

**Charter Township of Chesterfield
Macomb County, Michigan**

**Financial Report
with Supplemental Information
December 31, 2008**

Charter Township of Chesterfield

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Chesterfield
Macomb County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Chesterfield, Michigan (the "Township") as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Chesterfield, Michigan'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. 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, based on our audit, 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 units, each major fund, and the aggregate remaining fund information of the Charter Township of Chesterfield, Michigan as of December 31, 2008 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.

As described in Note 1, the Township has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of December 31, 2008.

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. We have applied certain limited procedures, 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.

To the Board of Trustees
Charter Township of Chesterfield

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Chesterfield, Michigan's basic financial statements. The accompanying other supplemental information and additional information, 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 other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we express no opinion on it.

Plante & Moran, PLLC

May 19, 2009

Charter Township of Chesterfield

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Chesterfield, Michigan's (the "Township") financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the Township's financial statements.

Using this Annual Report

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

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

The Charter Township of Chesterfield as a Whole

The following table shows, in a condensed format, the net assets as of the current date and compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets						
Current and other assets	\$ 33,118,323	\$ 32,880,606	\$ 24,362,983	\$ 17,171,711	\$ 57,481,306	\$ 50,052,317
Capital assets	<u>25,266,368</u>	<u>24,596,376</u>	<u>53,069,982</u>	<u>53,898,174</u>	<u>78,336,350</u>	<u>78,494,550</u>
Total assets	58,384,691	57,476,982	77,432,965	71,069,885	135,817,656	128,546,867
Liabilities						
Long-term liabilities	6,691,500	7,291,500	15,167,403	6,832,749	21,858,903	14,124,249
Other liabilities	<u>16,491,254</u>	<u>15,446,377</u>	<u>2,592,102</u>	<u>2,706,900</u>	<u>19,083,356</u>	<u>18,153,277</u>
Total liabilities	<u>23,182,754</u>	<u>22,737,877</u>	<u>17,759,505</u>	<u>9,539,649</u>	<u>40,942,259</u>	<u>32,277,526</u>
Net Assets						
Invested in capital assets -						
Net of related debt	17,974,868	17,985,993	46,237,233	46,832,731	64,212,101	64,818,724
Restricted	10,730,868	10,415,299	8,977,628	7,241,386	19,708,496	17,656,685
Unrestricted	<u>6,496,201</u>	<u>6,337,813</u>	<u>4,458,599</u>	<u>7,456,119</u>	<u>10,954,800</u>	<u>13,793,932</u>
Total net assets	<u>\$ 35,201,937</u>	<u>\$ 34,739,105</u>	<u>\$ 59,673,460</u>	<u>\$ 61,530,236</u>	<u>\$ 94,875,397</u>	<u>\$ 96,269,341</u>

Charter Township of Chesterfield

Management's Discussion and Analysis (Continued)

The Township's combined net assets decreased 1.4 percent from a year ago - decreasing from \$96,269,341 to \$94,875,397. As we look at the governmental activities separately from the business-type activities, we can see that unrestricted net assets, the part of net assets that can be used to finance day-to-day operations, increased by \$158,388 for the governmental activities. This represents an increase of approximately 2.5 percent. The current level of unrestricted net assets for our governmental activities stands at \$6,496,201, or about 31.5 percent of expenditures. This is within the targeted range set by the Township during its last budget process. Taking a look at the business-type activities, unrestricted net assets decreased by \$2,997,520. This represents a decrease of approximately 40.2 percent. The decrease in unrestricted net assets relates to the fact that the water and sewer rates were not increased enough to cover the increase in the cost of running the system, coupled with the fact that the tap fees have been declining over the last few years as new development and construction has declined.

The following table shows the changes of the net assets during the current year and as compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
Program revenue:						
Charges for services	\$ 2,649,446	\$ 2,941,854	\$ 7,371,002	\$ 7,605,823	\$ 10,020,448	\$ 10,547,677
Operating grants and contributions	147,039	491,236	-	-	147,039	491,236
Capital grants and contributions	653,628	603,545	1,481,377	2,308,124	2,135,005	2,911,669
General revenue:						
Property taxes	13,735,828	12,959,719	-	-	13,735,828	12,959,719
State-shared revenues	2,681,225	2,730,895	-	-	2,681,225	2,730,895
Investment earnings	690,824	1,060,980	437,455	758,009	1,128,279	1,818,989
Franchise fees	519,904	473,940	-	-	519,904	473,940
Proceeds from sale of fixed assets	28,940	-	-	-	28,940	-
Transfers and other revenues	(6,366)	5,435	6,366	(5,435)	-	-
Total revenue	21,100,468	21,267,604	9,296,200	10,666,521	30,396,668	31,934,125
Program Expenses						
General government	4,101,381	4,115,942	-	-	4,101,381	4,115,942
Public safety	13,307,318	13,457,119	-	-	13,307,318	13,457,119
Street, sidewalks, and drains	2,089,884	1,387,426	-	-	2,089,884	1,387,426
Recreation and culture	810,462	1,143,711	-	-	810,462	1,143,711
Interest on long-term debt	328,591	308,251	-	-	328,591	308,251
Water and sewer	-	-	11,067,434	11,538,598	11,067,434	11,538,598
Brandenburg Park	-	-	85,542	96,778	85,542	96,778
Total program expenses	20,637,636	20,412,449	11,152,976	11,635,376	31,790,612	32,047,825
Change in Net Assets	\$ 462,832	\$ 855,155	\$ (1,856,776)	\$ (968,855)	\$ (1,393,944)	\$ (113,700)

Property taxes are the primary source of revenue for the governmental activities, providing approximately 65 percent of the total. State-shared revenue provides another 13 percent and charges for services provides 13 percent, leaving just 9 percent being provided by all other sources.

Charter Township of Chesterfield

Management's Discussion and Analysis (Continued)

Governmental Activities

The Township's total governmental revenues decreased by \$167,136. The overall decrease, which represents .8 percent, is primarily due to investment earnings and grants. Although total governmental revenues only reflected a minor loss, the future reductions in property taxes, reductions in state-shared revenue, and the severe decrease in building permits are a concern. The total governmental expenses increased by \$225,187.

Business-type Activities

The Township has two business-type activities. These include the Water and Sewer Fund and the Brandenburg Memorial Park Fund. Revenues for business-type activities were \$9,296,200. Revenue and expenses decreased by \$1,370,321 and \$482,400, respectively, from prior year. The decrease in revenue was primarily due to lower charges for services and investment revenue. Water and sewer treatment is provided to Charter Township of Chesterfield residents through the Detroit Water and Sewer Department. Revenues from water and sewer operations were \$9,214,639, including contributions from developers. Revenues from the Township's operation of Brandenburg Memorial Park were \$81,561.

The Township's Funds

Our analysis of the Township's major funds begins on page 10, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2008 include the General Fund, Police Department Fund, Fire Department Operating Fund, and Fire Department Equipment Fund.

The General Fund pays for a majority of the Township's governmental services. The General Fund ended 2008 with a fund balance of \$6,024,969. Revenues decreased by \$180,950 due primarily to a decrease in interest income and a decrease in grants. Expenditures increased by \$119,996 due primarily to an increase in road maintenance and repair.

The Fire Department Operating Fund is funded through a property tax millage. These funds are expended exclusively for the operations of the fire department. The Fire Department Operating Fund ended 2008 with a deficit fund balance of \$28,025. Revenues increased by \$61,966 due primarily to an increase in property taxes. Expenditures decreased by \$356,957 due to a decrease in staffing.

Charter Township of Chesterfield

Management's Discussion and Analysis (Continued)

The Fire Department Equipment Fund is funded through a property tax millage. These funds are expended exclusively for the housing, vehicles, and equipment used to support the Charter Township of Chesterfield fire department. The Fire Department Equipment Fund ended 2008 with a fund balance of \$4,452,857. Revenue decreased by \$8,028 primarily due to lower interest income. This was offset some by an increase in property tax collections. Expenditures decreased \$577,692 primarily due to a reduction in equipment and capital outlay purchases.

The Police Department Fund is funded by a special assessment. These funds are expended exclusively for the operations of the police department. The police department ended 2008 with a fund balance of \$5,726,009. Revenues increased by \$327,601 primarily due to increased property tax collections. Expenditures increased by \$899,046 primarily due to an increase in personnel costs.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account unanticipated events during the year. Actual revenues were below budgeted revenues by 4.5 percent. Actual expenditures were 9.9 percent below budget. The Township completed the year with actual revenues over expenditures by \$263,002.

Capital Asset and Debt Administration

At the end of 2008, the Township had \$78,336,350 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the Macomb County Road Commission (along with the responsibility to maintain them).

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Charter Township of Chesterfield finance department or the clerk's office at 47275 Sugarbush, Chesterfield Township, Michigan 48047.

Charter Township of Chesterfield

Statement of Net Assets December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 2)	\$ 23,360,082	\$ 4,155,670	\$ 27,515,752	\$ 9,931
Receivables - Net:				
Property taxes	7,621,194	-	7,621,194	-
Customers	-	1,699,169	1,699,169	-
Special assessments	772,948	-	772,948	-
Accrued interest	55,687	66,589	122,276	-
Due from other governmental units	1,135,821	220,847	1,356,668	-
Other	32,419	-	32,419	-
Internal balances (Note 4)	(207,344)	207,344	-	-
Prepaid expenditures	150,719	2,471	153,190	-
Inventories	-	184,483	184,483	-
Other postemployment benefit asset (Note 10)	130,880	17,847	148,727	-
Restricted assets (Note 7)	65,917	17,808,563	17,874,480	-
Capital assets (Note 3):				
Nondepreciable	3,230,316	409,484	3,639,800	-
Depreciable - Net	22,036,052	52,660,498	74,696,550	-
Total assets	58,384,691	77,432,965	135,817,656	9,931
Liabilities				
Accounts payable	307,209	943,977	1,251,186	4,239
Accrued and other liabilities	209,049	290,179	499,228	-
Deferred revenue (Note 5)	14,776,926	861,665	15,638,591	-
Noncurrent liabilities (Note 6):				
Due within one year	1,198,070	496,281	1,694,351	-
Due in more than one year	6,691,500	15,167,403	21,858,903	-
Total liabilities	23,182,754	17,759,505	40,942,259	4,239
Net Assets				
Invested in capital assets - Net of related debt	17,974,868	46,237,233	64,212,101	-
Restricted:				
Fire equipment	4,452,857	-	4,452,857	-
Police Fund	5,726,009	-	5,726,009	-
Debt service	552,002	-	552,002	-
Water and sewer bond ordinance	-	8,359,227	8,359,227	-
Water and sewer construction and maintenance	-	618,401	618,401	-
Unrestricted	6,496,201	4,458,599	10,954,800	5,692
Total net assets	\$ 35,201,937	\$ 59,673,460	\$ 94,875,397	\$ 5,692

Charter Township of Chesterfield

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 4,101,381	\$ 1,391,074	\$ 16,667	\$ -
Public safety	13,307,318	910,598	32,574	-
Public works	2,089,884	75,888	-	653,628
Recreation and culture	810,462	271,886	97,798	-
Interest on long-term debt	328,591	-	-	-
Total governmental activities	20,637,636	2,649,446	147,039	653,628
Business-type activities:				
Water Supply and Sewage Disposal System	11,067,434	7,289,700	-	1,481,377
Brandenburg Memorial Park Fund	85,542	81,302	-	-
Total business-type activities	11,152,976	7,371,002	-	1,481,377
Total primary government	<u>\$ 31,790,612</u>	<u>\$ 10,020,448</u>	<u>\$ 147,039</u>	<u>\$ 2,135,005</u>
Component units:				
Local Redevelopment Authority	\$ 196,327	\$ -	\$ 195,383	\$ -
Economic Development Corporation	1,620	-	-	-
Total component units	<u>\$ 197,947</u>	<u>\$ -</u>	<u>\$ 195,383</u>	<u>\$ -</u>
General revenues:				
Property taxes				
State-shared revenues				
Franchise fees				
Investment earnings				
Proceeds from the sale of fixed assets				
Transfers (Note 4)				
Total general revenues, proceeds from the sale of fixed assets, and transfers				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended December 31, 2008

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (2,693,640)	\$ -	\$ (2,693,640)	\$ -
(12,364,146)	-	(12,364,146)	-
(1,360,368)	-	(1,360,368)	-
(440,778)	-	(440,778)	-
<u>(328,591)</u>	<u>-</u>	<u>(328,591)</u>	<u>-</u>
(17,187,523)	-	(17,187,523)	-
-	(2,296,357)	(2,296,357)	-
<u>-</u>	<u>(4,240)</u>	<u>(4,240)</u>	<u>-</u>
-	(2,300,597)	(2,300,597)	-
(17,187,523)	(2,300,597)	(19,488,120)	-
-	-	-	(944)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,620)</u>
-	-	-	(2,564)
13,735,828	-	13,735,828	-
2,681,225	-	2,681,225	-
519,904	-	519,904	-
690,824	437,455	1,128,279	243
28,940	-	28,940	-
<u>(6,366)</u>	<u>6,366</u>	<u>-</u>	<u>-</u>
<u>17,650,355</u>	<u>443,821</u>	<u>18,094,176</u>	<u>243</u>
462,832	(1,856,776)	(1,393,944)	(2,321)
<u>34,739,105</u>	<u>61,530,236</u>	<u>96,269,341</u>	<u>8,013</u>
<u>\$ 35,201,937</u>	<u>\$ 59,673,460</u>	<u>\$ 94,875,397</u>	<u>\$ 5,692</u>

