

# **Charter Township of Plymouth Wayne County, Michigan**

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

# Charter Township of Plymouth

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# Charter Township of Plymouth

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# Charter Township of Plymouth

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June 25, 2009

To the Board of Trustees  
Charter Township of Plymouth  
Wayne County, Michigan

With this letter, we formally transmit the Charter Township of Plymouth, Michigan's Comprehensive Annual Financial Report (CAFR) for the 2008 fiscal year. This report has been prepared pursuant to, and in compliance with State of Michigan statutes that require the Township to publish within six months of the close of the fiscal year a complete set of financial statements in compliance with accounting principles generally accepted in the United States of America.

The financial statements have been prepared by the treasurer's department for the purpose of disclosing the Township's financial condition to its citizens, elected officials, businesses, intergovernmental partners, and other interested parties. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established. In maintaining and improving the Township's accounting and financial reporting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability of Township assets. The concept of reasonable assurance recognizes that (1) the cost of the control should not exceed the benefits likely to be derived and (2) the valuation of the costs and benefits requires estimates and judgments by management. Internal accounting controls will not provide absolute assurance.

This letter is designed to introduce the financial report and provide information that would be useful in assessing the Township's financial condition. In addition, the financial statements include a narrative introduction, overview, and analysis in the form of a management's discussion and analysis (MD&A) which should be read in conjunction with this letter.

## **The Charter Township of Plymouth**

The Charter Township of Plymouth, located in Western Wayne County in southeastern Michigan along the high technology corridor of I-275 and M-14, finds itself strategically situated approximately halfway between downtown Detroit and the city of Ann Arbor. It currently occupies approximately 16.8 square miles and serves a population of 26,979. Plymouth Township prides itself with having one of the lowest overall tax rates in southeastern Michigan while providing necessary quality of life services citizens and business desire and demand.

The Charter Township of Plymouth operates under the township form of government. Policy making and legislative authority are vested with a board of trustees which consist of seven elected members: a full-time supervisor, treasurer, and clerk along with four part-time trustees. They all serve four-year terms with elections coinciding with the United States presidential elections.

## **Public Facilities**

The Township operates from a 53,000 square ft. complex that houses its government, police, and fire operations. It also has a 26,000 square ft. complex that houses its Department of Public Services equipment.

## **Component Units**

The Charter Township of Plymouth includes in its financial statements two discretely presented component units. They are the Downtown Development Authority and the Brownfield Redevelopment Authority. The Downtown Development Authority captures incremental tax revenues that are used for improvement within the district along Ann Arbor Road. The Brownfield Redevelopment Authority captures incremental tax revenues that are used for environmental remediation at approved sites throughout the Township.

## **Budgetary and Accounting Controls**

The Charter Township of Plymouth Board of Trustees adopts an annual budget in accordance with the State of Michigan Uniform Budgeting Act, P.A. 621 of 1978. The Township's fiscal year is January through December. The annual budget is adopted by December for the subsequent year. The Township Board of Trustees adopts appropriations at the activity level for the General Fund and at the fund level for all other budgeted funds. The budget is prepared by fund, department, and function basis. Michigan law requires expenditures to be within budget at this level. Unexpended appropriations lapse at year end. The Township Board of Trustees must approve all budget amendments made throughout the year.

## **Local Economy**

Major employers located within the community include automobile component suppliers, automobile dealers, food distributors, financial institutions, and educational institutions. During 2008 the community saw additional facilities closed due to the economic conditions. Overall the Township has maintained its commercial and industrial users compared to other communities in Southeast Michigan.

Because of the location within the region and types of employers within the community, the Township has experienced unemployment rates below the State of Michigan's overall rate. Over the past 10 years, unemployment within the community has been around 3 percent. This is primarily the result of citizens within the community being highly trained and educated.

## **Long-term Financial Planning**

The Charter Township of Plymouth's unreserved, undesignated fund balance in the General Fund is at 16 percent, above the recommended floor percentage of 10 percent of total General Fund expenditures. At a percentage of 16 percent, the Township has been very cautious in filling positions due to attrition. Approximately 80 percent of General Fund expenditures are employee related.

During the year, the Charter Township of Plymouth finished the construction of a \$1.9 million elevated water tank to relieve low water pressures on the west side of the community. The tank was put into service in April 2008. The project was financed with current cash reserves within the Water and Sewer Fund. The Sheldon Road Underpass was open to traffic in December 2008 with a completion date of summer 2009 for the landscaping and sidewalks. This has relieved traffic congestion due to train traffic along Sheldon Road.

## **Cash Management Policies and Practices**

The Township's investment policy includes the legal requirements for municipalities covered under Michigan Public Act No. 20 of 1943, as amended December 1997. We maximize the use of funds and ultimately try to increase the return on our dollars while minimizing risk. Investments are placed with institutions that are deemed to provide minimal risk to Township assets. Our investment portfolio currently consists of authorized pooled funds and money market funds, in compliance with the Township's investment policy and Public Act 20, as amended.

## **Risk Management**

The Charter Township of Plymouth is a member of the Michigan Municipal Risk Management Authority (MMRMA). The MMRMA is a self-insured association with a membership of approximately 315 State of Michigan local governmental units. It provides risk management, claims administration, legal defense, and reinsurance services for its members. As a member of MMRMA, the Township has liability coverage of up to \$15,000,000 per occurrence. Our self-insured retention for liability is \$75,000 per occurrence. We are actively involved in risk control through supervisory and employee training, facilities inspections, and utilization of the MMRMA risk control staff.

## **Pension and Other Postemployment Benefits**

The Charter Township of Plymouth participates in both defined contribution and defined benefit pension plans that covers substantially all full-time employees. It is required for employees to contribute to the retirement plan in which they participate. Contributions are based on contractual agreements or policies adopted by the Township. The defined contribution plan is through John Hancock Life Insurance. The defined benefit pension plan, which covers members of the Command Officers of Michigan, Police Officers of Michigan, International Association of Fire Fighters, and four full-time employees of the Township, is with the Michigan Municipal Employees' Retirement System (MMERS). Required contributions are determined as a part of an annual actuarial valuation. As of December 31, 2008, the ratio of present assets to actuarial accrued liabilities are presented in Note 10 of the notes to the financial statements. The Charter Township of Plymouth also provides postretirement health care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 25 retired employees receiving these benefits. Additional information pertaining to the Township's pension and post-employment benefits can be found in Notes 9, 10, and 11 of the notes to the financial statements.

