VENICE TOWNSHIP

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	VENICE TOWNSHIP	SHIAWASSEE

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3/31/04	12/6/04	2-24-05

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.

MAR - 1 2005

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)			
Demis & Wenzlick, P.C.			
Street Address: 217 N. Washington St. Ste 201	City: Owosso	State: MI	ZIP: 48867
Accountant Signature: Geraldine Perry, CPA		Date: 2-24-05	

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INDEPENDENT AUDITOR'S REPORT

Venice Township Board
Lennon, Michigan

We have audited the accompanying general-purpose financial statements of Venice Township, Michigan, as of and for the year ended March 31, 2004. These general-purpose financial statements are the responsibility of Venice Township, Michigan's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Venice Township, Michigan, as of March 31, 2004, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the combined 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 are not a required part of the general-purpose financial statements of Venice Township.

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 presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of December 6, 2004.

Dennis and Wenzlick, P.C.

Certified Public Accountants

Owosso, Michigan
December 6, 2004

VENICE TOWNSHIP
COMBINED BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS
MARCH 31, 2004

	Government Fund Types			Proprietary Fund Types	Fiduciary Fund Type		
ASSETS:	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency Funds	General Fixed Asset Fund	General Long Term Debt Fund
Cash	$ 143,121	$ 86,082	$ 331,006	$ 27,097	$ 66,278	$	$
Restricted Cash	1,000						
Accounts Receivable				9,106			
Accrued Int. Receivable			157				
Due From County	2,685	5,866		4,051			
Prepaid Insurance	3,895						
Current Portion of Connection Fees Rec.				1,882			
Due from Other Entities			19,758				
Due from Other Funds	14,753	2,764		144			
Fixed Assets (Net of Accum. Deprec.)				863,115		1,615,893	
Long-Term Portion of Connection Fees Rec.				18,114			
Amount to be Provided for Retirement of Long Term Debt							561,788
TOTAL ASSETS	$ 165,454	$ 94,712	$ 350,921	$ 923,509	$ 66,278	$ 1,615,893	$ 561,788
LIABILITIES:							
Accounts Payable	$ 30,057	$ 5,481	$	$ 1,386	$	$	$
Due to Other Funds	19,758	0	2,070				
Due to Other Taxing Ent.					15,591		
General Long Term Debt-Loan					50,687		
Deferred Revenue				18,100			561,788
TOTAL LIABILITIES	$ 49,815	$ 5,481	$ 2,070	$ 19,486	$ 66,278	$ 0	$ 0
Contribution in Aid of Construction (Net of Amort.)	$	$		$ 489,800	$	$	$
Investment in General Fixed Assets						1,615,893	
Retained Earnings							
Fund Balance	115,639	89,231	348,851	414,223			
TOTAL FUND EQUITY	$ 115,639	$ 89,231	$ 348,851	$ 923,509	$ 66,278	$ 1,615,893	$ 0
TOTAL LIABILITIES AND FUND EQUITY	$ 165,454	$ 94,712	$ 350,921	$ 923,509	$ 66,278	$ 1,615,893	$ 561,788

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES, AND COMPARISON OF BUDGET TO ACTUAL
YEAR ENDED MARCH 31, 2004

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			CAPITAL PROJECT FUND TYPES		
REVENUES:	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
Grant Income	$	$	$	$ 0	$ 0	$ 0	$	$	$
Loan Proceeds							0	0	0
Taxes	3,000	4,682	(1,682)	52,500	52,513	(13)			
Fees & Permits	1,150	20,733	(19,583)		3,250	(3,250)			
Intergovernmental	96,300	150,526	(54,226)			0			
Interest & Misc	2,000	9,817	(7,817)	250	461	(211)	1,000	2,814	(1,814)
Principal Pymt - Village of Lennon	0	10,750	(10,750)						
Landfill Fees	108,000	131,831	(23,831)			0	100,000	92,280	7,720
TOTAL REVENUES	$ 210,450	$ 328,339	$ (117,889)	$ 52,750	$ 56,224	$ (3,474)	$ 101,000	$ 95,094	$ 5,906
EXPENDITURES:									
Township Board	$ 13,550	$ 10,802	$ 2,748	$	$	$	$	$	$
Twp Hall/Fire Hall	7,500	7,594	(94)				0	0	0
Supervisor	7,900	7,671	229						
Clerk	11,200	9,619	1,581						
Board of Review	1,075	744	331						
Treasurer	16,695	15,448	1,247						
Township Hall	29,550	17,911	11,639						
Cemetery	45,600	12,526	33,074						
Assessor	12,950	10,764	2,186						
Elections	4,200	0	4,200						
Planning Commission	9,100	7,629	1,471						
Drains at Large	35,000	21,466	13,534						
Roads	65,000	64,918	82						
Street Lights	3,000	3,890	(890)						
Insurance	21,500	21,865	(365)						
Equipment	3,500	3,588	(88)						
Social Security	5,000	3,608	1,392						
Principal - LTD	117,000	107,854	9,146						
Interest Expense	31,000	30,995	5						
Fire		0	0	75,755	76,784	(1,029)			
Landfill Advisory	900	630	270						
TOTAL EXPENDITURES	$ 441,220	$ 359,522	$ 81,698	$ 75,755	$ 76,784	$ (1,029)	$ 0	$ 0	$ 0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (230,770)	$ (31,183)	$ (199,587)	$ (23,005)	$ (20,560)	$ (2,445)	$ 101,000	$ 95,094	$ 5,906
OTHER SOURCES OF FUNDS:									
Transfers In	$ 105,000	$ 0	$ 105,000	$ 25,000	$ 41,717	$ (16,717)	$	$	$ 0
Transfers Out	0	(41,717)	41,717	0	0	0	(130,000)	0	(130,000)
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	$ (125,770)	(72,900)	$ (52,870)	$ 1,995	21,157	$ (19,162)	$ (29,000)	95,094	$ (124,094)
Fund Balance at 03-31-03		188,539			68,074			253,757	
Fund Balance at 03-31-04		$ 115,639			$ 89,231			$ 348,851	