Charter Township of Chesterfield

Governmental Funds Balance Sheet December 31, 2008

	Major Special Revenue Funds					
	General Fund	Fire		Police Department Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
		Department Operating Fund	Fire Department Equipment Fund			
Assets						
Cash and investments (Note 2)	\$ 5,715,230	\$ 1,710,795	\$ 4,843,416	\$ 10,120,367	\$ 970,274	\$ 23,360,082
Receivables:						
Taxes	747,793	1,915,485	469,000	4,488,916	-	7,621,194
Special assessments	122,552	-	-	-	650,396	772,948
Accrued interest	15,412	309	15,449	23,870	647	55,687
Other	22,652	-	-	7,592	2,175	32,419
Due from other governmental units	1,114,654	-	-	21,167	-	1,135,821
Due from other funds (Note 4)	118,203	-	-	-	66,032	184,235
Prepaid expenditures	4,599	10,531	-	135,589	-	150,719
Restricted assets (Note 7)	65,917	-	-	-	-	65,917
Total assets	\$ 7,927,012	\$ 3,637,120	\$ 5,327,865	\$ 14,797,501	\$ 1,689,524	\$ 33,379,022
Liabilities and Fund Balances (Deficits)						
Liabilities						
Accounts payable	\$ 74,056	\$ 29,186	\$ -	\$ 130,787	\$ 73,178	\$ 307,207
Accrued compensation	54,863	27,419	-	10,409	18,840	111,531
Accrued and other liabilities	21	-	-	2,779	-	2,800
Due to other funds (Note 4)	122,838	34,582	-	127,270	106,889	391,579
Deferred revenue (Note 5)	1,650,265	3,573,958	875,008	8,800,247	650,396	15,549,874
Total liabilities	1,902,043	3,665,145	875,008	9,071,492	849,303	16,362,991
Fund Balances (Deficits)						
Reserved for prepaids	4,599	10,531	-	135,589	-	150,719
Unreserved - Designated for:						
Park improvement	11,015	-	-	-	-	11,015
Senior citizens	15,533	-	-	-	-	15,533
Unreserved - Reported in:						
General Fund	5,993,822	-	-	-	-	5,993,822
Special Revenue Funds	-	(38,556)	4,452,857	5,590,420	288,219	10,292,940
Debt Service Funds	-	-	-	-	552,002	552,002
Total fund balances (deficits)	6,024,969	(28,025)	4,452,857	5,726,009	840,221	17,016,031
Total liabilities and fund balances (deficits)	\$ 7,927,012	\$ 3,637,120	\$ 5,327,865	\$ 14,797,501	\$ 1,689,524	\$ 33,379,022

Charter Township of Chesterfield

Governmental Funds Reconciliation of Fund Balances to the Statement of Net Assets December 31, 2008

Total Fund Balances of Governmental Funds	\$ 17,016,031
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	25,266,368
Certain receivables are expected to be collected over several years in the General Fund and are not available to pay for current year expenditures	772,948
Compensated absences are not due and payable in the current period and are not reported in the funds	(598,070)
Accrued interest payable on long-term debt is not recorded in the funds	(94,720)
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(7,291,500)
Other postemployment benefits are contributed in excess of requirement and the asset is not reported in the funds	<u>130,880</u>
Net Assets of Governmental Activities	<u>\$ 35,201,937</u>

Charter Township of Chesterfield

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficits) Year Ended December 31, 2008

	Major Special Revenue Funds					Total Governmental Funds
	General Fund	Fire Department Operating Fund	Fire Department Equipment Fund	Police Department Fund	Other Nonmajor Governmental Funds	
Revenue						
Property taxes	\$ 1,575,183	\$ 2,587,713	\$ 861,983	\$ 8,705,396	\$ -	\$ 13,730,275
Intergovernmental	2,680,525	-	-	-	-	2,680,525
Permits and fees	12,648	-	-	-	389,818	402,466
Grants and reimbursements	1,182,156	-	700	36,079	259,309	1,478,244
Charges for services	256,711	-	-	-	-	256,711
Special assessments	68,403	-	-	-	158,674	227,077
Investment income	200,188	29,824	117,430	285,948	57,434	690,824
Other income	670,217	47,037	244	449,376	47,288	1,214,162
Total revenue	6,646,031	2,664,574	980,357	9,476,799	912,523	20,680,284
Expenditures - Current						
General government	5,243,095	-	-	-	-	5,243,095
Public safety	-	2,909,230	3,909	9,024,197	2,244,663	14,181,999
Road maintenance and repair	668,039	-	-	-	-	668,039
Recreation and culture	489,379	-	-	-	234,903	724,282
Debt service:						
Principal	-	-	70,000	-	270,000	340,000
Interest and other charges	-	-	129,097	-	47,459	176,556
Capital outlay	-	-	-	-	21,245	21,245
Total expenditures	6,400,513	2,909,230	203,006	9,024,197	2,818,270	21,355,216
Excess of Revenue Over (Under) Expenditures	245,518	(244,656)	777,351	452,602	(1,905,747)	(674,932)
Other Financing Sources (Uses)						
Transfers in (Note 4)	77,508	-	-	-	153,574	231,082
Transfers out (Note 4)	(60,024)	-	-	-	(177,423)	(237,447)
Total other financing sources (uses)	17,484	-	-	-	(23,849)	(6,365)
Net Change in Fund Balances	263,002	(244,656)	777,351	452,602	(1,929,596)	(681,297)
Fund Balances - Beginning of year	5,761,967	216,631	3,675,506	5,273,407	2,769,817	17,697,328
Fund Balances (Deficits) - End of year	\$ 6,024,969	\$ (28,025)	\$ 4,452,857	\$ 5,726,009	\$ 840,221	\$ 17,016,031

Charter Township of Chesterfield

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, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ (681,297)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	2,312,043
Depreciation is recorded as an expense in the statement of activities but not in the governmental funds	(1,642,051)
Certain revenue reported in the statement of activities will not provide current financial resources in the governmental funds until future years	(208,520)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities, where it reduces long-term debt	555,000
Interest expense is recorded when incurred in the statement of activities	9,290
Increase in compensated absences is recorded when earned in the statement of activities	(12,513)
Annual required contribution related to other postemployment benefits is recorded on the statement of activities based on the actuarial valuation	<u>130,880</u>
Change in Net Assets of Governmental Activities	<u>\$ 462,832</u>

Charter Township of Chesterfield

Proprietary Funds Statement of Net Assets December 31, 2008

	Major Enterprise Fund	Nonmajor Enterprise Fund	Total Enterprise Funds
	Water and Sewer Fund	Brandenburg Memorial Park Fund	
Assets			
Current assets:			
Cash and cash equivalents (Note 2)	\$ 4,108,069	\$ 47,601	\$ 4,155,670
Accounts receivable	1,699,169	-	1,699,169
Interest receivable	66,578	11	66,589
Prepaid expenses	2,471	-	2,471
Due from other funds (Note 4)	207,344	-	207,344
Due from other governmental units	220,847	-	220,847
Other postemployment benefit asset (Note 10)	17,847	-	17,847
Inventories	184,483	-	184,483
Total current assets	6,506,808	47,612	6,554,420
Noncurrent assets:			
Restricted assets (Note 7)	17,808,563	-	17,808,563
Capital assets - Net (Note 3):			
Nondepreciable	409,484	-	409,484
Depreciable - Net	51,608,228	1,052,270	52,660,498
Total noncurrent assets	69,826,275	1,052,270	70,878,545
Total assets	76,333,083	1,099,882	77,432,965
Liabilities			
Current liabilities:			
Accounts payable	942,832	1,145	943,977
Accrued and other liabilities	290,179	-	290,179
Deferred revenue (Note 5)	861,665	-	861,665
Current portion of long-term debt (Note 6)	496,281	-	496,281
Total current liabilities	2,590,957	1,145	2,592,102
Noncurrent liabilities - Long-term debt - Net of current portion (Note 6)	15,167,403	-	15,167,403
Total liabilities	17,758,360	1,145	17,759,505
Net Assets			
Invested in capital assets - Net of related debt	45,184,963	1,052,270	46,237,233
Restricted for water and sewer bond ordinance	8,359,227	-	8,359,227
Water and sewer construction and maintenance	618,401	-	618,401
Unrestricted	4,412,132	46,467	4,458,599
Total net assets	<u>\$ 58,574,723</u>	<u>\$ 1,098,737</u>	<u>\$ 59,673,460</u>

Charter Township of Chesterfield

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2008

	Major Enterprise Fund	Nonmajor Enterprise Fund	Total
	Water and Sewer Fund	Brandenburg Memorial Park Fund	Enterprise Funds
Operating Revenue			
Water	\$ 3,683,959	\$ -	\$ 3,683,959
Sewage disposal	3,730,128	-	3,730,128
Fees	-	77,340	77,340
Other	19,167	3,962	23,129
Total operating revenue	7,433,254	81,302	7,514,556
Operating Expenses			
Personnel services	2,179,780	29,896	2,209,676
Supplies	144,284	2,920	147,204
Depreciation	1,740,426	27,202	1,767,628
Other services and charges	6,743,524	25,524	6,769,048
Total operating expenses	10,808,014	85,542	10,893,556
Operating Loss	(3,374,760)	(4,240)	(3,379,000)
Nonoperating Revenue (Expense)			
Interest income	437,196	259	437,455
Capital income	744,795	-	744,795
Proceeds from the sale of fixed assets	14,803	-	14,803
Interest expense	(259,420)	-	(259,420)
Total nonoperating revenue	937,374	259	937,633
Loss - Before contributions and transfers in	(2,437,386)	(3,981)	(2,441,367)
Capital Contributed from Grants and Developers	578,225	-	578,225
Transfers In (Note 4)	6,366	-	6,366
Change in Net Assets	(1,852,795)	(3,981)	(1,856,776)
Net Assets - Beginning of year	60,427,518	1,102,718	61,530,236
Net Assets - End of year	\$ 58,574,723	\$ 1,098,737	\$ 59,673,460

Charter Township of Chesterfield

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2008

	Enterprise Funds		
	Water and Sewer Fund	Brandenberg Memorial Park Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 7,322,060	\$ 81,302	\$ 7,403,362
Payments to suppliers	(6,841,201)	(28,444)	(6,869,645)
Payments to employees	(2,272,994)	(29,896)	(2,302,890)
Other payments	(410,031)	6	(410,025)
Net cash (used in) provided by operating activities	(2,202,166)	22,968	(2,179,198)
Cash Flows from Noncapital Financing Activities - Transfer from other funds	6,366	-	6,366
Cash Flows from Capital and Related Financing Activities			
Proceeds from the sale of capital assets	14,803	-	14,803
Contributions from customers	744,795	-	744,795
Principal and interest paid on long-term debt	(492,114)	-	(492,114)
Purchase of capital assets	(361,211)	-	(361,211)
Net cash used in capital and related financing activities	(93,727)	-	(93,727)
Cash Flows from Investing Activities - Interest received on investments	502,288	259	502,547
Net (Decrease) Increase in Cash and Cash Equivalents	(1,787,239)	23,227	(1,764,012)
Cash and Cash Equivalents - Beginning of year	14,872,936	24,374	14,897,310
Cash and Cash Equivalents - End of year	<u>\$ 13,085,697</u>	<u>\$ 47,601</u>	<u>\$ 13,133,298</u>
Balance Sheet Classification of Cash and Cash Equivalents			
Cash and cash equivalents	\$ 4,108,069	\$ 47,601	\$ 4,155,670
Restricted assets (Note 7)	8,977,628	-	8,977,628
Total cash and cash equivalents	<u>\$ 13,085,697</u>	<u>\$ 47,601</u>	<u>\$ 13,133,298</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities			
Operating loss	\$ (3,374,760)	\$ (4,240)	\$ (3,379,000)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation and amortization	1,740,426	27,202	1,767,628
Noncash expense related to OPEB asset recorded in operating expenses	(17,847)	-	(17,847)
Changes in assets and liabilities:			
Receivables	(156,460)	(11)	(156,471)
Inventories	(16,383)	-	(16,383)
Due from other funds	652	-	652
Other assets	608	-	608
Accounts payable	(30,224)	-	(30,224)
Accrued and other liabilities	132,253	17	132,270
Deferred revenue	(480,431)	-	(480,431)
Net cash (used in) provided by operating activities	<u>\$ (2,202,166)</u>	<u>\$ 22,968</u>	<u>\$ (2,179,198)</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2008, developers constructed water and sewer lines with an estimated value of \$578,225 and donated them to the Township's Water and Sewer Fund. During the year, the Township entered into an agreement with Macomb County for the North Gratiot Drain Project in which debt was taken out to fund this project. At December 31, 2008, \$8,830,935 of bond proceeds was being held by the County of behalf of the Township. This resulted in a noncash transaction on the Township's books of an increase in restricted assets and long-term debt.

Charter Township of Chesterfield

Fiduciary Funds Statement of Fiduciary Assets and Liabilities December 31, 2008

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 5,967,891
Accrued interest receivable	<u>64</u>
Total assets	<u><u>\$ 5,967,955</u></u>
Liabilities	
Bonds and deposits	\$ 720,998
Cash held on behalf of the Library	1,370,133
Due to other governmental units	<u>3,876,824</u>
Total liabilities	<u><u>\$ 5,967,955</u></u>

Charter Township of Chesterfield

Component Units Combining Statement of Net Assets December 31, 2008

	Component Units		
	Local Redevelopment Authority	Economic Development Corporation	Total
Assets - Cash and cash equivalents (Note 2)	\$ 4,293	\$ 5,638	\$ 9,931
Liabilities - Accounts payable	4,239	-	4,239
Net Assets - Unrestricted	\$ 54	\$ 5,638	\$ 5,692

Charter Township of Chesterfield

Component Units Combining Statement of Changes in Net Assets Year Ended December 31, 2008

	Net (Expense) Revenue and Changes in Net Assets				
	Component Units				
	Program Revenues - Operating Grants and Contributions	Local Redevelopment Authority	Economic Development Corporation	Total	Expenses
Component units:					
Local Redevelopment Authority - Community and economic development	\$ 196,327	\$ 195,383	\$ (944)	\$ -	\$ (944)
Economic Development Corporation - General government	<u>1,620</u>	<u>-</u>	<u>-</u>	<u>(1,620)</u>	<u>(1,620)</u>
Total component units	<u>\$ 197,947</u>	<u>\$ 195,383</u>	(944)	(1,620)	(2,564)
General Revenues - Investment earnings			<u>-</u>	<u>243</u>	<u>243</u>
Change in Net Assets			(944)	(1,377)	(2,321)
Net Assets - Beginning of year			<u>998</u>	<u>7,015</u>	<u>8,013</u>
Net Assets - End of year			<u>\$ 54</u>	<u>\$ 5,638</u>	<u>\$ 5,692</u>

Charter Township of Chesterfield

**Notes to Financial Statements
December 31, 2008**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Chesterfield, Michigan (the "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 Township:

Reporting Entity

The Charter Township of Chesterfield was organized on December 4, 1989 under the provisions of Act 359 of P.A. 1947, as amended (the "Charter Township Act"). The Charter Township of Chesterfield, Michigan is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable.

Discretely Presented Component Units - The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township.

