

# **For Charter Township of Canton Wayne County, Michigan**

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## **Comprehensive Annual Financial Report with Supplemental Information For the Fiscal Year Ended December 31, 2009**

**Supervisor**

Philip J. LaJoy

**Clerk**

Terry Bennett

**Treasurer**

Melissa McLaughlin

**Trustees**

John Anthony

Todd Caccamo

Syed S. Taj

Pat Williams

**Finance Director**

Richard A. Eva, Jr.

Prepared by the Finance Department

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# Charter Township of Canton

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# Charter Township of Canton

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June 15, 2010

GENERAL OFFICES

1150 Canton Center S  
Canton, MI 48188-1699  
734/394-5100  
734/394-5128 FAX

Philip J. LaJoy  
Supervisor  
394-5185  
394-5234 FAX

Terry G. Bennett  
Clerk  
394-5120  
394-5128 FAX

Melissa McLaughlin  
Treasurer  
394-5130  
394-5139 FAX

John Anthony  
Todd Caccamo  
Syed S. Taj  
Pat Williams  
Trustees

To the Board of Trustees and Citizens of the  
Charter Township of Canton  
Wayne County, Michigan

State law requires that the Township publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This letter serves to formally transmit to the Board and the Township Citizens the Comprehensive Annual Financial Report for the 2009 fiscal year within the required time line. Responsibility for the accuracy, completeness and fairness of the data herein, including all disclosures, rests with the management of the Township.

The Township has engaged Plante & Moran, PLLC to audit the financial records of the Township. They have issued an unqualified (“clean”) opinion on the Charter Township of Canton’s Financial Statements for the year ending December 31, 2009. This Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and should be read in conjunction with it. The MD&A provides a narrative, introduction, overview and analysis of the basic financial statements.

**Profile of the Government**

Canton Township was established on March 7, 1834 and was incorporated as a Charter Township on July 25, 1961. The Township is located in the southeastern part of the state in Wayne County and is approximately 13 miles west of Detroit and is approximately 15 miles east of Ann Arbor. Canton Township encompasses 36.12 square miles and serves a population of 88,944 based on the December, 2009 estimate by Southeast Michigan Council of Government.

Canton Township provides a full range of services, including police and fire protection, recreational and cultural activities, sanitation and water and sewer activities.

The Township has two component units, one being the Charter Township of Canton Building Authority, whose activities are reported as if they were part of the primary government, although they are legally separate. The second, the Downtown Development Authority (DDA) also legally separate, is presented separately in the statements. Additional information regarding these component units can be found in the notes to the financial statements (See Note #1).

The Township also participates in two joint ventures, Western Township Utilities Authority (WTUA) and the 35<sup>th</sup> District Court System. Canton Township's participation in these joint ventures is recognized in the financial statements of the Township. Additional information regarding these joint ventures can be found in the notes to the financial statements (See Note #13).

The Board of Trustees is required to adopt a final budget by no later than December 31<sup>st</sup> each year. The annual budget is adopted on a fund basis. The Charter Township Supervisor is authorized to transfer budgeted amounts within budgetary centers (activity); however, any revisions that alter the total expenditures of any budgetary center (activity) must be approved by the Board.

Unemployment in the Township remained relatively low at 5.1% for December compared to 15.8% in the county and 14.3% in the state. Employment levels are expected to remain stable over the next year.

### **Local Economy**

The Township has established an Economic Development Department to assist the community in attracting and retaining business

Many new commercial and industrial projects were completed in 2009. Projects completed included: St. Joseph Mercy Outpatient Cancer and Surgery Center, Sysco Foods Warehouse and Distribution Center, Canton Friendship Church, Singh Sabha Temple, Danotek Motion Wind Turbine Generators, Super Fine Wines, CVS Drugs, Canton Corners Retail Renovation and Expansion (Hobby Lobby, Home Goods, Buy Buy Baby, Potbelly, AT&T, Game Stop, ScottTrade, etc.), Walmart Expansion (Ford Road Store), Sam's Club Expansion, Crystal Creek Seniors Care, L. George Coney Island, and the Karapatsakis Office Building.

In addition, there were several reoccupancies during 2009 including; Howden Buffalo, HD Water Supply, MSA Transport, Life Church and Sheldon Place Senior Residence.

There were 38 single family residential home permits issued during the year while housing remodeling permits remained steady.

### **Long-term Financial Planning**

Unreserved, undesignated fund balance in the general fund (25.7 percent of total general fund expenditures) meets management's guidelines of 15% minimum for budgeting and planning purposes. A formal policy will be submitted for approval to the Canton Township Board of Trustees during the 2011/2012 budget process.



Police and Fire are not included in the activity of the General Fund but are shown as special revenue funds as they each have a dedicated millage. Fund balances for the two funds are; Police (14.4% of total expenditures) and Fire (29.7% of total expenditures).

As part of the Townships long-term financial planning, the Township plans on moving to a multi-year budget process. This process will be initiated in 2010 for the budgets of 2011 and 2012.

### **Award and Acknowledgements**

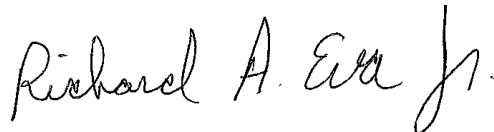
The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in financial reporting to the Charter Township of Canton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. This was the 17th consecutive year the Charter Township received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Sincerely,



Philip J. LaJoy  
Canton Supervisor



Richard A. Eva, Jr.  
Director of Finance and Budget

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charter Township of Canton  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

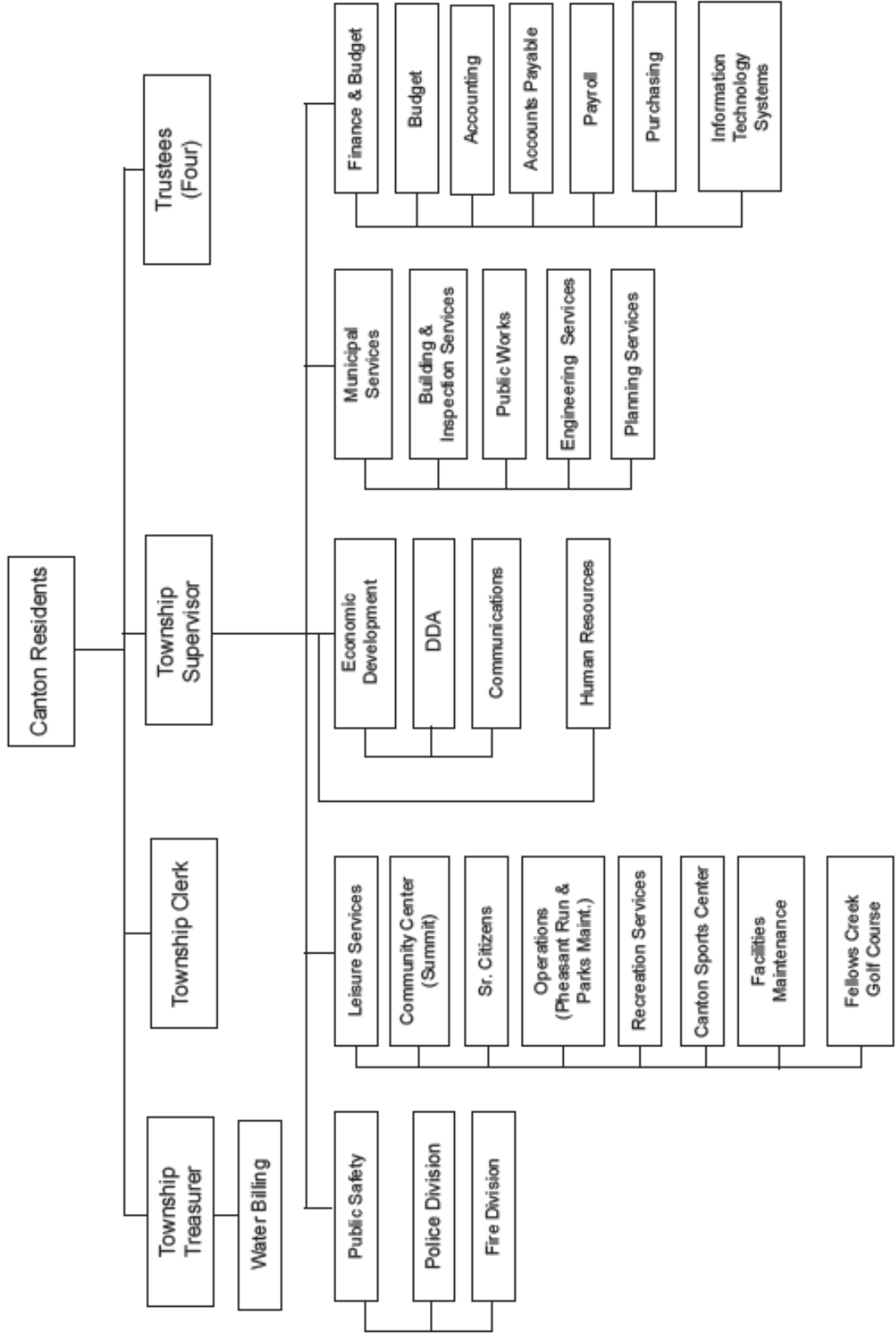
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

# CHARTER TOWNSHIP OF CANTON



# Charter Township of Canton

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## List of Principal Officials as of December 31, 2009

### Supervisor's Office

Supervisor	Philip J. LaJoy
Economic Development Manager	Debra Bilbrey-Honsowetz
Human Resources Manager	David Medley
Legal and Contract Administration Manager	Audrey Robinson

### Clerk's Office

Clerk	Terry G. Bennett
Deputy Clerk	Mike Sheppard

### Treasurer's Office

Treasurer	Melissa McLaughlin
Assistant Treasurer	Bruce Malinczak

### Finance and Budget Division

Director	Richard A. Eva, Jr.
Accounting Manager	Britt Winter
Budget, Benefits and Internal Audit Manager	Carolyn Cox
Information Technology Manager	John Spencer

### Municipal Services Department

Director	Timothy Faas
Building Official	John Weyer
Township Engineer	Thomas Casari
Community Planner	Jeffrey Goulet

### Leisure Services Department

Director	Ann Conklin
Chief of Parks	Brad Sharp

### Public Safety Department

Director	Patrick Nemecek
Deputy Chief	Robert Kerr
Fire Chief	Michael Rorabacher
Fire Marshall	Frank Barrett

# Charter Township of Canton

## Labor Agreements as of December 31, 2009

Bargaining Unit	Expiration Date	Number of Employees
Police:		
Deputy chiefs	12/31/09	1
Sergeants and lieutenants	12/31/12	16
Police Officers Association of Michigan - Represents police officers and dispatchers	06/30/11	83
International Association of Firefighters - Represents firefighters	06/30/11	61
Technical, Professional, and Officeworkers Association of Michigan - Represents clerical employees	12/31/11	60
American Federation of State, County, and Municipal Employees - Represents public works employees, facilities maintenance employees, building inspectors, and ordinance officers	03/31/12	<u>68</u>
Total		<u><u>289</u></u>

# Charter Township of Canton

## Summary of Personnel - Budgeted Positions As of December 31, 2009

	<u>Full-time</u>	<u>Part-time</u>
Supervisor:		
Supervisor's Office	3	1
Economic Development	1	-
Cable Television	3	3
Human Resources	5	1
Downtown Development	2	-
Clerk's Office	7	-
Treasurer:		
Treasurer's Office	6	-
Utility Billing	4	-
Public Safety:		
Fire and Emergency Management	73	-
Police	112	1
Finance and Budget:		
Finance and Budget	10	-
Information Technology Systems	7	-
Municipal Services:		
Director's Office	3	-
Building and Inspection Services	11	-
Engineering Services	15	-
Fleet Maintenance	7	-
Planning Services	6	-
Public Works	27	-
Stormwater Drains	3	-
Leisure Services:		
Director's Offices	8	2
Facilities Maintenance	11	-
Parks Division	12	-
Summit Community Center	10	-
Pheasant Run Golf Course	2	1
Parks and Recreation	9	-
Softball Center	2	-
Performing Arts	3	1
	<u>362</u>	<u>10</u>
Total budgeted employees		

# Charter Township of Canton

## Fund Organization Chart

<u>Fund Name</u>	<u>Fund Number</u>
<b>Governmental Funds</b>	
<b>General Fund</b>	101
<b>Special Revenue Funds</b>	
Fire	206
Police	207
Community Center	208
Street Lighting	219
Cable TV	230
Public Improvement	245
Community Improvement	246
911 Service	261
Special Investigation	266, 267, & 289
Community Development Block Grant	274
<b>Debt Service Funds</b>	
Special Assessment Debt Service	852
Building Authority	369
<b>Capital Projects Funds</b>	
Capital Projects- Road	403
<b>Proprietary Funds</b>	
<b>Enterprise Funds</b>	
Water and Sewer	592 & 402
Golf Course	584 & 469
<b>Internal Service Fund</b>	
Fleet Maintenance	661
<b>Fiduciary Funds</b>	
<b>Trust and Agency Funds</b>	
Tax Collections	703
Other Agency	701
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## Independent Auditor's Report

To the Township Board  
Charter Township of Canton

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Canton as of and for the year ended December 31, 2009, which collectively comprise the Charter Township of Canton's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Canton's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Canton as of December 31, 2009 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.

To the Township Board  
Charter Township of Canton

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Canton's basic financial statements. The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The introductory section, other supplemental information, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not required parts of the basic financial statements. The budgetary comparison schedules, combining balance sheets, and combining statements of revenue, expenditures, and changes in fund balance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2010 on our consideration of the Charter Township of Canton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Plante & Moran, PLLC*

June 3, 2010

# Charter Township of Canton

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## Management's Discussion and Analysis

### Overview of the Financial Statements

Canton's 2009 annual report is presented in conformity with the requirements of GASB 34. This annual report consists of five parts - management's discussion and analysis, the basic financial statements, required supplementary information, other supplemental information, which presents combining statements for nonmajor governmental funds and fiduciary funds, and a statistical section. The basic financial statements include two sets of statements that present different views of the Charter Township. The first set of statements is government-wide financial statements that provide both long-term and short-term information about the Charter Township's overall financial status. The second set of statements is fund financial statements that focus on individual parts of the Charter Township's government, reporting the Charter Township's operations in more detail than the government-wide statements.

### Government-wide Statements

The government-wide statements report information about the Charter Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid (full accrual).

The two government-wide statements report the Charter Township's net assets and how they have changed. Net assets, the difference between the Charter Township's assets and liabilities, are one way to measure the Charter Township's financial health or position.

The government-wide financial statements of the Charter Township are divided into three categories:

- **Governmental Activities** - Most of the Charter Township's basic services are included here, such as the police, fire, public works, leisure services, and general administration. Property taxes, state-shared revenue, charges for services, and two special operating millages provide most of the funding.
- **Business-type Activities** - The Charter Township charges fees to customers to help it cover the costs of certain services it provides. The Charter Township's water and sewer system and golf operations are treated as business-type activities.
- **Component Units** - The Charter Township includes one other entity in its report, the Canton Downtown Development Authority. Although legally separate, this "component unit" is important because the Charter Township is financially accountable for them, including debt, which was issued on behalf of the authorities by the Charter Township.

# Charter Township of Canton

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## Management's Discussion and Analysis (Continued)

### Fund Financial Statements

The fund financial statements provide more detailed information about the Charter Township's most significant funds - not the Charter Township as a whole. Funds are accounting devices that the Charter Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and bond covenants. The Charter Township board establishes other funds to control and manage money for particular purposes.

The Charter Township has three types of funds:

- **Governmental Funds** - Most of the Charter Township's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Charter Township's programs.
- **Proprietary Funds** - Services for which the Charter Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long- and short-term financial information.
- **Fiduciary Funds** - The Charter Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Charter Township's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Charter Township's government-wide financial statements because the Charter Township cannot use these assets to finance its operations.

# Charter Township of Canton

## Management's Discussion and Analysis (Continued)

### Financial Overview

The Charter Township has combined total net assets of \$215.8 million. This is a decrease from 2008 of approximately \$5.5 million. Business-type activities comprise \$141.4 million, and governmental activities make up \$74.4 million of the total net assets. In a condensed format, the table below shows a comparison of the net assets as of the current date to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008*	2009	2008*
<b>Assets</b>						
Current and other assets	\$ 61,172,273	\$ 68,296,302	\$ 35,904,087	\$ 49,793,551	\$ 97,076,360	\$ 118,089,853
Noncurrent assets	4,404,340	4,719,809	-	-	4,404,340	4,719,809
Capital assets and investments in joint ventures	<u>84,978,071</u>	<u>85,184,991</u>	<u>159,259,255</u>	<u>149,273,902</u>	<u>244,237,326</u>	<u>234,458,893</u>
Total assets	150,554,684	158,201,102	195,163,342	199,067,453	345,718,026	357,268,555
<b>Liabilities</b>						
Current liabilities	35,216,102	36,513,109	4,491,136	7,672,414	39,707,238	44,185,523
Long-term liabilities	<u>41,000,780</u>	<u>40,902,098</u>	<u>49,242,765</u>	<u>50,891,033</u>	<u>90,243,545</u>	<u>91,793,131</u>
Total liabilities	<u>76,216,882</u>	<u>77,415,207</u>	<u>53,733,901</u>	<u>58,563,447</u>	<u>129,950,783</u>	<u>135,978,654</u>
<b>Net Assets</b>						
Invested in capital assets -						
Net of related debt	54,914,974	53,231,465	88,447,727	88,787,902	143,362,701	142,019,367
Restricted:						
Police and fire	5,704,102	7,913,805	-	-	5,704,102	7,913,805
Street lighting	88,138	64,470	-	-	88,138	64,470
911 activities	2,268,606	1,963,406	-	-	2,268,606	1,963,406
Special Investigation	1,175,475	994,419	-	-	1,175,475	994,419
Debt service	4,055,841	5,427,462	-	-	4,055,841	5,427,462
WTUA capital projects	-	-	18,055,888	29,790,020	18,055,888	29,790,020
Unrestricted	<u>6,130,666</u>	<u>11,190,868</u>	<u>34,925,826</u>	<u>21,926,084</u>	<u>41,056,492</u>	<u>33,116,952</u>
Total net assets	<u>\$ 74,337,802</u>	<u>\$ 80,785,895</u>	<u>\$ 141,429,441</u>	<u>\$ 140,504,006</u>	<u>\$ 215,767,243</u>	<u>\$ 221,289,901</u>

\*Restated for comparability.

In the governmental activities, unrestricted net assets were reduced by \$5.0 million, of which \$2.0 million was attributable to an increased investment in capital assets, \$1.0 million attributable to a reduction in Public safety operating levy and a \$1.0 million reduction in investment earnings.

In the business-type activities, net assets increased by \$0.9 million. The net assets invested in capital assets – net of related decreased by approximately \$0.4 million. Restricted net assets decreased \$11.7 million and unrestricted net assets increased by \$13 million. The main cause of the decrease in restricted net assets and the increase in unrestricted net assets was the increase in the Investment in joint venture due to WTUA's construction.

# Charter Township of Canton

## Management's Discussion and Analysis (Continued)

The following table shows the changes in net assets for 2009 and 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 9,369,641	\$ 9,607,734	\$ 27,220,395	\$ 27,027,981	\$ 36,590,036	\$ 36,635,715
Operating grants and contributions	2,480,678	1,784,920	17,698	-	2,498,376	1,784,920
Capital grants and contributions	488,857	880,719	-	432,834	488,857	1,313,553
General revenue:						
Property taxes	10,139,914	10,526,330	-	-	10,139,914	10,526,330
Public safety operating levy	21,717,029	22,762,912	-	-	21,717,029	22,762,912
State-shared revenue	5,045,295	5,852,220	-	-	5,045,295	5,852,220
Franchise fees and royalties	2,194,569	2,339,226	-	-	2,194,569	2,339,226
Investment earnings	723,406	1,646,081	563,987	1,953,054	1,287,393	3,599,135
Miscellaneous	632,453	796,726	156,098	48,635	788,551	845,361
Total revenue	52,791,842	56,196,868	27,958,178	29,462,504	80,750,020	85,659,372
<b>Program Expenses</b>						
General government	8,803,717	8,458,738	-	-	8,803,717	8,458,738
Public safety	28,220,711	27,409,325	-	-	28,220,711	27,409,325
Public works	8,126,977	7,502,335	-	-	8,126,977	7,502,335
Health and welfare	410,703	398,253	-	-	410,703	398,253
Community and economic development	1,752,539	1,269,725	-	-	1,752,539	1,269,725
Recreation and culture	9,635,079	9,704,756	-	-	9,635,079	9,704,756
Interest on long-term debt	1,315,953	1,437,625	-	-	1,315,953	1,437,625
Water and sewer	-	-	26,048,538	29,805,654	26,048,538	29,805,654
Golf course	-	-	1,958,461	1,942,810	1,958,461	1,942,810
Total program expenses	58,265,679	56,180,757	28,006,999	31,748,464	86,272,678	87,929,221
<b>Excess of Revenue Over (Under) Expenses - Before transfers</b>	(5,473,837)	16,111	(48,821)	(2,285,960)	(5,522,658)	(2,269,849)
<b>Transfers</b>	(974,256)	(529,521)	974,256	529,521	-	-
<b>Change in Net Assets</b>	(6,448,093)	(513,410)	925,435	(1,756,439)	(5,522,658)	(2,269,849)
<b>Net Assets - Beginning of year</b>	80,785,895	81,299,305	140,504,006	142,260,445	221,289,901	223,559,750
<b>Net Assets - End of year</b>	<u>\$ 74,337,802</u>	<u>\$ 80,785,895</u>	<u>\$ 141,429,441</u>	<u>\$ 140,504,006</u>	<u>\$ 215,767,243</u>	<u>\$ 221,289,901</u>

### Governmental Activities

Revenues for governmental activities totaled \$52.8 million in 2009. A total of \$10.1 million was in the form of property tax collections, a decrease of \$0.4 million from 2008. This decrease was mainly due to a decrease in taxable value from 2007 to 2008 of \$124 million. The police and fire special assessment millage generated \$21.7 million, a decrease in \$1.1 million from 2008. Also of note is a decrease in investment income of \$0.9 million and a decrease in State Shared revenues of \$0.8 million.