## **Independent Audit**

The Township's financial statements have been audited by Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the financial statements are free of material misrepresentation. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement presentation. The audit concluded that there was a reasonable basis for rendering an "unqualified opinion" on the Charter Township of Plymouth's financial statements for the 2008 calendar year.

This is the best opinion an auditor can give on financial statements he or she has audited.



To the Board of Trustees  
Charter Township of Plymouth  
Wayne County, Michigan

June 25, 2009

### **Acknowledgments**

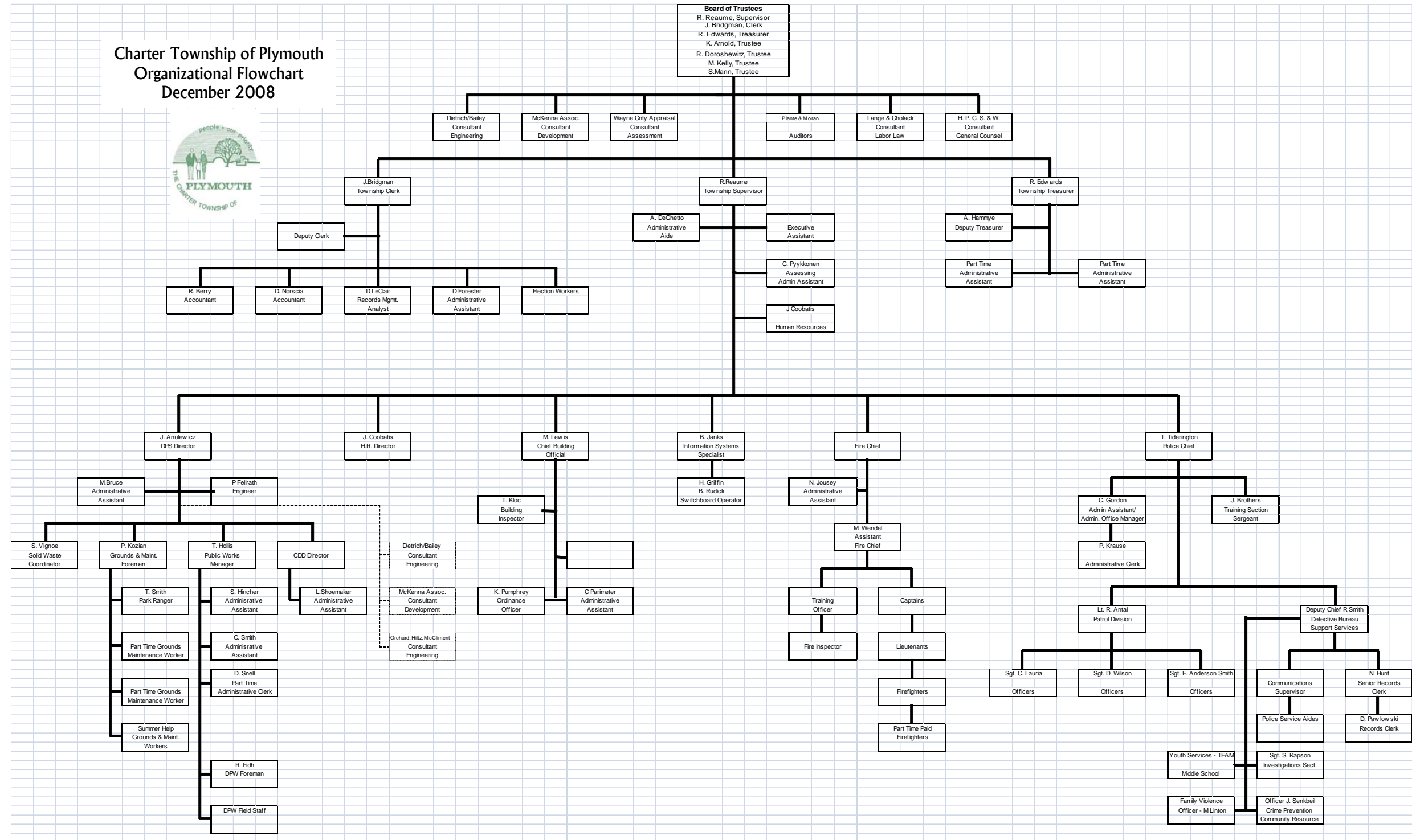
The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the treasurer's department and the various department heads and employees who contributed and assisted in its preparation. I wish to thank each one of you for your support of the Township's financial operations.

Sincerely,

A handwritten signature in black ink that reads "Ron Edwards". The signature is written in a cursive style with a large, looping initial "R".

Ron Edwards  
Treasurer

Charter Township of Plymouth  
Organizational Flowchart  
December 2008



# Charter Township of Plymouth

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## List of Principal Officials

### Supervisor's Office

Supervisor	Richard Reaume
Human Resources Director	Joann Coobatis

### Treasurer's Office

Treasurer	Ron Edwards
Deputy Treasurer	Amy Hammye

### Clerk's Office

Clerk	Joseph Bridgman
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### Building Department

Mark Lewis

### Fire Department

Assistant Fire Chief	Mark Wendel
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### Information Services

Robert Janks

### Public Services Division

Director	James D. Anulewicz
Department of Public Works and Parks	Tony Hollis
Engineer	Patrick Fellrath
Solid Waste/Recreation Coordinator	Susan Vignoe
Park Manager	Phil Kozian

### Police Department

Police Chief	Tom Tiderington
Deputy Police Chief	Robert Smith

# Charter Township of Plymouth

## Summary of Personnel Positions December 31, 2008

	<u>Full-time</u>	<u>Part-time</u>
<b>Supervisor's Office</b>	3	-
<b>Human Resources</b>	1	-
<b>Information Services</b>	1	3
<b>Assessing</b>	1	-
<b>Clerk's Office</b>	5	2
<b>Treasurer's Office</b>	1	5
<b>Building Department</b>		
Official's Office	2	-
Ordinance/Inspections	-	2
Facility Maintenance	1	-
<b>Department of Public Services</b>		
Director's Office	2	-
Waste Management	1	-
Community Development	-	1
Public Works	9	2
Parks	1	1
<b>Public Safety</b>		
Fire	28	6
Police	43	2
	<u>          </u>	<u>          </u>
<b>Total employees</b>	<b><u>          99</u></b>	<b><u>          24</u></b>