The Local Redevelopment Authority (LRA) was created to provide for the redevelopment of the Army Garrison Seville Manor - Housing Unit, including the identification of reusable needs, the preparation and implementation of a redevelopment plan, and such other incidental ownership, management, maintenance, and redevelopment services and improvements as are necessary. The LRA board is comprised of the three full-time officials of the Township.

The Economic Development Corporation (EDC) was formed to alleviate and prevent conditions of unemployment and to assist and retain local industries and commercial enterprises in order to strengthen and revitalize the economy of the Charter Township of Chesterfield, Michigan. The EDC board is comprised of nine members, of which not more than three can be members of the Township board.

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

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.

Charter Township of Chesterfield

**Notes to Financial Statements
December 31, 2008**

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 Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue 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. All other revenue items are considered to be available only when cash is received by the Township.

The Township reports the following major governmental funds:

General Fund - The General Fund is the 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.

Fire Department Operating Fund - The Fire Department Operating Fund accounts for the operations related to its full-service fire department. The main source of revenue for the Fire Department Operating Fund comes from a voter-approved millage on real and personal property. The approved millage for the Fire Department Operating Fund is to be used for fire operations.

Fire Department Equipment Fund - The Fire Department Equipment Fund accounts for the purchase of fire equipment related to its full-service fire department. The main source of revenue for the Fire Department Equipment Fund comes from a voter-approved millage on real and personal property. The approved millage for the Fire Department Equipment Fund is to be used for the purchase of fire equipment.

Police Department Fund - The Police Department Fund is a full-service department that provides public safety needs for the Township and its residents. The main source of revenue for the police department comes from a voter-approved special assessment millage on all real property.

Charter Township of Chesterfield

**Notes to Financial Statements
December 31, 2008**

Note 1 - Summary of Significant Accounting Policies (Continued)

The Township reports the following major proprietary fund:

Water and Sewer Fund - 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.

Additionally, the Township reports the following fund type:

Agency Funds - The Agency Funds record primarily tax collections received and remitted to other units of government (the county, school districts, etc.), as well as building bonds and deposits, and cash held on behalf of the Chesterfield Township Library, held for temporary periods. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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 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 Township's water and sewer function and various other functions of the 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 Chesterfield

Notes to Financial Statements December 31, 2008

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 a proprietary fund's principal ongoing operations. The principal operating revenue of the Township's proprietary funds relates to 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 proprietary 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.

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 Township's 2007 tax is levied and collectible on December 1, 2007. It is the Township's policy to recognize revenue from the current tax levy in the subsequent year when the proceeds of the levy are budgeted and available for the financing of operations.

The 2007 taxable valuation of the Charter Township of Chesterfield totaled \$1.856 billion, on which ad valorem taxes levied consisted of .8061 mills for operating purposes, 1.3858 mills for fire operating purposes, .4617 mills for acquisition of fire equipment, and 5.0 mills for police operating purposes. The police millage is on real property only. This resulted in \$1.50 million for operating purposes, \$3.43 million for fire purposes, and \$8.70 million for police purposes. These amounts are recognized in the respective General and Special Revenue 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 Chesterfield

**Notes to Financial Statements
December 31, 2008**

Note I - Summary of Significant Accounting Policies (Continued)

Receivables and Payables - In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances 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 an allowance for uncollectible amounts.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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 - A Township ordinance requires amounts to be set aside in the Water and Sewer Major Enterprise Fund for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, along with amounts on deposit at Macomb County (the “County”) being held for the construction or debt service of the Township’s sewer lines. In the current year, unspent bond proceeds related to the North Gratiot Drainage Project have been restricted as well.

Restricted assets in the General Fund represents unspent bond proceeds to be used for police renovations.

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

All capital assets are depreciated using the straight-line method over the following useful lives:

Infrastructure	20 years
Buildings and improvements	20 years
Furniture, fixtures, and equipment	5-20 years
Water and sewer distribution systems	50 years

Charter Township of Chesterfield

**Notes to Financial Statements
December 31, 2008**

Note I - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick, vacation pay, and comp time benefits. A liability for unused sick leave is reported in the governmental funds because the Township has a policy to pay employees for unused sick time at the beginning of each year. All unused sick, vacation pay, and comp time are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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. Designations of fund balance represent tentative management plans that are subject to change. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Township's policy is to first apply restricted sources.

Charter Township of Chesterfield

**Notes to Financial Statements
December 31, 2008**

Note 1 - Summary of Significant Accounting Policies (Continued)

New Accounting Standard - In the current year, the Township implemented the Governmental Accounting Standards Board's Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any other postemployment benefits (other than pensions). The new pronouncement causes the government-wide and proprietary funds' financial statements to recognize the cost of providing the retiree healthcare expenses over the working life of the employee, rather than at the time the healthcare expenses are paid. As a result of implementing this statement, governmental activities reported an additional income of \$130,880 in excess of what would have been reported in prior years and the business-type activities and proprietary funds recorded an additional income of \$17,847. The new standard had no impact on the income reported in the governmental funds.

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

Comparative Data - Comparative total data for the prior year has been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

Note 2 - 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 Township 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.

Charter Township of Chesterfield

Notes to Financial Statements
December 31, 2008

Note 2 - Deposits and Investments (Continued)

The Township has designated 10 banks for the deposit of its funds.

The investment policy adopted by the Township in accordance with Public Act 196 of 1997 has authorized investment in U.S. Treasuries, U.S. agencies, instrumentalities, certificates of deposit, commercial paper (meeting certain rating and maturity requirements), investment pools, and mutual funds. The Township's deposits and investment policies are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$35,664,633 of bank deposits (certificates of deposit, checking, and savings accounts), of which \$3,698,868 was covered by federal depository insurance and \$31,965,765 was uninsured and uncollateralized. The 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.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not place additional limitations relating to credit risk. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Bank investment pools	\$ 4,384,606	PI	Moody's

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 3 - Capital Assets

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

	Balance January 1, 2008	Additions	Disposals and Reclassifications	Balance December 31, 2008
Governmental Activities				
Other governmental capital assets:				
Capital assets not being depreciated:				
Land	\$ 3,230,316	\$ -	\$ -	\$ 3,230,316
Construction in progress	543,089	-	(543,089)	-
Subtotal	3,773,405	-	(543,089)	3,230,316
Capital assets being depreciated:				
Buildings	13,269,920	-	-	13,269,920
Improvements other than buildings	886,107	1,944,769	-	2,830,876
Machinery and equipment	7,153,886	275,294	(132,956)	7,296,224
Infrastructure	13,397,775	635,069	-	14,032,844
Subtotal	34,707,688	2,855,132	(132,956)	37,429,864
Accumulated depreciation:				
Buildings	6,142,842	508,440	-	6,651,282
Improvements other than buildings	529,111	148,178	(1,964)	675,325
Machinery and equipment	4,587,943	597,251	(554,675)	4,630,519
Infrastructure	2,624,821	388,182	423,683	3,436,686
Subtotal	13,884,717	1,642,051	(132,956)	15,393,812
Net capital assets being depreciated	20,822,971	1,213,081	-	22,036,052
Net governmental activities capital assets	\$ 24,596,376	\$ 1,213,081	\$ (543,089)	\$ 25,266,368

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 3 - Capital Assets (Continued)

	Balance January 1, 2008	Additions	Disposals and Reclassifications	Balance December 31, 2008
Business-type Activities				
Capital assets not being depreciated -				
Land	\$ 409,484	\$ -	\$ -	\$ 409,484
Capital assets being depreciated:				
Buildings	7,088,024	7,411	-	7,095,435
Improvements other than buildings	2,484,332		(58,152)	2,426,180
Machinery and equipment	1,218,439	44,934	(2,274)	1,261,099
Infrastructure	<u>54,637,623</u>	<u>887,091</u>	<u>-</u>	<u>55,524,714</u>
Subtotal	65,428,418	939,436	(60,426)	66,307,428
Accumulated depreciation:				
Buildings	807,382	351,096	-	1,158,478
Improvements other than buildings	1,249,964	71,984	(58,152)	1,263,796
Machinery and equipment	664,417	97,611	(2,274)	759,754
Infrastructure	<u>9,217,965</u>	<u>1,246,937</u>	<u>-</u>	<u>10,464,902</u>
Subtotal	<u>11,939,728</u>	<u>1,767,628</u>	<u>(60,426)</u>	<u>13,646,930</u>
Net capital assets being depreciated	<u>53,488,690</u>	<u>(828,192)</u>	<u>-</u>	<u>52,660,498</u>
Net business-type activities capital assets	<u>\$ 53,898,174</u>	<u>\$ (828,192)</u>	<u>\$ -</u>	<u>\$ 53,069,982</u>

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

Governmental activities:

General government	\$ 393,841
Public safety and compliance	790,397
Public works	388,182
Recreation and culture	<u>69,631</u>

Total governmental activities \$ 1,642,051

Business-type activities:

Water and Sewer Fund	\$ 1,740,426
Brandenburg Memorial Park Fund	<u>27,202</u>

Total business-type activities \$ 1,767,628

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 3 - Capital Assets (Continued)

Construction Commitments - The Township does not have active construction projects at year end. However, the Township's portion of the North Gratiot Drain Project is expected to commence next year. The Township's portion of the bond proceeds for the completion of the North Gratiot Drain Project is held by Macomb County. At year end, the Township's portion of the bond proceeds held by Macomb County for the North Gratiot Drain Project is as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
North Gratiot Drain Project	\$ -	\$ 8,830,935

Note 4 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Police Department Fund	\$ 16,211
	Nonmajor governmental funds	<u>101,992</u>
	Total General Fund	118,203
Nonmajor governmental funds	General Fund	66,032
Water and Sewer Fund	General Fund	56,806
	Fire Department Operating Fund	34,582
	Police Department Fund	111,059
	Nonmajor governmental funds	<u>4,897</u>
	Total Water and Sewer Fund	<u>207,344</u>
	Total	<u>\$ 391,579</u>

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

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 4 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 60,024
Nonmajor governmental funds	General Fund	77,508
	Water and Sewer Fund	6,366
	Nonmajor governmental funds	<u>93,550</u>
	Total nonmajor governmental funds	<u>177,424</u>
	Total	<u>\$ 237,448</u>

The transfers from the General Fund to the nonmajor governmental funds represent the use of unrestricted resources to finance those programs, in accordance with budgetary authorizations. The transfers to the General Fund from the nonmajor governmental funds represent the transfer of unrestricted resources related to special assessment projects that were completed. Also, the transfers between nonmajor governmental funds represent the use of unrestricted resources to finance those programs, in accordance with budgetary authorizations.

Note 5 - Deferred Revenue

Statement of Net Assets - On the statement of net assets, the deferred revenue in the governmental activities represents property taxes levied on December 1, 2008, but is recognized as revenue in the year ended December 31, 2009 when the proceeds of the levy are budgeted and available for financing operations. The deferred revenue in the business-type activities represents money paid by customers for the right to tap into the Township's water and sewer lines. However, as of December 31, 2008, the right has not been exercised.

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 5 - Deferred Revenue (Continued)

Governmental Funds Balance Sheet - Governmental funds reported deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds 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 recorded on the governmental funds balance sheet are as follows:

	Unavailable	Unearned	Total
Property taxes	\$ -	\$ 14,776,926	\$ 14,776,926
Special assessments	<u>772,948</u>	<u>-</u>	<u>772,948</u>
Total	<u>\$ 772,948</u>	<u>\$ 14,776,926</u>	<u>\$ 15,549,874</u>

Proprietary Funds Balance Sheet - Proprietary funds defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the component of deferred revenue recorded on the proprietary funds balance sheet is as follows:

	Unavailable	Unearned
Water and sewer taps	\$ -	\$ 861,665

Note 6 - Long-term Debt

The 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 Township. County contractual agreements and installment purchase agreements are also general obligations of the 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 Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received.

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 6 - Long-term Debt (Continued)

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate Range	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds:						
Fire Station Building Bonds	3.25% - 5.25%	\$70,000 - \$315,000	\$ 3,251,500	\$ (70,000)	\$ 3,181,500	\$ 105,000
2007 Capital Improvement Bonds	4.00% - 4.25%	\$50,000 - \$100,000	1,500,000	(50,000)	1,450,000	50,000
Installment purchase agreements - Police building	6.10% - 6.25%	\$155,000 - \$275,000	1,715,000	(165,000)	1,550,000	175,000
Special Assessment Bonds:						
Paving District 138	5.10% - 5.20%	\$70,000	210,000	(70,000)	140,000	70,000
Paving District 142	4.25%	\$15,000 - \$20,000	65,000	(15,000)	50,000	15,000
Paving District 140 and 143	4.13% - 4.50%	\$35,000 - \$40,000	180,000	(35,000)	145,000	35,000
Paving District 148	2.40% - 3.50%	\$150,000 - \$175,000	<u>925,000</u>	<u>(150,000)</u>	<u>775,000</u>	<u>150,000</u>
Total bond and notes payable			7,846,500	(555,000)	7,291,500	600,000
Other long-term obligations - Compensated absences			<u>585,557</u>	<u>12,513</u>	<u>598,070</u>	<u>598,070</u>
Total governmental activities			<u>\$ 8,432,057</u>	<u>\$ (542,487)</u>	<u>\$ 7,889,570</u>	<u>\$ 1,198,070</u>

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 6 - Long-term Debt (Continued)

	Interest Rate Range	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due within One Year
Business-type activities:						
General obligation bonds - D.P.W. Building Bonds	3.25% - 5.25%	\$130,000 - \$546,000	\$ 6,038,500	\$ (130,000)	\$ 5,908,500	\$ 195,000
Installment purchase agreements - Water and sewer improvements	2.25%	\$102,694 - \$122,255	1,026,944	(102,694)	924,250	107,585
Drainage District Drain Bonds - North Gratiot Drain	3.25% - 4.75%	\$193,696 - \$474,356	-	8,830,934	8,830,934	193,696
Total business-type activities			<u>\$ 7,065,444</u>	<u>\$ 8,598,240</u>	<u>\$ 15,663,684</u>	<u>\$ 496,281</u>

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

Years Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 600,000	\$ 310,499	\$ 496,281	\$ 413,145
2010	605,000	283,533	500,234	626,377
2011	595,000	257,255	570,124	609,389
2012	635,000	229,535	635,124	589,173
2013	650,000	200,061	640,014	566,706
2014-2018	1,900,000	651,052	3,799,130	2,411,476
2019-2023	1,906,500	291,696	4,634,985	1,569,461
2024 and thereafter	400,000	33,174	4,387,793	1,071,227
Total	<u>\$ 7,291,500</u>	<u>\$ 2,256,805</u>	<u>\$ 15,663,685</u>	<u>\$ 7,856,954</u>

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 7 - Restricted Assets

Restricted assets in the General Fund relate to unspent bond proceeds for the police renovations project. Specific assets of the Water and Sewer Fund have been restricted for operations and maintenance and debt service. Restricted assets at December 31, 2008 consist of cash and cash equivalents and money held on deposit with other governmental units and are reserved in accordance with the water and sewer bond ordinance requirements. The following is the detail of restricted assets at December 31, 2008:

Water and Sewer Fund:

Restricted assets from bond ordinance:	
Cash and cash equivalents	\$ 8,359,227
Less current liabilities payable from restricted assets	<u>(496,281)</u>
Net restricted assets from bond ordinances	7,862,946
Cash held at Macomb County	618,401
Unspent bond proceeds held by Macomb County	<u>8,830,935</u>
Total Water and Sewer Fund	<u>\$ 17,312,282</u>

Note 8 - Risk Management

The 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 Township has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Risk Pool for claims relating to workers' compensation and participates in the Michigan Townships' Participating Plan for claims relating to property and general liability. 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 League Risk Pool Program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Townships' Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 9 - Defined Benefit Pension Plan

General Employees

Plan Description - The Township participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the Township, except for volunteer firemen, police, and command. The MERS 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 supplemental 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 employees was established by the Township's board of trustees and requires a contribution from the employees of 2 percent of base wages and a contribution from the employer set at 9.50 percent of participating employees' base wages.