# **Charter Township of Canton**

## **Management's Discussion and Analysis (Continued)**

### **Business-type Activities**

The Charter Township has two business-type activities. These include the water and sewer operations, and the operating fund for the Pheasant Run and Fellows Creek golf courses. Revenues for business-type activities were \$28.0 million. A total of \$1.3 million was attributable to golf operations. The Charter Township owns two golf courses. The Pheasant Run course is operated by the Charter Township and is an upscale public course. Operating revenues were impacted in 2009 as in 2008 by a downturn in the State of Michigan's economy and poor weather throughout the season. Fellows Creek is leased to an operator, and the lessee pays a fixed fee to the Charter Township. The amount received in 2009 was approximately \$131,000.

The water and sewer operation is much larger. Water is provided to the Charter Township residents via the Detroit Water and Sewer Department. Sewage treatment is provided by contracts with Western Township Utility Authority, Wayne County, and the Ypsilanti Community Utility Authority. The Charter Township is funding the WTUA project for the Lower Rouge Equalization Basin. Of the \$44 million in bonds that were issued in 2007, \$34.8 million has been spent or committed to date. The remaining funds will be spent in 2010 and 2011 to complete the project. The bonds will be repaid with dollars generated from Water & Sewer rates over the life of the bonds.

### **Current Economic Events**

While still in an economic downturn, the Charter Township of Canton continued to experience slow growth in 2009. While a drop from last year (70), there were 35 new housing permits pulled in 2009.

Commercial and industrial still lead the way as numerous projects were completed or started in 2009. Completed projects included: St. Joseph Mercy Outpatient Cancer and Surgery Center, Sysco Foods Warehouse and Distribution Center, Canton Friendship Church, Danotek Motion Wind Turbine Generators, Super Fine Wine, CVS Drugs, Canton Corners Retail renovation and expansion (Hobby Lobby, Home Goods, Buy Buy Baby, Potbelly, AT&T, Game Stop, Scott Trade, etc.), Walmart expansion, Sam's Club expansion, Crystal Creek Seniors Care, L. George Coney Island and Karapatsakis Office Building.

In addition, there were several reoccupancies during 2009 including: Howden Buffalo, HD Water Supply, MSA Transport, Life Church and Sheldon Place Senior Residence.

The Township's Planning Department continued to review various projects and some of the 2010 projects are: Walmart Store, Cherry Hill Village Phase 4, Cherry Hill Crossing Phase 3, Hindu Temple, and the Michigan Institute of Aviation Training.

The Charter Township of Canton is taking an active role in encouraging companies to develop their projects in Canton. An Economic Development department was established in 2009 to promote Canton as a business-friendly community.

# **Charter Township of Canton**

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## **Management's Discussion and Analysis (Continued)**

Revenue sharing and property taxable values continue to be significant budgetary concerns. The State of Michigan's current budgetary problems have had a direct effect on the revenue Sharing payments received by the township. Payments received were \$0.5 million less than the projected budget for 2009 and \$0.8 million less than funds received in 2008. Projections for the near future show a continued reduction.

Property taxable values dropped again in 2009 for residential at the rate of approximately 12 percent with commercial growth offsetting the decline with a net decline of 6 percent. Continued decline is projected in 2010 of around 12 percent with 2011 dropping only 6 percent. The Township is taking steps to address this lost revenue as it moved into a multi-year budgeting process.

The Charter Township local operating millage, levied in December 2009, was reduced to 2.366 mills eliminating the 0.25 mills for improving roads in the community. The Police millage increased to 3.926 mills and the Fire millage remained at 2.358 mills. Overall, the total direct millage rate remained the same as 2008 at 8.65 mills.

### **Financial Analysis of Township Funds and Budgets**

The General Fund ended 2009 with a fund balance of \$6.0 million (25.7% of total General Fund expenditures), with \$184,540 reserved for encumbrances. The Township had budgeted to use \$1 million of the fund balance as the prior year percentage of 28.4 percent exceeded management's target of 15 to 25 percent. In addition, the shortfall of \$0.5 million from State Revenue Sharing attributed to the \$1.5 million reduction in the General Fund fund balance in 2009. The Township has addressed these issues in the 2010 budget.

Expenditures in the General Fund were \$1.6 million below the final budget. When compared to 2008 expenditures, the 2009 actual was \$.7 million higher or a 3 percent increase.

The General Fund budget is amended throughout the year as deemed necessary. This is primarily done to prevent overexpenditures. With that in mind, the General Fund expenditures were 94.2 percent of budget.

Police and fire operations are funded separately through special assessment millages. These funds are restricted as to their use and can only be used for Public Safety expenditures.

The Fire fund ended the year with a fund balance of \$3.3 million (32.5%), a decrease from 2008 of \$0.3 million. As in the General Fund, the 2009 budget included \$1.0 million use of fund balance to bring down the Fund Balance percentage. Due to increased revenues from EMT transports, decreases in budgeted expenditures and a decrease in property tax revenue, the reduction to fund balance was only \$0.3 million.



# **Charter Township of Canton**

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## **Management's Discussion and Analysis (Continued)**

The Police fund ended the year with a fund balance of \$2.4 million (15.2%), a decrease from 2008 of \$1.9 million. As in the General and Fire Funds, money was budgeted to use fund balance to bring the fund balance into the target of 15 to 25 percent as well as to fund the cell block renovations.

### **Capital Assets and Debt Administration**

The Charter Township started and continued several capital projects in 2009. Projects that were in progress include the Lower Rouge Trail System, continued improvements at Fellows Creek Golf Course, intersection improvements at Cherry Hill at Lilley, Cherry Hill at Haggerty and Warren at Lilley. The Sanitary Sewer Relief project was started in 2005 and is in progress. For more detailed information on capital asset activity, please refer to Note 4 – Capital Assets on pages 35-38. For more detailed information on long-term debt activity, please refer to Note 7 – Long-Term Debt on pages 41-44.

### **Contact Us**

This report is intended to aid our residents and other interested parties in understanding the Charter Township's financial condition. Should you have further questions, please contact the finance and budget department at the Canton administration building.

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# Charter Township of Canton

## Statement of Net Assets December 31, 2009

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 14,170,681	\$ 1,288,253	\$ 15,458,934	\$ 326,313
Investments (Note 3)	23,302,319	8,693,832	31,996,151	4,515,170
Receivables, net:				
Property taxes	13,883,414	-	13,883,414	1,831,267
Customers	-	8,126,210	8,126,210	-
Special assessments	4,136,993	-	4,136,993	-
Accrued interest and other receivables	951,585	120,036	1,071,621	-
Internal balances	1,494,098	(1,494,098)	-	-
Due from other governmental units	1,120,609	-	1,120,609	896,509
Other assets	2,005,817	66,062	2,071,879	-
Inventories	106,757	610,598	717,355	-
Restricted assets (Note 8)	-	18,234,471	18,234,471	1,966,027
Investment in joint venture (Note 13):				
35th District Courthouse Authority	1,857,798	-	1,857,798	-
Western Townships Utilities Authority (WTUA)	-	63,131,797	63,131,797	-
Capital lease receivable	4,404,340	-	4,404,340	-
Nondepreciable capital assets (Note 4)	19,306,720	12,459,077	31,765,797	6,970,038
Depreciable capital assets, net (Note 4)	63,813,553	83,668,381	147,481,934	5,787,181
Net unamortized bond issuance costs	-	258,723	258,723	43,453
<b>Total Assets:</b>	<b>150,554,684</b>	<b>195,163,342</b>	<b>345,718,026</b>	<b>22,335,958</b>
<b>Liabilities</b>				
Accounts payable	2,215,036	2,083,530	4,298,566	1,886,652
Accrued and other liabilities	1,364,753	630,320	1,995,073	30,673
Due to other governmental units	63,566	2,262	65,828	13,990
Cash bonds and deposits	1,375,229	762,101	2,137,330	-
Unearned revenue (Note 5):				
Special assessments	240,189	-	240,189	-
Property taxes and other	29,957,329	-	29,957,329	2,733,387
Noncurrent liabilities:				
Due within one year (Note 7):				
Bond and other contractual obligations	2,600,449	2,296,167	4,896,616	629,310
Other long-term obligations	1,879,062	83,525	1,962,587	-
Due in more than one year:				
Net other post employment benefit obligations	4,836,585	520,197	5,356,782	-
Bond and other long-term obligations (Note 7)	29,800,550	46,173,718	75,974,268	7,450,000
Other long-term obligations (Note 7)	1,884,134	169,158	2,053,292	-
Net unamortized bond issuance premium	-	1,012,923	1,012,923	51,600
<b>Total Liabilities:</b>	<b>76,216,882</b>	<b>53,733,901</b>	<b>129,950,783</b>	<b>12,795,612</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	54,914,974	88,447,727	143,362,701	6,643,936
Restricted:				
Police and Fire	5,704,102	-	5,704,102	-
Street lighting	88,138	-	88,138	-
911 activities	2,268,606	-	2,268,606	-
Special Investigation	1,175,475	-	1,175,475	-
Debt service	4,055,841	-	4,055,841	-
WTUA capital projects	-	18,055,888	18,055,888	-
Unrestricted	6,130,666	34,925,826	41,056,492	2,896,410
<b>Total Net Assets:</b>	<b>\$ 74,337,802</b>	<b>\$ 141,429,441</b>	<b>\$ 215,767,243</b>	<b>\$ 9,540,346</b>

# Charter Township of Canton

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental Activities:				
General government	\$ 8,803,717	\$ 2,641,451	\$ 4,335	\$ -
Public safety	28,220,711	2,372,519	1,724,132	-
Public works	8,126,977	836,301	200,391	473,623
Health and welfare	410,703	-	-	-
Community and economic development	1,752,539	61,650	435,653	-
Recreation and culture	9,635,079	3,457,720	116,167	15,234
Interest on long-term debt	<u>1,315,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities:	<u>58,265,679</u>	<u>9,369,641</u>	<u>2,480,678</u>	<u>488,857</u>
Business-Type Activities:				
Water and sewer	26,048,538	25,971,691	17,698	-
Golf course	<u>1,958,461</u>	<u>1,248,704</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities:	<u>28,006,999</u>	<u>27,220,395</u>	<u>17,698</u>	<u>-</u>
Total Primary Government:	<u>\$ 86,272,678</u>	<u>\$ 36,590,036</u>	<u>\$ 2,498,376</u>	<u>\$ 488,857</u>
<b>Component Unit</b>				
Downtown development authority	<u>1,682,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Component Unit:	<u>\$ 1,682,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Taxes:				
Property taxes				
Public safety operating levy				
State shared revenues (unrestricted)				
Royalties				
Investment earnings				
Miscellaneous				
Transfers				
Total General Revenues, Special Items, and Transfers:				
Change in Net Assets:				
Net Assets - Beginning				
Net Assets - Ending:				

**Statement of Activities**  
**Year Ended December 31, 2009**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (6,157,931)	\$ -	\$ (6,157,931)	\$ -
(24,124,060)	-	(24,124,060)	-
(6,616,662)	-	(6,616,662)	-
(410,703)	-	(410,703)	-
(1,255,236)	-	(1,255,236)	-
(6,045,958)	-	(6,045,958)	-
<u>(1,315,953)</u>	<u>-</u>	<u>(1,315,953)</u>	<u>-</u>
<u>(45,926,503)</u>	<u>-</u>	<u>(45,926,503)</u>	<u>-</u>
-	(59,149)	(59,149)	-
<u>-</u>	<u>(709,757)</u>	<u>(709,757)</u>	<u>-</u>
<u>-</u>	<u>(768,906)</u>	<u>(768,906)</u>	<u>-</u>
<u>(45,926,503)</u>	<u>(768,906)</u>	<u>(46,695,409)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,682,822)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,682,822)</u>
10,139,914	-	10,139,914	2,471,558
21,717,029	-	21,717,029	-
5,045,295	-	5,045,295	-
2,194,569	-	2,194,569	-
723,406	563,987	1,287,393	96,788
632,453	156,098	788,551	43,133
<u>(974,256)</u>	<u>974,256</u>	<u>-</u>	<u>-</u>
<u>39,478,410</u>	<u>1,694,341</u>	<u>41,172,751</u>	<u>2,611,479</u>
(6,448,093)	925,435	(5,522,658)	928,657
<u>80,785,895</u>	<u>140,504,006</u>	<u>221,289,901</u>	<u>8,611,689</u>
<b><u>\$ 74,337,802</u></b>	<b><u>\$ 141,429,441</u></b>	<b><u>\$ 215,767,243</u></b>	<b><u>\$ 9,540,346</u></b>

# Charter Township of Canton

	General	Fire	Police
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 2,535,358	\$ 2,456,758	\$ 3,277,802
Investments (Note 3)	4,730,009	5,660,457	7,163,441
Receivables, net:			
Property taxes	4,159,242	3,606,532	6,117,640
Special assessments	2,696	-	-
Accrued interest and other receivables	290,331	27,894	89,794
Other assets	62,394	29,361	198,187
Due from other funds (Note 6)	4,244,441	2,639	-
Due from other governmental units	904,105	4,887	26,791
<b>Total Assets:</b>	<b><u>\$ 16,928,576</u></b>	<b><u>\$ 11,788,528</u></b>	<b><u>\$ 16,873,655</u></b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 578,104	\$ 216,201	\$ 329,485
Accrued and other liabilities	234,819	130,191	566,022
Due to other funds (Note 6)	166,036	99,173	138,101
Due to other governmental units	12,028	10,557	19,154
Cash bonds and deposits	1,375,229	-	-
Deferred revenue (Note 5):			
Special assessments	217	-	-
Property taxes and other	8,526,613	7,999,259	13,449,938
<b>Total Liabilities:</b>	<b><u>10,893,046</u></b>	<b><u>8,455,381</u></b>	<b><u>14,502,700</u></b>
Fund Balances:			
Reserved for encumbrances	184,540	290,566	123,047
Unreserved, undesignated reported in:			
General Fund	5,850,990	-	-
Special Revenue Funds	-	3,042,581	2,247,908
Debt Service Funds	-	-	-
Capital Projects Funds	-	-	-
<b>Total Fund Balances:</b>	<b><u>6,035,530</u></b>	<b><u>3,333,147</u></b>	<b><u>2,370,955</u></b>
<b>Total Liabilities and Fund Balances:</b>	<b><u>\$ 16,928,576</u></b>	<b><u>\$ 11,788,528</u></b>	<b><u>\$ 16,873,655</u></b>

**Governmental Funds  
Balance Sheet  
December 31, 2009**

Special Assessment Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 922,100	\$ 4,978,664	\$ 14,170,682
231,883	5,516,528	23,302,318
-	-	13,883,414
3,838,291	296,007	4,136,994
380	543,186	951,585
-	1,715,877	2,005,819
73,713	1,901,320	6,222,113
-	184,827	1,120,610
<b><u>\$ 5,066,367</u></b>	<b><u>\$ 15,136,409</u></b>	<b><u>\$ 65,793,535</u></b>
\$ 411,089	\$ 651,605	\$ 2,186,484
-	88,965	1,019,997
599,437	3,759,966	4,762,713
-	21,326	63,065
-	-	1,375,229
3,809,597	447,963	4,257,777
-	1,749,175	31,724,985
<u>4,820,123</u>	<u>6,719,000</u>	<u>45,390,250</u>
-	1,045,550	1,643,703
-	-	5,850,990
-	5,878,950	11,169,439
246,244	-	246,244
-	1,492,909	1,492,909
<u>246,244</u>	<u>8,417,409</u>	<u>20,403,285</u>
<b><u>\$ 5,066,367</u></b>	<b><u>\$ 15,136,409</u></b>	<b><u>\$ 65,793,535</u></b>

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# Charter Township of Canton

## Governmental Funds Reconciliation of Fund Balances to the Statement of Net Assets December 31, 2009

<b>Total Fund Balances for Governmental Funds</b>	\$ 20,403,285
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 are not reported in the funds	83,120,168
Capital lease receivable from the Library is not a financial resource and is not reported in the funds	4,404,340
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(32,400,999)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	105
Interest amounts on long-term liabilities are not payable until due in the funds	(329,756)
Certain revenue reported in the statement of activities in previous years did not provide financial resources in the governmental funds until the current year	62,789
Land contract receivables expected to be collected in the future	1,704,867
Special assessment and other receivables are expected to be collected over several years and are not available to pay for current year expenditures	4,017,588
Compensated absences are not due and payable in the current period and are not reported in the funds	(3,131,454)
Other post employment benefit obligations are recognized for the statement of activities	(4,772,126)
Self-insurance liabilities are not due and payable in the current period and are not reported in the funds	(598,803)
Investment in joint venture is not a financial resource and is not reported in the funds	<u>1,857,798</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$74,337,802</u></b>

# Charter Township of Canton

	General	Fire	Police
<b>Revenues</b>			
Property taxes	\$ 10,124,947	\$ 8,494,072	\$ 13,237,924
Licenses and permits	973,019	-	11,342
Federal sources	-	26,867	9,510
State sources	5,144,052	-	39,537
Charges for services	3,440,341	1,271,871	141,482
Administration charges	3,840,698	-	-
Special assessments	5,390	-	-
Royalties	-	-	-
Contributions and donations	66,819	-	18,789
Summit recreation fees	-	-	-
Other revenues	1,226,548	117,074	281,446
<b>Total Revenues:</b>	<u>24,821,814</u>	<u>9,909,884</u>	<u>13,740,030</u>
<b>Expenditures</b>			
Current:			
General government	7,354,082	-	-
Public safety	1,200,396	9,575,891	15,019,358
Public works	5,828,228	-	-
Health and welfare	410,703	-	-
Community and economic development	955,219	-	-
Recreation and culture	6,769,321	-	-
Capital outlay:			
Capital outlay	474,043	149,455	529,336
Debt service:			
Principal payments	325,000	410,440	53,498
Interest and fiscal charges	199,942	106,713	14,926
<b>Total Expenditures:</b>	<u>23,516,934</u>	<u>10,242,499</u>	<u>15,617,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>1,304,880</u>	<u>(332,615)</u>	<u>(1,877,088)</u>
<b>Transfers in (Note 6)</b>	<u>323,155</u>	<u>-</u>	<u>-</u>
Total Transfers in (Note 6):	<u>323,155</u>	<u>-</u>	<u>-</u>
<b>Transfers out (Note 6)</b>	<u>(3,118,246)</u>	<u>-</u>	<u>-</u>
Total Transfers out (Note 6):	<u>(3,118,246)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances:	(1,490,211)	(332,615)	(1,877,088)
Fund Balances - Beginning	7,525,741	3,665,762	4,248,043
Fund Balances - Ending:	<u>\$ 6,035,530</u>	<u>\$ 3,333,147</u>	<u>\$ 2,370,955</u>

**Governmental Funds  
Statement of Revenue, Expenditures, and  
Changes in Fund Balances  
Year Ended December 31, 2009**