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS
REVENUES:			
Taxes	$ 4,682	$ 52,513	$ -0-
Fees & Permits	20,733	3,250	92,280
Intergovernmental	150,526	-0-	-0-
Miscellaneous	152,398	461	2,814
TOTAL REVENUES	$ 328,339	$ 56,224	$ 95,094
EXPENDITURES:			
Township Board	$ 10,802	$	$
Twp. Hall/Fire Hall	7,594		
Supervisor	7,671		
Clerk	9,619		
Board of Review	744		
Treasurer	15,448		
Township Hall	17,911		
Cemetery	12,526		
Assessor	10,764		
Elections	-0-		
Planning	7,629		
Drains at Large	21,466		
Roads	64,918		
Street Lights	3,890		
Township Equipment	3,588		
Landfill Advisory	630		
Insurance	21,865		
Social Security	3,608		
Principal - LTD	107,854		
Interest Expense - LTD	30,995		
Fire	-0-	76,784	
TOTAL EXPENDITURES	$ 359,522	$ 76,784	$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ (31,183)	$(20,560)	$ 95,094
OTHER SOURCES (USES) OF FUNDS:			
Transfers In	$ -0-	$ 41,717	$ -0-
Transfers Out	(41,717)	-0-	-0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES OF FUNDS	$ (72,900)	$ 21,157	$ 95,094
Fund Balance 3-31-03	188,539	68,074	253,757
FUND BALANCE 3-31-04	$ 115,639	$ 89,213	$ 348,851

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
SEWER FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED MARCH 31, 2004

REVENUES:	
Sewer Revenues	$ 36,989
Interest on Hook-Ups	1,092
Tap in Fees and Other	6,131
TOTAL REVENUES	$ 44,212
EXPENDITURES:	
Operation of Plant	$ 24,487
Maintenance and Miscellaneous	7,388
Depreciation Expense	14,641
TOTAL EXPENDITURES	$ 46,516
NET INCOME (LOSS) FROM OPERATIONS	$ (2,304)
Amortization of Contribution in Aid of Construction	9,604
Retained Earnings at Beginning of Year	406,923
RETAINED EARNINGS AT END OF YEAR	$414,223

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
SEWER FUND
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2004

Cash Flows from Operating Activities:	
Net Income (Net of Amortization)	$ 7,299
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	14,641
Amortization	(9,604)
(Increase) Decrease in Receivables	1,315
(Decrease) Increase in Accts. Payable	(18,393)
(Increase) Decrease in Due from Other Funds	3,474
Increase (Decrease) in Deferred Revenue	(1,810)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (3,078)
Cash Flows from Investing Activities:	
Fixed Assets Expenditures	$ -0-
NET INCREASE (DECREASE) IN CASH	$ (3,078)
Cash at Beginning of Year	30,175
CASH AT END OF YEAR	$ 27,097
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash Paid during the Year for:	
Interest	$ -0-

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED MARCH 31, 2004

CURRENT TAX COLLECTION FUND

	BALANCE 3-31-03	ADDITIONS	DEDUCTIONS	BALANCE 3-31-04
ASSETS				
Cash	$110,376	$1,349,474	$1,393,759	$ 66,091
	$110,376	$1,349,474	$1,393,759	$ 66,091
LIABILITIES				
Due to Other Funds	$ 31,644	$ 108,541	$ 124,781	$ 15,404
Due to Other Taxing Entities	78,732	1,240,933	1,268,978	50,687
	$110,376	$1,349,474	$1,393,759	$ 66,091

TRUST AND AGENCY FUND

ASSETS				
Cash	$ 187	$	$	$ 187
LIABILITIES				
Due to Other Funds	$ 187	$	$	$ 187
Due to Other Gov't Entities	-0-			-0-
	$ 187	$ -0-	$ -0-	$ 187

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS (CONTINUED)
YEAR ENDED MARCH 31, 2004

COMBINED AMOUNTS

	BALANCE 3-31-03	ADDITIONS	DEDUCTIONS	BALANCE 3-31-04
ASSETS				
Cash	$110,563	$1,349,474	$1,393,759	$ 66,278
Due from Other Gov't Entities	-0-			
	$110,563	$1,349,474	$1,393,759	$ 66,278
LIABILITIES				
Due to Other Funds	$ 31,831	$ 108,541	$ 124,781	$ 15,591
Due to Other Gov't Entities	78,732	1,240,933	1,268,978	50,687
	$110,563	$1,349,474	$1,393,759	$ 66,278

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Venice Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only- criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no component units that need to be included in the Townships annual report.

B. FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

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

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

B. FUND ACCOUNTING (CONTINUED)

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

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund liability as incurred.

These revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received cash.

C. BASIS OF ACCOUNTING

The government reports deferred revenue on its combined balance sheet. Deferred revenue arise when a potential revenue does not meet the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. these receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

G. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchase fixed assets are valued at cost where historical records are available and at an estimated historical costs where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

H. COMPENSATED ABSENCES

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

I. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimates must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary.

NOTE 3. CASH AND CERTIFICATES OF DEPOSIT

The township's deposits at March 31, 2004, consisted of cash and certificates of deposit at one financial institution.

INSTITUTION A	AMOUNT	FDIC INSURED	UNINSURED
Demand and Time	$255,706	$100,000	$155,706
LUG-Sweep Accounts	398,879	-0-	398,879
	$654,585	$100,000	$554,585

NOTE 4. INTERFUND

At March 31, 2004, individual interfund receivable and payable balances were:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General Fund	$ 14,753	$ 19,758
Tax Fund	-0-	15,404
Trust & Agency Fund	-0-	187
Sewer Fund	144	-0-
Fire Fund	2,764	-0-
Capital Projects Fund	19,758	2,070
	$ 37,419	$ 37,419

NOTE 5. PROPERTY TAXES

Taxes levied on December 1, are payable on February 14. The township bills and collects its own property taxes and taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

NOTE 6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE 3-31-03	ADDITIONS	DELETIONS	BALANCE 3-31-04
Land and Bldgs.	$1,049,587	$	$	$1,049,587
Office Equip.	41,185	1,027		42,212
Fire Equip.	504,684	19,410		524,094
Construction in Progress	-0-			
	$1,595,456	$20,437	$ -0-	$1,615,893

NOTE 7. SEWER FUND

On October 1, 1977, the Townships of Venice and Clayton and the Village of Lennon entered into a contract with Genesee County whereby the County agreed to finance the cost of acquisition of sanitary sewage facilities for the Townships and Village. Pursuant to this agreement, Genesee County issued $1,960,000 of its bonds. As of March 31, 2004, the township of Venice has completely paid off its portion of the bonds.

Subsequent to this, on January 30, 1979, the Township entered into an agreement with Genesee County for the operation and maintenance of the system on behalf of the Township. The agreement includes the handling of the billing process for both usage and connection by the County. In return, the Township agrees to pay fees to the County, as established, for these billings as well as fees for maintenance of the system and sewage treatment.

The contribution in aid of construction is amortized by the same method and over the same life as the assets are depreciated.

Property owners along with the South and North M-13 sewer extensions were assessed for the proportionate costs associated with the extensions. Interest is payable by the property owners at the same rate of interest as that paid by the township. The amount owed on this assessment at March 31, 2004, is $18,100.

NOTE 8. ROAD SPECIAL ASSESSMENT

During 1995, the Township approved road improvements to the Ganssley Subdivision. The total cost of the project, completed by the Shiawassee County Road Commission, was $87,319.03. Venice Township was to be responsible for paying for $28,815.28 and $58,503.75 was to be paid by the subdivision property owners. Payments (including interest at 4%) were to be assessed yearly, for twenty years, on the tax roll.

As of March 31, 2004, the outstanding principal balance owed to the Township is $24,571.

NOTE 9. LONG-TERM DEBT

On April 1, 2002, the township adopted a resolution to enter into an installment agreement with a local financial institution not to exceed $750,000. The loan was authorized under P.A. Act 99, of 1933. Proceeds will be used to finance the building of a new fire and township hall.

The principal balance of the loan shall be repaid in twenty eight equal quarterly installments of $26.785.72, plus accrued interest at the rate of 4.96%.

The loan may be prepaid, in whole, on any payment date after May 1, 2007 at par plus accrued interest without a prepayment penalty.

Prepayments not to exceed $15,000 per calendar year can be made with a thirty days notice.

The annual principal and interest requirements through maturity as of March 31, 2004, are as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
2004	$ 80,357.16	$ 19,928.57	$100,285.73
2005	107,142.88	21,921.42	129,064.30
2006	107,142.88	16,607.14	123,750.02
2007	107,142.84	11,292.85	118,435.69
2008	107,142.80	5,978.57	113,121.37
Thereafter	52,859.86	996.43	53,856.29
	$561,788.42	$ 76,724.98	$638,513.40

NOTE 10: NOTES RECEIVABLE - VILLAGE OF LENNON

On June 9, 2003, the township entered into an agreement with the Village of Lennon for the sale of the townships old fire hall to the village. The purchase price is $75,250.00 to be paid in seven equal installments of $10,750.00 or more. The first payment was paid July 2003 in the amount of $10,750.00. The outstanding balance as of March 31, 2004 was $64,500.00.