Annual Pension Cost - For the year ended December 31, 2008, the Township's annual pension cost of \$526,499 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2007, using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return and (b) projected salary increases of 4.5 percent per year plus a percentage based on an age-related scale to reflect merit, longevity, and promotional salary increases. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis for the general administration division, and on an open basis for the public works, public safety dispatch, public safety officers, public safety sergeants, and executive divisions. The remaining amortization period is 30 years.

	Fiscal Year Ended December 31		
	2006	2007	2008
Annual pension costs (APC)	\$ 460,980	\$ 498,516	\$ 526,499
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 9 - Defined Benefit Pension Plan (Continued)

The Township began participating in the MERS plan in 2004.

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/04	\$ 3,268,067	\$ 6,213,485	\$ 2,945,418	53.00	\$ 4,767,138	62.00
12/31/05	3,997,370	7,217,061	3,219,691	55.40	5,149,977	62.52
12/31/06	4,891,010	8,161,100	3,270,090	59.93	5,615,845	58.23
12/31/07	5,934,581	9,502,355	3,567,774	62.45	5,524,195	65.58

Police and Command Employees

Plan Description - Beginning in 2007, the Township began participating in the Michigan Municipal Employees' Retirement System, an agent multiple-employer defined benefit pension plan for the police and command union employees. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's collective bargaining units. The police agreement requires a contribution from the employer of 10.27 percent and 10.03 percent for police and command, respectively. Currently, the employees are not required to contribute.

Annual Pension Cost - For the year ended December 31, 2008, the Township incurred \$533,506 in annual pension costs for police and command. The annual required contribution was determined by the initial actuarial valuation dated November 1, 2007 for police and December 1, 2007 for command.

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 9 - Defined Benefit Pension Plan (Continued)

The valuations used 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, and (c) no cost of living adjustments. Both (a) and (b) include an inflation component of 3 percent to 4 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The standard amortization period to fund the unfunded liability is 25 years for positive unfunded liabilities and 10 years for negative unfunded liabilities (the amortization period is re-established with each valuation).

	Fiscal Year Ended	
	December 31	
	2007	2008
Annual pension costs (APC)	\$ 199,163	\$ 533,506
Percentage of APC contributed	100%	100%
Net pension obligation	\$ -	\$ -

Three-year Trend Information - Because 2007 is the initial year of benefits and the Township continued to use the initial actuarial valuations for the current year, three-year trend information is not yet available. Both plans have received one actuarial valuation, summarized as follows:

	Police	Command
Actuarial value of assets	\$ -	\$ -
Actuarial accrued liability (AAL)	\$ 4,848,566	\$ 3,595,331
Unfunded AAL (UAAL)	\$ 4,848,566	\$ 3,595,331
Funded ratio	0.0%	0.0%
Covered payroll	\$ 2,686,303	\$ 1,260,610
UAAL as a percentage of covered payroll	55.4%	35.1%

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 10 - Other Postemployment Benefits

Plan Description - The Township provides postretirement benefits, other than pension benefits, to all full-time employees of the Township through the Chesterfield Township Retiree Health Care Plan. These benefits include certain healthcare and life insurance benefits. All employees with 15 years of service and who are at least 55 years old at retirement are eligible to receive these benefits. This plan is an agent-sponsored multiple-employer plan administered by the Michigan Municipal Employees Retirement System. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's collective bargaining units. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Township has made contributions to advance-fund these benefits, as determined by the board of trustees through annual budget resolutions. Currently, the retirees are not required to contribute.

Funding Progress - For the year ended December 31, 2008, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2004. 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 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Amounts contributed:	
Payments of current premiums	\$ 216,129
Advance funding	<u>1,091,100</u>
Total amounts contributed	1,307,229
Annual required contribution (recommended)	<u>1,158,502</u>
OPEB asset - End of year	<u>\$ 148,727</u>

Charter Township of Chesterfield

Notes to Financial Statements December 31, 2008

Note 10 - Other Postemployment Benefits (Continued)

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

Annual OPEB costs	\$ 1,158,502
Percentage contributed	112.8%
Net OPEB asset	\$ 148,727

Because 2008 is the initial year of implementation, trend information is not available. The plan has received one actuarial valuation, summarized as follows:

Actuarial value of assets	\$ -
Actuarial accrued liability (AAL)	9,996,375
Unfunded AAL (UAAL)	9,996,375
Funded ratio	0.0%

The valuations used 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, and (c) no cost of living adjustments. Both (a) and (b) include an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial accrued liability is amortized as a level of percent of active member payroll over a period of 30 years.

Required Supplemental Information

Charter Township of Chesterfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue and Other Financing Sources	\$ 7,043,430	\$ 7,043,430	\$ 6,723,539	\$ (319,891)
Expenditures and Other Financing Uses				
General government:				
Township board	48,140	48,140	43,823	4,317
Township supervisor	114,980	114,980	113,512	1,468
Elections	207,160	242,160	232,305	9,855
General administration	1,893,630	1,893,630	1,837,961	55,669
Accounting	315,340	315,340	223,528	91,812
Assessing	508,400	518,400	489,884	28,516
Township clerk	242,250	242,250	254,309	(12,059)
Human resources	75,790	75,790	74,859	931
Board of Review	4,000	5,300	5,333	(33)
Township treasurer	355,030	355,030	342,896	12,134
Township hall and grounds	1,570,180	1,570,180	1,409,988	160,192
Anchor Bay Harbor storm sewer	41,000	41,000	18,804	22,196
Planning Commission	58,270	58,270	42,000	16,270
Zoning Board of Appeals	13,700	13,700	6,819	6,881
Planning and zoning administration	162,930	162,930	130,525	32,405
Community Development Block Grant	145,000	145,000	16,549	128,451
Streets, sidewalks, and drains	490,100	540,100	537,768	2,332
Culture and recreation	679,830	687,830	489,379	198,451
Enforcement officers	117,700	137,700	130,271	7,429
Operating transfers out	-	-	60,024	(60,024)
Total expenditures and other financing uses	7,043,430	7,167,730	6,460,537	707,193
Net Change in Fund Balance	-	(124,300)	263,002	387,302
Fund Balance - Beginning of year	5,761,967	5,761,967	5,761,967	-
Fund Balance - End of year	<u>\$ 5,761,967</u>	<u>\$ 5,637,667</u>	<u>\$ 6,024,969</u>	<u>\$ 387,302</u>

Charter Township of Chesterfield

Required Supplemental Information Budgetary Comparison Schedule Fire Department Operating Fund - Major Special Revenue Funds Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue	\$ 3,221,600	\$ 3,221,600	\$ 2,664,574	\$ (557,026)
Expenditures				
Personnel services	2,535,430	2,535,430	2,293,463	241,967
Supplies	32,000	32,000	16,333	15,667
Other services and charges	654,170	654,170	599,434	54,736
Total expenditures	<u>3,221,600</u>	<u>3,221,600</u>	<u>2,909,230</u>	<u>312,370</u>
Net Change in Fund Balance	-	-	(244,656)	(244,656)
Fund Balance - Beginning of year	<u>216,631</u>	<u>216,631</u>	<u>216,631</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u>\$ 216,631</u>	<u>\$ 216,631</u>	<u>\$ (28,025)</u>	<u>\$ (244,656)</u>

Charter Township of Chesterfield

Required Supplemental Information Budgetary Comparison Schedule Fire Department Equipment Fund - Major Special Revenue Funds Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue	\$ 972,800	\$ 972,800	\$ 980,357	\$ 7,557
Expenditures				
Supplies	45,000	45,000	3,909	41,091
Debt service	199,100	199,100	199,097	3
Capital outlay	201,000	201,000	-	201,000
Total expenditures	<u>445,100</u>	<u>445,100</u>	<u>203,006</u>	<u>242,094</u>
Net Change in Fund Balance	527,700	527,700	777,351	249,651
Fund Balance - Beginning of year	<u>3,675,506</u>	<u>3,675,506</u>	<u>3,675,506</u>	-
Fund Balance - End of year	<u>\$ 4,203,206</u>	<u>\$ 4,203,206</u>	<u>\$ 4,452,857</u>	<u>\$ 249,651</u>

Charter Township of Chesterfield

Required Supplemental Information Budgetary Comparison Schedule Police Department Fund - Major Special Revenue Funds Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget Favorable (Unfavorable)
Revenue	\$ 9,418,470	\$ 9,558,470	\$ 9,476,799	\$ (81,671)
Expenditures				
Personnel services	6,852,250	6,852,250	6,405,546	446,704
Supplies	170,000	170,000	129,705	40,295
Other services and charges	1,390,580	1,390,580	1,428,253	(37,673)
Capital outlay	130,000	130,000	290,409	(160,409)
Dispatch services	812,840	812,840	770,284	42,556
Total expenditures	<u>9,355,670</u>	<u>9,355,670</u>	<u>9,024,197</u>	<u>331,473</u>
Net Change in Fund Balance	62,800	202,800	452,602	249,802
Fund Balance - Beginning of year	<u>5,273,407</u>	<u>5,273,407</u>	<u>5,273,407</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 5,336,207</u>	<u>\$ 5,476,207</u>	<u>\$ 5,726,009</u>	<u>\$ 249,802</u>

Charter Township of Chesterfield

Notes to Required Supplemental Information December 31, 2008

Note 1 - Reconciliation of Budgeted Amounts to Basic Financial Statements

The budgetary comparison schedules for the General and Major Special Revenue Funds are presented on the same basis of accounting used in preparing the adopted budget. The following is a reconciliation of the budgetary comparison schedule to the governmental funds (statement of revenue, expenditures, and changes in fund balances (deficits)):

	General Fund		Fire Department Operating Fund		Fire Department Equipment Fund		Police Department Fund	
	Total Revenue	Total Expenditures	Total Revenue	Total Expenditures	Total Revenue	Total Expenditures	Total Revenue	Total Expenditures
Amounts per operating statement	\$ 6,646,031	\$ 6,400,513	\$ 2,664,574	\$ 2,909,230	\$ 980,357	\$ 203,006	\$ 9,476,799	\$ 9,024,197
Operating transfers budgeted as revenue and expenditures on budget statement	<u>77,508</u>	<u>60,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts per budget statement	<u>\$ 6,723,539</u>	<u>\$ 6,460,537</u>	<u>\$ 2,664,574</u>	<u>\$ 2,909,230</u>	<u>\$ 980,357</u>	<u>\$ 203,006</u>	<u>\$ 9,476,799</u>	<u>\$ 9,024,197</u>

Note 2 - Budgetary Information

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 and all Special Revenue Funds except that (1) operating transfers have been included in the revenue and expenditures categories, rather than as other financing sources (uses) and (2) retroactive wage adjustments are recorded in the period settled and paid, rather than reporting estimates during the period that the services were rendered. All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. During the year, the budget was amended in a legally permissible manner.

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

1. On or before September 1, the Township supervisor, finance department, and respective department heads prepare a proposed operating budget for the fiscal year commencing January 1 and submit it to the board. One to two study sessions are held at an open meeting with the board in order to answer any questions. The budget must be adopted through a passage of a budget resolution no later than the last board meeting in December.
2. Public hearings are conducted to obtain citizen comments.

Charter Township of Chesterfield

Notes to Required Supplemental Information December 31, 2008

Note 2 - Budgetary Information (Continued)

- The legislative budget is adopted by fund on a departmental basis. Line item detail is provided as a general guideline. Throughout the year, the board receives requests to amend the activity budget. All amendments by departments must be approved by a vote of the Township board.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Township incurred expenditures that were in excess of the amounts budgeted, as follows:

	Amended Budget	Actual
General Fund - Operating transfers out	\$ -	\$ 60,024
Police Fund - Capital outlay	130,000	290,409

General Fund operating transfers out were not budgeted but were made to the Building Fund at the end of the year in order to help fund the operations of the Building Fund. Police Fund capital outlay expenditures were greater than the amount budgeted due to ongoing renovations of the police building that were not originally budgeted for.

Fund Deficit - The Township has a fund deficit in the Fire Department Operating Fund at December 31, 2008. The deficit will be eliminated in the beginning of fiscal year 2009 when property tax collections are received and recognized related to an additional millage that was passed in November 2008 allowing for an additional .5 mills related to the Fire Operating Fund.