Special Assessment Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 31,856,943
-	-	984,361
-	539,845	576,222
-	1,130,014	6,313,603
-	394,925	5,248,619
-	485,000	4,325,698
150,604	297,423	453,417
-	2,194,569	2,194,569
-	5,004	90,612
-	1,338,821	1,338,821
<u>128,949</u>	<u>395,855</u>	<u>2,149,872</u>
<u>279,553</u>	<u>6,781,456</u>	<u>55,532,737</u>
-	808,388	8,162,470
-	1,207,010	27,002,655
542,948	339,826	6,711,002
-	-	410,703
-	435,653	1,390,872
-	2,527,929	9,297,250
-	2,694,414	3,847,248
900,000	792,750	2,481,688
<u>99,100</u>	<u>942,979</u>	<u>1,363,660</u>
<u>1,542,048</u>	<u>9,748,949</u>	<u>60,667,548</u>
<u>(1,262,495)</u>	<u>(2,967,493)</u>	<u>(5,134,811)</u>
-	<u>6,024,262</u>	<u>6,347,417</u>
-	<u>6,024,262</u>	<u>6,347,417</u>
<u>(3,455)</u>	<u>(4,201,390)</u>	<u>(7,323,091)</u>
<u>(3,455)</u>	<u>(4,201,390)</u>	<u>(7,323,091)</u>
(1,265,950)	(1,144,621)	(6,110,485)
<u>1,512,194</u>	<u>9,562,030</u>	<u>26,513,770</u>
<u>\$ 246,244</u>	<u>\$ 8,417,409</u>	<u>\$ 20,403,285</u>

# Charter Township of Canton

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2009

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (6,110,485)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures (\$3,847,248); in the statement of activities, these costs are allocated over their estimated useful lives as depreciation (\$4,090,072)	(242,824)
Governmental funds report proceeds from fixed asset disposals; in the statement of activities, losses on disposals are reported	(16,520)
Repayment of bond principal and amortization of deferred costs of financing are expenditures in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	2,237,359
Accrued interest is an expenditure in the statement of activities, but not in the governmental funds	(14,117)
Governmental activities record payments received as a reduction in the capital lease receivable; governmental funds record as revenue when received	(315,469)
Accumulated employee sick and vacation pay is recorded when earned in the statement of activities	(300,797)
Other post employment benefit obligations are recognized for the statement of activities	(2,136,996)
Special assessment revenues are recorded in the statement of activities when the assessment is earned (i.e., work is substantially complete); they are not reported in the funds until collected or collectible within 60 days of year end	(156,792)
Change in land contract receivable	48,867
Change in prepaid debt service	245,318
Grant monies recorded when earned in the statement of activities that did not provide current financial resources	62,789
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	105
The change in equity interest in 35th District Courthouse Authority is not reported in the governmental funds	52,321
Change in self-insurance liabilities	199,148
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (6,448,093)</u></b>

# Charter Township of Canton

## Proprietary Funds Statement of Net Assets December 31, 2009

	Enterprise Funds		Total	Internal Service Funds
	Water and Sewer	Golf Course		Fleet Maintenance
<b>Assets</b>				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 1,230,200	\$ 58,053	\$ 1,288,253	\$ -
Investments (Note 3)	8,693,832	-	8,693,832	-
Receivables, net:				
Customers	8,126,210	-	8,126,210	-
Accrued interest and other receivables	120,036	-	120,036	-
Other assets	58,722	7,340	66,062	-
Due from other funds (Note 6)	988,443	450,000	1,438,443	549,161
Inventories	580,636	29,962	610,598	106,757
Restricted assets (Note 8)	456,428	-	456,428	-
<b>Total Current assets:</b>	<b>20,254,507</b>	<b>545,355</b>	<b>20,799,862</b>	<b>655,918</b>
Noncurrent assets:				
Restricted assets (Note 8)	17,599,460	178,583	17,778,043	-
Net unamortized bond issuance costs	251,258	7,464	258,722	-
Investment in joint venture - WTUA (Note 13)	63,131,797	-	63,131,797	-
Nondepreciable capital assets (Note 4)	2,725,510	9,733,567	12,459,077	-
Depreciable assets, net (Note 4)	80,639,316	3,029,065	83,668,381	105
<b>Total Noncurrent assets:</b>	<b>164,347,341</b>	<b>12,948,679</b>	<b>177,296,020</b>	<b>105</b>
<b>Total Assets:</b>	<b>184,601,848</b>	<b>13,494,034</b>	<b>198,095,882</b>	<b>656,023</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,605,512	21,589	1,627,101	28,553
Accrued and other liabilities	549,008	87,024	636,032	15,001
Cash bonds and deposits	756,389	-	756,389	-
Due to other funds (Note 6)	2,290,183	642,358	2,932,541	514,464
Due to other governmental units	2,039	223	2,262	501
Current liabilities payable from restricted assets	456,428	-	456,428	-
Current portion of compensated absences	72,461	11,064	83,525	19,630
Current portion of long-term liabilities (Note 7)	1,660,000	636,167	2,296,167	-
<b>Total Current liabilities:</b>	<b>7,392,020</b>	<b>1,398,425</b>	<b>8,790,445</b>	<b>578,149</b>
Noncurrent liabilities:				
Net unamortized bond issuance premium	1,004,418	8,505	1,012,923	-
Provision for compensated absences (Note 7)	37,258	455	37,713	13,310
Provision for uninsured losses (Note 7)	116,840	14,605	131,445	-
Net other post employment benefit obligations	486,535	33,662	520,197	64,459
Long-term liabilities, net of current portion (Note 7)	40,390,000	5,783,718	46,173,718	-
<b>Total Noncurrent liabilities:</b>	<b>42,035,051</b>	<b>5,840,945</b>	<b>47,875,996</b>	<b>77,769</b>
<b>Total Liabilities:</b>	<b>49,427,071</b>	<b>7,239,370</b>	<b>56,666,441</b>	<b>655,918</b>
<b>Net Assets</b>				
Investment in capital assets - Net of related debt	82,085,408	6,362,319	88,447,727	105
Restricted - WTUA capital projects	18,055,888	-	18,055,888	-
Unrestricted	35,033,481	(107,655)	34,925,826	-
<b>Total Net Assets:</b>	<b>\$ 135,174,777</b>	<b>\$ 6,254,664</b>	<b>\$ 141,429,441</b>	<b>\$ 105</b>

# Charter Township of Canton

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2009

	Enterprise Funds			Internal Service Funds
	Water and Sewer	Golf Course	Total	Fleet Maintenance
<b>Operating Revenues</b>				
Sale of water	\$ 10,005,247	\$ -	\$ 10,005,247	\$ -
Sewage disposal revenues	14,154,880	-	14,154,880	-
Service charges	422,311	1,117,861	1,540,172	-
Charges to other funds	-	-	-	1,097,683
Operating lease	-	130,843	130,843	-
Other revenues	790,266	946	791,212	-
Total Operating Revenues:	<u>25,372,704</u>	<u>1,249,650</u>	<u>26,622,354</u>	<u>1,097,683</u>
<b>Operating Expenses</b>				
Salaries and wages	1,734,536	515,346	2,249,882	475,317
Payroll taxes and fringe benefits	991,910	119,518	1,111,428	252,933
Supplies	706,372	120,508	826,880	253,936
Engineering fees	127,630	-	127,630	-
Professional service	345,704	301,522	647,226	-
Vehicle expense	70,402	35,627	106,029	98,898
Water purchases	6,126,822	-	6,126,822	-
Sewage disposal charges	7,068,408	-	7,068,408	-
Maintenance	2,772,963	276,188	3,049,151	2,975
Administration charges	1,651,016	-	1,651,016	-
Depreciation (Note 4)	2,214,989	213,964	2,428,953	1,314
Other expenses	266,640	98,231	364,871	13,623
Total Operating Expenses:	<u>24,077,392</u>	<u>1,680,904</u>	<u>25,758,296</u>	<u>1,098,996</u>
Operating Income (Loss):	<u>1,295,312</u>	<u>(431,254)</u>	<u>864,058</u>	<u>(1,313)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Customer connection fees	787,527	-	787,527	-
Investment income	562,502	1,486	563,988	-
Gain (loss) on disposal of fixed assets	(15,691)	-	(15,691)	-
Interest expense	(1,971,146)	(277,557)	(2,248,703)	-
Total Nonoperating Revenues (Expenses):	<u>(636,808)</u>	<u>(276,071)</u>	<u>(912,879)</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers:	658,504	(707,325)	(48,821)	(1,313)
<b>Transfers</b>				
Transfers from Other Funds	-	975,674	975,674	1,418
Transfers to Other Funds	(1,418)	-	(1,418)	-
Total Transfers:	<u>(1,418)</u>	<u>975,674</u>	<u>974,256</u>	<u>1,418</u>
Change in Net Assets:	657,086	268,349	925,435	105
Total Net Assets - Beginning	134,517,691	5,986,315	140,504,006	-
Total Net Assets - Ending:	<u>\$ 135,174,777</u>	<u>\$ 6,254,664</u>	<u>\$ 141,429,441</u>	<u>\$ 105</u>

# Charter Township of Canton

## Proprietary Funds Statement of Cash Flows Year Ended December 31, 2009

	Enterprise Funds			Internal Service Funds
	Water and Sewer	Golf Course	Total	Fleet Maintenance
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 25,118,880	\$ 1,168,561	\$ 26,287,441	\$ -
Payments to suppliers and vendors	(16,902,785)	(651,013)	(17,553,798)	(419,012)
Payments to employees	(1,967,291)	(610,517)	(2,577,808)	(630,350)
Payments connected with interfund services	(1,463,411)	(441,186)	(1,904,597)	1,062,986
Other receipts (payments)	(173,273)	57,793	(115,480)	(13,623)
Net cash provided by (used in) operating activities	4,612,120	(476,362)	4,135,758	1
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from other funds	-	975,674	975,674	1,418
Transfers to other funds	(1,418)	-	(1,418)	-
Net cash provided by (used in) noncapital financing activities	(1,418)	975,674	974,256	1,418
<b>Cash Flows from Capital and Related Financing Activities</b>				
Investment in joint venture	(9,297,834)	-	(9,297,834)	-
Purchase of capital assets	(2,723,342)	(408,821)	(3,132,163)	(1,419)
Connection fees	787,527	-	787,527	-
Principal and interest paid on capital debt	(6,640,422)	(553,023)	(7,193,445)	-
Net cash used in capital and related financing activities	(17,874,071)	(961,844)	(18,835,915)	(1,419)
<b>Cash Flows from Investing Activities</b>				
Interest received on investments	562,502	1,486	563,988	-
Purchase of investment securities	(4,791,860)	-	(4,791,860)	-
Sale of investment securities	4,881,501	-	4,881,501	-
Net cash provided by investing activities	652,143	1,486	653,629	-
<b>Net Decrease in Cash and Cash Equivalents</b>	(12,611,226)	(461,046)	(13,072,272)	-
<b>Cash and Cash Equivalents - Beginning of year</b>	31,897,314	697,682	32,594,996	-
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 19,286,088</u>	<u>\$ 236,636</u>	<u>\$ 19,522,724</u>	<u>\$ -</u>
<b>Statement of Net Assets Classification of Cash and Cash Equivalents</b>				
Cash and cash equivalents	\$ 1,230,200	\$ 58,053	\$ 1,288,253	\$ -
Restricted assets (Note 8)	18,055,888	178,583	18,234,471	-
Total cash and cash equivalents	<u>\$ 19,286,088</u>	<u>\$ 236,636</u>	<u>\$ 19,522,724</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>				
Operating income(loss)	\$ 1,295,312	\$ (431,254)	\$ 864,058	\$ (1,313)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	2,214,989	213,964	2,428,953	1,314
Changes in assets and liabilities:				
Receivables	536,442	49,754	586,196	-
Other assets	(29,821)	(3,727)	(33,548)	-
Due from other funds	328,223	(316,779)	11,444	(549,161)
Due from other governmental units	1,074	28,908	29,982	-
Inventory	389,522	(6,242)	383,280	(106,757)
Accounts payable	(74,006)	5,865	(68,141)	28,553
Accrued and other liabilities	508,471	83,209	591,680	15,001
Cash bonds and deposits	(668,152)	-	(668,152)	-
Due to other funds	(140,618)	(124,407)	(265,025)	514,464
Due to other governmental units	162	(21)	141	501
Provisions for compensated absences and uninsured losses	26,645	6,626	33,271	32,940
Net other post employment benefit obligations	223,877	17,742	241,619	64,459
Net cash provided by (used in) operating activities	<u>\$ 4,612,120</u>	<u>\$ (476,362)</u>	<u>\$ 4,135,758</u>	<u>\$ 1</u>

**Noncash Investing, Capital, and Financing Activities** – The Township's Water and Sewer Fund also recognized an unrealized gain on investments of \$147,600.

# Charter Township of Canton

## Fiduciary Funds Statement of Net Assets December 31, 2009

	Other Employee Benefits Fund	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 3,183,050	\$ 13,559,076
Receivables - Accrued interest and other	1,533	1,740
Total Assets:	<u>3,184,583</u>	<u>\$ 13,560,816</u>
<b>Liabilities</b>		
Accounts payable	136,647	53,700
Cash bonds and deposits	-	474,102
Due to other governmental units	-	13,033,014
Total Liabilities:	<u>136,647</u>	<u>\$ 13,560,816</u>
<b>Net Assets</b>		
Held in trust for other employee benefits	<u>3,047,936</u>	
Total Net Assets:	<u>\$ 3,047,936</u>	



# Charter Township of Canton

## Fiduciary Funds Statement of Changes in Net Assets Year Ended December 31, 2009

	<u>Other Employee Benefits Fund</u>
<b>Additions</b>	
Contributions (Employer only)	\$ 1,305,904
Investment income	365,718
Reimbursements	<u>38,934</u>
Total Additions:	<u>1,710,556</u>
<b>Deductions</b>	
Benefit payments	1,195,371
Administrative expenses	<u>15,720</u>
Total Deductions:	<u>1,211,091</u>
<b>Net Increase</b>	499,465
<b>Net Assets Held in Trust for Other Employee Benefits</b>	
Beginning of year	<u>2,548,471</u>
End of year	<u><u>\$ 3,047,936</u></u>

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# Charter Township of Canton

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## Notes to Financial Statements December 31, 2009

### Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Canton (the "Charter Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Canton:

#### **Reporting Entity**

The Charter Township of Canton is governed by an elected seven-member board of trustees. The accompanying financial statements present the Charter Township and its component units, entities for which the Charter Township is considered to be financially accountable.

**Blended Charter Township Building Authority** - The Charter Township Building Authority (the "Building Authority") is governed by a board that is appointed by the Charter Township supervisor and approved by the board of trustees. Although it is legally separate from the Charter Township, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the Charter Township's public buildings. The Building Authority's activities have been included as a Debt Service Fund.

**Discretely Presented Component Unit** - The following component unit is reported within the component unit column in the combined financial statements. It is reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Charter Township. The Charter Township has the ability to impose its will upon the Downtown Development Authority (DDA).

The DDA was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and to promote economic growth within the district. The DDA's governing body, which consists of 11 individuals, is selected by the Charter Township supervisor. Although no separate financial statements are prepared for this component unit, all financial information can be obtained from the Charter Township's finance department. The Charter Township has the ability to impose its will upon the DDA.

Financial statements for the DDA are available during office hours at the Charter Township of Canton, 1150 S. Canton Center Road, Canton, MI 48188.

The Canton Public Library (the "Library") is not a component unit and has not been included in the Charter Township's financial statements. The Library holds its own cash and investments in accounts separate from the control of the Charter Township treasurer. The Library Board is elected directly, and it is fiscally independent.

## **Note I - Summary of Significant Accounting Policies (Continued)**

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund, fiduciary fund, and component unit financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## **Note I - Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The Street Lighting Fund has a “service type” special assessment that is billed in 2009 for services performed in 2010. Therefore, the revenue is recognized in 2010 and classified as unearned revenue within the government-wide statements.

The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a “deferred revenue” liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Charter Township reports the following major governmental funds:

- The General Fund is the Charter Township’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Police Fund is a full-service department consisting of 83 sworn personnel and 35 civilian employees. The main source of revenue for the police department comes from a voter-approved special assessment on all real property.
- The Fire Fund has a full-service fire department consisting of 58 sworn fire personnel and three support personnel, which provides fire suppression, fire prevention, and emergency medical service. The main source of revenue for the fire department comes from a voter-approved special assessment on real property.
- The Special Assessment Debt Service Fund accounts for the repayment of Special Assessment debt. Revenues come from the collection of special assessment receivables and interest earnings.

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

The Charter Township reports the following major proprietary funds:

- The Water and Sewer Fund accounts for the results of operations that provide water and sewer services to citizens, financed primarily by a user charge for the provision of those services.
- The Golf Course Fund accounts for the activities of both the Fellows Creek Golf Course and the Pheasant Run Golf Course. Revenue from both courses is combined to fund overall golf operations.

Additionally, the Charter Township reports the following fund types:

- Internal service funds account for fleet management services provided to other departments on a cost reimbursement basis.
- The Other Employee Benefits Fund accounts for the accumulation of resources to provide for retiree health insurance premium costs.
- Agency Funds account for assets held by the Charter Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operation.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Charter Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Charter Township's water and sewer function and various other functions of the Charter Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

# Charter Township of Canton

**Notes to Financial Statements  
December 31, 2009**

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with proprietary funds' principal on-going operations. The principal operating revenue of the Water and Sewer enterprise fund, of the Golf Course enterprise fund, and of the government's internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the Charter Township's policy to use restricted resources first, then unrestricted resources as they are needed.

### Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Charter Township's 2008 tax is levied and collectible on December 1, 2008 and is recognized as revenue in the year ended December 31, 2009, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2008 taxable valuation of the Charter Township totaled approximately \$3,938 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 2.6160 mills for operating purposes, 2.3580 mills for fire operating services, and 3.6760 mills for police operating. This resulted in approximately \$9.9 million for operating, \$8.5 million for fire operating, and \$13.2 million for police operating. All tax amounts are recognized in the respective General, Police, and Fire Funds' financial statements as tax revenue.

### Assets, Liabilities, and Net Assets or Equity

**Cash and Investments** - 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.

# Charter Township of Canton

**Notes to Financial Statements  
December 31, 2009**

## **Note 1 - Summary of Significant Accounting Policies (Continued)**

**Receivables and Payables** - In general, outstanding balances between funds are reported as “due to/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.

**Inventories and Prepaid Items** - Inventories are valued at cost, on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**Restricted Assets** - The Charter Township has unspent bond proceeds in the Water and Sewer Fund for the construction of sewer infrastructure and in the Golf Course Fund for the renovation of buildings and land improvements and as such, the amounts have been classified as restricted assets. Additionally, the component unit also has restricted assets for unspent bond proceeds.

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road rights, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Charter Township as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets (other than land and construction in progress) are depreciated using the straight-line method over the following useful lives:

Infrastructure	10 to 25 years
Buildings and improvements	10 to 40 years
Vehicles and equipment	3 to 20 years
Furniture and fixtures	3 to 40 years
Computer equipment	2 to 5 years
Land improvements	10 years
Water and sewer distribution systems	50 years



## **Note 1 - Summary of Significant Accounting Policies (Continued)**

**Compensated Absences** - It is the Charter Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The liability for unpaid accumulated sick leave is limited to certain employment groups that receive payment for unused sick leave when those employees separate from service with the Charter Township. All sick and vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds as it comes due for payment (when employees terminate).

**Long-term Obligations** - 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. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

**Other post employment benefit costs** - The Township offers both pension and retiree health care benefits to retirees. We receive any actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**Net Assets** - In the government-wide financial statements, net assets that are legally restricted by outside parties for use for a specific purpose are shown as restricted. The following restrictions apply to net assets as of December 31, 2009:

- **Police and Fire** - Special tax levies to fund police and fire activities
- **Western Wayne Criminal Investigation** - Amounts directed by consortium for funding various narcotics and auto theft programs
- **Street Lighting** - Special assessment tax levy to fund street lighting program
- **911 Activities** - Fees collected to fund 911 activities
- **Debt Service** - Amounts remaining from debt issuance related to special assessments and amounts collected from residents in special assessment districts that must be used to service the related outstanding debt.



## **Note 3 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Postemployment Benefits Fund is also authorized to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Charter Township has designated 9 banks for the deposit of its funds. The investment policy adopted by the Charter Township in accordance with Public Act 20 of 1943 (as amended) authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities, certificates of deposit, commercial paper (meeting certain rating and maturity requirements), investment pools, and mutual funds. The Treasurer may invest in investment pools organized under the Local Government Investment Pool Act of 1985 and under the Urban Cooperation Act of 1967. For mutual funds, the Treasurer may invest in funds registered under the Investment Company Act of 1940. This authorization is limited to investment pools and mutual funds whose intent is to maintain a net asset value of \$1.00 per share and allows for indirect investment in repurchase agreements and bankers' acceptances of United States banks, as allowable for direct investment by public corporations.