NOTE 11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

During the year ended March 31, 2004, the Township incurred expenditures in certain funds which were in excess of the amount appropriated, as follows:

PRIMARY GOVERNMENT	TOTAL APPROPRIATION	AMOUNT OF EXPENDITURES	BUDGET VARIANCE
GENERAL FUND			
General Township Board			
Salaries	$ 3,000	$ 3,250	$ 250
Supplies	1,250	1,949	699
Hall Improvements	7,500	7,594	94
Board of Review			
Salary	600	720	120
Treasurer			
Postage/Misc.	1,395	1,717	322
Township Hall			
Telephone	1,800	1,948	148
Planning Commission			
Salaries	6,500	6,595	95
Street Lights	3,000	3,890	890
Equipment/Repairs	3,500	3,588	88
Insurance	21,500	21,865	365
Special Revenue Fund			
Fire Maintenance/Fire Protection			
Vehicle Gas/Maint.	8,000	8,175	175
Utilities	-0-	428	428
Telephone	1,300	1,356	56
Education & Membership	3,200	3,489	289
Insurance	1,500	1,782	282
Equipment	29,250	32,460	3,210

OTHER FINANCIAL INFORMATION

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VENICE TOWNSHIP
GENERAL FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	2004	2003
Cash	$143,121	$117,253
Cash - Restricted - Owen Trust	1,000	1,000
Taxes Receivable	2,685	1,084
Due from Other Funds	14,753	78,842
Prepaid Insurance	3,895	4,715
	$165,454	$202,894

LIABILITIES AND FUND BALANCE

Accounts Payable	$ 30,057	$ 13,267
Due to Other Funds	19,758	1,088
	$ 49,815	$ 14,355
Fund Balance	115,639	188,539
	$165,454	$202,894

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
REVENUES:				
Taxes:				
Road Assmts.	$	$ 4,682	$	$ 3,406
TOTAL TAXES	$ 3,000	$ 4,682	$ (1,682)	$ 3,406
Fees & Permits:				
Adm. Fees	$	$ 18,809	$	$
Licenses, Permits, Misc.		1,924		610
TOTAL FEES & PERMITS	$ 1,150	$ 20,733	$ (19,583)	$ 610
Intergovernmental:				
State of MI: Shared Revenues		150,526		164,121
TOTAL INTER-GOVERNMENTAL	$ 96,300	$150,526	$ (54,226)	$164,121
Miscellaneous:				
Interest	$ 2,000	$ 230	$ 1,770	$ 3,563
Refunds & Misc.	-0-	1,841	(1,841)	889
Cable TV Royalties	2,500	5,716	(3,216)	5,385
Principal Old Fire Hall	-0-	10,750	(10,750)	-0-
Cemetery Lots	500	2,030	(1,530)	200
H.B. 4993 Landfill	105,000	131,831	(26,831)	132,668
TOTAL MISC.	$110,000	$152,398	$ (42,398)	$142,705
TOTAL REV.	$210,450	$328,339	$(117,889)	$310,842

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
EXPENDITURES:				
Twp. Board:				
Salaries	$ 3,000	$ 3,250	$ (250)	$ 3,000
Supp. & Post.	1,250	1,949	(699)	1,007
Legal & Audit	4,500	4,000	500	6,996
Memberships	1,500	1,129	371	1,217
Printing & Pub.	500	68	432	82
Trl Tax & Misc.	800	406	394	757
Land Acquisitions - New Hall Imp.	7,500	7,594	(94)	808,990
Contributions - Shiawassee Co. Library	2,000	-0-	2,000	
	$ 21,050	$ 18,396	$ 2,654	$822,049
Supervisor:				
Salary	$ 7,900	$ 7,671	$ 229	$ 7,671
Deputy				1,500
	$ 7,900	$ 7,671	$ 229	$ 9,171
Clerk:				
Salary	$ 8,700	$ 8,112	$ 588	$ 8,112
Deputy	1,500	1,500	-0-	1,500
Office Supp. & Misc.	1,000	7	993	294
	$ 11,200	$ 9,619	$ 1,581	$ 9,906
Board of Review	$ 600	$ 720	$ (120)	$ 630
Misc.	475	24	451	47
	$ 1,075	$ 744	$ 331	$ 677

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
EXPENDITURES:				
Treasurer:				
Salary	$ 8,200	$ 8,095	$ 105	$ 8,119
Deputy	1,500	1,500	-0-	1,500
Office Supp.	200	-0-	200	102
Tax Roll Prep.	5,400	4,136	1,264	2,225
Postage & Misc.	1,395	1,717	(322)	771
	$ 16,695	$ 15,448	$ 1,247	$ 12,717
Twp. Hall:				
Utilities	$ 24,000	$ 12,242	$11,758	$ 9,644
Rep. & Maint.	3,750	3,721	29	416
Telephone	1,800	1,948	(148)	730
	$ 29,550	$ 17,911	$11,639	$ 10,790
Cemetery:				
Salaries	$ 9,600	$ 9,096	$ 504	$ 7,580
Rep. & Maint.	36,000	3,430	32,570	1,576
	$ 45,600	$ 12,526	$33,074	$ 9,156
Assessor:				
Salary	$ 11,100	$ 10,088	$ 1,012	$ 10,956
Supplies	1,850	676	1,174	111
	$ 12,950	$ 10,764	$ 2,186	$ 11,067
Elections:				
Salaries	$ 2,500	$	$	$ 2,714
Print. & Pub.	200			188
Supplies	1,000			2,727
Postage & Misc.	500			663
	$ 4,200	$ -0-	$ 4,200	$ 6,292