Other Supplemental Information

Charter Township of Chesterfield

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds December 31, 2008 and 2007

	Nonmajor Special Revenue Funds					Total Nonmajor Governmental Funds	
	Building	Parks and Recreation	Recreation		Nonmajor Debt Service Funds	Nonmajor Capital Project Funds	
			Land Acquisition				
						2008	2007
Assets							
Cash and investments	\$ 123,737	\$ 260,517	\$ 29,236	\$ 556,784	\$ -	\$ 970,274	\$ 1,611,630
Receivables:							
Special assessments	-	-	-	650,396	-	650,396	809,070
Accrued interest	42	358	247	-	-	647	1,788
Other	2,175	-	-	-	-	2,175	1,905
Due from other funds	-	-	-	115	65,917	66,032	1,340,912
Total assets	<u>\$ 125,954</u>	<u>\$ 260,875</u>	<u>\$ 29,483</u>	<u>\$ 1,207,295</u>	<u>\$ 65,917</u>	<u>\$ 1,689,524</u>	<u>\$ 3,765,305</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 5,122	\$ 2,139	-	\$ -	\$ 65,917	\$ 73,178	\$ 102,207
Accrued and other liabilities	18,840	-	-	-	-	18,840	23,271
Due to other funds	101,992	-	-	4,897	-	106,889	60,938
Deferred revenue	-	-	-	650,396	-	650,396	809,072
Total liabilities	125,954	2,139	-	655,293	65,917	849,303	995,488
Fund Balances - Unreserved and undesignated	-	258,736	29,483	552,002	-	840,221	2,769,817
Total liabilities and fund balances	<u>\$ 125,954</u>	<u>\$ 260,875</u>	<u>\$ 29,483</u>	<u>\$ 1,207,295</u>	<u>\$ 65,917</u>	<u>\$ 1,689,524</u>	<u>\$ 3,765,305</u>

Charter Township of Chesterfield

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds Years Ended December 31, 2008 and 2007

	Nonmajor Special Revenue Funds					Total Nonmajor Governmental Funds		
	Building	Parks and Recreation	Recreation		Nonmajor Debt Service Funds	Nonmajor Capital Project Funds	2008	2007
			Land Acquisition					
Revenue								
Permits and fees	\$ 389,818	\$ -	\$ -	\$ -	\$ -	\$ 389,818	\$ 788,427	
Grants and reimbursements	-	259,309	-	-	-	259,309	258,982	
Special assessments	-	-	-	158,674	-	158,674	173,801	
Investment income	6,689	5,308	968	44,469	-	57,434	94,874	
Other income	47,288	-	-	-	-	47,288	26,995	
Total revenue	443,795	264,617	968	203,143	-	912,523	1,343,079	
Expenditures								
Current:								
Public safety	1,008,546	-	-	-	1,236,117	2,244,663	1,311,583	
Public works	-	21,245	-	-	-	21,245	305,926	
Recreation and culture	-	234,903	-	-	-	234,903	230,026	
Debt service:								
Principal	-	-	-	270,000	-	270,000	275,000	
Interest and fiscal charges	-	-	-	47,459	-	47,459	56,574	
Total expenditures	1,008,546	256,148	-	317,459	1,236,117	2,818,270	2,179,109	
Excess of Revenue (Under) Over Expenditures	(564,751)	8,469	968	(114,316)	(1,236,117)	(1,905,747)	(836,030)	
Other Financing Sources (Uses)								
Proceeds from issuance of debt	-	-	-	-	-	-	1,500,000	
Transfers in	60,024	-	-	93,550	-	153,574	103,621	
Transfers out	-	-	-	(83,873)	(93,550)	(177,423)	(103,621)	
Total other financing sources (uses)	60,024	-	-	9,677	(93,550)	(23,849)	1,500,000	
Net Change in Fund Balances	(504,727)	8,469	968	(104,639)	(1,329,667)	(1,929,596)	663,970	
Fund Balances - Beginning of year	504,727	250,267	28,515	656,641	1,329,667	2,769,817	2,105,847	
Fund Balances - End of year	\$ -	\$ 258,736	\$ 29,483	\$ 552,002	\$ -	\$ 840,221	\$ 2,769,817	

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet - General Fund December 31, 2008 and 2007

	2008	2007
Assets		
Cash and investments	\$ 5,715,230	\$ 5,522,748
Taxes receivable	747,793	741,805
Special assessments	122,552	172,396
Accrued interest receivable	15,412	20,314
Due from others	22,652	170,839
Due from other governmental units	1,114,654	969,850
Due from other funds	118,203	2,166
Prepays and other	4,599	3,334
Restricted assets	65,917	1,334,974
Total assets	\$ 7,927,012	\$ 8,938,426
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 74,056	\$ 73,107
Accrued compensation	54,863	50,564
Accrued and other liabilities	21	1,514
Due to other funds	122,838	1,372,857
Deferred revenue	1,650,265	1,678,417
Total liabilities	1,902,043	3,176,459
Fund Balance		
Reserved for prepaid expenditures	4,599	3,334
Unreserved - Designated for:		
Park improvement	11,015	10,721
Senior citizens	15,533	12,230
Unreserved - Undesignated	5,993,822	5,735,682
Total fund balance	6,024,969	5,761,967
Total liabilities and fund balance	\$ 7,927,012	\$ 8,938,426

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund Years Ended December 31, 2008 and 2007

	2008	2007
Revenues		
Property taxes:		
General operating millage	\$ 1,505,672	\$ 1,418,754
Penalties and interest	69,511	77,609
Total property taxes	1,575,183	1,496,363
Trailer park fees	5,553	6,510
Licenses and registration	7,095	8,410
Intergovernmental - State-shared revenue	2,680,525	2,723,208
Charges for services:		
Zoning Board of Appeals	6,775	11,400
Platting and review fees	20,420	25,133
Rezoning fees	3,800	8,206
Street lighting	75,888	69,682
Industrial facility exemption fees	5,701	2,225
Summer tax roll preparation fees	23,793	-
School election fees	18,506	27,991
Total charges for services	154,883	144,637
Parks and recreation programs	101,828	95,583
Interest and investment earnings	196,713	308,765
Grants and reimbursements:		
Interfund equipment and building charges	449,338	377,000
Community Development Block Grant	18,077	307,759
Other grants	81,411	74,317
Administration reimbursements	633,330	627,580
Total grants and reimbursements	1,182,156	1,386,656
Miscellaneous:		
Franchise fees	543,921	473,940
Miscellaneous sales and receipts	126,296	115,728
Special assessments	68,403	61,787
Interest on special assessments	3,475	5,394
Total miscellaneous	742,095	656,849
Total revenues	6,646,031	6,826,981

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Continued) Years Ended December 31, 2008 and 2007

	2008	2007
Expenditures		
General governmental:		
Township board:		
Personnel services	\$ 42,135	\$ 41,007
Other services and charges	1,688	1,789
Total Township board	43,823	42,796
Township supervisor:		
Personnel services	111,892	107,520
Supplies	521	230
Other services and charges	1,099	865
Total Township supervisor	113,512	108,615
Elections:		
Personnel services	201,380	130,406
Supplies	21,589	17,414
Other services and charges	9,336	6,574
Total elections	232,305	154,394
General administrative:		
Personnel services	1,176,558	1,187,238
Other services and charges	661,403	681,428
Total general administrative	1,837,961	1,868,666
Accounting:		
Personnel services	220,642	266,859
Supplies	2,886	1,983
Other services and charges	-	1,750
Total accounting	223,528	270,592
Assessing:		
Personnel services	390,476	452,250
Supplies	13,156	11,054
Other services and charges	86,252	5,350
Total assessing	489,884	468,654
Township clerk:		
Personnel services	247,364	231,809
Supplies	3,055	2,553
Other services and charges	3,890	3,238
Total township clerk	254,309	237,600

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Continued) Years Ended December 31, 2008 and 2007

	2008	2007
Expenditures (Continued):		
General governmental (Continued):		
Human resource:		
Personnel services	\$ 72,638	\$ 73,431
Supplies	1,254	993
Other services and charges	967	100
Total human resource	74,859	74,524
Board of Review:		
Personnel services	4,579	3,075
Other services and charges	754	637
Total Board of Review	5,333	3,712
Township treasurer:		
Personnel services	315,406	305,547
Supplies	2,649	2,417
Other services and charges	24,841	22,202
Total Township treasurer	342,896	330,166
Township halls and grounds:		
Personnel services	411,215	364,925
Supplies	29,053	33,205
Other services and charges	551,426	451,598
Debt service:		
Principal	215,000	155,000
Interest	161,325	111,101
Capital outlay	41,969	91,699
Total Township halls and grounds	1,409,988	1,207,528
Anchor Bay Harbor Storm Sewer:		
Other services and charges	12,479	10,325
Capital outlay	6,325	-
Total Anchor Bay Harbor Storm Sewer	18,804	10,325
Planning Commission:		
Personnel services	17,370	15,353
Other services and charges	24,630	22,070
Total Planning Commission	42,000	37,423

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Continued) Years Ended December 31, 2008 and 2007

	2008	2007
Expenditures (Continued):		
General governmental (Continued):		
Zoning Board of Appeals:		
Personnel services	\$ 3,640	\$ 5,369
Supplies	-	102
Other services and charges	3,179	3,545
Total Zoning Board of Appeals	6,819	9,016
Planning and zoning administration:		
Personnel services	128,823	226,346
Supplies	622	1,413
Other services and charges	1,080	1,361
Total planning and zoning administration	130,525	229,120
Community Development Block Grant - Other services and charges	16,549	307,759
Total general governmental	5,243,095	5,360,890
Streets, sidewalks, and drains - Road care and street lighting -		
Other services and charges	668,039	377,693
Culture and recreation:		
Youth activity center:		
Supplies	546	600
Other services and charges	7,138	12,191
Total youth activity center	7,684	12,791
Parks and recreation:		
Personnel services	188,529	223,928
Supplies	5,277	6,225
Other services and charges	45,074	50,478
Capital outlay	-	-
Total parks and recreation	238,880	280,631
Senior citizens center:		
Personnel services	109,400	105,425
Supplies	3,907	4,211
Other services and charges	129,508	138,876
Total senior citizens center	242,815	248,512
Total culture and recreation	489,379	541,934
Total expenditures	6,400,513	6,280,517

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Continued) Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Excess of Revenues Over Expenditures	\$ 245,518	\$ 546,464
Other Financing Sources (Uses)		
Transfers in	77,508	5,435
Transfers out	<u>(60,024)</u>	<u>-</u>
Total other financing sources	<u>17,484</u>	<u>5,435</u>
Net Change in Fund Balance	263,002	551,899
Fund Balance - Beginning of year	<u>5,761,967</u>	<u>5,210,068</u>
Fund Balance - End of year	<u>\$ 6,024,969</u>	<u>\$ 5,761,967</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet Fire Department Operating Fund - Major Special Revenue Fund December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and investments	\$ 1,710,795	\$ 1,466,597
Taxes receivable	1,915,485	1,400,200
Accrued interest receivable	309	737
Other assets	<u>10,531</u>	<u>5,163</u>
Total assets	<u>\$ 3,637,120</u>	<u>\$ 2,872,697</u>
Liabilities and Fund Balance (Deficit)		
Liabilities		
Accounts payable	\$ 29,186	\$ 8,121
Accrued compensation	27,419	31,246
Due to other funds	34,582	27,632
Deferred revenue	<u>3,573,958</u>	<u>2,589,067</u>
Total liabilities	3,665,145	2,656,066
Fund Balance (Deficit)		
Reserved	10,531	5,163
Unreserved	<u>(38,556)</u>	<u>211,468</u>
Total fund balance (deficit)	<u>(28,025)</u>	<u>216,631</u>
Total liabilities and fund balance (deficit)	<u>\$ 3,637,120</u>	<u>\$ 2,872,697</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) Fire Department Operating Fund - Major Special Revenue Fund Years Ended December 31, 2008 and 2007

	2008	2007
Revenues		
Property taxes	\$ 2,587,713	\$ 2,438,161
Interest and investment earnings	29,824	68,740
Miscellaneous	47,037	95,707
Total revenues	2,664,574	2,602,608
Expenditures		
Personnel services:		
Salaries and wages	1,450,637	1,685,449
Payroll taxes	102,871	119,378
Insurance	458,929	485,613
Pension	281,026	355,688
Total personnel services	2,293,463	2,646,128
Supplies:		
Office and operating	16,147	19,464
Uniforms	186	11,107
Total supplies	16,333	30,571
Other services and charges:		
Contracted services	14,625	29,151
Professional services	7,429	14,700
Dues and memberships	1,184	1,364
Printing and publications	1,057	1,468
Telephone	16,017	15,331
Travel, conferences, and training	2,075	12,863
Administration	97,920	85,220
Gas, oil, and repairs	116,245	78,405
Insurance	90,926	111,363
Utilities	57,709	57,551
Building maintenance	4,265	9,775
Equipment maintenance	21,628	21,933
Dispatch service	70,000	66,000
Hydrant rental	98,250	84,000
Miscellaneous	104	364
Total other services and charges	599,434	589,488
Total expenditures	2,909,230	3,266,187
Net Change in Fund Balance	(244,656)	(663,579)
Fund Balance - Beginning of year	216,631	880,210
Fund Balance (Deficit) - End of year	\$ (28,025)	\$ 216,631

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet Fire Department Equipment Fund - Major Special Revenue Fund December 31, 2008 and 2007

	2008	2007
Assets		
Cash and investments	\$ 4,843,416	\$ 4,046,580
Taxes receivable	469,000	466,527
Accrued interest receivable	<u>15,449</u>	<u>24,983</u>
Total assets	<u>\$ 5,327,865</u>	<u>\$ 4,538,090</u>
Liabilities and Fund Balance		
Liabilities - Deferred revenue	\$ 875,008	\$ 862,584
Fund Balance - Unreserved	<u>4,452,857</u>	<u>3,675,506</u>
Total liabilities and fund balance	<u>\$ 5,327,865</u>	<u>\$ 4,538,090</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance Fire Department Equipment Fund - Major Special Revenue Fund Years Ended December 31, 2008 and 2007

	2008	2007
Revenues		
Property taxes	\$ 861,983	\$ 812,244
Grants and reimbursements	700	7,687
Interest and other	117,430	168,454
Other income	244	-
Total revenues	980,357	988,385
Expenditures		
Supplies - Uniforms	3,909	30,097
Debt service:		
Principal	70,000	70,000
Interest	129,097	132,773
Total debt service	199,097	202,773
Capital outlay:		
Equipment and vehicles	-	547,710
Building improvements	-	118
Total capital outlay	-	547,828
Total expenditures	203,006	780,698
Net Change in Fund Balance	777,351	207,687
Fund Balance - Beginning of year	3,675,506	3,467,819
Fund Balance - End of year	\$ 4,452,857	\$ 3,675,506