The Charter Township's cash and investments are subject to several types of risk, which are examined in more detail below:

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 3 - Deposits and Investments (Continued)

#### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Charter Township's deposits may not be returned to it. The Charter Township does not have a deposit policy for custodial credit risk. At year end, the Charter Township had \$34,270,474 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized; the component unit had \$1,773,550 of uninsured and uncollateralized bank deposits. In addition, the Charter Township has \$4,851,461 of negotiable certificates of deposit, of which \$4,228,461 is FDIC insured. The Charter Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Charter Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity
<b>Government-wide</b>		
Money markets	\$2,830,822	0 months
Federal National Mortgage Association	4,722,172	2.4 years
Federal Home Loan Bank	2,567,967	2.6 years
Federal Home Loan Mortgage Corporation	16,265,560	2.2 years
Federal Farm Credit Bank	502,190	6 months
Municipal Bonds	1,456,905	6 months
Commercial Paper	12,995,680	4.3 months
Negotiable certificates of deposit	4,402,323	1.2 years
U.S. Treasury	25,997	1.5 months
<b>Component Unit</b>		
Money markets	335,159	0 months
Federal Home Loan Mortgage Corporation	4,528,160	2.3 years

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 3 - Deposits and Investments (Continued)

#### Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Charter Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
<b>Government-wide</b>			
Money market	\$ 173,105	Unrated	N/A
Money market	15,984	AAA	S&P
Federal National Mortgage Association	4,722,172	AAA	S&P
Federal Home Loan Mortgage Corporation	16,265,560	AAA	S&P
Federal Farm Credit Bank	502,190	AAA	S&P
Municipal Bonds	1,456,905	AAA	S&P
Commercial Paper	12,995,680	A2	S&P
Negotiable certificates of deposit	4,402,323	Unrated	N/A
Federal Home Loan Bank	2,567,967	AAA	S&P
<b>Component Unit</b>			
Money market	335,159	AAA	S&P
Federal Home Loan Mortgage Corporation	4,528,160	AAA	S&P

The above amounts do not include approximately \$2,512,853 of investments in the Municipal Employees' Retirement System (MERS) Retiree Health Funding Vehicle which are held in a separate reserve but invested on a pooled basis by MERS with other governmental units.

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 4 - Capital Assets

Capital asset activity of the Charter Township's governmental and business-type activities was as follows:

Governmental Activities	Balance				Balance
	January 1, 2009	Increases	Decreases	Adjustments	December 31, 2009
Capital assets not being depreciated:					
Land	\$ 16,366,893	\$ 130,786	\$ -	\$ -	\$ 16,497,679
Construction in progress	4,372,873	2,282,845	(3,846,677)	-	2,809,041
Subtotal	20,739,766	2,413,631	(3,846,677)	-	19,306,720
Capital assets being depreciated:					
Infrastructure	12,652,152	3,933,643	-	-	16,585,795
Buildings and improvements	63,834,806	259,275	-	-	64,094,081
Vehicles and equipment	9,190,366	521,672	(397,092)	148,813	9,463,759
Furniture and fixtures	14,330,653	69,572	-	11,237	14,411,462
Computer equipment	2,409,873	496,131	-	2,095	2,908,099
Subtotal	102,417,850	5,280,293	(397,092)	162,145	107,463,196
Accumulated depreciation:					
Infrastructure	7,108,796	679,080	-	-	7,787,876
Buildings and improvements	14,592,730	1,654,660	-	-	16,247,390
Vehicles and equipment	5,922,846	726,384	(380,572)	147,395	6,416,053
Furniture and fixtures	10,495,812	768,613	-	11,237	11,275,662
Computer equipment	1,657,918	262,649	-	2,095	1,922,662
Subtotal	39,778,102	4,091,386	(380,572)	160,727	43,649,643
Net capital assets being depreciated	62,639,748	1,188,907	(16,520)	1,418	63,813,553
Net governmental capital assets	\$ 83,379,514	\$ 3,602,538	\$ (3,863,197)	\$ 1,418	\$ 83,120,273

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 4 - Capital Assets (Continued)

Business-type Activities	Balance				Balance
	January 1, 2009	Increases	Decreases	Adjustments	December 31, 2009
Capital assets not being depreciated:					
Land	\$ 9,364,807	\$ -	\$ -	\$ -	\$ 9,364,807
Construction in progress	1,587,423	3,042,733	(1,535,886)	-	3,094,270
Subtotal	10,952,230	3,042,733	(1,535,886)	-	12,459,077
Capital assets being depreciated:					
Land improvements	2,816,801	316,683	-	-	3,133,484
Water and sewer distribution systems	115,609,375	1,223,534	-	-	116,832,909
Buildings and building improvements	10,531,640	16,812	(41,722)	-	10,506,730
Vehicles and equipment	6,134,880	71,377	(223,447)	(160,519)	5,822,291
Office furnishings	901,782	-	(83,465)	(33,500)	784,817
Computer equipment	79,046	1,501	-	31,874	112,421
Subtotal	136,073,524	1,629,907	(348,634)	(162,145)	137,192,652
Accumulated depreciation:					
Land improvements	2,086,005	117,077	-	-	2,203,082
Water and sewer distribution systems	40,592,683	1,872,780	-	-	42,465,463
Buildings and building improvements	2,781,900	255,177	(22,860)	-	3,014,217
Vehicles and equipment	5,274,290	161,711	(223,445)	(159,094)	5,053,462
Office furnishings	776,734	15,770	(83,465)	(20,524)	688,515
Computer equipment	74,203	6,438	-	18,891	99,532
Subtotal	51,585,815	2,428,953	(329,770)	(160,727)	53,524,271
Net capital assets being depreciated	84,487,709	(799,046)	(18,864)	(1,418)	83,668,381
Net business-type capital assets	\$ 95,439,939	\$ 2,243,687	\$ (1,554,750)	\$ (1,418)	\$ 96,127,458

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 4 - Capital Assets (Continued)

Capital asset activity of the Charter Township's component unit was as follows:

Component Unit	Balance January 1, 2009	Increases	Decreases	Adjustments	Balance December 31, 2009
Capital assets not being depreciated -					
Construction in progress	\$ 4,957,754	\$ 5,452,727	\$ (3,440,443)	\$ -	\$ 6,970,038
Capital assets being depreciated:					
Land Improvements	-	-	-	3,263,895	3,263,895
Infrastructure	1,417,000	3,736,487	-	70,512	5,223,999
Buildings	13,258	-	-	-	13,258
Furniture, fixtures, and equipment	<u>3,453,002</u>	<u>-</u>	<u>-</u>	<u>(3,334,407)</u>	<u>118,595</u>
Subtotal	4,883,260	3,736,487	12,345	-	8,619,747
Accumulated depreciation:					
Land Improvements	-	152,312	-	1,938,322	2,090,634
Infrastructure	579,790	68,199	-	25,615	673,604
Buildings	1,326	322	-	-	1,648
Furniture, fixtures, and equipment	<u>2,021,041</u>	<u>9,576</u>	<u>-</u>	<u>(1,963,937)</u>	<u>66,680</u>
Subtotal	<u>2,602,157</u>	<u>230,409</u>	<u>-</u>	<u>-</u>	<u>2,832,566</u>
Net capital assets being depreciated	<u>2,281,103</u>	<u>3,506,078</u>	<u>12,345</u>	<u>-</u>	<u>5,787,181</u>
Net component unit capital assets	<u>\$ 7,238,857</u>	<u>\$ 8,958,805</u>	<u>\$ (3,428,098)</u>	<u>\$ -</u>	<u>\$12,757,219</u>

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

Governmental activities:	
General government	\$ 785,224
Public safety	1,043,524
Public works	891,832
Community and economic development	21,277
Recreation and culture	<u>1,349,529</u>
Total governmental activities	<u>\$ 4,091,386</u>
Business-type activities:	
Water and sewer	\$ 2,214,989
Golf course	<u>213,964</u>
Total business-type activities	<u>\$ 2,428,953</u>



# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 4 - Capital Assets (Continued)

**Construction Commitments** - The Charter Township has active construction projects at year end related primarily to the sewer relief expansion and the pedestrian trail as well as construction of several intersections. At year end, the Charter Township's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>	<u>Total Commitment</u>
Fellows Creek Golf Course	\$ 1,231,864	\$ 128,136	\$ 1,360,000
Pedestrian Trail Bridges	497,560	287,613	785,173
Sanitary Relief Sewer	30,549,976	4,219,698	34,769,674
Van Born Road	212,034	585,601	797,635
Intersection projects 09	495,816	947,187	1,443,003
2009 Road Paving	892,395	55,386	947,781
2009 Watermains	466,106	14,072	480,178
Cell Block Renovation	382,509	126,285	508,794
Other	<u>2,300</u>	<u>184,380</u>	<u>186,680</u>
Total	<u>\$ 34,730,560</u>	<u>\$ 6,548,358</u>	<u>\$ 41,278,918</u>

The component unit has commitments with contractors where it has spent \$6,415,330 to date with \$2,451,970 remaining.

### Note 5 - Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds and governmental activities also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Special assessments	\$ 4,017,588	\$ 240,189	\$ 4,257,777
Property taxes and other	<u>1,767,656</u>	<u>29,957,329</u>	<u>31,724,985</u>
Total	<u>\$ 5,785,244</u>	<u>\$ 30,197,518</u>	<u>\$ 35,982,762</u>

The component unit reported unearned property tax revenue in the amount of \$2,733,387.

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Fund	SAD Debt	599,437
	Water and Sewer	2,290,183
	Nonmajor governmental funds	<u>1,354,821</u>
	Total General Fund	4,244,441
Special Revenue Funds:		
Fire	Police	<u>2,639</u>
Debt Service Funds:		
SAD Debt	Nonmajor governmental funds	<u>73,713</u>
Nonmajor Governmental Funds	General	720
	Police	426
	Fire	162
	Golf Course	12
	Nonmajor governmental funds	<u>1,900,000</u>
	Total nonmajor governmental funds	<u>1,901,320</u>
Total governmental funds		6,222,113

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Receivable Fund	Payable Fund	Amount
Due to/from other funds (Continued):		
Enterprise Funds -		
Water and Sewer	Police	\$ 1,796
	Fire	1,207
	Golf Course	465,381
	Nonmajor governmental funds	<u>520,059</u>
	Total Water and Sewer	<u>988,443</u>
Golf Course	Nonmajor governmental funds	<u>450,000</u>
	Total Enterprise funds	<u>1,438,443</u>
Internal Service Funds -		
Fleet Maintenance	General	165,316
	Police	110,563
	Fire	95,304
	Golf Course	176,965
	Nonmajor governmental funds	<u>1,013</u>
	Total internal Service funds	<u>549,161</u>
	Total	<u>\$ 8,209,717</u>

These balances result from the time lag between the dates that good and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund statements were as follows:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General	Nonmajor governmental funds (1,2)	\$ 3,118,246
SAD Debt	General (1)	3,455
Nonmajor governmental funds	General (1)	319,700
	Golf Course (1,3)	975,674
	Nonmajor governmental funds (1,2,3)	<u>2,906,016</u>
	Total nonmajor governmental funds	<u>4,201,390</u>
	Total governmental funds	<u>\$ 7,323,091</u>
Water and sewer	Fleet Maintenance (4)	<u>1,418</u>
	Total business-type funds	<u>\$ 1,418</u>

The following describes the nature of significant transfers:

- (1) Transfers of discretionary funds to be used for the benefit of the community
- (2) Transfers for capital improvements
- (3) Transfers for debt service
- (4) Transfer of assets to new fund.

### Note 7 - Long-term Debt

The Charter Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Charter Township. County contractual agreements are also general obligations of the Charter Township. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Charter Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received.

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 7 - Long-term Debt (Continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
2000 (Refunded Bonds) Building Authority Recreation Bonds (debt issue split between governmental and business-type activities): Amount of issue - \$472,500 Maturing through 2010	6.75%	\$105,000	\$ 192,500	\$ -	\$ (87,500)	\$ 105,000	\$ 105,000
Limited Tax General Obligations: 2003 Capital Improvement (Limited Tax): Amount of issue - \$23,000,000 Maturing through 2023	3.00% - 4.50%	\$800,000 - \$2,100,000	20,650,000	-	(700,000)	19,950,000	800,000
Limited Tax General Obligations Series 2003: Amount of issue - \$2,675,000 Maturing through 2016	3.00% - 3.90%	\$252,150 - \$297,475	1,627,799	-	-	1,627,799	250,590
2004 Capital Improvement (Limited Tax) - Fire Station: Amount of issue - \$2,500,000 Maturing through 2014	3.50% - 3.65%	\$250,000 - \$325,000	1,750,000	-	(250,000)	1,500,000	250,000
Limited Tax General Obligation Refunding Bonds, Series 2005 (debt issue split between governmental and business-type activities) * Amount of issue - \$9,450,000 Maturing through 2020 Deferred cost of financing	3.50%- 4.00%	\$330,250- \$1,033,050	6,382,750 (364,691)	-	(330,250) 30,391	6,052,500 (334,300)	325,250 (30,391)
Special Assessment Bonds: 2004 Special Assessment Bond: Amount of issue - \$4,100,000 Maturing through 2018	3.50% - 4.25%	\$50,000 - \$400,000	2,900,000	-	(400,000)	2,500,000	400,000
2004 Special Assessment Bond: Amount of issue - \$1,500,000 *** Maturing through 2011	2.75%	\$500,000	1,500,000	-	(500,000)	1,000,000	500,000
Total bond obligations			34,638,358	-	(2,237,359)	32,400,999	2,600,449
Other long-term obligations: Accumulated employee benefits** Provision for uninsured losses**			2,830,659 797,951	1,919,487 -	(1,585,753) (199,148)	3,164,393 598,803	1,879,062 -
Total other long-term obligations			3,628,610	1,919,487	(1,784,901)	3,763,196	1,879,062
Total governmental activities			38,266,968	1,919,487	(4,022,260)	36,164,195	4,479,511

\*The Library Building Authority bonds debt service requirements are being provided by the Canton Township Library. The Charter Township and the Library have entered into an agreement that calls for annual payments from the Library equal to the debt service requirements on the bonds. A portion of the bond was refunded during the year ended December 31, 2005, although it did not change the terms of the capital lease. A capital lease for \$4,404,340 has been recorded at December 31, 2009.

\*\*For the governmental activities, accumulated benefits and provision for uninsured losses are normally liquidated by the General Fund, Police Fund, and Fire Fund. See also Note 9.

\*\*\*Bonds have a variable interest rate; the rate was 2.750% as of December 31, 2009 and is determined by the prime rate.

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 7 - Long-term Debt (Continued)

#### Business-type Activities

##### General Obligation Bonds:

##### Building Authority Recreation Bonds, Series 2000

(Refunded Bonds) (debt issue split between governmental and business-type activities):

Amount of issue - \$877,500

Maturing through 2010

6.75% \$195,000 \$ 357,500 \$ - \$ (162,500) \$ 195,000 \$ 195,000

##### Building Authority Limited Tax GO Bonds:

Amount of issue - \$3,890,000

Maturing through 2016

3.00% - 3.90% \$362,850 \$482,525 2,367,201 - - 2,367,201 364,410

##### Limited Tax General Obligation Refunding Bonds, Series 2005

(debt issue split between governmental and business-type activities): \*

Amount of issue - \$9,450,000

Maturing through 2020

Deferred cost of financing

3.50% - 4.00% \$9,750 - \$31,950 2,837,250 - (9,750) 2,827,500 9,750  
(164,189) - 13,683 (150,506) (13,682)

##### Limited Tax General Obligation Refunding Bonds, Series 2006

(debt issue split between business-type and component unit activities):

Amount of issue - \$1,360,000

Maturing through 2018

4.00% \$80,690 - \$165,517 1,249,656 - (68,966) 1,180,690 80,689

##### Limited Tax General Obligation, Series 2007

Amount of issue - \$44,300,000

Maturing through 2027

4.00% - 5.00% \$1,525,000 - \$3,415,000 43,240,000 - (1,465,000) 41,775,000 1,525,000

##### Michigan State Revolving Loan Fund:

Amount of issue - \$2,295,000

Maturing through 2011

2.00% \$135,000 - \$140,000 405,000 - (130,000) 275,000 135,000

Total bonds and other contractual obligations

50,292,418 - (1,822,533) 48,469,885 2,296,167

##### Other long-term obligations:

Accumulated employee benefits

Provision for uninsured losses

144,877 76,986 (100,625) 121,238 83,525  
175,160 - (43,715) 131,445 -

Total other long-term obligations

320,037 76,986 (144,340) 252,683 83,525

Total business-type activities

50,612,455 76,986 (1,966,873) 48,722,568 2,379,692

Total governmental and business-type activities

\$ 88,879,423 \$ 1,996,473 \$ (5,989,133) \$ 84,886,763 \$ 6,859,203

#### Component Unit

##### General obligation bonds:

##### 1994 Downtown Development Bonds:

Amount of issue - \$850,000

Maturing through 2009

5.85% \$95,000 \$ 95,000 \$ - \$ (95,000) \$ - \$ -

##### 1999 Downtown Development Bonds:

Amount of issue - \$1,500,000

Maturing through 2014

4.40% - 4.60% \$125,000 - \$150,000 825,000 - (125,000) 700,000 125,000

##### 2006 Downtown Development Bonds

(debt issue split between business-type and component unit activities):

Amount of issue - \$8,500,000

Maturing through 2018

4.00% - \$504,310 - \$1,034,483 7,810,344 - (431,034) 7,379,310 504,310

Total component unit bond obligations

\$ 8,730,344 \$ - \$ (651,034) \$ 8,079,310 \$ 629,310

Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
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# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bonds, contractual, and note obligations are as follows:

	Governmental Activities			Business-type Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 2,630,840	\$ 1,251,906	\$ 3,882,746	\$ 2,309,849	\$ 2,232,283	\$ 4,542,132	\$ 629,310	\$ 314,011	\$ 943,321
2011	2,797,139	1,180,556	3,977,695	2,414,413	2,142,509	4,556,922	728,448	286,294	1,014,742
2012	2,375,937	1,099,591	3,475,528	2,423,201	2,047,329	4,470,530	925,862	252,520	1,178,382
2013	2,508,449	1,011,579	3,520,028	2,512,241	1,945,256	4,457,497	904,310	215,091	1,119,401
2014	2,681,411	913,089	3,594,500	2,606,520	1,832,147	4,438,667	1,012,069	175,864	1,187,933
2015-2019	11,260,023	3,213,810	14,473,833	12,885,667	7,433,733	20,319,400	3,879,311	322,444	4,201,725
2020-2024	8,481,500	910,490	9,391,990	13,713,500	4,187,090	17,900,590	-	-	-
2025-2027	-	-	-	9,755,000	747,875	10,502,875	-	-	-
Total	<u>\$ 32,735,299</u>	<u>\$ 9,581,021</u>	<u>\$ 42,316,320</u>	<u>\$ 48,620,391</u>	<u>\$ 22,568,222</u>	<u>\$ 71,188,613</u>	<u>\$ 8,079,310</u>	<u>\$ 1,566,194</u>	<u>\$ 9,645,504</u>

**Defeased Debt** - In prior years, the Township defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At December 31, 2009, \$9,075,000 of bonds outstanding is considered defeased.

### Note 8 - Restricted Assets

The balance of restricted assets is as follows:

	Governmental Activities	Business-type Activities	Component Units
Cash and equivalents:			
Unspent bond proceeds	\$ -	\$ 18,234,472	\$ 1,966,027
Total	<u>\$ -</u>	<u>\$ 18,234,472</u>	<u>\$ 1,966,027</u>

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 9 - Risk Management

The Charter Township 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 Charter Township has purchased commercial insurance for medical claims and participates in the Michigan Municipal Risk Management Authority for claims relating to property and general liability. The Charter Township is uninsured for employee injuries (workers' compensation).

Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Charter Township.

The Charter Township estimates the liability for property loss, general liability, and employee injuries claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported.

Changes in the estimated liability for the past two fiscal years were as follows:

	Year Ended December 31	
	2009	2008
Estimated liability - Beginning of year	\$ 973,111	\$ 655,963
Estimated claims incurred, including changes in estimates	156,926	908,458
Claim payments, administration fees, and excess payments	<u>(399,789)</u>	<u>(591,310)</u>
Estimated liability - End of year	<u>\$ 730,248</u>	<u>\$ 973,111</u>



## **Note 10 - Defined Contribution Retirement Plan**

The Charter Township participates in the Charter Township of Canton Retirement Plan, a defined contribution plan, which is administered by The Charles Schwab Trust Co. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate as of the date of employment. As established by the Charter Township Board, the Charter Township contributes 15 percent of employees' gross earnings and employees contribute 5 percent of earnings. In accordance with these requirements, the Charter Township contributed approximately \$822,555 during the current year, and employees contributed approximately \$274,187.

