COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOWNSHIP OF BUNKER HILL

INGHAM COUNTY, MICHIGAN

MARCH 31, 2004

Michigan Dept. of Treasury, Local Audit & Finance Division
496 (3-98), Formerly L-3147

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type	Local Government Name	County
☐ City ☒ Township ☐ Village ☐ Other	BUNKER HILL	INGHAM

Audit Date	Opinion Date	Date Accountant Report Submitted to State:
3-31-04	5-25-04	6-21-04

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

RECEIVED
DEPT. OF TREASURY
JUN 22 2004
LOCAL AUDIT & FINANCE DIV.

We affirm that:

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

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

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

You must check the applicable box for each item below.

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

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

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

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

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

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

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

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

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

We have enclosed the following:

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

Certified Public Accountant (Firm Name)			
JAMES M. IRELAND, P.C.			
Street Address	City	State	ZIP
6920 S. CEDAR ST., SUITE #3	LANSING	MI	48911-6924
Accountant Signature			
James M. Ireland, CPA			

TOWNSHIP OF BUNKER HILL

TOWNSHIP BOARD

Ed Roark	-	Supervisor
Lillian Rice	-	Clerk
Jana Dufort	-	Treasurer
Julie Pulling	-	Trustee
Steve Prater	-	Trustee

TOWNSHIP OF BUNKER HILL

INGHAM COUNTY, MICHIGAN

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JAMES M. IRELAND, CPA, PC

6920 S. CEDAR ST., SUITE 3
LANSING, MICHIGAN 48911-6924
(517) 699-5320

Independent Auditor's Report

Members of the Township Board
Township of Bunker Hill
Ingham County, Michigan

Board members:

I have audited the accompanying general purpose financial statements of the Township of Bunker Hill as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of the township's management. My responsibility is to express an opinion on theses general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

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

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, 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 the Township of Bunker Hill. The information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in my opinion, is fairly state in all material respects in relation to the general purpose financial statements take as a whole.

James M. Ireland, P.C.
Certified Public Accountant

May 25, 2004

TOWNSHIP OF BUNKER HILL

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

March 31, 2004

	Governmental Fund Type	Fiduciary Fund Type	Account Group	
	General	Trust and Agency	General Fixed Assets	Total (Memo Only)
Assets				
Cash	$ 159,549	$ 56,883	$ -	$ 216,432
Delinquent taxes receivable	6,278	-	-	6,278
Fire runs receivable	2,220	-	-	2,220
Interest receivable	376	-	-	376
Due from other funds	56,883	-	-	56,883
Fixed assets	-	-	34,803	34,803
Total Assets	$ 225,306	$ 56,883	$ 34,803	$ 316,992
Liabilities				
Due to other funds	$ -	$ 56,883	$ -	$ 56,883
Fund Equity				
Investment in general fixed assets	-	-	34,803	34,803
Fund Balance:				
Unreserved	225,306	-	-	225,306
Total Fund Equity	225,306	-	34,803	260,109
Total Liabilities and Fund Equity	$ 225,306	$ 56,883	$ 34,803	$ 316,992

See accompanying notes to financial statements.

TOWNSHIP OF BUNKER HILL

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended March 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes	$ -	$ 58,445	$ 58,445
Licenses and permits	12,000	19,273	7,273
State grants	140,000	134,975	(5,025)
Charges for services	10,000	14,035	4,035
Miscellaneous	1,300	12,760	11,460
Total Revenues	163,300	239,488	76,188
Expenditures			
Legislative	1,690	1,495	195
General government	99,591	92,409	7,182
Public safety	47,838	45,542	2,296
Public works	39,502	37,586	1,916
Culture and recreation	500	500	-
Other functions	8,391	8,359	32
Capital outlay	500	438	62
Total Expenditures	198,012	186,329	11,683
Excess (Deficiency) of Revenues over Expenditures	(34,712)	53,159	87,871
Fund Balance, April 1	172,147	172,147	-
Fund Balance, March 31	$ 137,435	$ 225,306	$ 87,871

See accompanying notes to financial statements.

TOWNSHIP OF BUNKER HILL

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Basis of Presentation

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

The financial activities of the Township of Bunker Hill are recorded in separate funds and account groups, categorized as follows:

GOVERNMENTAL FUNDS

General Fund

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

FIDUCIARY FUNDS

Trust and Agency Funds

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNT GROUPS

General Fixed Assets Account Group

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

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

CASH, CASH EQUIVALENTS, AND INVESTMENTS

For purposes of the statement of cash flows, demand deposits and short-term investments with a maturity date of three months or less when acquired are considered to be cash equivalents.

Investments are stated at cost.