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
Planning Commission:				
Salaries	$ 6,500	$ 6,595	$ (95)	$ 7,200
Supp. & Misc	2,100	1,034	1,066	1,943
Education	500	-0-	500	580
	$ 9,100	$ 7,629	$ 1,471	$ 9,723
Principal-LTD	$ 117,000	$ 107,854	$ 9,146	$ 80,357
Interest Exp	31,000	30,995	5	31,778
Drains at Large	35,000	21,466	13,534	31,246
Roads	65,000	64,918	82	104,947
Street Lights	3,000	3,890	(890)	3,590
Comp. Equip.	3,500	3,588	(88)	1,521
Insurance	21,500	21,865	(365)	18,612
Social Sec.	5,000	3,608	1,392	3,075
Landfill Adv.	900	630	270	540
TOTAL EXPEND.	$ 441,220	$ 359,522	$ 81,698	$1,177,214
EXCESS OF REVENUES OVER (UNDER) EXPEND.	$ (230,770)	$ (31,183)	$(199,587)	$ (866,372)
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	105,000	$ -0-	$ 105,000	$ 778,072
Transf. Out	-0-	(41,717)	(41,717)	(12,500)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	$ (125,770)	$ (72,900)	$ (52,870)	$ (100,800)
Fund Balance at Beginning of Year		188,539		289,339
FUND BALANCE AT END OF YEAR		$ 115,639		$ 188,539

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS

FIRE FUND - To account for the tax millage to be used for the acquisition of fire equipment and fire services.

VENICE TOWNSHIP
FIRE FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	2004	2003
Cash	$86,082	$38,762
Taxes Receivable	5,866	3,864
Prepaid Insurance	-0-	298
Due from Other Funds	2,764	26,196
	$94,172	$69,120

LIABILITIES AND FUND EQUITY

Accounts Payable	$ 5,481	$ 1,046
	$ 5,481	$ 1,046
Fund Balance	89,231	68,074
	$94,712	$69,120

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
FIRE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
REVENUES:				
Grants	$	$ -0-	$ -0-	$ 6,000
Donations		185	(185)	1,500
Taxes	52,500	52,513	(13)	49,552
Interest & Misc.	250	276	(26)	359
Chgs. For Ser	-0-	3,250	(3,250)	2
TOTAL REV.	$ 52,750	$ 56,224	$ (3,474)	$ 57,413
EXPENDITURES:				
Salaries-Chief	$ 4,000	$ 4,000	$ -0-	$ 4,000
Salaries-Others	21,025	19,393	1,632	18,380
Social Sec.	2,500	1,790	710	1,705
Vehicle Gas, Maint.	8,000	8,175	(175)	2,567
Utilities	-0-	428	(428)	2,948
Telephone	1,300	1,356	(56)	584
Educ. & Memb.	3,200	3,489	(289)	1,365
Insurance	1,500	1,782	(282)	1,190
Equipment	29,250	32,460	(3,210)	33,596
Supp. & Misc.	480	210	270	579
Medical	3,500	3,072	428	2,735
Hall Maint. & Land Rent	1,000	629	371	253
	$ 75,755	$ 76,784	$ (1,029)	$ 69,902
EXCESS OF REVENUES OVER (UNDER) EXPEND.	$(23,005)	$(20,560)	$ (2,445)	$ (12,489)
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	25,000	41,717	(16,717)	12,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES & OTHER SOURCES (USES) OF FUNDS	$ 1,995	$ 21,157	$(19,162)	$ 11
Fund Balance at 4-1-03		68,074		68,063
FUND BALANCE AT 3-31-04		$ 89,231		$ 68,074

The accompanying notes are an integral part of the financial statements.

CAPITAL PROJECTS FUNDS

REVOLVING AND IMPROVEMENT FUND

Revolving and Improvement Fund is used to account for money set aside by the Township Board for future improvements within the Township.

BUILDING FUND

Building Fund is used to account for the financial resources used for construction of township hall/fire hall.

VENICE TOWNSHIP
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
MARCH 31, 2004 AND 2003

	2004			2003
	CAPITAL IMPROVEMENT FUND	BUILDING FUND	COMBINED	COMBINED
Cash	$273,211	$57,795	$331,006	$330,140
Accrued Int. Rec.	157		157	219
Due from Other Funds	19,758		19,758	-0-
	$293,126	$57,795	$350,921	$330,359
Due to Other Funds	$ 2,070	$	$ 2,070	$ 76,602
Fund Balance	291,056	57,795	348,851	253,757
	$293,126	$57,795	$350,921	$330,359

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	CAPITAL IMPROVEMENT FUND	BUILDING FUND	COMBINED	COMBINED
Revenues:				
Loan Proceeds	$	$	$	$750,000
Landfill Fees	92,280		92,280	92,867
Interest Income	2,086	728	2,814	10,905
	$ 94,366	$ 728	$ 95,094	$853,772
Expenditures:				
Township Hall	$ -0-	$ -0-	$ -0-	$781,530
Excess of Revenues Over (Under) Expenditures	$ 94,366	$ 728	$ 95,094	$781,530
Other Sources (Uses) of Funds:				
Transfer to Other Funds	$ -0-	$ -0-	$ -0-	(778,072)
Excess of Revenues Over (Under) Expenditures and Other Sources (Uses) of Funds	$ 94,366	$ 728	$ 95,094	$ 3,458
Fund Balance April 1, 2004	196,690	57,057	253,757	250,299
FUND BALANCE MARCH 31, 2004	$291,056	$ 57,795	$348,851	$253,757