## **Note 11 - Defined Benefit Pension Plan**

The Charter Township participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit plan that covers all nonunion and union employees that choose to participate by majority vote. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

### **Funding Policy**

The obligation to contribute to and maintain the MERS for these full-time employees was established by the Charter Township's board of trustees and requires a contribution from the employees of 5 percent to 6 percent of gross wages and a contribution from the employer ranging from 8.59 percent to 28.90 percent of participating employees' gross wages depending on their membership agreement.

### **Annual Pension Cost**

For the year ended December 31, 2009, the Charter Township's annual pension cost of \$2,679,950 for the plan was equal to the required and actual contribution. The 2009 annual required contribution was determined as part of the actuarial valuation as of December 31, 2007, using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year plus percentage based on an age-related scale to reflect merit longevity and promotional salary increases, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a 10-year

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 11 - Defined Benefit Pension Plan (Continued)

period. The unfunded actuarial liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period is 28 years.

Additional actuarial information for the Municipal Employees' Retirement System of Michigan is as follows:

	Year Ended December 31		
	2009	2008	2007
Annual pension cost (APC)	\$ 2,679,950	\$ 2,563,497	\$ 2,819,498
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

	December 31		
	2008	2007	2006
Actuarial value of assets	\$ 55,565,249	\$ 51,739,771	\$ 47,405,556
Actuarial accrued liability (AAL) (entry age)	\$ 82,990,185	\$ 74,058,136	\$ 68,615,503
Unfunded AAL (UAAL)	\$ 27,424,936	\$ 22,318,365	\$ 21,209,947
Funded ratio	66.95%	69.86%	69.09%
Covered payroll	\$ 18,291,638	\$ 17,150,699	\$ 16,252,352
UAAL as a percentage of covered payroll	149.93%	130.13%	130.50%

### Note 12 - Postemployment Benefits

**Plan description** - The Charter Township provides retiree health care benefits to eligible employees and their spouses. Benefits are provided to public safety and general employees. Currently, the plan has 445 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits). The Charter Township includes pre-Medicare retirees and their dependents in its insured health care plan, with no contributions required by the participants. The Charter Township purchases Medicare supplemental insurance for retirees eligible for Medicare.

This is a single employer defined benefit plan administered by the Charter Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the employer.

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 12 - Postemployment Benefits (Continued)

**Funding policy** - The collective bargaining agreements do not require a contribution from employees. Retiree health care costs are recognized when paid by the Charter Township on a “pay-as-you-go” basis. The Charter Township has no obligation to make contributions in advance of when the insurance premiums are due for payment.

**Funding progress** – For the year ended December 31, 2009 the Charter Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of December 31, 2006. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. This valuation’s computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 3,623,379
Interest on the prior year's net OPEB obligation	174,822
Less adjustment to the annual required contribution	<u>-</u>
Annual OPEB cost	\$ 3,798,201
Amounts contributed:	
Payment of current premiums	(1,355,127)
Advance funding	<u>-</u>
Increase in net OPEB obligation	2,443,074
OPEB obligation - beginning of year	<u>2,913,708</u>
OPEB obligation - end of year	<u>\$ 5,356,782</u>

# Charter Township of Canton

## Notes to Financial Statements December 31, 2009

### Note 12 - Postemployment Benefits (Continued)

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current year and the prior year is as follows:

	Fiscal Year Ended December 31	
	2009	2008
Annual OPEB Costs	\$ 3,798,201	\$ 3,467,348
Percentage contributed	35.68%	15.97%
Net OPEB obligation	\$ 5,356,782	\$ 2,913,708

The schedule of funding progress is as follows:

	December 31	
	2008	2006
Actuarial value of assets	\$ 2,534,126	\$ 3,414,941
Actuarial accrued liability	\$ 56,325,080	\$ 44,514,949
Unfunded AAL	\$ 53,790,954	\$ 41,100,008
Funded ratio	4.50%	7.67%
Annual covered payroll	\$ 18,291,638	\$ 16,252,352
Ratio of UAAL to covered payroll	294.07%	252.89%

**Actuarial methods and assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# Charter Township of Canton

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## Notes to Financial Statements December 31, 2009

### Note 12 - Postemployment Benefits (Continued)

In the December 31, 2008, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 6 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after ten years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets is set to equal fair market value. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was thirty years.

### Note 13 - Joint Ventures

The Charter Township is a member of the Western Townships Utilities Authority (WTUA), which provides sewage disposal services to the residents of Canton, Northville, and Plymouth Townships. The participating communities provide annual funding for its operations. During the current year, the Charter Township paid approximately \$23,186,000 to WTUA for operations, debt, and capital. The Charter Township's equity interest is recorded within the Water and Sewer Fund. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for WTUA can be obtained from the administrative offices at 40905 Joy Road, Canton, Michigan 48187.

The Charter Township is a member of the 35<sup>th</sup> District Court System and has an equity interest in the 35<sup>th</sup> District Courthouse Authority (the "Courthouse"), which provides judicial services to the Charter Township and various other surrounding communities. The Charter Township appoints one member to the joint venture's board, which then approves the annual budget. The Charter Township's equity interest is recorded within the governmental activities column in the statement of net assets. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Charter Township and various other surrounding communities agreed to become guarantors of bonds issued by the Courthouse during 1999. There were bonds outstanding of \$2,770,000 at December 31, 2009, of which the Charter Township guarantees 47 percent, or \$1,301,900. Complete financial statements for the Courthouse can be obtained from the administrative offices at 660 Plymouth Road, Plymouth, Michigan 48170.

## **Note 14 – Upcoming Pronouncements**

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective for the Township's 2010 fiscal year end. This Statement requires capitalization of identifiable intangible assets in the statement of net assets and provides guidance for amortization of intangible assets unless they are considered to have an indefinite useful life. This Statement also establishes specified conditions upon which internally generated intangible assets should be recognized and amortized, including internally generated computer software. The Township is currently evaluating the impact this standard will have on the financial statements when adopted.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned and unassigned. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The Township is required to implement Statement No. 54 beginning with the fiscal year ended December 31, 2011.

## **Required Supplemental Information**

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# Charter Township of Canton

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 10,264,000	\$ 10,404,000	\$ 10,124,947	\$ (279,053)
Licenses and permits	1,182,200	1,182,200	973,019	(209,181)
Federal sources	166,000	166,000	-	(166,000)
State sources	6,137,500	5,748,500	5,144,052	(604,448)
Charges for services	3,599,437	3,599,437	3,440,341	(159,096)
Administration charges	140,000	3,840,698	3,840,698	-
Special assessments	6,500	6,500	5,390	(1,110)
Contributions and donations	52,000	52,000	66,819	14,819
Other revenues	1,331,400	1,875,475	1,226,548	(648,927)
Transfers in	4,144,153	323,155	323,155	-
Fund balance appropriation	477,399	1,070,181	1,490,211	420,030
<b>Total Revenues:</b>	<b><u>\$ 27,500,589</u></b>	<b><u>\$ 28,268,146</u></b>	<b><u>\$ 26,635,180</u></b>	<b><u>\$ (1,632,966)</u></b>
<b>Expenditures</b>				
General government	\$ 7,408,083	\$ 7,641,548	\$ 7,354,082	\$ 287,466
Public safety	1,286,819	1,296,819	1,200,396	96,423
Public works	6,325,546	6,374,308	5,828,228	546,080
Health and welfare	483,518	483,518	410,703	72,815
Community and economic development	751,888	1,078,768	955,219	123,549
Recreation and culture	6,618,807	6,979,282	6,769,321	209,961
Capital outlay	552,700	741,325	474,043	267,282
Debt principal payments	524,000	325,000	325,000	-
Interest and fiscal charges	-	199,000	199,942	(942)
Transfers out	3,549,228	3,148,578	3,118,246	30,332
<b>Total Expenditures:</b>	<b><u>\$ 27,500,589</u></b>	<b><u>\$ 28,268,146</u></b>	<b><u>\$ 26,635,180</u></b>	<b><u>\$ 1,632,966</u></b>

# Charter Township of Canton

	Fire			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 8,683,457	\$ 8,683,457	\$ 8,494,072	\$ (189,385)
Licenses and permits	-	-	-	-
Federal sources	-	-	26,867	26,867
State sources	-	-	-	-
Charges for services	951,000	951,000	1,271,871	320,871
Contributions and donations	-	-	-	-
Other revenues	212,580	212,580	117,074	(95,506)
Fund balance appropriation	897,423	955,316	332,615	(622,701)
<b>Total Revenues:</b>	<b><u>\$ 10,744,460</u></b>	<b><u>\$ 10,802,353</u></b>	<b><u>\$ 10,242,499</u></b>	<b><u>\$ (559,854)</u></b>
<b>Expenditures</b>				
Public safety	\$ 9,338,697	\$ 9,792,262	\$ 9,575,891	\$ 216,371
Capital outlay	480,600	536,493	149,455	387,038
Debt principal payments	360,439	360,439	410,440	(50,001)
Interest and fiscal charges	113,159	113,159	106,713	6,446
Transfers out	451,565	-	-	-
<b>Total Expenditures:</b>	<b><u>\$ 10,744,460</u></b>	<b><u>\$ 10,802,353</u></b>	<b><u>\$ 10,242,499</u></b>	<b><u>\$ 559,854</u></b>

**Required Supplemental Information**  
**Budgetary Comparison Schedule - Major Special Revenue Funds**  
**Year Ended December 31, 2009**

Police

Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
\$ 13,537,061	\$ 13,537,061	\$ 13,237,924	\$ (299,137)
10,000	10,000	11,342	1,342
46,982	122,276	9,510	(112,766)
21,500	21,500	39,537	18,037
154,000	154,000	141,482	(12,518)
2,000	2,000	18,789	16,789
321,200	321,200	281,446	(39,754)
<u>1,612,635</u>	<u>2,095,206</u>	<u>1,877,088</u>	<u>(218,118)</u>
<b><u>\$ 15,705,378</u></b>	<b><u>\$ 16,263,243</u></b>	<b><u>\$ 15,617,118</u></b>	<b><u>\$ (646,125)</u></b>
\$ 14,189,515	\$ 15,252,409	\$ 15,019,358	\$ 233,051
412,750	942,168	529,336	412,832
53,480	53,480	53,498	(18)
15,186	15,186	14,926	260
<u>1,034,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>\$ 15,705,378</u></b>	<b><u>\$ 16,263,243</u></b>	<b><u>\$ 15,617,118</u></b>	<b><u>\$ 646,125</u></b>

# Charter Township of Michigan

## Note to Required Supplemental Information December 31, 2009

### Note - Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds except that fund balance appropriation, proceeds from sale of capital assets, and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at fiscal year end.

The statement comparing actual to budgeted revenue and expenditures is presented in the format of the operating statement.

Following is a reconciliation of the budget statement of the General Fund and other major Special Revenue Funds to the operating statement:

	Budget Statement	Fund Balance Appropriation	Transfers	Operating Statement
General Fund:				
Total revenues	\$ 26,635,180	\$ (1,490,211)	\$ (323,155)	\$ 24,821,814
Total expenditures	26,635,180	-	(3,118,246)	23,516,934
Fire Fund - Total revenues	10,242,499	(332,615)	-	9,909,884
Police Fund - Total revenues	15,617,118	(1,877,088)	-	13,740,030

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

- Prior to the last Friday in August, the Charter Township Supervisor submits to the board of trustees (the "Board") a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted in September to obtain taxpayer comments.
- In October, the budget is legally adopted by the Board through adoption of the appropriation ordinance.
- The Charter Township Supervisor is authorized to transfer budgeted amounts within budgetary centers (activity); however, any revisions that alter the total expenditure of any budgetary center (activity) must be approved by the Board.

# Charter Township of Michigan

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## Note to Required Supplemental Information December 31, 2009

### Note - Budgetary Information (Continued)

The budgets for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds have been adopted on a fund basis. The General Fund budget-to-actual results are reported at the activity level. The adopted budget is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations. The Board must approve all budget amendments made throughout the year. Transfers within a fund may be approved by the Charter Township Supervisor. During the current year, the budget was amended in a legally permissible manner.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of yearend; the commitments will be re-appropriated and honored during the subsequent year.

**Deficits** – The Golf Course fund's has a deficit of unrestricted net assets in the amount of \$107,655. This deficit will be eliminated in the Township's 2010 fiscal year by a transfer of unrestricted monies from the Public Improvement fund.

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## **Other Supplemental Information**

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# Charter Township of Canton

	Nonmajor Special Revenue Funds				
	Community Center Fund	Street Lighting	Cable TV	Public Improvement	Community Improvement
<b>Assets</b>					
Cash and cash equivalents	\$ 149,610	\$ 268,034	\$ 299,356	\$ 287,481	\$ 570,644
Investments	-	-	951,552	2,799,820	-
Receivables, net:					
Special assessments	-	81,685	-	-	-
Accrued interest and other receivables	5,885	-	312,370	10,242	202,195
Other assets	11,010	-	-	1,704,867	-
Due from other funds	1,320	-	-	-	800,000
Due from other governmental units	23	-	-	-	59,542
<b>Total Assets:</b>	<b>\$ 167,848</b>	<b>\$ 349,719</b>	<b>\$ 1,563,278</b>	<b>\$ 4,802,410</b>	<b>\$ 1,632,381</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 69,675	\$ 21,392	\$ 2,539	\$ -	\$ 374,879
Accrued and other liabilities	21,741	-	4,887	-	-
Due to other funds	6,378	-	19,930	2,350,000	1,212,657
Due to other governmental units	1,235	-	284	-	-
Deferred revenue:					
Special assessments	-	240,189	-	-	-
Property taxes and other	-	-	-	1,704,867	44,308
<b>Total Liabilities:</b>	<b>99,029</b>	<b>261,581</b>	<b>27,640</b>	<b>4,054,867</b>	<b>1,631,844</b>
Fund Balances:					
Reserved for encumbrances	5,269	-	-	-	537
Unreserved, undesignated reported in:					
Special Revenue Funds	63,550	88,138	1,535,638	747,543	-
Debt Service Fund	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
<b>Total Fund Balances:</b>	<b>68,819</b>	<b>88,138</b>	<b>1,535,638</b>	<b>747,543</b>	<b>537</b>
<b>Total Liabilities and Fund Balances:</b>	<b>\$ 167,848</b>	<b>\$ 349,719</b>	<b>\$ 1,563,278</b>	<b>\$ 4,802,410</b>	<b>\$ 1,632,381</b>



**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2009**

Nonmajor Special Revenue Funds			
911 Service	Special Investigation	CDBG	Total
\$ 631,168	\$ 1,186,496	\$ 2,981	\$ 3,395,770
1,627,565	137,591	-	5,516,528
-	-	-	81,685
11,548	946	-	543,186
-	-	-	1,715,877
-	-	-	801,320
-	9,583	115,679	184,827
<b>\$ 2,270,281</b>	<b>\$ 1,334,616</b>	<b>\$ 118,660</b>	<b>\$ 12,239,193</b>
\$ 1,675	\$ 76,997	\$ 49,914	\$ 597,071
-	62,337	-	88,965
-	-	68,746	3,657,711
-	19,807	-	21,326
-	-	-	240,189
-	-	-	1,749,175
1,675	159,141	118,660	6,354,437
-	-	-	5,806
2,268,606	1,175,475	-	5,878,950
-	-	-	-
-	-	-	-
2,268,606	1,175,475	-	5,884,756
<b>\$ 2,270,281</b>	<b>\$ 1,334,616</b>	<b>\$ 118,660</b>	<b>\$ 12,239,193</b>

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**Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
December 31, 2009**

	Nonmajor Capital Projects Funds		Total Nonmajor Governmental Funds
	Capital Projects - Roads	Total	
<b>Assets</b>			
Cash and cash equivalents	\$ 1,582,894	\$ 1,582,894	\$ 4,978,664
Investments	-	-	5,516,528
Receivables, net:			
Special assessments	214,322	214,322	296,007
Accrued interest and other receivables	-	-	543,186
Other assets	-	-	1,715,877
Due from other funds	1,100,000	1,100,000	1,901,320
Due from other governmental units	-	-	184,827
<b>Total Assets:</b>	<b>\$ 2,897,216</b>	<b>\$ 2,897,216</b>	<b>\$ 15,136,409</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 54,534	\$ 54,534	\$ 651,605
Accrued and other liabilities	-	-	88,965
Due to other funds	102,255	102,255	3,759,966
Due to other governmental units	-	-	21,326
Deferred revenue:			
Special assessments	207,774	207,774	447,963
Property taxes and other	-	-	1,749,175
<b>Total Liabilities:</b>	<b>364,563</b>	<b>364,563</b>	<b>6,719,000</b>
Fund Balances:			
Reserved for encumbrances	1,039,744	-	1,045,550
Unreserved, undesignated reported in:			
Special Revenue Funds	-	-	5,878,950
Debt Service Fund	-	-	-
Capital Project Funds	1,492,909	2,532,653	1,492,909
<b>Total Fund Balances:</b>	<b>2,532,653</b>	<b>2,532,653</b>	<b>8,417,409</b>
<b>Total Liabilities and Fund Balances:</b>	<b>\$ 2,897,216</b>	<b>\$ 2,897,216</b>	<b>\$ 15,136,409</b>

# Charter Township of Canton

	Nonmajor Special Revenue Funds				
	Community Center Fund	Street Lighting	Cable TV	Public Improvement	Community Improvement
<b>Revenues</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 15,234
State sources	-	-	-	-	-
Charges for services	-	-	-	-	-
Administration charges	485,000	-	-	-	-
Special assessments	-	256,392	-	-	-
Royalties	-	-	1,259,182	-	935,387
Contributions and donations	-	-	-	-	-
Summit recreation fees	1,338,821	-	-	-	-
Other revenues	111,002	2,275	14,362	160,125	16,421
<b>Total Revenues:</b>	<b>1,934,823</b>	<b>258,667</b>	<b>1,273,544</b>	<b>160,125</b>	<b>967,042</b>
<b>Expenditures</b>					
Current:					
General government	-	-	808,388	-	-
Public safety	-	-	-	-	-
Public works	-	234,999	-	21,956	12,657
Community and economic development	-	-	-	-	-
Recreation and culture	2,434,735	-	-	-	93,194
Capital outlay:					
Capital outlay	44,239	-	27,586	119,452	946,113
Debt service:					
Principal payments	5,250	-	-	-	700,000
Interest and fiscal charges	63,711	-	-	-	824,238
<b>Total Expenditures:</b>	<b>2,547,935</b>	<b>234,999</b>	<b>835,974</b>	<b>141,408</b>	<b>2,576,202</b>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures:	(613,112)	23,668	437,570	18,717	(1,609,160)
<b>Transfers in</b>	<b>752,653</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,458,000</b>
Total Transfers in:	752,653	-	-	-	1,458,000
<b>Transfers out</b>	<b>(96,740)</b>	<b>-</b>	<b>(319,700)</b>	<b>(3,784,950)</b>	<b>-</b>
Total Transfers out:	(96,740)	-	(319,700)	(3,784,950)	-
Net Change in Fund Balances:	42,801	23,668	117,870	(3,766,233)	(151,160)
Fund Balances - Beginning	26,018	64,470	1,417,768	4,513,776	151,697
Fund Balances - Ending:	<b>\$ 68,819</b>	<b>\$ 88,138</b>	<b>\$ 1,535,638</b>	<b>\$ 747,543</b>	<b>\$ 537</b>

**Other Supplemental Information  
Combining Statement of Revenue, Expenditures, and  
Changes in Fund Balances - Nonmajor Governmental Funds  
Year Ended December 31, 2009**

Nonmajor Special Revenue Funds				Nonmajor Debt Service Funds	
911 Service	Special Investigation	CDBG	Total	Building Authority	Total
\$ -	\$ 88,958	\$ 435,653	\$ 539,845	\$ -	\$ -
-	1,130,014	-	1,130,014	-	-
367,270	27,655	-	394,925	-	-
-	-	-	485,000	-	-
-	-	-	256,392	-	-
-	-	-	2,194,569	-	-
-	5,004	-	5,004	-	-
-	-	-	1,338,821	-	-
<u>32,022</u>	<u>42,343</u>	<u>-</u>	<u>378,550</u>	<u>-</u>	<u>-</u>
<u>399,292</u>	<u>1,293,974</u>	<u>435,653</u>	<u>6,723,120</u>	<u>-</u>	<u>-</u>
-	-	-	808,388	-	-
94,092	1,112,918	-	1,207,010	-	-
-	-	-	269,612	-	-
-	-	435,653	435,653	-	-
-	-	-	2,527,929	-	-
-	-	-	1,137,390	-	-
-	-	-	705,250	87,500	87,500
-	-	-	887,949	9,240	9,240
<u>94,092</u>	<u>1,112,918</u>	<u>435,653</u>	<u>7,979,181</u>	<u>96,740</u>	<u>96,740</u>
<u>305,200</u>	<u>181,056</u>	<u>-</u>	<u>(1,256,061)</u>	<u>(96,740)</u>	<u>(96,740)</u>
-	-	-	2,210,653	96,740	96,740
-	-	-	2,210,653	96,740	96,740
-	-	-	(4,201,390)	-	-
-	-	-	(4,201,390)	-	-
305,200	181,056	-	(3,246,798)	-	-
1,963,406	994,419	-	9,131,554	-	-
<u>\$ 2,268,606</u>	<u>\$ 1,175,475</u>	<u>\$ -</u>	<u>\$ 5,884,756</u>	<u>\$ -</u>	<u>\$ -</u>