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet Police Department Fund - Major Special Revenue Fund December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and investments	\$ 10,120,367	\$ 9,448,981
Accrued interest receivable	23,870	59,477
Taxes receivable	4,488,916	4,583,116
Other receivables	7,592	58,438
Due from other governmental units	21,167	24,154
Other assets	<u>135,589</u>	<u>142,996</u>
Total assets	<u>\$ 14,797,501</u>	<u>\$ 14,317,162</u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 130,787	\$ 235,443
Accrued compensation	10,409	14,299
Accrued liabilities - Other	2,779	2,775
Due to other funds	127,270	89,647
Deferred revenue	<u>8,800,247</u>	<u>8,701,591</u>
Total liabilities	9,071,492	9,043,755
Fund Balance		
Reserved	135,589	254,846
Unreserved	<u>5,590,420</u>	<u>5,018,561</u>
Total fund balance	<u>5,726,009</u>	<u>5,273,407</u>
Total liabilities and fund balance	<u>\$ 14,797,501</u>	<u>\$ 14,317,162</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Police Department Fund - Major Special Revenue Fund Years Ended December 31, 2008 and 2007

	2008	2007
Revenues		
Property taxes	\$ 8,705,396	\$ 8,206,441
Fines	100,930	103,752
Interest and investment earnings	285,948	414,753
Grants	36,079	49,614
Miscellaneous	90,563	125,630
Liquor licenses	20,869	20,217
Dispatch revenue	237,014	228,791
Total revenues	9,476,799	9,149,198
Expenditures		
Personnel services:		
Salaries and wages	4,184,066	3,908,734
Payroll taxes	315,171	306,701
Insurance	939,603	882,615
Pension	966,706	741,196
Total personnel services	6,405,546	5,839,246
Supplies:		
Office and operating	68,719	72,760
Uniforms	60,986	60,374
Total supplies	129,705	133,134
Other services and charges:		
Contracted services	196,233	217,311
Professional services	88,021	87,481
Dues and memberships	6,565	610
Telephone	56,559	69,650
Travel, conferences, and training	41,778	47,000
Administration	209,680	181,000
Rent - Building and other	376,338	267,000
Printing and publications	3,702	4,572
Gas, oil, and repairs	244,000	181,466
Insurance	64,127	44,112
Utilities	72,281	67,364
Building maintenance	30,947	25,513
Equipment maintenance	7,327	15,563
Miscellaneous	30,695	25,134
Total other services and charges	1,428,253	1,233,776

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Police Department Fund Major Special Revenue Fund (Continued) Years Ended December 31, 2008 and 2007

	2008	2007
Expenditures (Continued)		
Capital outlay - Equipment and vehicles	\$ 290,409	\$ 113,179
Dispatch services:		
Personnel services	769,529	804,706
Other services and charges	755	1,110
Total dispatch services	<u>770,284</u>	<u>805,816</u>
Total expenditures	<u>9,024,197</u>	<u>8,125,151</u>
Excess of Revenues Over Expenditures	452,602	1,024,047
Fund Balance - Beginning of year	<u>5,273,407</u>	<u>4,249,360</u>
Fund Balance - End of year	<u><u>\$ 5,726,009</u></u>	<u><u>\$ 5,273,407</u></u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet Building Department - Special Revenue Fund December 31, 2008 and 2007

	2008	2007
Assets		
Cash and investments	\$ 123,737	\$ 546,098
Accrued interest receivable	42	582
Other assets	<u>2,175</u>	<u>1,905</u>
Total assets	<u><u>\$ 125,954</u></u>	<u><u>\$ 548,585</u></u>
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 5,122	\$ 1,954
Accrued compensation	18,840	23,271
Due to other funds	<u>101,992</u>	<u>18,633</u>
Total liabilities	125,954	43,858
Fund Balance - Unreserved	<u>-</u>	<u>504,727</u>
Total liabilities and fund balance	<u><u>\$ 125,954</u></u>	<u><u>\$ 548,585</u></u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Building Department - Special Revenue Fund Years Ended December 31, 2008 and 2007

	2008	2007
Revenues		
Permits and fees	\$ 389,818	\$ 788,427
Interest and investment earnings	6,689	36,689
Miscellaneous	47,288	26,995
Total revenues	443,795	852,111
Expenditures		
Personnel services:		
Salaries and wages	482,076	642,435
Payroll taxes	37,371	49,787
Insurance	195,337	184,777
Pension	97,977	145,428
Total personnel services	812,761	1,022,427
Supplies - Office and operating supplies	16,080	4,425
Other services and charges:		
Contracted services	60,903	5,248
Professional services	9,370	13,000
Dues and memberships	-	1,410
Travel, conferences, and training	2,059	6,434
Rent - Building and other	-	96,000
Printing and publications	904	1,843
Computer usage and maintenance	6,500	7,500
Gas, oil, and repairs	-	21,091
Insurance	12,725	19,442
Equipment maintenance	4,363	4,370
Miscellaneous	82,881	87,416
Total other services and charges	179,705	263,754
Total expenditures	1,008,546	1,290,606
Other Financing Sources - Transfers in	60,024	-
Net Change in Fund Balance	(504,727)	(438,495)
Fund Balance - Beginning of year	504,727	943,222
Fund Balance - End of year	\$ -	\$ 504,727

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet Parks and Recreation - Special Revenue Fund December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and investments	\$ 260,517	\$ 250,711
Accrued interest receivable	<u>358</u>	<u>952</u>
Total assets	<u>\$ 260,875</u>	<u>\$ 251,663</u>
Liabilities and Fund Balance		
Liabilities - Accounts payable	\$ 2,139	\$ 1,396
Fund Balance	<u>258,736</u>	<u>250,267</u>
Total liabilities and fund balance	<u>\$ 260,875</u>	<u>\$ 251,663</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Parks and Recreation - Special Revenue Fund Years Ended December 31, 2008 and 2007

	2008	2007
Revenues		
Fund-raisers and donations:		
Youth basketball and softball	\$ 56,640	\$ 44,470
Basketball	25,549	27,670
Flag football	11,155	14,337
Golf league	4,686	6,226
Miscellaneous	161,279	166,279
Interest earnings	5,308	9,134
Total revenues	264,617	268,116
Expenditures		
Personnel services:		
Salaries and wages	39,877	40,849
Payroll taxes	3,051	3,125
Total personnel services	42,928	43,974
Parks and recreation:		
Youth basketball and softball	44,853	37,849
Basketball	19,109	20,859
Flag football	10,957	11,775
Golf league	4,259	5,824
Miscellaneous	112,797	109,745
Total parks and recreation	191,975	186,052
Public works - Park property improvement	21,245	63,020
Total expenditures	256,148	293,046
Net Change in Fund Balance	8,469	(24,930)
Fund Balance - Beginning of year	250,267	275,197
Fund Balance - End of year	\$ 258,736	\$ 250,267

Charter Township of Chesterfield

Other Supplemental Information Comparative Balance Sheet Recreation Land Acquisition - Special Revenue Fund December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and investments	\$ 29,236	\$ 25,260
Accrued interest receivable	247	254
Due from other funds	<u>-</u>	<u>3,001</u>
Total assets	<u>\$ 29,483</u>	<u>\$ 28,515</u>
Fund Balance - Unreserved and undesignated	<u>\$ 29,483</u>	<u>\$ 28,515</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Recreation Land Acquisition - Special Revenue Fund Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenue - Interest and other	\$ 968	\$ 1,314
Expenditures	<u>-</u>	<u>-</u>
Net Change in Fund Balance	968	1,314
Fund Balance - Beginning of year	<u>28,515</u>	<u>27,201</u>
Fund Balance - End of year	<u><u>\$ 29,483</u></u>	<u><u>\$ 28,515</u></u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Combining Balance Sheet - Nonmajor Debt Service Funds December 31, 2008 and 2007

	Nonmajor Debt Service Fund		Total Nonmajor Debt Service Funds	
	Paving 133, 134, and 136	Other Debt Service Funds	2008	2007
Assets				
Cash and investments	\$ -	\$ 556,784	\$ 556,784	\$ 696,011
Special assessments receivable	-	650,396	650,396	809,070
Due from other funds	-	115	115	2,937
Total assets	<u>\$ -</u>	<u>\$ 1,207,295</u>	<u>\$ 1,207,295</u>	<u>\$ 1,508,018</u>
Liabilities and Fund Balances				
Liabilities				
Due to other funds	\$ -	\$ 4,897	\$ 4,897	\$ 42,305
Deferred revenue	-	650,396	650,396	809,072
Total liabilities	-	655,293	655,293	851,377
Fund Balances - Unreserved -				
Undesignated	-	552,002	552,002	656,641
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,207,295</u>	<u>\$ 1,207,295</u>	<u>\$ 1,508,018</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Debt Service Funds Years Ended December 31, 2008 and 2007

	Nonmajor Debt Service Funds		Total Nonmajor Debt Service Funds	
	Paving 133, 134, and 136	Other Debt Service Funds	2008	2007
Revenue				
Special assessments	\$ -	\$ 158,674	\$ 158,674	\$ 173,801
Investment income	-	44,469	44,469	47,737
Total revenue	-	203,143	203,143	221,538
Expenditures - Debt service				
Principal	-	270,000	270,000	275,000
Interest and fiscal charges	-	47,459	47,459	56,574
Total expenditures	-	317,459	317,459	331,574
Excess of Expenditures Over Revenue	-	(114,316)	(114,316)	(110,036)
Other Financing Sources - Transfers (out) in	(83,873)	93,550	9,677	103,621
Net Change in Fund Balances	(83,873)	(20,766)	(104,639)	(6,415)
Fund Balances - Beginning of year	83,873	572,768	656,641	663,056
Fund Balances - End of year	<u>\$ -</u>	<u>\$ 552,002</u>	<u>\$ 552,002</u>	<u>\$ 656,641</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Combining Balance Sheet - Nonmajor Capital Project Funds December 31, 2008 and 2007

	Nonmajor Capital Project Funds			Total Nonmajor Capital Project Funds	
	Paving 142	Paving 148	Police	2008	2007
			Renovation		
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 93,550
Due from other funds	-	-	65,917	65,917	1,334,974
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,917</u>	<u>\$ 65,917</u>	<u>\$ 1,428,524</u>
Liabilities and Fund Balances					
Liabilities - Accounts payable	\$ -	\$ -	\$ 65,917	\$ 65,917	\$ 98,857
Fund Balances - Unreserved - Undesignated	-	-	-	-	1,329,667
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,917</u>	<u>\$ 65,917</u>	<u>\$ 1,428,524</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Capital Project Funds Years Ended December 31, 2008 and 2007

	Nonmajor Capital Project Funds			Total Nonmajor Capital Project Funds	
	Paving 142	Paving 148	Police	2008	2007
			Renovation		
Revenue - Investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures					
Public works	-	-	-	-	-
Public safety	-	-	1,236,117	1,236,117	263,883
Total expenditures	-	-	1,236,117	1,236,117	263,883
Excess of Expenditures Over Revenues	-	-	(1,236,117)	(1,236,117)	(263,883)
Other Financing Sources (Uses)					
Transfers out	(80,480)	(13,070)	-	(93,550)	(103,621)
Proceeds from issuance of long-term debt	-	-	-	-	1,500,000
Total other financing sources (uses)	(80,480)	(13,070)	-	(93,550)	1,396,379
Net Change in Fund Balances	(80,480)	(13,070)	(1,236,117)	(1,329,667)	1,132,496
Fund Balances - Beginning of year	80,480	13,070	1,236,117	1,329,667	197,171
Fund Balances - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,329,667</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Net Assets Enterprise Funds December 31, 2008 and 2007

	Water and Sewer Fund		Brandenburg Memorial Park Fund		Total Enterprise Funds	
	2008	2007	2008	2007	2008	2007
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,108,069	\$ 7,631,550	\$ 47,601	\$ 24,374	\$ 4,155,670	\$ 7,655,924
Accounts receivable	1,699,169	1,587,975	-	-	1,699,169	1,587,975
Interest receivable	66,578	131,670	11	-	66,589	131,670
Prepaid expenses	2,471	2,333	-	-	2,471	2,333
Due from other funds	207,344	207,996	-	-	207,344	207,996
Due from other governmental units	220,847	175,581	-	-	220,847	175,581
Other receivables	17,847	746	-	-	17,847	746
Inventories	184,483	168,100	-	-	184,483	168,100
Total current assets	6,506,808	9,905,951	47,612	24,374	6,554,420	9,930,325
Noncurrent assets:						
Restricted assets	17,808,563	7,241,386	-	-	17,808,563	7,241,386
Capital assets - Net:						
Nondepreciable	409,484	409,484	-	-	409,484	409,484
Depreciable - Net	51,608,228	52,409,218	1,052,270	1,079,472	52,660,498	53,488,690
Total noncurrent assets	69,826,275	60,060,088	1,052,270	1,079,472	70,878,545	61,139,560
Total assets	76,333,083	69,966,039	1,099,882	1,103,846	77,432,965	71,069,885
Liabilities						
Current liabilities:						
Accounts payable	942,832	973,056	1,145	1,128	943,977	974,184
Accrued and other liabilities	290,179	157,926	-	-	290,179	157,926
Deferred revenue	861,665	1,342,096	-	-	861,665	1,342,096
Current portion of long-term debt	496,281	232,694	-	-	496,281	232,694
Total current liabilities	2,590,957	2,705,772	1,145	1,128	2,592,102	2,706,900
Noncurrent liabilities - Long-term debt - Net of current portion	15,167,403	6,832,749	-	-	15,167,403	6,832,749
Total liabilities	17,758,360	9,538,521	1,145	1,128	17,759,505	9,539,649
Net Assets						
Invested in capital assets - Net of related debt	45,184,963	45,753,259	1,052,270	1,079,472	46,237,233	46,832,731
Restricted for water and sewer bond ordinance	8,359,227	6,640,089	-	-	8,359,227	6,640,089
Water and sewer construction and maintenance	618,401	601,297	-	-	618,401	601,297
Unrestricted	4,412,132	7,432,873	46,467	23,246	4,458,599	7,456,119
Total net assets	<u>\$ 58,574,723</u>	<u>\$ 60,427,518</u>	<u>\$ 1,098,737</u>	<u>\$ 1,102,718</u>	<u>\$ 59,673,460</u>	<u>\$ 61,530,236</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Revenue, Expenses, and Changes in Net Assets Enterprise Funds Years Ended December 31, 2008 and 2007