# Charter Township of Plymouth

## Labor Agreements December 31, 2008

Bargaining Unit	Expiration Date	Number of Employees
<b>Command Officers Association of Michigan -</b> Sergeants	12/31/08	6
<b>Police Officers Association of Michigan -</b> Represents police officers and dispatchers	12/31/08	32
<b>International Association of Firefighters -</b> Represents firefighters	3/31/09	26
<b>American Federation of State, County, and Municipal Employees -</b> Represents administrative assistant, facilities maintenance employees, building inspectors, and ordinance officers	12/31/08	27
<b>Teamsters -</b> Represents public works employees	12/31/09	7
Total		<u>98</u>

# Charter Township of Plymouth

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## Fund Organization Chart December 31, 2008 (Unaudited)

<u>Fund Name</u>	<u>Fund Number</u>
<b>Governmental Funds</b>	
General Fund	101
Special Revenue Funds:	
911 Service	211
Improvement Revolving	246
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<b>Proprietary Funds - Enterprise Funds</b>	
Solid Waste Disposal	226
Water and Sewer	592
Special Assessment District	805
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Trust and Agency	701
Tax Collections	703



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## Independent Auditor's Report

To the Board of Trustees  
Charter Township of Plymouth  
Wayne 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 Plymouth (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 Plymouth'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, 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 Plymouth 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Plymouth's basic financial statements. The management's discussion and analysis and the major fund budgetary comparison schedules, as identified in the table of contents, are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The introductory section, other supplemental information, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not required parts of the basic financial statements.

To the Board of Trustees  
Charter Township of Plymouth  
Wayne County, Michigan

The budgetary comparison schedules, combining balance sheets, and combining statements of revenue, expenditures, and changes in fund balance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As discussed in Note 1, the Township implemented GASB Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*, during the year. As a result, the government-wide statements and Enterprise Funds now report the cost of retiree health care as those benefits are earned by the employees.

Also as discussed in Note 1, the Township adopted GASB Statement No. 51, *Intangible Assets*, during the current year. As a result, costs related to intangible assets that benefit the Township beyond the current year are now reported as capital assets, rather than expensed in the government-wide statements.

*Plante & Moran, PLLC*

June 25, 2009



# **Charter Township of Plymouth**

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## **Management's Discussion and Analysis**

As management of the Charter Township of Plymouth (the "Township"), we offer readers of the Charter Township of Plymouth's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Plymouth for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal which can be found on pages i-v and the Township's financial statements following the management's discussion and analysis (MD&A). All amounts, unless otherwise indicated, are expressed in dollars.

The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. The discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Township's financial activity, (3) identify changes in the Township's financial position, (4) identify any material deviations from the approved budget, and (5) identify individual fund issues or concerns.

### **Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2008:

- At the end of the 2008 fiscal year, the assets of the Charter Township of Plymouth exceeded its liabilities by \$62.8 million. Net assets invested in capital assets (net of depreciation and related debt) account for \$47.8 million or 76.1 percent of the total. The remaining net assets of \$15 million may be used to meet the Township's ongoing obligations to its citizens and creditors.
- Property taxes, our largest revenue source, increased by \$0.2 million over 2007. The increase is primarily due to the rate of inflation factor of 4.4 percent prescribed under state law.
- Water and sewer loss for 2008 is \$2.8 million. This loss is due to a decline in sales and costs associated with WTUA expansion.

# Charter Township of Plymouth

## Management's Discussion and Analysis (Continued)

### 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.

### Governmental Activities

Many of the Township's basic services provided to the community are included here. They are fire/paramedic service, police/dispatch service, parks, building, community development, and general administration. Most of the funding is provided by property taxes, state-shared revenue, charges for service, and agreements.

The following tables show, in a condensed format, the current year's net assets and changes in net assets, compared to the prior two years (rounded to the nearest thousand):

	2006	2007	2008	Change from Prior Year	
				in Dollars	Percent
<b>Assets</b>					
Current assets	\$ 12,901,000	\$ 14,023,000	\$ 13,196,000	\$ (827,000)	(6)
Investment in joint venture	487,000	511,000	-	(511,000)	(100)
Capital assets	<u>20,094,000</u>	<u>20,255,000</u>	<u>20,286,000</u>	<u>31,000</u>	-
Total assets	33,482,000	34,789,000	33,482,000	(1,307,000)	(4)
<b>Liabilities</b>					
Current liabilities	9,777,000	10,960,000	13,272,000	2,312,000	21
Long-term liabilities	<u>8,367,000</u>	<u>8,127,000</u>	<u>7,860,000</u>	<u>(267,000)</u>	(3)
Total liabilities	<u>18,144,000</u>	<u>19,087,000</u>	<u>21,132,000</u>	<u>2,045,000</u>	11
<b>Net Assets</b>					
Invested in capital assets -					
Net of related debt	12,197,000	13,624,000	12,960,000	(664,000)	(5)
Restricted	50,000	82,000	57,000	(25,000)	(30)
Unrestricted	<u>3,091,000</u>	<u>1,996,000</u>	<u>(667,000)</u>	<u>(2,663,000)</u>	(133)
Total net assets	<u>\$ 15,338,000</u>	<u>\$ 15,702,000</u>	<u>\$ 12,350,000</u>	<u>\$ (3,352,000)</u>	(21)

# Charter Township of Plymouth

## Management's Discussion and Analysis (Continued)

The Township's governmental activities net assets total approximately \$12.4 million. This is a decrease over 2007 of approximately \$3.4 million. The most significant change in assets and liabilities was due to other postemployment benefits.

	2006	2007	2008	Change from Prior Year	
				in Dollars	Percent
<b>Revenue</b>					
Program revenue:					
Charges for services	\$ 2,838,000	\$ 2,673,000	\$ 2,514,000	\$ (159,000)	(6)
Operating grants and contributions	215,000	312,000	190,000	(122,000)	(39)
Capital grants and contributions	13,000	-	-	-	-
General revenue:					
Property taxes	7,644,000	7,947,000	8,113,000	166,000	2
State-shared revenues	2,009,000	2,018,000	2,070,000	52,000	3
Investment earnings	494,000	567,000	319,000	(248,000)	(44)
Cable franchise agreement	343,000	369,000	374,000	5,000	1
Gain (loss) on sale of assets	1,445,000	5,000	(21,000)	(26,000)	
<b>Total revenue</b>	<b>15,001,000</b>	<b>13,891,000</b>	<b>13,559,000</b>	<b>(332,000)</b>	<b>(2)</b>
<b>Program Expenses</b>					
General government	2,400,000	2,924,000	3,109,000	185,000	6
Public safety	8,394,000	9,489,000	11,792,000	2,303,000	24
Building inspections	507,000	493,000	472,000	(21,000)	(4)
Planning and zoning	424,000	333,000	376,000	43,000	13
Public works	854,000	(551,000)	273,000	824,000	(150)
Community services	33,000	163,000	109,000	(54,000)	(33)
Parks	421,000	413,000	462,000	49,000	12
Interest on long-term debt	305,000	345,000	318,000	(27,000)	(8)
<b>Total program expenses</b>	<b>13,338,000</b>	<b>13,609,000</b>	<b>16,911,000</b>	<b>3,302,000</b>	<b>24</b>
<b>Change in Net Assets</b>	<b>\$ 1,663,000</b>	<b>\$ 282,000</b>	<b>\$ (3,352,000)</b>	<b>\$ (3,634,000)</b>	