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
CAPITAL IMPROVEMENT FUNDS
COMPARATIVE COMBINING BALANCE SHEET
MARCH 31, 2004 AND 2003

	2004	2003
ASSETS:		
Cash in Bank	$273,211	$273,073
Accrued Interest Receivable	157	219
Due from Other Funds	19,758	-0-
	$293,126	$273,292
Due to Other Funds	$ 2,070	$ 76,602
FUND BALANCE	291,056	196,690
	$293,126	$273,292

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
CAPITAL IMPROVEMENT FUND
COMPARATIVE COMBINING STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
REVENUES:				
Interest Earned	$ 1,000	$ 2,086	$ (1,086)	$ 3,279
Landfill Fees	100,000	92,280	7,720	92,867
EXPENDITURES	$101,000	$ 94,366	$ 6,634	$ 96,146
Township Hall	$ -0-	$ -0-	$ -0-	$ 72,242
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$101,000	$ 94,366	$ 6,634	$ 23,904
OTHER SOURCES (USES) OF FUNDS:				
Transfer from Other Funds	$ -0-	$ -0-	$ -0-	$ -0-
Transfer to Other Funds	(130,000)	-0-	(130,000)	(77,513)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	$ (29,000)	$ 94,366	$(123,366)	$(53,609)
Fund Balance April 1, 2003		196,690		250,299
FUND BALANCE MARCH 31, 2004		$291,056		$196,690

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
BUILDING FUNDS
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

	2004	2003
ASSETS:		
Cash	$57,795	$57,067
LIABILITIES AND FUND BALANCE:		
Fund Balance	$57,795	$57,067

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
BUILDING FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
MARCH 31, 2004 AND 2003

	2004			2003
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	ACTUAL
REVENUES:				
Loan Proceeds	$	$	$	$750,000
Interest Inc.		728		7,626
TOTAL REV.	$ -0-	$ 728	$ (728)	$757,626
EXPENDITURES	$ -0-	$ -0-	$ -0-	$ -0-
Excess of Revenues Over (Under) Expenditures	$ -0-	$ 728	$ (728)	$757,626
OTHER SOURCES (USES) OF FUNDS:				
Transfer to Other Funds	-0-	-0-	-0-	(700,559)
Excess of Revenues Over (Under) Expenditures and Other Sources (Uses) of Funds	$ -0-	$ 728	$ (728)	$ 57,067
Fund Balance April 1, 2004		57,067		-0-
FUND BALANCE MARCH 31, 2004		$ 57,795		$ 57,067

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUND

SEWER FUND

The Sewer Fund is used to account for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and related debt service.

VENICE TOWNSHIP
SEWER FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	2004	2003
CURRENT ASSETS:		
Cash	$ 27,097	$ 30,175
Sewer Fees Receivable	9,106	8,539
Due from County	4,051	2,697
Due from Other Funds	144	4,972
Current Portion - Connection Fees	1,882	1,882
	$ 42,280	$ 48,265
Property and Plant:		
Property and Plant	$1,157,875	$1,157,875
Accumulated Depreciation	294,760	280,120
	$ 863,115	$ 877,755
Connection Fees Receivable, Less Current Portion	18,114	19,996
	$ 923,509	$ 946,016

LIABILITIES AND RETAINED EARNINGS

Current Liabilities:		
Accounts Payable	$ 1,386	$ 19,779
TOTAL CURRENT LIABILITIES	$ 1,386	$ 19,779
Long-Term Liabilities:		
Deferred Assmt. Revenue	18,100	19,910
TOTAL LONG-TERM LIABILITIES	$ 18,100	$ 19,910

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
SEWER FUND (CONTINUED)
COMPARATIVE BALANCE SHEET
MARCH 31, 2004 AND 2003

LIABILITIES AND RETAINED EARNINGS (CONTINUED)

	2004	2003
Fund Equity:		
Contribution in Aid of Construction	$ 720,296	$ 720,296
Accumulated Amortization	230,496	220,892
	$ 489,800	$ 499,404
Retained Earnings	414,223	406,923
TOTAL FUND EQUITY	904,023	906,327
	$ 923,509	$ 946,016

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
SEWER FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
YEARS ENDED MARCH 31, 2004 AND 2003

	2004	2003
REVENUES:		
Sewer Revenues	$ 36,989	$ 34,775
Interest on Hook-Ups	1,092	1,095
Tap In Fees & Misc.	6,131	24,081
TOTAL REVENUES	$ 44,212	$ 59,951
EXPENDITURES:		
Operation of Plant	$ 24,487	$ 22,505
Maint. & Misc.	7,388	4,959
Interest Exp. & Misc.	-0-	944
Depreciation Exp.	14,641	14,642
TOTAL EXPENDITURES	$ 46,516	$ 43,050
NET INCOME (LOSS)	$ (2,304)	$ 16,901
OTHER SOURCES (USES) OF FUNDS:		
Transfer In	$ -0-	$ -0-
NET INCOME (LOSS) AFTER OTHER SOURCES OF FUNDS	$ (2,304)	$ 16,901
Current Year Amortization of Contribution in Aid of Construction	$ 9,604	$ 9,604
Retained Earnings at April 1, 2003	406,923	380,418
RETAINED EARNINGS AT MARCH 31,	$414,223	$406,923