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# Charter Township of Canton

## Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

	Nonmajor Capital Projects Funds		Total Nonmajor Governmental Funds
	Capital Projects - Roads	Total	
<b>Revenues</b>			
Federal sources	\$ -	\$ -	\$ 539,845
State sources	-	-	1,130,014
Charges for services	-	-	394,925
Administration charges	-	-	485,000
Special assessments	41,031	41,031	297,423
Royalties	-	-	2,194,569
Contributions and donations	-	-	5,004
Summit recreation fees	-	-	1,338,821
Other revenues	17,305	17,305	395,855
<b>Total Revenues:</b>	<u>58,336</u>	<u>58,336</u>	<u>6,781,456</u>
<b>Expenditures</b>			
Current:			
General government	-	-	808,388
Public safety	-	-	1,207,010
Public works	70,214	70,214	339,826
Community and economic development	-	-	435,653
Recreation and culture	-	-	2,527,929
Capital outlay:			
Capital outlay	1,557,024	1,557,024	2,694,414
Debt service:			
Principal payments	-	-	792,750
Interest and fiscal charges	45,790	45,790	942,979
<b>Total Expenditures:</b>	<u>1,673,028</u>	<u>1,673,028</u>	<u>9,748,949</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>(1,614,692)</u>	<u>(1,614,692)</u>	<u>(2,967,493)</u>
<b>Transfers in (Note 6)</b>	<u>3,716,869</u>	<u>3,716,869</u>	<u>6,024,262</u>
Total Transfers in (Note 6):	<u>3,716,869</u>	<u>3,716,869</u>	<u>6,024,262</u>
<b>Transfers out (Note 6)</b>	<u>-</u>	<u>-</u>	<u>(4,201,390)</u>
Total Transfers out (Note 6):	<u>-</u>	<u>-</u>	<u>(4,201,390)</u>
<b>Net Change in Fund Balances:</b>	<u>2,102,177</u>	<u>2,102,177</u>	<u>(1,144,621)</u>
Fund Balances - Beginning	430,476	430,476	9,562,030
<b>Fund Balances - Ending:</b>	<u>\$ 2,532,653</u>	<u>\$ 2,532,653</u>	<u>\$ 8,417,409</u>

# Charter Township of Canton

## Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds Year Ended December 31, 2009

### Special Revenue Fund – Community Center

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Administration charges	\$ -	\$ 485,000	\$ 485,000	\$ -
Summit recreation fees	1,327,900	1,327,900	1,338,821	10,921
Other revenues	150,000	150,000	111,002	(38,998)
Transfers in	1,237,653	784,003	752,653	(31,350)
Total Revenues:	<u>\$ 2,715,553</u>	<u>\$ 2,746,903</u>	<u>\$ 2,687,476</u>	<u>\$ (59,427)</u>
<b>Expenditures - Current expenditures</b>				
Recreation and culture	\$ 2,475,156	\$ 2,498,156	\$ 2,434,735	\$ 63,421
Capital outlay	74,429	82,779	44,239	38,540
Debt principal payments	5,250	5,250	5,250	-
Interest and fiscal charges	63,974	63,974	63,711	263
Transfers out	96,744	96,744	96,740	4
Transfer to fund balance	-	-	42,801	(42,801)
Total Expenditures:	<u>\$ 2,715,553</u>	<u>\$ 2,746,903</u>	<u>\$ 2,687,476</u>	<u>\$ 59,427</u>

### Special Revenue Fund - Street Lighting

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 255,000	\$ -	\$ -	\$ -
Special assessments	-	255,000	256,392	1,392
Contributions and donations	15,000	15,000	-	(15,000)
Other revenues	2,450	2,450	2,275	(175)
Total Revenues:	<u>\$ 272,450</u>	<u>\$ 272,450</u>	<u>\$ 258,667</u>	<u>\$ (13,783)</u>
<b>Expenditures - Current expenditures</b>				
Public works	\$ 261,146	\$ 261,146	\$ 234,999	\$ 26,147
Transfer to fund balance	11,304	11,304	23,668	(12,364)
Total Expenditures:	<u>\$ 272,450</u>	<u>\$ 272,450</u>	<u>\$ 258,667</u>	<u>\$ 13,783</u>



# Charter Township of Canton

## Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

### Special Revenue Fund – Cable TV

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Royalties	\$ 1,070,000	\$ 1,070,000	\$ 1,259,182	\$ 189,182
Other revenues	65,000	65,000	14,362	(50,638)
Fund balance appropriation	55,397	75,097	-	(75,097)
Total Revenues:	<u>\$ 1,190,397</u>	<u>\$ 1,210,097</u>	<u>\$ 1,273,544</u>	<u>\$ 63,447</u>
<b>Expenditures - Current expenditures</b>				
General government	\$ 356,320	\$ 854,397	\$ 808,388	\$ 46,009
Capital outlay	36,000	36,000	27,586	8,414
Transfers out	798,077	319,700	319,700	-
Transfer to fund balance	-	-	117,870	(117,870)
Total Expenditures:	<u>\$ 1,190,397</u>	<u>\$ 1,210,097</u>	<u>\$ 1,273,544</u>	<u>\$ (63,447)</u>

### Special Revenue Fund – Public Improvement

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Other revenues	\$ 275,000	\$ 169,000	\$ 160,125	\$ (8,875)
Fund balance appropriation	1,169,950	4,008,617	3,766,233	(242,384)
Total Revenues:	<u>\$ 1,444,950</u>	<u>\$ 4,177,617</u>	<u>\$ 3,926,358</u>	<u>\$ (251,259)</u>
<b>Expenditures - Current expenditures</b>				
Public works	\$ 10,000	\$ 55	\$ 21,956	\$ (21,901)
Capital outlay	-	142,612	119,452	23,160
Transfers out	1,434,950	4,034,950	3,784,950	250,000
Total Expenditures:	<u>\$ 1,444,950</u>	<u>\$ 4,177,617</u>	<u>\$ 3,926,358</u>	<u>\$ 251,259</u>

# Charter Township of Canton

## Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

### Special Revenue Fund – Community Improvement

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Federal sources	\$ -	\$ -	\$ 15,234	\$ 15,234
State sources	-	350,000	-	(350,000)
Royalties	1,200,000	1,200,000	935,387	(264,613)
Contributions and donations	185,000	353,000	-	(353,000)
Other revenues	16,600	16,600	16,421	(179)
Transfers in	658,000	2,008,000	1,458,000	(550,000)
Fund balance appropriation	272,901	323,988	151,160	(172,828)
Total Revenues:	<u>\$ 2,332,501</u>	<u>\$ 4,251,588</u>	<u>\$ 2,576,202</u>	<u>\$ (1,675,386)</u>
<b>Expenditures - Current expenditures</b>				
Public works	\$ 30,000	\$ 13,790	\$ 12,657	\$ 1,133
Recreation and culture	-	-	93,194	(93,194)
Capital outlay	778,000	2,713,297	946,113	1,767,184
Debt principal payments	700,000	700,000	700,000	-
Interest and fiscal charges	824,501	824,501	824,238	263
Total Expenditures:	<u>\$ 2,332,501</u>	<u>\$ 4,251,588</u>	<u>\$ 2,576,202</u>	<u>\$ 1,675,386</u>

### Special Revenue Fund – 911 Service

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 200,000	\$ 200,000	\$ 367,270	\$ 167,270
Other revenues	41,000	41,000	32,022	(8,978)
Fund balance appropriation	-	25,330	-	(25,330)
Total Revenues:	<u>\$ 241,000</u>	<u>\$ 266,330</u>	<u>\$ 399,292</u>	<u>\$ 132,962</u>
<b>Expenditures - Current expenditures</b>				
Public Safety	\$ 131,400	\$ 134,370	\$ 94,092	\$ 40,278
Capital outlay	16,500	38,860	-	38,860
Transfer to fund balance	93,100	93,100	305,200	(212,100)
Total Expenditures:	<u>\$ 241,000</u>	<u>\$ 266,330</u>	<u>\$ 399,292</u>	<u>\$ (132,962)</u>

# Charter Township of Canton

## Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

### Special Revenue Fund – Special Investigation

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Federal sources	\$ 111,000	\$ 111,000	\$ 88,958	\$ (22,042)
State sources	285,122	285,122	1,130,014	844,892
Charges for services	170,000	920,000	27,655	(892,345)
Contributions and donations	2,800	2,800	5,004	2,204
Other revenues	33,200	33,200	42,343	9,143
Fund balance appropriation	355,286	-	-	-
Total Revenues:	<u>\$ 957,408</u>	<u>\$ 1,352,122</u>	<u>\$ 1,293,974</u>	<u>\$ (58,148)</u>
<b>Expenditures - Current expenditures</b>				
Public safety	\$ 937,408	\$ 1,106,408	\$ 1,112,918	\$ (6,510)
Capital outlay	20,000	20,000	-	20,000
Transfer to fund balance	-	225,714	181,056	44,658
Total Expenditures:	<u>\$ 957,408</u>	<u>\$ 1,352,122</u>	<u>\$ 1,293,974</u>	<u>\$ 58,148</u>

### Special Revenue Fund – CDBG

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues - Federal sources</b>	<u>\$ 344,949</u>	<u>\$ 800,166</u>	<u>\$ 435,653</u>	<u>\$ (364,513)</u>
<b>Expenditures - Community and economic development</b>	<u>\$ 344,949</u>	<u>\$ 800,166</u>	<u>\$ 435,653</u>	<u>\$ 364,513</u>

# Charter Township of Canton

## Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

### Debt Service Fund – Special Assessment Debt Service

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Special assessments	\$ 317,897	\$ 317,897	\$ 150,604	\$ (167,293)
Other revenues	137,131	137,131	128,949	(8,182)
Fund balance appropriation	47,627	547,627	1,265,950	718,323
Total Revenues:	<u>\$ 502,655</u>	<u>\$ 1,002,655</u>	<u>\$ 1,545,503</u>	<u>\$ 542,848</u>
<b>Expenditures</b>				
Public works	\$ -	\$ -	\$ 542,948	\$ (542,948)
Debt principal payments	400,000	900,000	900,000	-
Interest and fiscal charges	99,200	99,200	99,100	100
Transfers out	3,455	3,455	3,455	-
Total Expenditures:	<u>\$ 502,655</u>	<u>\$ 1,002,655</u>	<u>\$ 1,545,503</u>	<u>\$ (542,848)</u>

### Debt Service Fund – Building Authority

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Other revenues	\$ -	\$ -	\$ -	\$ -
Transfers in	96,744	96,744	96,740	(4)
Total Revenues:	<u>\$ 96,744</u>	<u>\$ 96,744</u>	<u>\$ 96,740</u>	<u>\$ (4)</u>
<b>Expenditures - Current expenditures</b>				
Debt principal payments	\$ 87,500	\$ 87,500	\$ 87,500	\$ -
Interest and fiscal charges	9,244	9,244	9,240	4
Total Expenditures:	<u>\$ 96,744</u>	<u>\$ 96,744</u>	<u>\$ 96,740</u>	<u>\$ 4</u>

# Charter Township of Canton

## Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2009

### Capital Projects Fund – Capital Projects – Roads

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Special assessments	\$ -	\$ -	\$ 41,031	\$ 41,031
Other revenues	55,000	55,000	17,305	(37,695)
Transfers in	2,615,851	3,715,851	3,716,869	1,018
Fund balance appropriation	-	301,154	-	(301,154)
Total Revenues:	<u>\$ 2,670,851</u>	<u>\$ 4,072,005</u>	<u>\$ 3,775,205</u>	<u>\$ (296,800)</u>
<b>Expenditures - Current expenditures</b>				
Public works	\$ 201,574	\$ 154,109	\$ 70,214	\$ 83,895
Capital outlay	2,394,277	3,842,896	1,557,024	2,285,872
Interest and fiscal charges	75,000	75,000	45,790	29,210
Transfer to fund balance	-	-	2,102,177	(2,102,177)
Total Expenditures:	<u>\$ 2,670,851</u>	<u>\$ 4,072,005</u>	<u>\$ 3,775,205</u>	<u>\$ 296,800</u>

# Charter Township of Canton

## Other Supplemental Information Statement of Changes in Assets and Liabilities Fiduciary Funds Year Ended December 31, 2009

	Agency Funds			
	Balance January 1, 2009	Additions	Deletions	
<b><u>Tax Collections</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 15,274,974	\$ 138,950,115	\$ 141,193,815	\$ 13,031,274
Receivables - Accrued interest and other	-	1,740	-	1,740
Total assets	<u>\$ 15,274,974</u>	<u>\$ 138,951,855</u>	<u>\$ 141,193,815</u>	<u>\$ 13,033,014</u>
<b>Liabilities - Due to other governmental units</b>	<u>\$ 15,274,974</u>	<u>\$ 123,059,910</u>	<u>\$ 125,301,870</u>	<u>\$ 13,033,014</u>
<b><u>Other Agency Funds</u></b>				
<b>Assets - Cash and cash equivalents</b>	<u>\$ 528,491</u>	<u>\$ 1,149,584</u>	<u>\$ 1,150,273</u>	<u>\$ 527,802</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,295	\$ 519,765	\$ 474,360	\$ 53,700
Cash bonds and deposits	520,196	523,286	569,380	474,102
Total liabilities	<u>\$ 528,491</u>	<u>\$ 1,043,051</u>	<u>\$ 1,043,740</u>	<u>\$ 527,802</u>
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 15,803,465	\$ 140,099,699	\$ 142,344,088	\$ 13,559,076
Receivables - Accrued interest and other	-	1,740	-	1,740
Total assets	<u>\$ 15,803,465</u>	<u>\$ 140,101,439</u>	<u>\$ 142,344,088</u>	<u>\$ 13,560,816</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,295	\$ 519,765	\$ 474,360	\$ 53,700
Cash bonds and deposits	520,196	523,286	569,380	474,102
Due to other governmental funds	15,274,974	123,059,910	125,301,870	13,033,014
Total liabilities	<u>\$ 15,803,465</u>	<u>\$ 124,102,961</u>	<u>\$ 126,345,610</u>	<u>\$ 13,560,816</u>

## **Statistical Section**

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# Charter Township of Canton

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## Description of Statistical Section

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health

### Contents

The statistical section is organized into the following main categories:

#### **Financial Trends:**

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

#### **Revenue Capacity:**

These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.

#### **Debt Capacity:**

These schedules contain information to help the reader assess the affordability of the Township's current levels of outstanding debt, and the Township's ability to issue additional debt in the future.

#### **Demographic and Economic Information:**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.

#### **Operating Information:**

These schedules contain service and infrastructure data to help the reader understand how the information in the Township's financial report relates to the services the Township provides and the activities it performs.

#### **Sources:**

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Township implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

# Charter Township of Canton

	Fiscal Year Ended December 31			
	2002	2003	2004	2005
<b>Governmental Activities</b>				
Invested in capital assets - Net of related debt	\$ 39,070,025	\$ 42,163,530	\$ 41,737,768	\$ 45,205,467
Restricted	11,837,657	12,080,313	13,689,720	11,679,740
Unrestricted	<u>23,605,054</u>	<u>17,409,745</u>	<u>15,589,584</u>	<u>22,048,490</u>
Total net assets	74,512,736	71,653,588	71,017,072	78,933,697
<b>Business-type Activities</b>				
Invested in capital assets - Net of related debt	82,983,166	85,264,716	88,244,363	91,961,552
Restricted	7,183	11,612	11,463	4,462
Unrestricted	<u>54,720,350</u>	<u>55,603,979</u>	<u>57,872,611</u>	<u>56,180,667</u>
Total net assets	137,710,699	140,880,307	146,128,437	148,146,681
<b>Primary Government in Total</b>				
Invested in capital assets - Net of related debt	122,053,191	127,428,246	129,982,131	137,167,019
Restricted	11,844,840	12,091,925	13,701,183	11,684,202
Unrestricted	<u>78,325,404</u>	<u>73,013,724</u>	<u>73,462,195</u>	<u>78,229,157</u>
Total net assets	<u><b>\$ 212,223,435</b></u>	<u><b>\$ 212,533,895</b></u>	<u><b>\$ 217,145,509</b></u>	<u><b>\$ 227,080,378</b></u>

\*Restricted net assets were restated for 2007 and 2008 for business-type activities for comparability.

**Financial Trend Information  
Net Assets by Component  
(Unaudited)**

Fiscal Year Ended December 31			
2006	2007*	2008*	2009
\$ 47,200,269	\$ 50,304,473	\$ 53,231,465	\$ 54,914,974
15,686,011	15,829,468	16,363,562	13,292,162
<u>16,329,584</u>	<u>15,165,364</u>	<u>11,190,868</u>	<u>6,130,666</u>
79,215,864	81,299,305	80,785,895	74,337,802
91,906,737	87,895,407	88,787,902	88,447,727
1,487	43,377,714	29,790,020	18,055,888
<u>51,918,561</u>	<u>10,987,324</u>	<u>21,926,084</u>	<u>34,925,826</u>
143,826,785	142,260,445	140,504,006	141,429,441
139,107,006	138,199,880	142,019,367	143,362,701
15,687,498	59,207,182	46,153,582	31,348,050
<u>68,248,145</u>	<u>26,152,688</u>	<u>33,116,952</u>	<u>41,056,492</u>
<b><u>\$ 223,042,649</u></b>	<b><u>\$ 223,559,750</u></b>	<b><u>\$ 221,289,901</u></b>	<b><u>\$ 215,767,243</u></b>

	Fiscal Year Ended December 31			
	2002	2003	2004	2005
<b>Expenses</b>				
General government	\$ 7,255,264	\$ 6,673,059	\$ 7,871,063	\$ 6,705,957
Public safety	16,463,481	18,528,734	18,300,773	22,262,105
Public works	3,383,140	6,578,119	11,121,653	7,388,912
Building, planning, and engineering	3,588,191	3,803,120	3,679,756	3,874,353
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	5,113,356	6,520,210	8,405,420	8,677,474
Sanitation	2,015,090	2,156,849	2,432,446	2,664,103
Interest on long-term debt	457,756	539,567	649,025	388,909
Total governmental activities	38,276,278	44,799,658	52,460,136	51,961,813
<b>Program Revenues</b>				
Charges for services:				
General government	795,939	498,864	517,566	568,650
Public safety	1,135,371	1,324,414	848,795	987,207
Public works	-	-	-	-
Building, planning, and engineering	4,513,706	2,624,178	3,099,852	3,839,924
Community and economic development	-	-	-	-
Recreation and culture	3,364,204	3,673,589	3,852,691	4,099,582
Total charges for services	9,809,220	8,121,045	8,318,904	9,495,363
Operating grants and contributions	1,482,609	1,449,704	1,794,831	3,263,870
Capital grants and contributions	586,191	1,063,128	5,565,856	4,390,608
Total program revenues	11,878,020	10,633,877	15,679,591	17,149,841
<b>Net Expense</b>	(26,398,258)	(34,165,781)	(36,780,545)	(34,811,972)
<b>General Revenues</b>				
Taxes:				
Property taxes	3,740,620	4,740,395	5,988,123	7,647,583
Public safety operating levy	16,695,873	17,986,859	18,872,962	19,533,530
State-shared revenues	7,064,413	6,310,027	6,034,910	6,018,024
Royalties	1,764,592	1,726,009	1,241,583	1,233,579
Investment earnings	1,020,755	924,482	626,011	1,869,021
Miscellaneous - Net of miscellaneous expense	168,615	139,622	3,925,025	1,274,992
Total general revenues	30,454,868	31,827,394	36,688,614	37,576,729
Special item - Gain on sale of assets	29,728	-	-	5,635,111
<b>Transfers</b>	(523,122)	(520,761)	(544,585)	(483,243)
<b>Change in Net Assets</b>	<b>\$ 3,563,216</b>	<b>\$ (2,859,148)</b>	<b>\$ (636,516)</b>	<b>\$ 7,916,625</b>

\*Some departments were reclassified to different functions for fiscal year 2008 and beyond.