BASIS OF ACCOUNTING

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

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

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

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

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

TOWNSHIP OF BUNKER HILL

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting:

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

1. Prior to December 1, the Supervisor submits to the Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them. The budgets are adopted to the activity level.
2. Public hearings are conducted at the Township hall to obtain taxpayer comments.
3. Prior to February 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the governmental fund types and the expendable trust funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budgeted amounts are as originally adopted, or as amended by the Township Board.

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 Township's financial position and operations.

Investments:

Investments are stated at cost.

Total Columns on Combined Statements - Overview:

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

BALANCE SHEET--CASH AND INVESTMENTS

Deposits are carried at cost. Deposits are in three financial institutions in the name of Bunker Hill Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, which are guaranteed as to principal and interest by the United States, including securities issued by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two

TOWNSHIP OF BUNKER HILL

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BALANCE SHEET--CASH AND INVESTMENTS (continued)

standard rating services which mature not more than 270 days after the date of purchase and which involve no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan. The Township's deposits are in accordance with statutory authority.

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

Deposits	
Insured (FDIC)	$216,432
Uninsured	-
Total Deposits	$216,432

At year end, the balance sheet carrying amount of deposits was $216,432.

FIXED ASSETS

Changes in General Fixed Assets	Balance 4/1/03	Additions	Balance 3/31/04
Land and buildings	$18,889	$ -	$18,889
Office equipment and furniture	12,565	438	13,003
Machinery and equipment	2,911	-	2,911
Totals	$34,365	$438	$34,803

Interfund Receivables and Payables

Interfund receivables and payables as of March 31, 2004 are as follows:

	Receivables	Payables
General		
Current Tax	$56,883	$ -
	-	56,883
Totals	$56,883	$56,883

TOWNSHIP OF BUNKER HILL

NOTES TO FINANCIAL STATEMENTS

March 31, 2004

Property Tax and Delinquent Taxes Receivable

Taxes are levied for the Township on December 1. The Township bills and collects its own property taxes. Property taxes not paid to the Township treasurer by the final due date in march are turned over to the County treasurer. The County purchases the delinquent taxes of the Township and normally remits the taxes to the township the following year. The taxes paid by the county are included as revenue on the Township's books at the preceding March 31 date.

The 2003 Taxable valuation of the Township totaled $50,675,017 on which ad valorem taxes levied consisted of .7880 mills for operating purposes. These amounts are recognized in the general fund.

Delinquent Taxes Receivable

	Taxes	PTAF	Total
2003 Tax Levy	$39,947	$18,498	$58,445
2003 Taxes Collected	35,538	16,629	52,167
2003 Taxes Uncollected	4,409	1,869	6,278
Delinquent Taxes Receivable, April 1	-	-	-
Delinquent Taxes Collected	-	-	-
Delinquent Taxes Receivable, March 31	$ 4,409	$ 1,869	$ 6,278
Summary by Year of Levy, 2003	$ 4,409	$ 1,869	$6,278

TOWNSHIP OF BUNKER HILL
GENERAL FUND

BALANCE SHEET

March 31, 2004

Assets	
Cash in bank - checking	$ 91,234.34
Cash - certificates of deposit	68,314.61
Delinquent taxes receivable	6,277.61
Accounts receivable	2,220.00
Interest receivable	376.00
Due from tax fund	56,882.94
Total Assets	$ 225,305.50
Fund Balance	
Unreserved	$ 225,305.50

See accompanying notes to financial statements.

TOWNSHIP OF BUNKER HILL
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes:			
Property taxes		$ 39,946.99	
Property tax administration fees		18,498.31	
Total Taxes	$ -	58,445.30	$ 58,445.30
Licenses and permits:			
Building permits	12,000.00	19,273.00	7,273.00
State grants:			
State revenue sharing	140,000.00	134,975.00	(5,025.00)
Charges for services:			
Collection fees		2,755.00	
Land division		1,525.00	
EMS runs		1,210.00	
Fire runs		8,544.60	
Total Charges for Services	10,000.00	14,034.60	4,034.60
Miscellaneous:			
Interest earned		4,045.68	
Rents and royalties		1,850.00	
Election reimbursement		718.52	
Miscellaneous		6,146.01	
Total Miscellaneous	1,300.00	12,760.21	11,460.21
Total Revenues	$ 163,300.00	$ 239,488.11	$ 76,188.11

TOWNSHIP OF BUNKER HILL
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures			
Township board:			
Salaries	$ 1,690.00	$ 1,495.00	$ 195.00
Supervisor:			
Salaries		10,299.97	
Office supplies		467.87	
Mileage		359.03	
Total Supervisor	11,400.00	11,126.87	273.13
Elections:			
Salaries		457.80	
Printing and publishing		275.99	
Total Elections	733.79	733.79	-
Assessor:			
Contracted services	9,800.00	9,800.00	-
Attorney:			
Contracted services	13,800.00	13,713.75	86.25
Clerk:			
Salaries		9,999.97	
Office supplies		5,476.27	
Mileage		190.28	
Total Clerk	15,781.56	15,666.52	115.04
Board of review:			
Salaries	925.00	925.00	-
Forward	$ 54,130.35	$ 53,460.93	$ 669.42