The Township's total governmental revenues were nearly \$13.6 million, a decrease of approximately \$.3 million. Property taxes increased by \$.2 million due to an increase in the inflation factor set by the State of Michigan for taxable values.

Expenses increased during the year primarily due to public safety expenditures that were up by \$2.3 million, a 24 percent increase over 2007. Public safety expenses continue to outpace tax revenue growth.

# Charter Township of Plymouth

## Management's Discussion and Analysis (Continued)

### Business-type Activities

The Township's business-type activities consist of the Water and Sewer Fund, Solid Waste Disposal Fund, and Special Assessment Fund. The Township provides water to residents from the Detroit water system. We provide sewage treatment through the Western Townships Utilities Authority, which collects sewage, equalizes it, and sends it to both the Detroit sewage treatment plant and the Ypsilanti Community Utilities Authority sewage treatment plant. The Special Assessment Fund was created to account for revenues and expenses for certain special assessments (road paving and sidewalk repairs) requiring separate accounting and financing.

The following tables show the current year's net assets and changes in net assets, compared to the prior two years (rounded to the nearest thousand):

	2006	2007	2008	Change from Prior Year	
				in Dollars	Percent
<b>Assets</b>					
Current assets	\$ 11,498,000	\$ 10,468,000	\$ 8,466,000	\$ (2,002,000)	(19)
Investment in joint venture	39,373,000	38,983,000	37,553,000	(1,430,000)	(4)
Capital assets	<u>35,942,000</u>	<u>35,855,000</u>	<u>34,828,000</u>	<u>(1,027,000)</u>	(3)
Total assets	86,813,000	85,306,000	80,847,000	(4,459,000)	(5)
<b>Liabilities</b>					
Current liabilities	3,334,000	3,148,000	2,899,000	(249,000)	(8)
Long-term liabilities	<u>31,056,000</u>	<u>29,283,000</u>	<u>27,497,000</u>	<u>(1,786,000)</u>	(6)
Total liabilities	<u>34,390,000</u>	<u>32,431,000</u>	<u>30,396,000</u>	<u>(2,035,000)</u>	
<b>Net Assets</b>					
Invested in capital assets - Net of related debt	35,941,000	35,855,000	34,828,000	(1,027,000)	(3)
Unrestricted	<u>16,482,000</u>	<u>17,020,000</u>	<u>15,623,000</u>	<u>(1,397,000)</u>	(8)
Total net assets	<u>\$ 52,423,000</u>	<u>\$ 52,875,000</u>	<u>\$ 50,451,000</u>	<u>\$ (2,424,000)</u>	(5)

The Township's business activities' net assets total \$50.5 million. This is a decrease over 2007 of \$2.4 million. The decrease is attributable to water and sewer operations.

# Charter Township of Plymouth

## Management's Discussion and Analysis (Continued)

	2006	2007	2008	Change from Prior Year	
				in Dollars	Percent
<b>Program Revenue</b>					
Charges for services:					
Water and sewer	\$ 9,595,000	\$ 10,788,000	\$ 10,270,000	\$ (518,000)	(5)
Rubbish	1,268,000	1,323,000	1,349,000	26,000	2
Special assessments	129,000	21,000	8,000	(13,000)	(62)
Capital contributions -					
Water and sewer	672,000	442,000	255,000	(187,000)	(42)
General revenue:					
Interest income	633,000	516,000	316,000	(200,000)	(39)
Loss on sale of assets	-	-	(34,000)	(34,000)	
Total revenue	<u>12,297,000</u>	<u>13,090,000</u>	<u>12,164,000</u>	<u>(926,000)</u>	<u>(7)</u>
Program expenses:					
Water and sewer	10,581,000	11,337,000	13,273,000	1,936,000	17
Rubbish	1,158,000	1,199,000	1,257,000	58,000	5
Special assessments	<u>61,000</u>	<u>102,000</u>	<u>58,000</u>	<u>(44,000)</u>	<u>(43)</u>
Total program expenses	<u>11,800,000</u>	<u>12,638,000</u>	<u>14,588,000</u>	<u>1,950,000</u>	<u>(15)</u>
<b>Change in Net Assets</b>	<b><u>\$ 497,000</u></b>	<b><u>\$ 452,000</u></b>	<b><u>\$ (2,424,000)</u></b>	<b><u>\$ (2,876,000)</u></b>	<b>(636)</b>

In 2008, business-type activities revenues totaled \$12.2 million, a decrease of \$0.90 million from 2007. The decrease is attributable to a decrease in water sales. Expenses for business-type activities totaled \$14.6 million, showing an increase from 2007 of \$2.0 million. The increase in water and sewer expenses is attributable to rate increases and costs associated with plant expansions from Detroit Water and Sewage and Ypsilanti Community Utilities Authority.

### The Township's Funds

Our analysis of the Township's major funds follows 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 specific property tax millages. The Township's major funds for 2008 include the General Fund, the Improvement Revolving Fund, the Water and Sewer Fund, and the Solid Waste Fund.

# **Charter Township of Plymouth**

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

### **Governmental Funds**

#### **General Fund Budgetary Highlights**

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant changes during the year were in public safety costs (\$0.6 million). Township departments overall stayed below the final amended budget by \$0.9 million, resulting in total expenditures of \$13.9 million.

#### **Improvement Revolving Highlights**

The Township amended the budget during the year due to economic conditions. The increase of capital outlay expenditures of \$0.3 million was due to the railroad underpass project being substantially completed in 2008.