**Financial Trend Information**  
**Changes in Governmental Net Assets**  
**(Unaudited)**

Fiscal Year Ended December 31			
2006	2007	2008*	2009*
\$ 5,569,166	\$ 4,560,620	\$ 8,458,738	\$ 8,803,717
24,188,930	24,111,926	27,409,325	28,220,711
5,808,264	5,210,185	7,502,335	8,126,977
3,333,880	2,883,668	-	-
-	-	398,253	410,703
-	-	1,269,725	1,752,539
7,751,655	8,443,435	9,704,756	9,635,079
2,874,954	2,967,807	-	-
<u>256,072</u>	<u>1,142,247</u>	<u>1,437,625</u>	<u>1,315,953</u>
49,782,921	49,319,888	56,180,757	58,265,679
699,201	916,168	2,466,563	2,641,451
986,337	1,081,752	2,483,345	2,372,519
-	-	1,136,033	836,301
2,776,429	2,612,816	-	-
-	-	167,448	61,650
<u>3,539,032</u>	<u>3,422,199</u>	<u>3,354,345</u>	<u>3,457,720</u>
8,000,999	8,032,935	9,607,734	9,369,641
1,995,817	2,401,625	1,784,920	2,480,678
<u>596,752</u>	<u>675,083</u>	<u>880,719</u>	<u>488,857</u>
<u>10,593,568</u>	<u>11,109,643</u>	<u>12,273,373</u>	<u>12,339,176</u>
(39,189,353)	(38,210,245)	(43,907,384)	(45,926,503)
8,287,228	8,903,181	10,526,330	10,139,914
20,489,067	22,467,032	22,762,912	21,717,029
5,958,485	5,994,198	5,852,220	5,045,295
1,331,008	1,196,560	2,339,226	2,194,569
2,331,534	2,408,528	1,646,081	723,406
<u>1,334,198</u>	<u>1,300,708</u>	<u>796,726</u>	<u>632,453</u>
<u>39,731,520</u>	<u>42,270,207</u>	<u>43,923,495</u>	<u>40,452,666</u>
-	-	-	-
<u>(260,000)</u>	<u>(1,976,521)</u>	<u>(529,521)</u>	<u>(974,256)</u>
<b><u>\$ 282,167</u></b>	<b><u>\$ 2,083,441</u></b>	<b><u>\$ (513,410)</u></b>	<b><u>\$ (6,448,093)</u></b>

	Fiscal Year Ended December 31			
	2000	2001	2002	2003
<b>Expenses</b>				
Water and sewer	\$ 18,345,685	\$ 19,984,530	\$ 23,764,705	\$ 21,076,221
Golf course	-	-	2,509,465	2,157,744
Total business-type activities	18,345,685	19,984,530	26,274,170	23,233,965
<b>Program Revenues</b>				
Charges for services:				
Water and sewer	13,777,118	15,974,827	18,590,625	23,143,762
Golf course	-	-	1,837,076	1,963,134
Total charges for services	13,777,118	15,974,827	20,427,701	25,106,896
Capital grants and contributions	-	10,016,642	7,345,221	2,411,816
Total program revenues	13,777,118	25,991,469	27,772,922	27,518,712
<b>Net Expense</b>	(4,568,567)	6,006,939	1,498,752	4,284,747
<b>General Revenues</b>				
Investment earnings	2,730,646	2,533,500	1,558,866	692,734
Miscellaneous - Net of miscellaneous expense	-	-	35,268	55,920
Total general revenues	2,730,646	2,533,500	1,594,134	748,654
Special item - Gain (loss) on sale of assets	-	-	8,131	(2,384,554)
<b>Transfers</b>	457,500	512,551	523,122	520,761
<b>Change in Net Assets</b>	<b>\$ (1,380,421)</b>	<b>\$ 9,052,990</b>	<b>\$ 3,624,139</b>	<b>\$ 3,169,608</b>

**Financial Trend Information**  
**Change in Business-type Net Assets**  
**(Unaudited)**

Fiscal Year Ended December 31					
2004	2005	2006	2007	2008	2009
\$ 24,247,381	\$ 25,846,472	\$ 26,528,356	\$ 29,715,467	\$ 29,805,654	\$ 26,048,538
<u>2,253,164</u>	<u>2,371,297</u>	<u>2,190,429</u>	<u>2,084,397</u>	<u>1,942,810</u>	<u>1,958,461</u>
26,500,545	28,217,769	28,718,785	31,799,864	31,748,464	28,006,999
24,379,294	25,137,903	20,559,380	23,593,184	25,678,395	25,971,691
<u>1,861,475</u>	<u>1,821,730</u>	<u>1,440,751</u>	<u>1,432,356</u>	<u>1,349,586</u>	<u>1,248,704</u>
26,240,769	26,959,633	22,000,131	25,025,540	27,027,981	27,220,395
<u>4,341,542</u>	<u>2,014,599</u>	<u>978,084</u>	<u>1,193,248</u>	<u>432,834</u>	<u>17,698</u>
<u>30,582,311</u>	<u>28,974,232</u>	<u>22,978,215</u>	<u>26,218,788</u>	<u>27,460,815</u>	<u>27,238,093</u>
4,081,766	756,463	(5,740,570)	(5,581,076)	(4,287,649)	(768,906)
423,662	694,673	1,149,959	1,983,256	1,953,054	563,987
<u>198,117</u>	<u>83,865</u>	<u>10,715</u>	<u>54,959</u>	<u>48,635</u>	<u>156,098</u>
<u>621,779</u>	<u>778,538</u>	<u>1,160,674</u>	<u>2,038,215</u>	<u>2,001,689</u>	<u>720,085</u>
-	-	-	-	-	-
<u>544,585</u>	<u>483,243</u>	<u>260,000</u>	<u>1,976,521</u>	<u>529,521</u>	<u>974,256</u>
<b><u>\$ 5,248,130</u></b>	<b><u>\$ 2,018,244</u></b>	<b><u>\$ (4,319,896)</u></b>	<b><u>\$ (1,566,340)</u></b>	<b><u>\$ (1,756,439)</u></b>	<b><u>\$ 925,435</u></b>

# Charter Township of Canton

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	Fiscal Year Ended December 31			
	2000	2001	2002	2003
<b>General Fund</b>				
Reserved	\$ 585,215	\$ 545,652	\$ 569,543	\$ 562,679
Unreserved	<u>8,055,315</u>	<u>6,781,211</u>	<u>5,748,432</u>	<u>4,857,473</u>
Total General Fund	<u><b>\$ 8,640,530</b></u>	<u><b>\$ 7,326,863</b></u>	<u><b>\$ 6,317,975</b></u>	<u><b>\$ 5,420,152</b></u>
<b>All Other Governmental Funds:</b>				
Reserved	\$ 4,559,441	\$ 2,594,981	\$ 1,308,573	\$ 530,489
Unreserved, reported in:				
Special Revenue Funds	15,649,718	15,214,394	13,134,838	14,116,789
Debt Service Funds	1,928,805	2,166,220	1,730,420	1,442,164
Capital Project Funds	<u>2,324,228</u>	<u>2,637,770</u>	<u>1,844,619</u>	<u>12,338,443</u>
Total all other governmental funds	<u><b>\$ 24,462,192</b></u>	<u><b>\$ 22,613,365</b></u>	<u><b>\$ 18,018,450</b></u>	<u><b>\$ 28,427,885</b></u>



**Financial Trend Information**  
**Fund Balances - Governmental Funds**  
**(Unaudited)**

Fiscal Year Ended December 31					
2004	2005	2006	2007	2008	2009
\$ 156,840	\$ 306,365	\$ 166,962	\$ 129,558	\$ 135,335	\$ 184,540
<u>3,190,658</u>	<u>2,848,071</u>	<u>5,829,264</u>	<u>6,728,486</u>	<u>7,390,406</u>	<u>5,850,990</u>
<b><u>\$ 3,347,498</u></b>	<b><u>\$ 3,154,436</u></b>	<b><u>\$ 5,996,226</u></b>	<b><u>\$ 6,858,044</u></b>	<b><u>\$ 7,525,741</u></b>	<b><u>\$ 6,035,530</u></b>
\$ 4,422,814	\$ 1,584,322	\$ 989,776	\$ 1,111,258	\$ 448,326	\$ 1,459,163
14,532,998	18,743,056	16,580,130	16,149,984	16,898,190	11,169,439
2,088,613	1,862,445	1,680,983	1,553,860	1,512,194	246,244
<u>1,100,664</u>	<u>1,755,015</u>	<u>962,437</u>	<u>78,100</u>	<u>129,319</u>	<u>1,492,909</u>
<b><u>\$ 22,145,089</u></b>	<b><u>\$ 23,944,838</u></b>	<b><u>\$ 20,213,326</u></b>	<b><u>\$ 18,893,202</u></b>	<b><u>\$ 18,988,029</u></b>	<b><u>\$ 14,367,755</u></b>

# Charter Township of Canton

	Fiscal Year Ended December 31			
	2000	2001	2002	2003
<b>Revenue</b>				
Property taxes	\$ 16,928,959	\$ 18,260,062	\$ 20,436,493	\$ 22,727,254
Licenses and permits	2,442,411	2,587,070	2,551,057	2,403,811
Federal grants	705,193	1,420,904	688,661	764,073
State sources	7,159,118	9,771,117	7,709,288	7,148,836
Charges for services	3,238,193	3,266,027	2,976,653	3,172,143
Court fees	822,569	1,693,792	488,992	200,534
Administration charges	1,374,174	1,656,446	2,589,298	2,791,714
Special assessments	1,033,262	909,283	737,763	739,165
Royalties	1,956,615	1,716,831	1,764,592	1,726,009
Contributions and donations	423,950	399,800	709,043	321,262
Operating lease	751,704	667,763	-	-
Summit recreation fees	676,272	1,559,505	856,124	849,915
Other revenues	6,544,327	5,851,191	3,064,365	3,361,923
<b>Total revenue</b>	<b>44,056,747</b>	<b>49,759,791</b>	<b>44,572,329</b>	<b>46,206,639</b>
<b>Expenditures</b>				
Current:				
General government	7,093,633	7,795,598	9,199,038	8,121,823
Public safety	13,760,299	17,417,837	17,338,695	19,142,528
Public works	17,063,413	7,872,144	7,833,373	8,733,989
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and culture	6,007,321	5,804,672	5,461,281	6,005,243
Sanitation	1,962,340	2,171,248	2,083,855	2,284,566
Other	301,500	375,655	428,849	334,697
Capital outlay	-	7,414,246	2,124,367	13,309,695
Debt service				
Principal payments	1,510,001	2,090,000	1,715,000	1,415,000
Interest and paying agent fees	1,047,786	1,468,334	878,465	938,412
<b>Total expenditures</b>	<b>48,746,293</b>	<b>52,409,734</b>	<b>47,062,923</b>	<b>60,285,953</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>(4,689,546)</b>	<b>(2,649,943)</b>	<b>(2,490,594)</b>	<b>(14,079,314)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,975,688	12,243,714	2,790,774	3,090,781
Transfers out	(6,433,188)	(12,756,265)	(3,313,896)	(3,611,542)
Payment of refunding	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-
Proceeds from issuance of debt	6,000,000	-	-	25,330,000
Payment to escrow for bond refunding	-	-	-	(2,600,000)
<b>Total other financing sources (uses)</b>	<b>5,542,500</b>	<b>(512,551)</b>	<b>(523,122)</b>	<b>22,209,239</b>
<b>Net Change in Fund Balances</b>	<b>852,954</b>	<b>(3,162,494)</b>	<b>(3,013,716)</b>	<b>8,129,925</b>
<b>Fund Balances - Beginning of year</b>	<b>32,249,768</b>	<b>33,102,722</b>	<b>27,350,141</b>	<b>25,718,112</b>
<b>Fund Balances - End of year</b>	<b>\$ 33,102,722</b>	<b>\$ 29,940,228</b>	<b>\$ 24,336,425</b>	<b>\$ 33,848,037</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.2%</b>	<b>7.9%</b>	<b>5.8%</b>	<b>5.0%</b>

2002 - The Postemployment Benefits Fund and the Golf Course Fund were previously reported as a Special Revenue Fund. The Postemployment Benefits Fund is now reported as a fiduciary fund and the Golf Course Fund as an Enterprise Fund under GASB No. 34.

2003 - General Fund fund balance as of December 31, 2002 restated for certain Charter Township fees inappropriately recorded as a liability in prior year.

2004 - General Fund fund balance as of December 31, 2003 restated for certain Charter Township deposits recorded as revenue in prior year.

2008 - Some departments were reclassified to different functions for fiscal year 2008 and beyond.

**Financial Trend Information**  
**Change in Fund Balances**  
**Governmental Funds**  
**(Unaudited)**

Fiscal Year Ended December 31						
	2004	2005	2006	2007	2008	2009
\$	24,861,085	\$ 27,181,113	\$ 28,776,295	\$ 31,370,213	\$ 33,289,242	\$ 31,856,943
	2,591,470	2,610,487	1,184,154	1,325,935	1,197,230	984,361
	1,164,970	1,232,577	747,386	679,808	817,613	576,222
	6,534,179	7,495,391	7,699,661	6,862,834	6,713,837	6,313,603
	3,867,639	4,979,670	5,355,205	4,947,877	5,540,075	5,248,619
	74,236	74,694	48,986	184,713	-	-
	3,046,138	3,726,795	4,834,666	4,279,386	4,145,817	4,325,698
	717,382	819,052	730,565	532,928	813,702	453,417
	2,029,300	2,103,145	2,258,194	2,224,275	2,339,227	2,194,569
	521,039	960,824	515,300	788,505	121,262	90,612
	-	-	-	-	-	-
	862,161	921,506	965,942	1,053,568	1,356,919	1,338,821
	<u>8,481,659</u>	<u>4,593,033</u>	<u>4,077,154</u>	<u>5,082,241</u>	<u>3,073,552</u>	<u>2,149,872</u>
	54,751,258	56,698,287	57,193,508	59,332,283	59,408,476	55,532,737
	9,606,264	9,450,349	9,702,802	8,178,142	7,752,581	8,162,470
	20,706,000	24,780,670	24,843,074	25,122,075	24,959,284	27,002,655
	8,898,412	8,807,135	8,117,795	7,855,452	6,331,663	6,711,002
	-	-	-	-	398,253	410,703
	-	-	-	-	910,517	1,390,872
	6,439,401	7,024,307	6,916,506	7,112,172	9,376,969	9,297,250
	2,506,162	3,107,479	3,297,460	3,331,292	-	-
	711,641	353,481	1,092,632	758,490	-	-
	19,454,016	2,106,554	1,446,490	1,913,290	4,498,982	3,847,248
	1,348,750	1,352,000	1,845,000	2,195,000	2,450,557	2,481,688
	<u>604,898</u>	<u>521,957</u>	<u>561,471</u>	<u>1,348,155</u>	<u>1,437,625</u>	<u>1,363,660</u>
	<u>70,275,544</u>	<u>57,503,932</u>	<u>57,823,230</u>	<u>57,814,068</u>	<u>58,116,431</u>	<u>60,667,548</u>
	(15,524,286)	(805,645)	(629,722)	1,518,215	1,292,045	(5,134,811)
	6,627,588	3,752,561	5,674,350	4,059,515	5,243,503	6,347,417
	(7,172,173)	(4,235,804)	(5,934,350)	(6,036,036)	(5,773,024)	(7,323,091)
	-	(6,782,507)	-	-	-	-
	-	3,127,082	-	-	-	-
	8,100,000	6,551,000	-	-	-	-
	-	-	-	-	-	-
	<u>7,555,415</u>	<u>2,412,332</u>	<u>(260,000)</u>	<u>(1,976,521)</u>	<u>(529,521)</u>	<u>(975,674)</u>
	(7,968,871)	1,606,687	(889,722)	(458,306)	762,524	(6,110,485)
	<u>33,461,458</u>	<u>25,492,587</u>	<u>27,099,274</u>	<u>26,209,552</u>	<u>25,751,246</u>	<u>26,513,770</u>
<b>\$</b>	<b><u>25,492,587</u></b>	<b><u>27,099,274</u></b>	<b><u>26,209,552</u></b>	<b><u>25,751,246</u></b>	<b><u>26,513,770</u></b>	<b><u>20,403,285</u></b>
	3.8%	3.4%	4.3%	6.3%	7.3%	6.8%

# Charter Township of Canton

Taxable Value by Property Type					
Tax Year	Real Property			Agricultural and Other	Personal Property
	Residential	Commercial	Industrial		
2000	1,728,853,394	217,391,941	111,263,567	703,501	150,537,360
2001	1,929,949,340	238,431,201	126,293,992	652,977	170,562,480
2002	2,136,168,909	270,200,857	136,127,703	-	169,394,180
2003	2,333,870,912	322,206,541	141,129,471	-	181,804,933
2004	2,568,834,283	341,386,242	152,197,908	-	194,145,256
2005	2,778,981,260	385,258,211	170,750,820	-	194,754,034
2006	3,023,547,837	447,688,439	193,317,099	-	188,787,437
2007	3,194,414,432	465,870,638	205,009,244	-	196,454,679
2008	3,039,738,038	485,848,752	215,226,227	-	196,917,035
2009	2,782,705,818	523,427,429	217,640,841	-	199,207,382

Note: Under Michigan law, the revenue base is taxable value.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Charter Township of Canton Treasurer's Department.

**Revenue Capacity Information**  
**Assessed Value and Actual Value of Taxable Property**  
**(Unaudited)**

Total Taxable Value	Tax Rate (Mills)	Total SEV	Taxable Value as a Percentage of Actual
2,208,749,763	8.85	2,479,871,370	44.53
2,465,889,990	8.85	2,817,336,350	43.76
2,711,891,649	8.85	3,226,241,880	42.03
2,979,011,857	8.85	3,635,181,579	40.97
3,256,563,689	8.86	3,954,442,252	41.18
3,529,744,325	8.65	4,236,220,142	41.66
3,853,340,812	8.65	4,609,843,477	41.79
4,061,748,993	8.65	4,772,938,595	42.55
3,937,730,052	8.65	4,480,360,765	43.94
3,722,981,470	8.65	4,117,993,828	45.20

# Charter Township of Canton

Millage Rates - Direct Township Taxes							Overlapping Taxes				
Tax Year	General Operating	Police	Fire	Total Direct Taxes	County	Jail	Huron Clinton Metro Parks	Wayne County Parks	Library	Wayne County Community College	Detroit Zoo
2000	1.1100	4.8000	2.9400	8.8500	6.6651	0.9446	0.2202	0.2477	1.6114	1.0000	0.0000
2001	1.5100	4.4000	2.9400	8.8500	6.6556	0.9432	0.2186	0.2473	1.5946	2.4995	0.0000
2002	1.7100	4.4000	2.7400	8.8500	6.6380	0.9381	0.2170	0.2459	1.5766	2.4862	0.0000
2003	2.0000	4.2500	2.6000	8.8500	6.6380	0.9381	0.2161	0.2459	1.5635	2.4862	0.0000
2004	2.3660	4.1260	2.3580	8.8500	6.6380	0.9381	0.2154	0.2459	1.5331	2.4844	0.0000
2005	2.3660	4.1260	2.1580	8.6500	6.6380	0.9381	0.2146	0.2459	1.5554	2.4769	0.0000
2006	2.3660	3.9260	2.3580	8.6500	6.6380	0.9381	0.2146	0.2459	1.5437	2.4769	0.0000
2007	2.6160	3.6760	2.3580	8.6500	6.6380	0.9381	0.2146	0.2459	1.5437	2.4769	0.0000
2008	2.6160	3.6760	2.3580	8.6500	6.6380	0.9381	0.2146	0.2459	1.4980	2.4769	0.1000
2009	2.3660	3.9260	2.3580	8.6500	6.6380	0.9381	0.2146	0.2459	1.4980	2.4769	0.1000

Source: Charter Township of Canton's Treasurer's Department.