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
SEWER FUND
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2004 AND 2003

	2004	2003
Cash Flows from Operating Activities:		
Net Income (Net of Amortization)	$ 7,299	$26,505
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	14,641	14,642
Amortization	(9,604)	(9,604)
(Increase) Decrease in Rec.	1,315	(767)
(Decrease) Increase in Accts. Payable	(18,393)	(1,563)
(Increase) Decrease in Due from Other Funds	3,474	(2,305)
Increase (Decrease) in Deferred Revenue	(1,810)	(1,810)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ (3,078)	$25,098
Cash Flows from Investing Activities:		
Fixed Assets Expenditures	$ -0-	$ -0-
Cash Flows from Financing Activities:		
Principal Payments	-0-	(19,270)
NET INCREASE (DECREASE) IN CASH	$ (3,078)	$ 5,828
Cash at Beginning of Year	30,175	24,347
CASH AT END OF YEAR	$ 27,097	$30,175
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year For:		
Interest	$ -0-	$ 916

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUNDS

Trust and Agency Funds

The Trust and Agency Fund is used to collect and account for monies due to other entities.

Current Tax Collection Fund

Current Tax Collection Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, county and township general fund.

VENICE TOWNSHIP
FIDUCIARY FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004 AND 2003

	2004			
	TRUST AND AGENCY	CURRENT TAX COLLECTIONS	COMBINED	2003
ASSETS:				
Cash	$ 187	$ 66,091	$ 66,278	$110,563
Due from Other Funds	-0-	-0-	-0-	-0-
Due from Other Entities		-0-	-0-	-0-
	$ 187	$ 66,091	$ 66,278	$110,563
LIABILITIES AND FUND BALANCE:				
Due to Other Funds	$ 187	$ 15,404	$ 15,591	$ 31,831
Due to Other Taxing Entities		50,687	50,687	78,732
	$ 187	$ 66,091	$ 66,278	$110,563

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
TRUST AND AGENCY FUND
BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	2004	2003
Cash	$ 187	$187

LIABILITIES

Due to Other Funds	$ 187	$187
	$ 187	$187

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
TRUST AND AGENCY FUND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED MARCH 31, 2004 AND 2003

	2004	2003
Cash and Certificates on Hand, Beginning of Year	$ 187	$ 205
Cash Receipts:		
Transfers for Payroll Taxes	$ -0-	$12,283
Interest Income		1
TOTAL CASH RECEIPTS	$ -0-	$12,284
Cash Disbursements:		
Payment of Payroll Taxes	$ -0-	$12,302
TOTAL CASH DISBURSEMENTS	$ -0-	$12,302
CASH AND CERTIFICATES ON HAND - END OF YEAR	$ 187	$ 187

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2004 AND 2003

ASSETS

	2004	2003
Cash	$ 66,091	$110,376
Due from Other Entities		
Due from Other Funds		
	$ 66,091	$110,376

LIABILITIES

Due to Other Funds	$ 15,404	$ 32,644
Due to Other Entities	50,687	78,732
	$ 66,091	$110,376

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEAR ENDED MARCH 31, 2004 AND 2003

	2004		2003	
CASH RECEIPTS:				
2003 and 2002 Roll Property Tax Collections For:				
Shia. Co.	$889,578		$950,249	
Corunna School Dist.	118,079		122,398	
Durand School Dist.	233,276		216,033	
Venice Twp.	85,557	$1,326,490	72,112	$1,360,792
Other Receipts:				
Special Road Assessment Payment	$ 2,412		$ 2,323	
Overpayment & Reimb.	1,898		19,308	
Delinquent Taxes & Fees	17,771		10,468	
Dog Licenses	630		610	
Interest	273	22,984	469	33,178
TOTAL CASH RECEIPTS		$1,349,474		$1,393,970
CASH DISBURSEMENTS:				
Shia. Co.	$914,687		$920,543	
Corunna School Dist.	120,020		117,307	
Durand School Dist.	229,879		206,158	
Ambulance	38,585		15,770	
Venice Twp:				
General Fund	5,819		2,384	
Fire Fund	73,942		29,809	
Sewer Fund	9,394		2,288	
Ref. & Fees	1,433	1,393,759	-0-	1,294,259
EXCESS OF CASH RECEIPTS OVER CASH DISBURSE.		$ (44,285)		$ 99,711
CASH BALANCES:				
Cash Balance at 3-31-03 and 2001		110,376		10,665
CASH BALANCE AT 3-31-04 AND 2002		$ 66,091		$ 110,376

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets of the township.