### **Business-type Funds**

#### **Water and Sewer Fund**

The Water and Sewer Fund experienced a \$2.5 million decrease in net assets. The decrease is due to a decline in sales and costs associated with the WTUA expansion.

#### **Capital Asset and Debt Administration**

##### **Capital Assets**

As of the year end, the Township had \$55.1 million invested in a variety of capital assets, including buildings, fire and police equipment, and water and sewer lines. This represents an amount equivalent (additions less retirements and depreciation) to last year's investment, with the major addition being the railroad underpass. Roads within the Township are accounted for and maintained by the County of Wayne. A summary of capital assets is presented on page 34 in Note 5 of the notes to financial statements.

##### **Debt Outstanding**

At the end of the current fiscal year, the Charter Township of Plymouth had total bonded debt outstanding of \$36.6 million, down from \$38.6 million in 2007, a decrease of \$2.0 million.

A significant portion of the Township's debt (\$29.2 million) is attributable to business-type activities (water and sewer). A summary of long-term debt is presented starting on page 38 in Note 7 of the notes to financial statements.

# **Charter Township of Plymouth**

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

### **Economic Factors**

Southeastern Michigan is very dependent on the automotive industry. With the financial difficulties that General Motors, Ford Motor Company, and Chrysler Corporation are continuing to experience, it has had a ripple effect on their suppliers. The Charter Township of Plymouth has many automotive suppliers located within the community. These suppliers continue to go through reorganizations and cost reductions to stay in business. This has led to property tax appeals and a reduction in community giving, making it very difficult to deliver basic services to the community when overall revenues are on a decline.

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenues to provide governmental activities to their citizens. For business-type (water and sewer, solid waste disposal, special assessments) and certain governmental activities (permitting, development), the user pays a related fee or charge associated with the service. Due to the economy in Michigan, people are consuming less water and requesting fewer development/building services. This has created a strain on budgeting resources for these activities.

### **Contacting the Township's Management**

The Charter Township of Plymouth's financial statements are designed to provide our citizens, elected officials, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Charter Township of Plymouth, 9955 Haggerty Road, Plymouth, MI 48170.

# Charter Township of Plymouth

## Statement of Net Assets December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 3)	\$ 5,749,216	\$ 5,769,369	\$ 11,518,585	\$ 865,704
Receivables - Net:				
2008 property taxes	4,830,610	126,690	4,957,300	784,604
Special assessments	-	554,337	554,337	-
Accounts	-	2,461,982	2,461,982	-
Other	24,404	62,525	86,929	-
Internal balances	557,074	(557,074)	-	-
Advances to Downtown Development Authority	538,752	-	538,752	-
Due from other governmental units	760,919	-	760,919	11,588
Prepaid costs and other assets	10,441	48,378	58,819	-
Restricted assets - Unspent bond proceeds	724,151	-	724,151	-
Investment in joint venture - Western Townships Utilities Authority (WTUA) (Note 1)	-	37,553,192	37,553,192	-
Nondepreciable capital assets (Note 5)	3,750,661	909,058	4,659,719	-
Depreciable capital assets - Net (Note 5)	16,535,803	33,918,820	50,454,623	-
<b>Total assets</b>	<b>33,482,031</b>	<b>80,847,277</b>	<b>114,329,308</b>	<b>1,661,896</b>
<b>Liabilities</b>				
Accounts payable	1,108,676	789,715	1,898,391	41,780
Accrued and other liabilities	614,695	46,211	660,906	-
Unearned revenue (Note 4)	8,222,362	-	8,222,362	465,404
Advances from Plymouth Township	-	-	-	538,752
Compensated absences (Note 7):				
Due within one year	607,114	55,613	662,727	-
Due in more than one year	758,535	96,631	855,166	-
Other postemployment benefits (Note 11)	2,310,343	215,161	2,525,504	-
Employee benefit obligation to 35th District Court (Note 1)	131,000	-	131,000	-
Long-term debt (Note 7):				
Due within one year	277,361	1,792,612	2,069,973	-
Due in more than one year	7,101,468	27,400,576	34,502,044	-
<b>Total liabilities</b>	<b>21,131,554</b>	<b>30,396,519</b>	<b>51,528,073</b>	<b>1,045,936</b>
<b>Net Assets</b>				
Invested in capital assets - Net of related debt	12,960,487	34,827,878	47,788,365	-
Restricted for drug enforcement	56,980	-	56,980	-
Unrestricted	(666,990)	15,622,880	14,955,890	615,960
<b>Total net assets</b>	<b>\$ 12,350,477</b>	<b>\$ 50,450,758</b>	<b>\$ 62,801,235</b>	<b>\$ 615,960</b>



# Charter Township of Plymouth

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,109,494	\$ 197,916	\$ -	\$ -
Public safety:				
Police	5,648,558	292,152	99,354	-
Fire	4,892,427	1,180,589	-	-
Dispatching	1,250,727	401,081	-	-
Building inspections (Note 2)	472,205	394,110	-	-
Planning and zoning	375,523	47,452	-	-
Public works	273,368	355	-	-
Community services	109,324	-	90,949	-
Parks	461,683	-	-	-
Interest on long-term debt	317,623	-	-	-
Total governmental activities	16,910,932	2,513,655	190,303	-
Business-type activities:				
Water and sewer	13,273,357	10,270,287	-	254,885
Special assessments	58,063	8,100	-	-
Rubbish disposal	1,257,225	1,348,643	-	-
Total business-type activities	14,588,645	11,627,030	-	254,885
Total primary government	<u>\$ 31,499,577</u>	<u>\$ 14,140,685</u>	<u>\$ 190,303</u>	<u>\$ 254,885</u>
<b>Component units:</b>				
Downtown Development Authority	\$ 94,700	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	33,255	-	-	-
Total component units	<u>\$ 127,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>General revenues:</b>	
Property taxes	
State-shared revenues - Unrestricted	
Investment earnings	
Cable franchise agreement	
Loss on sale of assets	
Total general revenues	