	Water and Sewer Fund		Brandenburg Memorial Park Fund		Total Enterprise Funds	
	2008	2007	2008	2007	2008	2007
Operating Revenue						
Water	\$ 3,683,959	\$ 3,483,600	\$ -	\$ -	\$ 3,683,959	\$ 3,483,600
Sewage disposal	3,730,128	3,884,664	-	-	3,730,128	3,884,664
Fees	-	-	77,340	73,314	77,340	73,314
Other	19,167	10,363	3,962	1,762	23,129	12,125
Total operating revenue	7,433,254	7,378,627	81,302	75,076	7,514,556	7,453,703
Operating Expenses						
Personnel services	2,179,780	2,022,476	29,896	29,488	2,209,676	2,051,964
Supplies	144,284	273,707	2,920	7,978	147,204	281,685
Other services and charges	8,483,950	8,943,596	52,726	59,312	8,536,676	9,002,908
Total operating expenses	10,808,014	11,239,779	85,542	96,778	10,893,556	11,336,557
Operating Loss	(3,374,760)	(3,861,152)	(4,240)	(21,702)	(3,379,000)	(3,882,854)
Nonoperating Revenue (Expense)						
Interest income	437,196	757,800	259	209	437,455	758,009
Capital income	744,795	1,583,207	-	-	744,795	1,583,207
Proceeds from sale of fixed assets	14,803	-	-	-	14,803	-
Interest expense	(259,420)	(275,435)	-	-	(259,420)	(275,435)
Total nonoperating revenue	937,374	2,065,572	259	209	937,633	2,065,781
Loss - Before contributions and transfers in (out)	(2,437,386)	(1,795,580)	(3,981)	(21,493)	(2,441,367)	(1,817,073)
Capital Contributed from Grants and Developers	578,225	853,652	-	-	578,225	853,652
Transfers In (Out)	6,366	(5,435)	-	-	6,366	(5,435)
Change in Net Assets	(1,852,795)	(947,363)	(3,981)	(21,493)	(1,856,776)	(968,856)
Net Assets - Beginning of year	60,427,518	61,374,881	1,102,718	1,124,211	61,530,236	62,499,092
Net Assets - End of year	\$ 58,574,723	\$ 60,427,518	\$ 1,098,737	\$ 1,102,718	\$ 59,673,460	\$ 61,530,236

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Cash Flows Enterprise Funds Years Ended December 31, 2008 and 2007

	Water and Sewer Fund		Brandenburg Memorial Park Fund		Total Enterprise Funds	
	2008	2007	2008	2007	2008	2007
Cash Flows from Operating Activities						
Receipts from customers	\$ 7,322,060	\$ 7,760,763	\$ 81,302	\$ 75,076	\$ 7,403,362	\$ 7,835,839
Payments to suppliers	(6,841,201)	(7,662,313)	(28,444)	(39,045)	(6,869,645)	(7,701,358)
Payments to employees	(2,272,994)	(2,028,479)	(29,896)	(29,488)	(2,302,890)	(2,057,967)
Other payments	(410,031)	(239,438)	6	(3,105)	(410,025)	(242,543)
Net cash (used in) provided by operating activities	(2,202,166)	(2,169,467)	22,968	3,438	(2,179,198)	(2,166,029)
Cash Flows from Noncapital Financing Activities -						
Transfer to other funds	6,366	(5,435)	-	-	6,366	(5,435)
Cash Flows from Capital and Related Financing Activities						
Proceeds from the sale of capital assets	14,803	-	-	-	14,803	-
Contributions from state grants	-	597,048	-	-	-	597,048
Contributions from customers	744,795	1,594,077	-	-	744,795	1,594,077
Principal and interest paid on long-term debt	(492,114)	(693,871)	-	-	(492,114)	(693,871)
Purchase of capital assets	(361,211)	(1,321,148)	-	(6,450)	(361,211)	(1,327,598)
Net cash (used in) provided by capital and related financing activities	(93,727)	176,106	-	(6,450)	(93,727)	169,656
Cash Flows from Investing Activities -						
Interest received on investments	502,288	757,846	259	209	502,547	758,055
Net (Decrease) Increase in Cash and Cash Equivalents	(1,787,239)	(1,240,950)	23,227	(2,803)	(1,764,012)	(1,243,753)
Cash and Cash Equivalents - Beginning of year	14,872,936	16,113,886	24,374	27,177	14,897,310	16,141,063
Cash and Cash Equivalents - End of year	\$ 13,085,697	\$ 14,872,936	\$ 47,601	\$ 24,374	\$ 13,133,298	\$ 14,897,310
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and cash equivalents	\$ 4,108,069	\$ 7,631,550	\$ 47,601	\$ 24,374	\$ 4,155,670	\$ 7,655,924
Restricted assets	8,977,628	7,241,386	-	-	8,977,628	7,241,386
Total cash and cash equivalents	\$ 13,085,697	\$ 14,872,936	\$ 47,601	\$ 24,374	\$ 13,133,298	\$ 14,897,310
Reconciliation of Operating Loss to Net Cash from Operating Activities						
Operating loss	\$ (3,374,760)	\$ (3,861,152)	\$ (4,240)	\$ (21,702)	\$ (3,379,000)	\$ (3,882,854)
Adjustments to reconcile operating loss to net cash from operating activities:						
Depreciation and amortization	1,740,426	1,727,791	27,202	28,245	1,767,628	1,756,036
Noncash expense related to OPEB asset recorded in operating expenses	(17,847)	-	-	-	(17,847)	-
Changes in assets and liabilities:						
Receivables	(156,460)	(273,288)	(11)	21	(156,471)	(273,267)
Inventories	(16,383)	(4,359)	-	-	(16,383)	(4,359)
Due from/to other funds	652	(8,364)	-	(16)	652	(8,380)
Other assets	608	453	-	-	608	453
Accounts payable	(30,224)	181,175	-	-	(30,224)	181,175
Accrued and other liabilities	132,253	1,537	17	(3,110)	132,270	(1,573)
Deferred revenue	(480,431)	66,740	-	-	(480,431)	66,740
Net cash (used in) provided by operating activities	\$ (2,202,166)	\$ (2,169,467)	\$ 22,968	\$ 3,438	\$ (2,179,198)	\$ (2,166,029)

Noncash Investing, Capital, and Financing Activities - During the years ended December 31, 2008 and 2007, developers constructed water and sewer lines with an estimated value of \$256,604 and \$1,286,107, respectively, and donated them to the Township's Water and Sewer Fund.

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Operating Revenues Water and Sewer Fund - Major Enterprise Fund Years Ended December 31, 2008 and 2007

	2008	2007
Operating Revenues		
Water:		
Project inspection	\$ 9,600	\$ 48,000
Water taps	215,204	103,160
Water sales	3,208,863	3,180,824
Penalties	55,516	11,015
Hydrant rental	98,686	84,000
Miscellaneous	96,090	56,601
	<hr/>	<hr/>
Total water	3,683,959	3,483,600
Sewer:		
Contractor's registration	2,325	3,675
Inspection fees	25,700	43,750
Project inspection	75,982	162,769
Sewer disposal revenues	3,525,628	3,650,773
Penalties	61,661	11,753
House rental	7,800	7,200
Miscellaneous	31,032	4,744
	<hr/>	<hr/>
Total sewer	3,730,128	3,884,664
Other - Reimbursements	19,167	10,363
	<hr/>	<hr/>
Total operating revenues	<u>\$ 7,433,254</u>	<u>\$ 7,378,627</u>

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement of Operating Expenses Water and Sewer Fund - Major Enterprise Fund Years Ended December 31, 2008 and 2007

	2008	2007
Operating Expenses		
Personnel services:		
Compensation:		
Supervision	\$ 88,460	\$ 84,384
Clerical	192,435	176,662
Operational	1,284,040	1,188,365
Overtime	39,789	41,245
Payroll taxes	110,328	100,762
Hospitalization	341,843	309,038
Life insurance	4,501	7,053
Pension plan	118,384	114,966
Total personnel services	2,179,780	2,022,475
Supplies:		
Office	4,989	20,818
Operating	57,614	63,248
Uniforms	12,510	13,155
Materials:		
Water	65,791	163,907
Sewer	3,380	12,579
Total supplies	144,284	273,707

Charter Township of Chesterfield

Other Supplemental Information Comparative Statement Operating Expenses Water and Sewer Fund - Major Enterprise Fund (Continued) Years Ended December 31, 2008 and 2007

	2008	2007
Operating Expenses (Continued)		
Other services and charges:		
Contractual services:		
Water	\$ 7,892	\$ 3,493
Sewer	711	1,920
Other	6,114	1,202
Administration	238,530	254,260
Auditing	14,970	16,000
Engineering	140,523	393,850
Legal	40,084	42,700
Dues and association fees	12,186	13,103
Dispatch services	7,000	5,990
Telephone	14,940	14,987
Truck expenses	107,019	74,161
Travel and meeting	1,327	1,848
Advertising and printing	2,624	24,689
Insurance	176,917	217,526
Utilities	60,705	62,964
Municipal pumping	30,282	23,828
Sewer disposal charges	3,159,673	2,775,596
Water purchases	2,285,855	2,662,337
Repairs and maintenance	369,922	598,075
Building and equipment rent	12,115	21,086
Miscellaneous	54,135	6,190
Depreciation expense - Building addition and improvements	1,740,426	1,727,791
Total other services and charges	8,483,950	8,943,596
Total operating expenses	\$ 10,808,014	\$ 11,239,778

Additional Information

Charter Township of Chesterfield

Additional Information Tax Summary - 2008 Levy

	Adjusted Tax Warrant	Commercial and Industrial Development Exemptions Additions	Tax Spread
School Districts			
Anchor Bay C-2	\$ 9,879,558	\$ 27,813	\$ 9,907,371
L'Anse Creuse F-4	13,391,781	401,149	13,792,930
New Haven H-9	1,472,934	144,476	1,617,410
Total school districts	24,744,273	573,438	25,317,711
State Education Tax	10,766,139	168,489	10,934,628
Macomb County - Taxes including intermediate district and community college	17,689,704	341,742	18,031,446
Charter Township of Chesterfield			
Taxes:			
General (operating)	1,498,762	28,952	1,527,714
Fire (operating)	3,506,222	67,736	3,573,958
Fire (equipment)	858,427	16,581	875,008
Police (special assessment)	8,711,850	88,397	8,800,247
Library	1,202,022	23,219	1,225,241
Mandatory sewer - Debt service	13,673	-	13,673
Special assessments:			
Water bills	16,765	-	16,765
Street lighting and weed cutting	68,610	-	68,610
Clean up	121,499	-	121,499
Sewer	7,750	-	7,750
Paving	53,464	-	53,464
Weed cutting	62,766	-	62,766
Retention basin	9,845	-	9,845
Co. Crapua & Schmidt Drain	62,029	-	62,029
Total Charter Township of Chesterfield	16,193,684	224,885	16,418,569
Total	\$ 69,393,800	\$ 1,308,554	\$ 70,702,354

Charter Township of Chesterfield

Additional Information Statistical Tax Information Years Ended December 31

Population - 37,405 residents - Per the 2000 Census

Water and Sewer Information

Water Customers to Date - 14,259

Sewer Customers to Date - 13,673

Year	Assessed Valuation			County Equalized Valuation	State Equalized Valuation
	Real Property	Personal Property	Total		
1999	\$ 879,068,266	\$ 130,088,511	\$ 1,009,156,777	\$ 1,009,156,777	\$ 1,009,156,777
2000	984,950,317	136,540,929	1,121,491,246	1,121,491,246	1,121,491,246
2001	1,112,258,430	133,904,145	1,246,162,575	1,246,162,575	1,246,162,575
2002	1,230,395,463	133,044,776	1,363,440,239	1,363,440,239	1,363,440,239
2003	1,308,715,438	140,065,580	1,448,781,018	1,448,781,018	1,448,781,018
2004	1,413,346,603	137,992,954	1,551,339,557	1,551,339,557	1,551,339,557
2005	1,531,240,236	131,043,043	1,662,283,279	1,662,283,279	1,662,283,279
2006	1,637,961,934	109,239,860 *	1,747,201,794	1,747,201,794	1,747,201,794
2007	1,728,496,976	111,950,066	1,840,447,042	1,840,447,042	1,840,447,042
2008	1,742,879,245	118,265,090	1,861,144,335	1,861,144,335	1,861,144,335

* Decrease in personal property assessed values due to the loss of Visteon, a large taxpayer to the Township

Charter Township of Chesterfield

Additional Information Statistical Tax Information (Continued) Tax Rates Years Ended December 31

Anchor Bay No. C-2

Year	Township					County	School		Homestead Total
	General Operation	Fire Operation	Equipment	Police S.A.	Library		Homestead	Non-homestead	
1999	0.8541	1.4678	0.4892	5.0000	0.6849	8.3621	16.0000	34.0000	32.8581
2000	0.8424	1.4478	0.4825	5.0000	0.6755	8.2895	16.0000	34.0000	32.7377
2001	0.8208	1.4109	0.4701	5.0000	0.6583	8.4219	16.0000	34.0000	32.7820
2002	0.8157	1.4021	0.4672	5.0000	0.6542	9.7018	16.0000	34.0000	34.0410
2003	0.8157	1.4021	0.4672	5.0000	0.6542	9.5780	15.0000	32.8236	32.9172
2004	0.8127	1.3970	0.4655	5.0000	0.6518	9.4778	16.0000	34.0000	33.8048
2005	0.8061	1.3858	0.4617	5.0000	0.6465	9.3758	16.0000	34.0000	33.6759
2006	0.8061	1.3858	0.4617	5.0000	0.6465	9.3743	16.0000	34.0000	33.6744
2007	0.8061	1.3858	0.4617	5.0000	0.6465	9.3743	16.0000	34.0000	33.6744
2008	0.8061	1.8858	0.4617	5.0000	0.6465	9.5143	16.0000	34.0000	34.3144

