurance	10,300	10,280	20
Street lighting	21,000	22,207	(1,207)
School crossing guard	4,000	3,875	125
Miscellaneous	435	267	168
Repairs and maintenance	775	645	130
Capital outlay	8,000	-	8,000
Total Village Council	96,633	87,011	9,622
ELECTIONS			
Supplies	10	9	1
Miscellaneous	60	-	60
Total Elections	70	9	61
CLERK			
Salary	5,250	5,250	-
Employer's social security	402	402	-
Miscellaneous	-	-	-
Total Clerk	5,652	5,652	-

VILLAGE OF WHITE PIGEON

GENERAL FUND
STATEMENTS OF EXPENDITURES, COMPARED TO BUDGET - Continued
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
TREASURER			
Salary	5,000	5,000	-
Employer's social security	383	382	1
Supplies	900	891	9
Miscellaneous	-	-	-
Total Treasurer	6,283	6,273	10
VILLAGE HALL			
Repairs and maintenance	50	50	-
Utilities	2,600	2,770	(170)
Miscellaneous	1,200	1,233	(33)
Total Village Hall	3,850	4,053	(203)
POLICE DEPARTMENT			
Salaries	175,000	178,907	(3,907)
Employer's social security	14,000	13,596	404
Hospitalization insurance	32,120	34,155	(2,035)
Retirement	10,500	9,403	1,097
Workers' compensation	12,500	12,249	251
Supplies	3,295	3,189	106
Uniforms	2,700	2,516	184
Professional services	3,400	3,469	(69)
Memberships and dues	440	440	-
Communications	1,700	1,613	87
General insurance	10,300	10,280	20
Education and training	975	782	193
Gas and oil	6,500	6,108	392
Repairs and maintenance	8,535	8,616	(81)
Salvage inspection program	2,200	1,952	248
Drug forfeiture program	3,200	3,082	118
Miscellaneous	225	205	20
Capital outlay	-	-	-
Total Police Department	287,590	290,562	(2,972)
FIRE SERVICE			
Fire contract	3,000	3,000	-

VILLAGE OF WHITE PIGEON

GENERAL FUND
STATEMENTS OF EXPENDITURES, COMPARED TO BUDGET - Continued
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
BUILDING OFFICIAL			
Salaries	834	833	1
Employer's social security	64	64	-
Miscellaneous	-	-	-
Total Building Official	898	897	1
RUBBISH			
Collections services	700	699	1
PARK			
Repairs and maintenance	-	-	-
Utilities	600	565	35
Contracted services	-	-	-
Total Park	600	565	35
MAINTENANCE			
Salaries	42,000	43,653	(1,653)
Employer's social security	3,200	3,320	(120)
Hospitalization insurance	11,773	10,542	1,231
Retirement	2,550	2,273	277
Workers' compensation	3,700	3,578	122
Supplies	510	475	35
Uniforms	1,500	1,286	214
Communications	500	497	3
Fuel, oil and lube	7,000	6,292	708
General insurance	10,300	10,280	20
Utilities	2,500	2,185	315
Repairs - equipment	2,300	2,257	43
Repairs - general	2,370	2,470	(100)
Miscellaneous	740	727	13
Capital outlay	-	-	-
Total Maintenance	90,943	89,835	1,108
Total Expenditures	$496,219	$488,556	$ 7,663

VILLAGE OF WHITE PIGEON

MAJOR STREET FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
REVENUES			
State highway grant	$ 85,220	$ 84,041	$ (1,179)
EXPENDITURES			
Street construction	-	-	-
Routine maintenance			
Salaries and wages	5,200	4,837	363
Employer's social security	400	369	31
Hospitalization insurance	5,390	5,371	19
Retirement	315	747	(432)
Workers' compensation	500	447	53
General insurance	2,000	1,858	142
Street maintenance	36,710	37,133	(423)
Equipment rental	8,000	7,692	308
Winter maintenance			
Salaries and wages	3,000	2,336	664
Employer's social security	230	186	44
Hospitalization insurance	2,935	2,597	338
Retirement	180	747	(567)
Workers' compensation	500	447	53
Supplies	1,970	1,917	53
Equipment rental	4,700	5,174	(474)
Total expenditures	72,030	71,858	172
Excess of revenues over expenditures	13,190	12,183	(1,007)
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(13,000)	(13,000)	-
Excess (deficiency) of revenues over expenditures and other uses	190	(817)	(1,007)
FUND BALANCE - BEGINNING	56,784	56,784	-
FUND BALANCE - ENDING	$ 56,974	$ 55,967	$ (1,007)

VILLAGE OF WHITE PIGEON

VILLAGE OF WHITE PIGEON

LOCAL STREET FUND
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
REVENUES			
State highway grant	$ 31,650	$ 28,860	$ (2,790)
EXPENDITURES			
Street construction	-	-	-
Routine maintenance			
Salaries and wages	3,500	3,050	450
Employer's social security	270	244	26
Hospitalization insurance	4,580	4,591	(11)
Retirement	210	747	(537)
Workers' compensation	500	447	53
General insurance	2,000	1,858	142
Street maintenance	14,420	14,415	5
Equipment rental	4,200	4,090	110
Winter maintenance			
Salaries and wages	3,000	2,245	755
Employer's social security	230	168	62
Hospitalization insurance	3,745	3,378	367
Retirement	180	747	(567)
Workers' compensation	500	447	53
Supplies	1,140	1,032	108
Equipment rental	3,500	3,876	(376)
Total expenditures	41,975	41,335	640
Excess (deficiency) of revenues over expenditures	(10,325)	(12,475)	(2,150)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	13,000	13,000	-
Excess of revenues and other sources over expenditures	2,675	525	(2,150)
FUND BALANCE - BEGINNING	50,396	50,396	-
FUND BALANCE - ENDING	$ 53,071	$ 50,921	$ (2,150)

VILLAGE OF WHITE PIGEON

WATER SUPPLY SYSTEM FUND
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2005

	Final Budget	Actual	Variance-Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	$ 99,010	$106,131	$ 7,121
OPERATING EXPENSES			
Salaries and wages	25,000	24,548	452
Employer's social security	1,920	1,864	56
Hospitalization insurance	14,770	13,617	1,153
Retirement	1,500	747	753
Workers' compensation	1,300	1,252	48
Office supplies	500	593	(93)
Professional services	200	145	55
General insurance	2,650	2,600	50
Utilities	4,500	4,319	181
Repair and maintenance	9,380	9,891	(511)
Equipment rental	6,000	6,219	(219)
Depreciation	38,500	42,000	(3,500)
Miscellaneous	500	428	72
Total operating expenses	106,720	108,223	(1,503)
OPERATING INCOME (LOSS)	(7,710)	(2,092)	5,618
NONOPERATING REVENUES (EXPENSES)			
Interest income	8,495	7,418	(1,077)
Interest expense	(10,275)	(10,060)	215
Total nonoperating revenues (expenses)	(1,780)	(2,642)	(862)
CHANGE IN NET ASSETS	(9,490)	(4,734)	4,756
NET ASSETS - BEGINNING	868,278	868,278	-
NET ASSETS - ENDING	$858,788	$863,544	$ 4,756