## Change in Net Assets

**Net Assets** - Beginning of year, as restated (Note 1)

**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 Units
\$ (2,911,578)	\$ -	\$ (2,911,578)	\$ -
(5,257,052)	-	(5,257,052)	-
(3,711,838)	-	(3,711,838)	-
(849,646)	-	(849,646)	-
(78,095)	-	(78,095)	-
(328,071)	-	(328,071)	-
(273,013)	-	(273,013)	-
(18,375)	-	(18,375)	-
(461,683)	-	(461,683)	-
(317,623)	-	(317,623)	-
(14,206,974)	-	(14,206,974)	-
-	(2,748,185)	(2,748,185)	-
-	(49,963)	(49,963)	-
-	91,418	91,418	-
-	(2,706,730)	(2,706,730)	-
(14,206,974)	(2,706,730)	(16,913,704)	-
-	-	-	(94,700)
-	-	-	(33,255)
-	-	-	(127,955)
8,113,054	-	8,113,054	718,545
2,070,429	-	2,070,429	-
318,608	316,030	634,638	21,491
373,532	-	373,532	-
(20,566)	(33,400)	(53,966)	-
10,855,057	282,630	11,137,687	740,036
(3,351,917)	(2,424,100)	(5,776,017)	612,081
15,702,394	52,874,858	68,577,252	3,879
<b>\$ 12,350,477</b>	<b>\$ 50,450,758</b>	<b>\$ 62,801,235</b>	<b>\$ 615,960</b>

# Charter Township of Plymouth

## Governmental Funds Balance Sheet December 31, 2008

	General Fund	Improvement Revolving Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments (Note 3)	\$ 5,605,469	\$ 82,897	\$ 60,850	\$ 5,749,216
Receivables - Net:				
2008 property taxes	4,830,610	-	-	4,830,610
Other	-	-	24,404	24,404
Prepaid costs and other assets	10,441	-	-	10,441
Due from other funds (Note 6)	187	614,974	-	615,161
Due from other governmental units	760,919	-	-	760,919
Restricted assets - Unspent bond proceeds	-	724,151	-	724,151
Advances to Downtown Development Authority	538,752	-	-	538,752
<b>Total assets</b>	<b>\$ 11,746,378</b>	<b>\$ 1,422,022</b>	<b>\$ 85,254</b>	<b>\$ 13,253,654</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 436,230	\$ 671,299	\$ 1,147	\$ 1,108,676
Accrued and other liabilities	585,193	-	2,536	587,729
Due to other funds (Note 6)	57,900	-	187	58,087
Deferred revenue (Note 4)	8,240,546	-	24,404	8,264,950
<b>Total liabilities</b>	<b>9,319,869</b>	<b>671,299</b>	<b>28,274</b>	<b>10,019,442</b>
<b>Fund Balances</b>				
Reserved for DDA loan repayment	538,752	-	-	538,752
Reserved for long-term due from other fund	-	52,852	-	52,852
Unreserved, reported in:				
General Fund	1,887,757	-	-	1,887,757
Special Revenue Funds	-	697,871	56,980	754,851
<b>Total fund balances</b>	<b>2,426,509</b>	<b>750,723</b>	<b>56,980</b>	<b>3,234,212</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,746,378</b>	<b>\$ 1,422,022</b>	<b>\$ 85,254</b>	

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	20,286,464
Grants and other revenues not received within 60 days of year end are not available currently and are not reported in the funds	42,588
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(7,378,829)
Net other postemployment benefit obligations are not reported as fund liabilities	(2,310,343)
Interest amounts on long-term liabilities are not due and payable in the current period and are not reported in the funds	(8,511)
Compensated absences are not due and payable in the current period and are not recorded in the funds	(1,365,649)
Employee benefit obligation to the 35th District Court is not a financial resource and is not reported in the funds	(131,000)
Self-insurance liabilities are not due and payable in the current period and are not reported in the funds	(18,455)
<b>Net assets of governmental activities</b>	<b>\$ 12,350,477</b>

# Charter Township of Plymouth

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

	General Fund	Improvement Revolving Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes	\$ 8,113,054	\$ -	\$ -	\$ 8,113,054
Licenses and permits	471,250	-	-	471,250
Federal grants	90,949	-	-	90,949
State-shared revenues	2,070,429	-	-	2,070,429
City of Plymouth contribution	1,301,050	-	-	1,301,050
District Court fines	167,700	-	-	167,700
Interest and rents	328,991	47,775	1,804	378,570
Intragovernmental service charge	497,794	-	-	497,794
Other	885,099	-	114,377	999,476
<b>Total revenue</b>	<b>13,926,316</b>	<b>47,775</b>	<b>116,181</b>	<b>14,090,272</b>
<b>Expenditures</b>				
Current:				
General government	3,561,006	-	-	3,561,006
Public safety	8,762,215	-	130,229	8,892,444
Planning and building	680,880	-	-	680,880
Community social services	83,199	-	-	83,199
Parks	306,713	-	-	306,713
Capital outlay	-	950,446	11,464	961,910
Debt service	-	566,194	-	566,194
<b>Total expenditures</b>	<b>13,394,013</b>	<b>1,516,640</b>	<b>141,693</b>	<b>15,052,346</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>532,303</b>	<b>(1,468,865)</b>	<b>(25,512)</b>	<b>(962,074)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (Note 6)	-	473,651	-	473,651
Transfers out (Note 6)	(473,651)	-	-	(473,651)
<b>Total other financing (uses) sources</b>	<b>(473,651)</b>	<b>473,651</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>58,652</b>	<b>(995,214)</b>	<b>(25,512)</b>	<b>(962,074)</b>
<b>Fund Balances - Beginning of year</b>	<b>2,367,857</b>	<b>1,745,937</b>	<b>82,492</b>	<b>4,196,286</b>
<b>Fund Balances - End of year</b>	<b>\$ 2,426,509</b>	<b>\$ 750,723</b>	<b>\$ 56,980</b>	<b>\$ 3,234,212</b>

# Charter Township of Plymouth

## 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

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (962,074)
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:	
Capital outlay expenditures	1,117,163
Depreciation expense	(1,060,073)
In the statement of activities, the loss on sale of assets is recorded; in the funds, the proceeds from sale of assets are reported	(26,551)
Revenue reported in the statement of activities that does not provide current financial resources and is not reported as revenue in the governmental funds (GASB No. 33)	(59,528)
Equity interest in 35th District Courthouse Authority is not reported in the governmental funds	(642,000)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	248,572
Accumulated employee sick and vacation pay, as well as estimated general liability claims, other postemployment benefits, and longevity pay are recorded when earned in the statement of activities	<u>(1,967,426)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ (3,351,917)</u></b>