VENICE TOWNSHIP
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
MARCH 31, 2004

ASSETS

Building and Land	$1,049,587
Office Equipment	42,212
Fire Equipment	524,094
	$1,615,893

FUND BALANCE

Investment in General Fixed Assets	$1,615,893

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
GENERAL FIXED ASSET ACCOUNT GROUP
ANALYSIS OF CHANGE IN FUND BALANCE
MARCH 31, 2004

	BALANCE 3-31-03	ADDITIONS	DELETIONS	BALANCE 3-31-04
Land & Buildings	$1,049,587	$ -0-	$ -0-	$1,049,587
Office Equip.	41,185	1,027	-0-	42,212
Fire Equip.	504,684	19,410	-0-	524,094
	$1,595,456	$20,437	$ -0-	$1,615,893

The accompanying notes are an integral part of the financial statements.

GENERAL LONG-TERM DEBT

To account for the long-term contract payable for construction of a new fire hall and township hall.

VENICE TOWNSHIP
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BALANCE SHEET
MARCH 31, 2004

ASSETS

	2004
Amount to be Provided for the Retirement of Contracts	$561,788

LIABILITIES

Loans Payable	$561,788

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
ANALYSIS OF CHANGE IN FUND BALANCE
MARCH 31, 2004

	BALANCE 3-31-03	INCREASES	DECREASES	BALANCE 3-31-04
Bank Note Payable - Building	$669,643	$ -0-	$107,855	$561,788

The accompanying notes are an integral part of the financial statements.

VENICE TOWNSHIP
LOANS PAYABLE - TOWNSHIP HALL
MARCH 31, 2004

DATE	PRINCIPAL	INTEREST	TOTAL PAYMENT
05-01-2004	$ 26,785.72	$ 6,975.00	$ 33,760.72
08-01-2004	26,785.72	6,642.86	33,428.58
11-01-2004	26,785.72	6,310.71	33,096.43
02-01-2005	26,785.72	5,978.57	32,764.29
05-01-2005	26,785.72	5,646.43	32,432.15
08-01-2005	26,785.72	5,314.28	32,100.00
11-01-2005	26,785.72	4,982.14	31,767.86
02-01-2006	26,785.72	4,650.00	31,435.72
05-01-2006	26,785.72	4,317.86	31,103.58
08-01-2006	26,785.72	3,985.71	30,771.43
11-01-2006	26,785.72	3,653.57	30,439.29
02-01-2007	26,785.72	3,321.43	30,107.15
05-01-2007	26,785.72	2,989.28	29,775.00
08-01-2007	26,785.70	2,657.14	29,442.84
11-01-2007	26,785.70	2,325.00	29,110.70
02-01-2008	26,785.70	1,992.86	28,778.56
05-01-2008	26,785.70	1,660.71	28,446.41
08-01-2008	26,785.70	1,328.57	28,114.27
11-01-2008	26,785.70	996.43	27,782.13
02-01-2009	26,785.70	664.29	27,449.99
05-01-2009	26,074.16	332.14	26,406.30
	$561,788.42	$ 76,724.98	$638,513.40

The accompanying notes are an integral part of the financial statements.

DEMIS and WENZLICK, P.C.
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MAR - 7

December 6, 2004

Venice Township
Lennon, Michigan

In compliance with the provisions of Section 11, of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of Venice Township for the year ended March 31, 2004.

GENERAL LEDGER AND CASH ACCOUNTS

The township is currently using the Uniform Chart of Accounts required by the Michigan Department of Treasury for Local Units of Government for recording revenues and expenditures. Each fund has a separate cash account maintained by the clerk which should be reconciled at the end of each month with the records maintained by the treasurer.

During our audit we noted cash accounts that were not in agreement with the records of the treasurer. For example, there were checks written and recorded in the general ledger that were not recorded on the books of the treasurer. We recommend that all cash accounts be reviewed and reconciled between the clerk and treasurer monthly.

SPECIAL REVENUE FUNDS

The township has Special Revenue Funds for Fire Maintenance and Fire Protection. Separate funds are required by the Department of Treasury for local units which levy special millage for fire protection. The township has separate checking accounts for both funds and separate funds in the ledger.

During our audit we noted that several expenditures for the Fire Protection Fund were paid for from the General Fund and recorded in the individual Fire Funds. We also noted several deposits which should have been deposited into the Fire Fund checking accounts, however, were deposited into General Fund checking.

SPECIAL REVENUE FUND (CONTINUED)

We recommend that all Special Revenue Fund revenues and expenditures be deposited and paid from the appropriate checking account. The township may approve transfers from the general fund to the special revenue funds when the funds in the accounts are insufficient to cover expenditures.

CASH RECEIPTS

All monies collected by the township should be receipted. Each receipt should have enough information to enable proper recording into the general ledger. We noted receipts with insufficient information for recording and a deposit that was not receipted.

TAX ACCOUNT

In the tax fund, checks were written to other township funds for monies owed as of March 31, 2004. However, some of these checks did not clear the bank until in May, 2004. All monies should be paid to the appropriate entity at March 31.

We recommend tax collections be disbursed to and deposited by the various funds on a timely basis.

BUDGET

The state revenue sharing distribution law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenues plus the beginning fund balance. During our audit we noticed several expenditures exceeded budgeted amounts. Care should be taken that expenditures do not exceed the budget.

We would like to thank the staff of the Township and the Township Board for the excellent cooperation we received for this year's audit. Our firm would be most happy to assist you in any way toward implementing the above recommendations, or any other matter the board may wish to review with us.

Very truly yours,

Dennis and Wengliski, P.C.

Certified Public Accountants