New Haven No. H-9

1999	0.8541	1.4678	0.4892	5.0000	0.6849	8.3621	9.0000	26.8670	25.8581
2000	0.8424	1.4478	0.4825	5.0000	0.6755	8.2895	8.3500	26.2170	25.0877
2001	0.8208	1.4109	0.4701	5.0000	0.6583	8.4219	9.1500	26.6578	25.9320
2002	0.8157	1.4021	0.4672	5.0000	0.6542	9.7018	12.3100	29.8178	30.3510
2003	0.8157	1.4021	0.4672	5.0000	0.6542	9.5780	12.0000	29.5420	29.9172
2004	0.8127	1.3970	0.4655	5.0000	0.6518	9.4778	13.0000	31.0000	30.8048
2005	0.8061	1.3858	0.4617	5.0000	0.6465	9.3758	13.0000	30.9073	30.6759
2006	0.8061	1.3858	0.4617	5.0000	0.6465	9.3743	13.0000	31.0000	30.6744
2007	0.8061	1.3858	0.4617	5.0000	0.6465	9.3743	13.0000	31.0000	30.6744
2008	0.8061	1.8858	0.4617	5.0000	0.6465	9.5143	13.0000	31.0000	31.3144

L'Anse Creuse No. F-4

1999	0.8541	1.4678	0.4892	5.0000	0.6849	8.3621	12.6900	30.6900	29.5481
2000	0.8424	1.4478	0.4825	5.0000	0.6755	8.2895	12.6900	30.6900	29.4277
2001	0.8208	1.4109	0.4701	5.0000	0.6583	8.4219	12.1800	29.8974	28.9620
2002	0.8157	1.4021	0.4672	5.0000	0.6542	9.7018	12.6900	30.6900	30.7310
2003	0.8157	1.4021	0.4672	5.0000	0.6542	9.5780	11.6900	29.6900	29.6072
2004	0.8127	1.3970	0.4655	5.0000	0.6518	9.4778	12.6900	30.6900	30.4948
2005	0.8061	1.3858	0.4617	5.0000	0.6465	9.3758	13.0000	31.0000	30.6759
2006	0.8061	1.3858	0.4617	5.0000	0.6465	9.3743	13.0000	31.0000	30.6744
2007	0.8061	1.3858	0.4617	5.0000	0.6465	9.3743	13.0000	31.0000	30.6744
2008	0.8061	1.8858	0.4617	5.0000	0.6465	9.5143	13.0000	31.0000	31.3144

Charter Township of Chesterfield

Additional Information Interest Earned by Fund Year Ended December 31, 2008

	Certificates of Deposit and Savings Accounts	Special Assessments	Total
<u>General Fund</u>			
Operating	\$ 196,419	\$ 3,475	\$ 199,894
Parks and recreation	294	-	294
Total General Fund	196,713	3,475	200,188
<u>Special Revenue Funds</u>			
Fire department funds	147,254	-	147,254
Police department	285,948	-	285,948
Building department	6,689	-	6,689
Parks and recreation	5,308	-	5,308
Recreation land acquisition	968	-	968
Total Special Revenue Funds	446,167	-	446,167
<u>Debt Service Funds</u>			
Paving Districts 133, 134, and 136	-	-	-
Other Paving Districts	-	44,469	44,469
Total Debt Service Funds	-	44,469	44,469
<u>Enterprise Funds</u>			
Brandenburg Memorial Park	259	-	259
Water supply and sewage disposal system	435,954	1,242	437,196
Total Enterprise Funds	436,213	1,242	437,455
Total all funds	\$ 1,079,093	\$ 49,186	\$ 1,128,279

Charter Township of Chesterfield

Additional Information Insurance in Force Year Ended December 31, 2008

Company	Policy Number	Type of Coverage	Amount of Coverage	Deductible	Term		Annual Premium
					From	To	
Michigan Township Participating Plan	MTP221916	Property	\$ 30,113,430	\$ 500	10/1/2008	10/1/2009	\$ 396,416
		Liability	5,000,000	10,000			
		Wrongful acts	5,000,000	10,000			
		Automobile	5,000,000	-			
		Crime	10,000	-			
		Law enforcement	5,000,000	10,000			
		Inland marine	2,142,445	500			
		Boiler	2,000,000	250			
		Bond	100,000	-			
		EDP	600,000	500			
Michigan Municipal Workers' Compensation Self-insurer's Fund		Workers' compensation	State Law		7/1/2008	6/30/2009	409,244
Provident Insurance		Volunteer firemen program accident and disability	Various		7/1/2008	6/30/2009	3,176

Charter Township of Chesterfield

Additional Information Bonds Payable - Combined All Districts Year Ended December 31, 2008

	Original Issue	Previous Years	Current Year	Balance Outstanding December 31, 2008
<u>Special Assessment Bonds</u>				
Paving District 138	\$ 655,000	\$ 445,000	\$ 70,000	\$ 140,000
Paving District 142	150,000	85,000	15,000	50,000
Paving Districts 140 and 143	345,000	165,000	35,000	145,000
Paving District 148	1,475,000	550,000	150,000	775,000
Total	\$ 2,625,000	\$ 1,245,000	\$ 270,000	\$ 1,110,000

Charter Township of Chesterfield

Additional Information Bonds Payable - By District December 31, 2008

Special Assessment Paving Bonds District 138

Dated - October 1, 2000
Interest Payable - May 1 and November 1

Bond Number	Interest Rate	Maturity Date - May 1	Amount Maturing Annually
9	5.15%	2009	\$ 70,000
10	5.20%	2010	70,000
Total			<u>\$ 140,000</u>

Special Assessment Paving Bonds District 142

Dated - November 1, 2001
Interest Payable - May 1 and November 1

Bond Number	Interest Rate	Maturity Date - May 1	Amount Maturing Annually
8	4.25%	2009	\$ 15,000
9	4.25%	2010	15,000
10	4.25%	2011	20,000
Total			<u>\$ 50,000</u>

Charter Township of Chesterfield

Additional Information Bonds Payable - By District (Continued) December 31, 2008

Special Assessment Paving Bonds
Districts 140 and 143

Dated - August 1, 2002
Interest Payable - February 1 and August 1

Bond Number	Interest Rate	Maturity Date - May 1	Amount Maturing Annually
7	4.25%	2009	\$ 35,000
8	4.25%	2010	40,000
9	4.40%	2011	35,000
10	4.50%	2012	35,000
Total			\$ 145,000

Special Assessment Paving Bonds
District 148

Dated - January 1, 2004
Interest Payable - April 1 and October 1

Bond Number	Interest Rate	Maturity Date - May 1	Amount Maturing Annually
6	2.65%	2009	\$ 150,000
7	2.90%	2010	150,000
8	3.15%	2011	150,000
9	3.38%	2012	150,000
10	3.50%	2013	175,000
Total			\$ 775,000

Charter Township of Chesterfield

Additional Information Combined Special Assessment Bond Indebtedness (Principal and Interest) December 31, 2008

Years Ending December 31	Paving Bonds
2009	\$ 307,046
2010	302,216
2011	223,682
2012	196,976
2013	181,126
Total	<u>\$ 1,211,046</u>

Charter Township of Chesterfield

Additional Information Other Debt December 31, 2008

Police building	\$ 1,550,000
Water and sewer improvements	924,250
D.P.W. building	5,908,500
Fire station #3	3,181,500
Police renovation	1,450,000
North Gratiot Drain	<u>8,830,934</u>
Total other debt	<u>\$ 21,845,184</u>

Charter Township of Chesterfield

Additional Information Other Debt - By Component December 31, 2008

Police Building

Dated - February 10, 2000

Interest and Principal Payable - August 1 and February 1

Payment Number	Interest Rate	Year	Amount Maturing Annually
18-19	6.10%	2009	\$ 175,000
20-21	6.10%	2010	175,000
22-23	6.25%	2011	200,000
24-25	6.25%	2012	225,000
26-27	6.25%	2013	250,000
28-29	6.25%	2014	250,000
30	6.25%	2015	<u>275,000</u>
Total			<u>\$ 1,550,000</u>

Charter Township of Chesterfield

Additional Information Other Debt - By Component (Continued) December 31, 2008

Water and Sewer Improvements

Dated - September 28, 1995
Interest Payable - April 1 and October 1

Payment Number	Interest Rate	Year	Amount Maturing Annually
13	2.25%	2009	\$ 107,585
14	2.25%	2010	107,585
15	2.25%	2011	112,475
16	2.25%	2012	112,475
17	2.25%	2013	117,365
18	2.25%	2014	122,255
19	2.25%	2015	122,255
20	2.25%	2016	<u>122,255</u>
Total			<u><u>\$ 924,250</u></u>

Charter Township of Chesterfield

Additional Information Other Debt - By Component (Continued) December 31, 2008

D.P.W. Building

Dated - December 1, 2003

Interest Payable - April 1 and October 1

Payment Number	Interest Rate	Year	Amount Maturing Annually
5	5.25%	2009	\$ 195,000
6	3.25%	2010	195,000
7	3.50%	2011	260,000
8	3.75%	2012	325,000
9	4.00%	2013	325,000
10	3.55%	2014	390,000
11	3.65%	2015	390,000
12	3.80%	2016	390,000
13	3.90%	2017	390,000
14	4.00%	2018	390,000
15	4.00%	2019	455,000
16	4.10%	2020	520,000
17	4.20%	2021	552,500
18	4.30%	2022	585,000
19	4.38%	2023	<u>546,000</u>
	Total		<u>\$ 5,908,500</u>

Charter Township of Chesterfield

Additional Information Other Debt - By Component (Continued) December 31, 2008

Fire Station #3

Dated - December 1, 2003
Interest Payable - April 1 and October 1

Payment Number	Interest Rate	Year	Amount Maturing Annually
5	5.25%	2009	\$ 105,000
6	3.25%	2010	105,000
7	3.50%	2011	140,000
8	3.75%	2012	175,000
9	4.00%	2013	175,000
10	3.55%	2014	210,000
11	3.65%	2015	210,000
12	3.80%	2016	210,000
13	3.90%	2017	210,000
14	4.00%	2018	210,000
15	4.00%	2019	245,000
16	4.10%	2020	280,000
17	4.20%	2021	297,500
18	4.30%	2022	315,000
19	4.38%	2023	<u>294,000</u>
Total			<u><u>\$ 3,181,500</u></u>

Charter Township of Chesterfield

Additional Information Other Debt - By Component (Continued) December 31, 2008

Police Renovation

Dated - October 10, 2007

Interest Payable - April 1 and October 1

Payment Number	Interest Rate	Year	Amount Maturing Annually
2	4.00%	2009	\$ 50,000
3	4.00%	2010	50,000
4	4.00%	2011	50,000
5	4.00%	2012	50,000
6	4.00%	2013	50,000
7	4.00%	2014	50,000
8	4.00%	2015	50,000
9	4.00%	2016	75,000
10	4.25%	2017	75,000
11	4.00%	2018	75,000
12	4.00%	2019	75,000
13	4.00%	2020	100,000
14	4.00%	2021	100,000
15	4.10%	2022	100,000
16	4.10%	2023	100,000
17	4.10%	2024	100,000
18	4.15%	2025	100,000
19	4.15%	2026	100,000
20	4.15%	2027	100,000
Total			<u>\$ 1,450,000</u>

Charter Township of Chesterfield

Additional Information Other Debt - By Component (Continued) December 31, 2008

North Gratiot Drain

Dated - June 1, 2008

Interest Payable - April 1 and October 1

Payment Number	Interest Rate	Year	Amount Maturing Annually
1	3.25%	2009	\$ 193,696
2	3.38%	2010	197,649
3	3.50%	2011	197,649
4	3.63%	2012	197,649
5	3.75%	2013	197,649
6	4.00%	2014	296,473
7	4.00%	2015	296,473
8	5.00%	2016	296,473
9	4.00%	2017	296,473
10	4.00%	2018	296,473
11	4.13%	2019	395,297
12	4.25%	2020	395,297
13	5.00%	2021	395,297
14	5.00%	2022	395,297
15	5.00%	2023	395,297
16	5.00%	2024	395,297
17	4.50%	2025	395,297
18	4.50%	2026	434,827
19	4.63%	2027	434,827
20	4.75%	2028	434,827
21	4.75%	2029	434,827
22	4.75%	2030	434,827
23	4.75%	2031	474,356
24	4.75%	2032	474,356
25	4.75%	2033	474,351
Total			<u><u>\$ 8,830,934</u></u>

Charter Township of Chesterfield

Additional Information Combined Other Indebtedness (Principal and Interest)

Years Ending December 31	Police Building	Water/Sewer Improvement	D.P.W. Building	Fire Station #3	Police Renovation	North Gratiot Drain	Total
2009	\$ 266,012	\$ 127,170	\$ 426,221	\$ 229,504	\$ 107,938	\$ 356,035	\$ 1,512,880
2010	255,338	124,749	417,934	225,041	105,937	583,928	1,712,927
2011	268,750	127,164	475,215	255,885	103,938	577,134	1,808,086
2012	280,469	124,633	529,571	285,154	101,937	570,093	1,891,857
2013	290,625	126,938	516,978	278,373	99,938	562,805	1,875,657
2014	275,000	129,132	568,555	306,145	97,937	651,993	2,028,762
2015	283,594	126,381	554,515	298,585	95,938	640,134	1,999,147
2016	-	123,631	539,988	290,763	118,437	626,793	1,699,612
2017	-	-	524,973	282,678	115,344	613,452	1,536,447
2018	-	-	509,568	274,383	112,250	601,493	1,497,694
2019	-	-	557,668	300,283	109,250	686,334	1,653,535
2020	-	-	602,908	324,643	130,750	669,781	1,728,082
2021	-	-	613,145	330,115	126,750	651,499	1,721,509
2022	-	-	621,465	334,635	122,700	631,734	1,710,534
2023	-	-	557,944	300,431	118,600	611,969	1,588,944
2024	-	-	-	-	114,500	592,204	706,704
2025	-	-	-	-	110,375	573,427	683,802
2026	-	-	-	-	106,225	594,280	700,505
2027	-	-	-	-	102,075	574,441	676,516
2028	-	-	-	-	-	554,058	554,058
2029	-	-	-	-	-	533,404	533,404
2030	-	-	-	-	-	512,750	512,750
2031	-	-	-	-	-	530,686	530,686
2032	-	-	-	-	-	508,154	508,154
2033	-	-	-	-	-	485,618	485,618
Total	<u>\$ 1,919,788</u>	<u>\$ 1,009,798</u>	<u>\$ 8,016,648</u>	<u>\$ 4,316,618</u>	<u>\$ 2,100,819</u>	<u>\$ 14,494,199</u>	<u>\$ 31,857,870</u>