# Charter Township of Plymouth

## Proprietary Funds Statement of Net Assets December 31, 2008

	Water and Sewer Fund	Solid Waste Disposal Fund	Nonmajor Special Assessment District Fund	Total Proprietary Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 5,528,522	\$ 77,236	\$ 163,611	\$ 5,769,369
Receivables - Net	2,307,422	343,775	554,337	3,205,534
Due from other funds (Note 6)	57,900	-	-	57,900
Prepaid costs, inventory, and other assets	48,378	-	-	48,378
Total current assets	7,942,222	421,011	717,948	9,081,181
Noncurrent assets:				
Investment in WTUA (Note 1)	37,553,192	-	-	37,553,192
Nondepreciable capital assets (Note 5)	909,058	-	-	909,058
Depreciable capital assets - Net (Note 5)	33,918,820	-	-	33,918,820
Total noncurrent assets	72,381,070	-	-	72,381,070
Total assets	80,323,292	421,011	717,948	81,462,251
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	693,247	96,468	-	789,715
Accrued and other liabilities	43,218	2,993	-	46,211
Due to other funds (Note 6)	-	-	614,974	614,974
Current portion of compensated absences (Note 7)	51,566	4,047	-	55,613
Current portion of long-term debt (Note 7)	1,792,612	-	-	1,792,612
Total current liabilities	2,580,643	103,508	614,974	3,299,125
Noncurrent liabilities:				
Compensated absences - Net of current portion (Note 7)	93,132	3,499	-	96,631
Long-term debt - Net of current portion (Note 7)	27,400,576	-	-	27,400,576
Net other postemployment benefits (Note 11)	200,116	15,045	-	215,161
Total noncurrent liabilities	27,693,824	18,544	-	27,712,368
Total liabilities	30,274,467	122,052	614,974	31,011,493
<b>Net Assets</b>				
Investment in capital assets	34,827,878	-	-	34,827,878
Unrestricted	15,220,947	298,959	102,974	15,622,880
Total net assets	<u>\$ 50,048,825</u>	<u>\$ 298,959</u>	<u>\$ 102,974</u>	<u>\$ 50,450,758</u>

# Charter Township of Plymouth

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

	Water and Sewer Fund	Solid Waste Disposal Fund	Nonmajor Special Assessment District Fund	Total Proprietary Funds
<b>Operating Revenue</b>				
Sale of water	\$ 3,809,188	\$ -	\$ -	\$ 3,809,188
Sewage disposal charges	4,876,822	-	-	4,876,822
Solid waste charges	-	1,348,643	-	1,348,643
Special assessment charges	-	-	8,100	8,100
Installation charges	15,292	-	-	15,292
Intragovernmental services	113,221	-	-	113,221
Other miscellaneous revenue	124,286	-	-	124,286
Total operating revenue	8,938,809	1,348,643	8,100	10,295,552
<b>Operating Expenses</b>				
Cost of water	3,407,406	-	-	3,407,406
Cost of sewage disposal	2,965,150	-	-	2,965,150
Solid waste disposal	-	1,169,261	-	1,169,261
Salaries and fringe benefits	1,039,925	82,420	-	1,122,345
Special assessment project costs	-	-	40,676	40,676
Intragovernmental services charges	497,794	-	-	497,794
Depreciation	1,220,918	221	-	1,221,139
Change in investment in WTUA	1,479,052	-	-	1,479,052
Professional services	8,273	-	-	8,273
Repair and maintenance	610,939	-	-	610,939
Administrative expenses	224,197	-	-	224,197
Miscellaneous	239,531	5,323	-	244,854
Total operating expenses	11,693,185	1,257,225	40,676	12,991,086
<b>Operating (Loss) Income</b>	(2,754,376)	91,418	(32,576)	(2,695,534)
<b>Nonoperating Revenue (Expense)</b>				
Meter charges	1,298,078	-	-	1,298,078
Investment income	265,602	-	50,428	316,030
Interest expense	(1,580,172)	-	(17,387)	(1,597,559)
<b>(Loss) Income - Before contributions</b>	(2,770,868)	91,418	465	(2,678,985)
<b>Capital Contributions - Benefit fees</b>	254,885	-	-	254,885
<b>Change in Net Assets</b>	(2,515,983)	91,418	465	(2,424,100)
<b>Net Assets - Beginning of year</b>	52,564,808	207,541	102,509	52,874,858
<b>Net Assets - End of year</b>	<u>\$ 50,048,825</u>	<u>\$ 298,959</u>	<u>\$ 102,974</u>	<u>\$ 50,450,758</u>

# Charter Township of Plymouth

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

	Water and Sewer Fund	Solid Waste Disposal Fund	Nonmajor Special Assessment District Fund	Total Proprietary Funds
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 8,862,011	\$ 1,232,927	\$ 335,061	\$ 10,429,999
Payments to suppliers	(8,242,083)	(1,173,745)	(53,489)	(9,469,317)
Payments to employees	(827,285)	(66,418)	-	(893,703)
Internal activity - Payments to other funds	(268,143)	-	-	(268,143)
Other receipts (payments)	237,507	-	(202,872)	34,635
Net cash (used in) provided by operating activities	(237,993)	(7,236)	78,700	(166,529)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Meter charges	1,298,078	-	-	1,298,078
New customer benefit charges	254,885	-	-	254,885
Purchase of capital assets	(194,392)	-	-	(194,392)
Principal and interest paid on capital debt	(3,360,082)	-	(17,387)	(3,377,469)
Net cash used in capital and related financing activities	(2,001,511)	-	(17,387)	(2,018,898)
<b>Cash Flows from Investing Activities - Interest received on investments</b>				
	265,602	-	50,428	316,030
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(1,973,902)	(7,236)	111,741	(1,869,397)
<b>Cash and Cash Equivalents - Beginning of year</b>	7,502,424	84,472	51,870	7,638,766
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 5,528,522</u>	<u>\$ 77,236</u>	<u>\$ 163,611</u>	<u>\$ 5,769,369</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>				
Operating (loss) income	\$ (2,754,376)	\$ 91,418	\$ (32,576)	\$ (2,695,534)
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation	1,220,918	221	-	1,221,139
Change in investment in WTUA	1,429,984	-	-	1,429,984
Changes in assets and liabilities:				
Receivables	160,709	(115,716)	326,961	371,954
Due from other funds	(40,343)	48	4,741	(35,554)
Prepays, inventory, and other assets	7,101	-	-	7,101
Accounts payable	(471,023)	791	(12,813)	(483,045)
Accrued and other liabilities	12,524	957	-	13,481
Net other postemployment benefits	200,116	15,045	-	215,161
Due to other funds	(3,603)	-	(207,613)	(211,216)
Net cash (used in) provided by operating activities	<u>\$ (237,993)</u>	<u>\$ (7,236)</u>	<u>\$ 78,700</u>	<u>\$ (166,529)</u>