**Revenue Capacity Information**  
**Direct and Overlapping Property Tax Rates**  
**(Unaudited)**

Overlapping Taxes								
Schoolcraft Community College	Intermediate School District	State Education	School - Homestead Plymouth/ Canton	School - Homestead Wayne/ Westland	School - Homestead Van Buren	School - Non- homestead Plymouth/ Canton	School - Non- homestead Wayne/ Westland	School - Non- homestead Van Buren
1.8311	1.9789	6.0000	3.1500	5.1400	1.2901	21.1500	23.1400	19.2901
1.8193	1.9753	6.0000	3.4900	5.0000	1.2719	21.4900	23.0000	19.2719
1.8043	3.4643	6.0000	3.3000	4.7000	1.2649	21.3000	22.7000	19.2649
1.8024	3.4643	5.0000	3.1500	5.1300	1.2645	21.1500	23.1300	19.2645
1.7967	3.4643	6.0000	3.1000	5.0922	1.2645	21.1000	23.0922	19.2645
1.7967	3.4643	6.0000	3.4300	4.8422	1.2617	21.4300	22.8422	19.2617
1.7967	3.4643	6.0000	3.1500	4.8322	1.2603	21.1500	22.8322	19.2603
1.7967	3.4643	6.0000	3.1500	4.5122	1.2603	21.1500	22.5122	19.2603
1.7967	3.4643	6.0000	3.1500	4.5122	1.2603	21.1500	22.5122	19.2603
1.7967	3.4643	6.0000	3.2600	4.6322	4.1100	21.2600	22.6322	22.1100

# Charter Township of Canton

## Revenue Capacity Information Principal Property Taxpayers (Unaudited)

Taxpayer	2009 Taxable Value	Percentage of Total	2000 Taxable Value	Percentage of Total	2000 Rank
1 Yazaki North American Inc	\$ 48,808,262	1.31	\$ 21,736,116	0.98	2
2 Detroit Edison Company	28,537,000	0.77	26,423,364	1.20	1
3 Michigan Consolidated Gas Co	18,806,420	0.51	15,720,960	0.71	4
4 TMG (Crossings of Canton)	16,000,010	0.43	9,970,623	0.45	7
5 IKEA	14,910,084	0.40		0.00	
6 Uptown Investors II LLC	11,610,700	0.31		0.00	
7 Tianz Inc	11,207,717	0.30		0.00	
8 Kmart Corporation	10,135,063	0.27	18,603,790	0.84	3
9 Procoil Inc	9,848,260	0.26	9,507,829	0.43	8
10 Meisel-Sysco Corporation	9,666,925	0.26	9,281,243	0.42	6
Steel Technologies			10,605,285	0.48	5
Village Squire			7,501,983	0.34	9
Pilgrim Village			6,082,450	0.28	10

Source: Township's assessment records



# Charter Township of Canton

## Revenue Capacity Information Property Tax Levies and Collections (Unaudited)

Fiscal Year Ended December 31	Tax Levy (1)	Current Tax Collections	Percent of Levy Collected	Delinquent Collections	Total Tax Collections	Percent of Total Collections to Tax Levy
2000	18,403,289	17,785,932	96.65	593,356	18,379,289	99.87
2001	20,562,827	19,595,078	95.29	943,749	20,538,827	99.88
2002	22,789,499	21,779,428	95.57	985,976	22,765,405	99.89
2003	25,057,144	24,295,288	96.96	731,608	25,026,897	99.88
2004	27,496,889	26,463,352	96.24	985,918	27,449,269	99.83
2005	29,226,855	27,933,904	95.58	1,247,219	29,181,123	99.84
2006	32,116,967	30,332,350	94.44	1,774,854	32,107,204	99.97
2007	33,948,402	31,940,396	94.09	1,977,017	33,917,413	99.91
2008	32,872,729	30,878,252	93.93	1,948,691	32,826,943	99.86
2009	30,951,531	29,135,866	94.13	1,802,929	30,938,795	99.96

(1) Includes general operating, fire, and police taxes. Does not include penalty and interest on late payment of taxes.

# Charter Township of Canton

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	2000	2001	2002	2003
<b>Governmental Activities</b>				
General obligation bonds	\$ 14,025,000	\$ 13,307,500	\$ 12,572,500	\$ 35,087,500
Special assessment bonds	<u>6,220,000</u>	<u>5,265,000</u>	<u>4,285,000</u>	<u>3,430,000</u>
Total	20,245,000	18,572,500	16,857,500	38,517,500
<b>Business-type Activities</b>				
General obligation bonds	11,828,381	10,737,496	10,027,496	9,377,500
Installment purchase agreements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>11,828,381</u>	<u>10,737,496</u>	<u>10,027,496</u>	<u>9,377,500</u>
Total debt of the government	32,073,381	29,309,996	26,884,996	47,895,000
<b>Total Population</b>	76,366	76,366	81,681	82,612
<b>Total Debt per Capita</b>	\$ 414.95	\$ 383.81	\$ 329.15	\$ 581.82
<b>Taxable Value</b>	2,208,749,763	2,465,889,990	2,711,891,649	2,979,011,857
<b>Ratio of Total Debt to Taxable Value</b>	1.45%	1.19%	0.99%	1.61%

**Debt Capacity Information  
Ratios of Outstanding Debt  
(Unaudited)**

2004	2005	2006	2007	2008	2009
\$ 36,743,750	\$ 35,160,940	\$ 33,467,320	\$ 32,097,462	\$ 30,238,358	\$ 28,900,999
8,175,000	7,375,000	6,175,000	5,175,000	4,400,000	3,500,000
44,918,750	42,535,940	39,642,320	37,272,462	34,638,358	32,400,999
8,871,250	8,102,957	8,455,653	52,309,414	50,292,418	48,469,885
-	-	-	-	-	-
8,871,250	8,102,957	8,455,653	52,309,414	50,292,418	48,469,885
53,790,000	50,638,897	48,097,973	89,581,876	84,930,776	80,870,884
83,567	84,930	85,476	84,037	84,716	88,944
\$ 645.71	\$ 604.03	\$ 576.07	\$ 1,065.98	\$ 1,002.54	\$ 909.23
3,256,563,689	3,529,744,325	3,853,340,812	4,061,748,993	3,937,730,052	3,722,981,470
1.65%	1.43%	1.25%	2.21%	2.16%	2.17%

# Charter Township of Canton

## Debt Capacity Information Ratios of General Bonded Debt Outstanding (Unaudited)

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Tax Supported Bonds (UTGO)	Less Pledged Debt Service Funds	Other General Obligation Debt	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
2000	\$ 14,025,000	\$ -	\$ -	\$ -	\$ 14,025,000	\$ 2,208,749,763	0.63	76,366	\$ 183.66
2001	13,307,500	-	-	-	13,307,500	2,465,889,990	0.54	76,366	174.26
2002	12,572,500	-	-	-	12,572,500	2,711,891,649	0.46	81,681	153.92
2003	35,087,500	-	-	-	35,087,500	2,979,011,857	1.18	82,612	424.73
2004	36,743,750	-	-	-	36,743,750	3,256,563,689	1.13	83,567	439.69
2005	35,160,940	-	-	-	35,160,940	3,529,744,325	1.00	84,930	414.00
2006	33,467,320	-	-	-	33,467,320	3,853,340,812	0.87	85,476	391.54
2007	32,097,462	-	-	-	32,097,462	4,061,748,993	0.79	84,037	381.94
2008	30,238,358	-	-	-	30,238,358	3,937,730,052	0.77	84,716	356.94
2009	28,900,999	-	-	-	28,900,999	3,722,981,470	0.78	88,944	324.93

# Charter Township of Canton

## Debt Capacity Information Direct and Overlapping Debt (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable*	Estimated Share of Overlapping Debt
Wayne County	\$ 182,546,152	7.50%	\$ 13,690,961
Plymouth-Canton Community Schools	239,131,000	54.03%	129,202,479
Wayne-Westland Schools	73,170,000	12.91%	9,446,247
Van Buren Schools	87,380,000	15.55%	13,587,590
Wayne County Community College	20,130,000	1.95%	392,535
35th District Court Authority	2,770,000	47.00%	1,301,900
Western Townships Utilities Authority	99,525,000	37.65%	37,471,867
Total overlapping debt	704,652,152		205,093,579
Direct Township debt	77,095,884	100.00%	77,095,884
Downtown Development Authority	8,079,310	100.00%	8,079,310
District Library	4,530,000	100.00%	4,530,000
Total direct and overlapping debt	<b>\$ 794,357,346</b>		<b>\$ 294,798,773</b>

\*Applicable percentages are calculated using the Township's share of the revenue-base which is taxable value.

# Charter Township of Canton

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	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Calculation of Debt Limit</b>				
State equalized valuation	\$2,203,898,155	\$2,479,871,370	\$2,817,336,350	\$3,226,241,880
Plus: equivalent valuation of Act 198 exemptions	<u>70,044,696</u>	<u>87,707,005</u>	<u>91,901,710</u>	<u>94,837,497</u>
Total valuation	<u>\$2,273,942,851</u>	<u>\$2,567,578,375</u>	<u>\$2,909,238,060</u>	<u>\$3,321,079,377</u>
10 percent of taxable value	227,394,285	256,757,838	290,923,806	332,107,938
<b>Calculation of Debt Subject to Limit</b>				
Total debt	27,956,771	32,073,381	29,309,996	26,884,996
Less debt not subject to limit - Special assessment bonds	<u>7,080,000</u>	<u>6,220,000</u>	<u>5,265,000</u>	<u>4,285,000</u>
<b>Net Debt Subject to Limit</b>	<u>20,876,771</u>	<u>25,853,381</u>	<u>24,044,996</u>	<u>22,599,996</u>
<b>Legal Debt Margin</b>	<u><b>\$ 206,517,514</b></u>	<u><b>\$ 230,904,457</b></u>	<u><b>\$ 266,878,810</b></u>	<u><b>\$ 309,507,942</b></u>
<b>Net Debt Subject to Limit as Percent of Debt Limit</b>	9.18%	10.07%	8.27%	6.81%

**Debt Capacity Information  
Legal Debt Margins  
(Unaudited)**

2003	2004	2005	2006	2007	2008	2009
\$3,635,181,579	\$3,954,442,252	\$4,236,220,142	\$4,609,843,477	\$4,772,938,595	\$4,480,360,765	\$4,117,993,828
<u>92,697,794</u>	<u>88,613,861</u>	<u>73,112,460</u>	<u>69,657,938</u>	<u>82,254,588</u>	<u>74,325,581</u>	<u>64,485,690</u>
<u>\$3,727,879,373</u>	<u>\$4,043,056,113</u>	<u>\$4,309,332,602</u>	<u>\$4,679,501,415</u>	<u>\$4,855,193,183</u>	<u>\$4,554,686,346</u>	<u>\$4,182,479,518</u>
372,787,937	404,305,611	430,933,260	467,950,142	485,519,318	455,468,635	418,247,952
47,895,000	53,790,000	50,638,897	48,097,973	89,581,876	84,930,776	80,870,884
<u>3,430,000</u>	<u>8,175,000</u>	<u>7,375,000</u>	<u>6,175,000</u>	<u>5,175,000</u>	<u>4,400,000</u>	<u>3,500,000</u>
<u>44,465,000</u>	<u>45,615,000</u>	<u>43,263,897</u>	<u>41,922,973</u>	<u>84,406,876</u>	<u>80,530,776</u>	<u>77,370,884</u>
<b><u>\$ 328,322,937</u></b>	<b><u>\$ 358,690,611</u></b>	<b><u>\$ 387,669,363</u></b>	<b><u>\$ 426,027,169</u></b>	<b><u>\$ 401,112,442</u></b>	<b><u>\$ 374,937,859</u></b>	<b><u>\$ 340,877,068</u></b>
11.93%	11.28%	10.04%	8.96%	17.38%	17.68%	18.50%

# Charter Township of Canton

## Water and Sewer Revenue Bonds

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Debt Service		Coverage
				Principal	Interest	
1999	\$ 16,950,484	\$ 8,166,892	\$ 8,783,592	\$ 143,386	\$ 58,246	43.56
2000	16,507,794	7,873,732	8,634,062	153,386	51,203	42.20
2001	18,508,327	8,921,854	9,586,473	158,386	49,909	46.02
2002	19,145,687	10,825,374	8,320,313	115,000	24,942	59.46
2003	20,067,602	14,554,275	5,513,327	255,000	52,875	17.91
2004	22,951,435	15,066,991	7,884,444	255,000	43,650	26.40
2005	27,852,026	20,495,118	7,356,908	260,000	34,300	25.00
2006	26,685,392	20,656,438	6,028,954	265,000	24,900	20.80
2007	26,721,872	21,492,117	5,229,755	265,000	15,925	18.62
2008	28,068,349	23,902,872	4,165,477	130,000	9,800	29.80
2009	26,722,733	21,862,403	4,860,330	130,000	7,200	35.43

Note: Several special assessment districts include payment agreements versus annual special assessments placed on the tax rolls.



**Debt Capacity Information  
Pledged Revenue Coverage  
(Unaudited)**

Special Assessment Bonds				
Special Assessment Collections	Debt Service			Coverage
	Principal	Interest		
\$ 795,441	\$ 630,000	\$ 295,150		0.86
723,368	860,000	283,225		0.63
913,965	955,000	243,589		0.76
591,034	980,000	200,910		0.50
586,443	855,000	160,741		0.58
334,765	855,000	123,603		0.34
674,446	800,000	254,006		0.64
823,373	1,200,000	190,813		0.59
435,711	1,000,000	150,338		0.38
610,034	775,000	118,694		0.68
328,330	900,000	98,850		0.33

# Charter Township of Canton

## Demographic and Economic Statistics (Unaudited)

Fiscal Year	Population (1)	Personal Income (in thousands) (4)	Per Capita Personal Income (4)	Unemployment Rate (3)	Estimated Number of Households (1)
2000	76,366 (2)	(4)	\$ 28,609 (2)	2.10	27,490 (2)
2001	79,449	(4)	(4)	2.00	28,443
2002	81,681	(4)	(4)	2.60	29,456
2003	82,612	(4)	(4)	3.40	30,613
2004	83,567	(4)	(4)	3.20	31,550
2005	84,930	(4)	(4)	2.60	32,237
2006	85,476	(4)	(4)	2.50	32,652
2007	84,037	(4)	(4)	2.70	32,361
2008	84,716	(4)	(4)	3.00	32,898
2009	88,944	(4)	(4)	5.20	32,735

(1) Southeast Michigan Council of Governments Information Services

(2) 2000 U.S. Census

(3) U.S. Department of Labor, Bureau of Labor Statistics

(4) Not Available

# Charter Township of Canton

## Principal Employers (Unaudited)

Taxpayer	2009 Employees	Percentage of Total	2000 Employees	Percentage of Total	2000 Rank
Plymouth Canton Schools	2,500	12.83	(1)	(1)	(1)
Yazaki North America	1,071	5.50	(1)	(1)	(1)
Sysco Detroit LLC	540	2.77	(1)	(1)	(1)
A & D Transport	475	2.44	(1)	(1)	(1)
Meijer Thrifty Acres	360	1.85	(1)	(1)	(1)
Charter Township of Canton	358	1.84	(1)	(1)	(1)
IKEA	315	1.62	(1)	(1)	(1)
Kroger	315	1.62	(1)	(1)	(1)
Walmart	312	1.60	(1)	(1)	(1)
Home Depot	270	1.39	(1)	(1)	(1)

(1) Not available

Source: Taxpayer, SEMCOG, and Canton Library Reference USA

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# Charter Township of Canton

## Operating Information Full-time Equivalent Government Employees (Unaudited)

Department	2000	2001	2002	2003	2004	2005	2006*	2007	2008	2009
<b>Supervisor's Office</b>	3	3	3	3	2	2	4	4	4	4
Economic Development										4
Cable										3
Human Resources										5
Legal										2
<b>Economic Development</b>	-	-	-	-	1	1	1	1	2	**
<b>Clerk's Office</b>	6	6	6	6	6	6	8	8	8	7
<b>Treasurer's Office</b>	7	7	6	6	6	6	7	6	7	7
Utility Billing	4	4	4	4	5	5	4	4	4	4
<b>Executive Operations and Public Safety</b>										
Fire	55	57	62	65	68	68	63	70	70	70
Police	99	99	105	108	110	109	106	117	113	113
Human Resources	4	4	4	4	5	5	5	5	5	**
<b>Finance and Budget</b>										
Finance and Budget	11	12	12	12	12	12	11	10	10	10
Information Technology Systems	7	8	8	8	8	8	7	7	7	7
Cable Television	2	3	2	3	3	3	3	3	3	**
<b>Municipal Services</b>										
Director's Office	4	5	5	5	5	4	3	5	3	3
Building and Inspection Services	19	20	20	21	23	20	11	12	10	10
Engineering Services	12	14	16	16	16	24	15	19	15	13
Planning Services	7	7	8	8	7	9	6	6	7	7
Public Works	31	31	34	35	33	35	37	38	36	36
<b>Leisure Services</b>										
Director's Office	2	2	4	4	4	5	4	7	7	6
Parks Division/Grounds	11	12	10	12	12	12	11	12	12	12
Summit Community Center	10	10	10	8	8	6	10	11	9	9
Pheasant Run Golf Course	6	6	4	5	3	3	3	3	2	2
Parks and Recreation	4	4	9	11	10	11	12	7	11	10
Softball Center	3	3	1	1	2	2	2	1	1	1
Performing Arts	-	-	-	-	1	1	1	2	2	2
Community Services	3	4	4	4	4	4	2	3	2	1
Facilities Maintenance	11	11	11	8	16	16	11	11	9	10
Administrative Services	3	3	3	3	3	3	-	-	-	-
<b>Total</b>	<b><u>324</u></b>	<b><u>335</u></b>	<b><u>351</u></b>	<b><u>360</u></b>	<b><u>373</u></b>	<b><u>380</u></b>	<b><u>347</u></b>	<b><u>372</u></b>	<b><u>359</u></b>	<b><u>358</u></b>

Source: Township personnel records

\* As a result of retirement incentives and reduced construction, there was a reduction in staff.

\*\*Department reorganization in 2009 - see Supervisor's Office

# Charter Township of Canton

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Function/Program	2000	2001	2002	2003
<b>Police:</b>				
Physical arrests	2,887	2,294	2,329	2,649
Traffic violations	15,338	14,652	13,742	16,647
Parking violations	369	403	446	433
<b>Fire:</b>				
Fire runs	1,281	1,181	1,253	1,224
Emergency medical runs	3,744	3,667	3,851	3,489
Inspections	1,009	721	1,172	1,150
<b>Parks and recreation:</b>				
Recreation program attendance	40,994	132,857	195,826	352,458
Community center admissions	257,809	258,372	377,147	343,645
<b>Library:</b>				
Circulation (books borrowed)	762,654	945,464	1,156,106	1,345,278
Collection volume	184,934	210,708	238,309	261,182
<b>Water:</b>				
Number of customers billed	19,672	20,300	21,184	21,835
Total consumption (billed - gallons)	2,715,344,000	3,047,036,000	3,297,112,000	3,059,188,000
<b>Sewer:</b>				
Number of customers billed	19,362	19,990	21,166	21,520

Source: Charter Township of Canton's Departments and Canton Township Library.

**Operating Information**  
**Operating Indicators**  
**(Unaudited)**

2004	2005	2006	2007	2008	2009
2,682	2,760	3,580	3,709	3,522	3,756
17,378	16,293	16,670	18,113	15,577	22,729
295	399	290	446	472	330
1,148	1,294	1,152	1,109	1,124	1,050
3,561	3,754	4,012	4,348	4,604	4,766
1,073	889	628	515	747	874
351,860	406,774	524,722	494,347	437,329	408,641
403,473	342,949	284,088	232,400	300,896	298,085
1,486,599	1,567,489	1,654,395	1,614,242	1,796,819	2,015,317
262,488	284,337	302,026	308,547	307,300	309,995
22,425	22,967	23,272	23,388	23,502	23,414
2,987,866,000	3,367,677,000	3,041,124,000	3,316,524,000	3,095,821,000	2,711,815,000
22,111	22,651	22,953	23,069	23,187	23,202

# Charter Township of Canton

## Operating Information Capital Asset Statistics (Unaudited)

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units:										
Cars and Jeep	36	39	39	39	40	41	47	50	50	48
Prisoner van	1	1	1	1	1	1	1	1	1	1
Motorcycles	6	4	4	4	4	6	6	6	6	4
Fire:										
Stations	2	2	2	2	2	3	3	3	3	3
Fire and emergency response vehicles	8	9	11	12	14	14	14	15	15	15
Public works:										
Streets (miles)	310	315	315	325	325	325	373	390	393	393
Streetlights	705	705	705	705	705	705	705	705	705	708
Parks and recreation:										
Acreage	599	729	859	859	859	859	859	859	859	859
Parks	7	7	7	7	7	7	7	7	7	9
Soccer fields	30	30	30	30	30	30	30	30	30	47
Baseball diamonds	22	22	22	22	22	22	22	22	22	19
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Golf courses	2	2	2	2	2	2	2	2	2	2
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water:										
Mains (miles)	265	265	268	279	279	279	424	424	425	425
Fire hydrants	3,493	3,493	3,493	3,493	3,493	3,493	4,874	4,930	4,935	5,047
Sewer:										
Miles of sanitary sewers	235	238	238	248	248	248	328	330	331	335

Source: Charter Township of Canton's Departments and Canton Township Library.