TOWNSHIP OF BUNKER HILL
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Fowarded	$ 54,130.35	$ 53,460.93	$ 669.42
Expenditures (cont'd)			
Treasurer:			
Salaries		11,300.00	
Office supplies		104.58	
Mileage		241.50	
Total Treasurer	11,800.00	11,646.08	153.92
Hall and grounds:			
Salaries		900.00	
Telephone		3,212.15	
Utilities		2,323.07	
Repairs and maintenance		11,016.07	
Total Hall and grounds	18,900.00	17,451.29	1,448.71
Cemetery:			
Supplies		255.00	
Repairs and maintenance		2,100.00	
Total Cemetery	2,550.00	2,355.00	195.00
Other financial administration:			
Professional services		2,821.27	
Printing and publishing		2,680.65	
Dues and meetings		967.96	
Miscellaneous		2,520.74	
Total Other Financial Administration	13,900.00	8,990.62	4,909.38
Forward	$ 101,280.35	$ 93,903.92	$ 7,376.43

TOWNSHIP OF BUNKER HILL
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Fowarded	$ 101,280.35	$ 93,903.92	$ 7,376.43
Expenditures (cont'd)			
Fire:			
Contracted services	30,038.19	30,993.51	(955.32)
Building inspection:			
Salaries		8,730.00	
Office supplies		1,353.80	
Contracted services		1,351.75	
Telephone		119.82	
Total Building Inspection	14,200.00	11,555.37	2,644.63
Planning and zoning:			
Salaries		285.00	
Contracted services		1,691.56	
Transportation		1,016.70	
Total Planning and Zoning	3,600.00	2,993.26	606.74
Drain at large:			
County drain tax	5,741.89	4,392.48	1,349.41
Highways and streets:			
Contracted services		30,960.17	
Street lighting		1,470.32	
Total Highways and Streets	32,760.17	32,430.49	329.68
Sanitation:			
Contracted services	1,000.00	763.00	237.00
Forward	$ 188,620.60	$ 177,032.03	$ 11,588.57

TOWNSHIP OF BUNKER HILL
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended March 31, 2004

	Budget	Actual	Variance - Favorable (Unfavorable)
Fowarded	$ 188,620.60	$ 177,032.03	$ 11,588.57
Expenditures			
Culture and recreation:			
Office on aging contribution	500.00	500.00	-
Other functions:			
Social security		3,216.52	
Insurance and bonds		5,142.75	
Total Other Functions	8,391.25	8,359.27	31.98
Capital outlay:			
Equipment	500.00	437.97	62.03
Total Expenditures	198,011.85	186,329.27	11,682.58
Excess (Deficiency) of Revenues over Expenditures	(34,711.85)	53,158.84	87,870.69
Fund Balance, April 1	172,146.66	172,146.66	-
Fund Balance, March 31	$ 137,434.81	$ 225,305.50	$ 87,870.69

See accompanying notes to financial statements.

TOWNSHIP OF BUNKER HILL

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

Year Ended March 31, 2004

	Balance 4/1/03	Additions	Deductions	Balance 3/31/04
Current Tax Collection Fund				
Assets:				
Cash	$ 54,650.64	$ 1,683,961.71	$ 1,681,729.41	$ 56,882.94
Liabilities:				
Due to county	$ -	$ 481,586.46	$ 481,586.46	$ -
Due to state	-	238,306.42	238,306.42	-
Due to schools	-	907,185.89	907,185.89	-
Due to general fund	54,650.64	56,882.94	54,650.64	56,882.94
Total Liabilities	$ 54,650.64	$ 1,683,961.71	$ 1,681,729.41	$ 56,882.94

See accompanying notes to financial statements.

TOWNSHIP OF BUNKER HILL
CURRENT TAX COLLECTION FUND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended March 31, 2004

Balance, April 1		$ 54,650.64
Receipts		
Current Property taxes and drains	$ 1,662,766.28	
Property tax administration fees	16,629.38	
Interest	1,431.60	
Special assessments	2,762.00	
SET interest	372.45	
Total Receipts		1,683,961.71
Total Receipts and Balance, April 1		1,738,612.35
Disbursements		
Ingham County	481,586.46	
State of Michigan	238,306.42	
Dansville Schools	178,540.71	
Leslie Schools	196,776.70	
Stockbridge Schools	85,303.52	
Ingham Intermediate Schools	272,873.56	
Lansing Community College	173,691.40	
General Fund	54,650.64	
Total Disbursements		1,681,729.41
Balance, March 31		$ 56,882.94

See accompanying notes to financial statements.