# Charter Township of Plymouth

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

	<u>Agency Funds</u>
<b>Assets - Cash and cash equivalents (Note 3)</b>	<b><u>\$ 4,495,601</u></b>
<b>Liabilities</b>	
Due to other governmental units	\$ 3,911,608
Deposits for developers and refundables	205,408
Deposits for building bonds	<u>378,585</u>
 Total liabilities	 <b><u>\$ 4,495,601</u></b>

# Charter Township of Plymouth

## Component Units Statement of Net Assets (Deficit) December 31, 2008

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
<b>Assets</b>			
Cash and investments (Note 3)	\$ 23,650	\$ 842,054	\$ 865,704
Property tax receivable	386,030	398,574	784,604
Due from other governmental units	7,025	4,563	11,588
Total assets	416,705	1,245,191	1,661,896
<b>Liabilities</b>			
Accounts payable	14,394	27,386	41,780
Unearned revenue	386,030	79,374	465,404
Advances from Plymouth Township	538,752	-	538,752
Total liabilities	939,176	106,760	1,045,936
<b>Net Assets (Deficit) - Unrestricted</b>	<b><u>\$ (522,471)</u></b>	<b><u>\$ 1,138,431</u></b>	<b><u>\$ 615,960</u></b>

# Charter Township of Plymouth

## Component Units Statement of Activities Year Ended December 31, 2008

	Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Downtown	Brownfield	Total
		Development	Redevelopment	
	Authority	Authority		Authority
<b>Downtown Development Authority -</b>				
Public works	\$ 94,700	\$ (94,700)	\$ -	\$ (94,700)
<b>Brownfield Redevelopment Authority -</b>				
Environmental remediation	33,255	-	(33,255)	(33,255)
Total governmental activities	<b><u>\$ 127,955</u></b>	(94,700)	(33,255)	(127,955)
<b>General Revenues</b>				
Property tax capture		312,467	406,078	718,545
Interest		2,965	18,526	21,491
Total general revenues		<u>315,432</u>	<u>424,604</u>	<u>740,036</u>
<b>Change in Net Assets (Deficit)</b>		220,732	391,349	612,081
<b>Net Assets (Deficit) - Beginning of year</b>		(743,203)	747,082	3,879
<b>Net Assets (Deficit) - End of year</b>		<b><u>\$ (522,471)</u></b>	<b><u>\$ 1,138,431</u></b>	<b><u>\$ 615,960</u></b>

# Charter Township of Plymouth

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

## **Note I - Summary of Significant Accounting Policies**

The accounting policies of the Charter Township of Plymouth (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 Charter Township of Plymouth:

### **Reporting Entity**

The Charter Township of Plymouth 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. Although blended component units are legal separate entities, in substance, they are part of the Township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township (see discussion below for description).

**Discretely Presented Component Units** - The Downtown Development Authority was created to correct and prevent deterioration in the downtown district, to eliminate blighting influences and brownfield impacts, and to promote the overall image of the downtown district. The Township board of trustees appoints the Downtown Development Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that is legally separate from the Township. The Downtown Development Authority does not publish a separately issued financial statement. The Downtown Development Authority can be contacted at its administrative offices as follows:

Downtown Development Authority  
9955 N. Haggerty Rd.  
Plymouth, MI 48170

# Charter Township of Plymouth

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

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

The Brownfield Redevelopment Authority was created to finance environmental cleanup within the boundaries of the Township. The Township board of trustees appoints the Brownfield Redevelopment Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Brownfield Redevelopment Authority does not publish a separately issued financial statement. The Brownfield Redevelopment Authority can be contacted at its administrative offices as follows:

Brownfield Redevelopment Authority  
9955 N. Haggerty Rd.  
Plymouth, MI 48170

**Joint Ventures** - The Township is a member of the Western Townships Utilities Authority, which provides sewage disposal services to the townships of Canton, Northville, and Plymouth. The participating communities provide annual funding for its operations through payment of monthly sewer use invoices and semiannual debt payments. During the current year, the Township paid the Western Townships Utilities Authority approximately \$2,707,000 for its operations, \$3,207,000 for its debt, and \$49,000 for capital project costs. The Western Townships Utilities Authority has currently been funded with \$204,000 of working capital and is current in its debt payments. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments. Complete financial statements for the Western Townships Utilities Authority can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

The Township is a member of the 35<sup>th</sup> District Court System, which provides judicial services to the Township and several other surrounding communities. The Township appoints one member to the joint venture's board, which then approves the annual budget. The Township and the other member communities have agreed to become guarantors of bonds issued by the District Court Building Authority during 1999. The Township's portion of the guaranteed debt is less than \$1,000,000. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments. Complete financial statements for the 35<sup>th</sup> District Court can be obtained from the administrative office at 660 Plymouth Rd., Plymouth, MI 48170.

# Charter Township of Plymouth

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**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 and component unit financial statements. The Agency Funds have no measurement focus. Under the accrual basis, 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 Plymouth

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**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, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a “deferred revenue” liability.

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

The 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.

**Improvement Revolving Fund** - The Improvement Revolving Fund was established to account for revenues and expenditures for certain capital improvements requiring separate accounting and financing.

The Township reports the following major proprietary funds:

**Water and Sewer Fund** - The Water and Sewer Fund is used to account for the results of operations for providing water and sewer service to the citizens and businesses of the Township. The fund’s primary revenues are generated through user charges from those requesting water and sewer services.

**Solid Waste Disposal Fund** - The Solid Waste Disposal Fund is used to account for the results of operations for providing solid waste services (trash pickup and household hazardous waste disposal) to citizens of the Township. The revenues are generated through a user charge to citizens requesting solid waste services.

# Charter Township of Plymouth

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## Notes to Financial Statements December 31, 2008

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

The fiduciary activities include the collection of taxes on behalf of the county, school district, and other taxing entities, as well as building bonds and developer deposits that are to be returned upon successful completion of the development or building projects.

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.

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, capital outlay for special assessments, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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



# Charter Township of Plymouth

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

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

### **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 they are added to the county tax rolls.

The Township's 2007 tax is levied and collectible on December 1, 2007 and is recognized as revenue in the year ended December 31, 2008, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2007 taxable valuation of the Township totaled approximately \$2,163,000,000 (a portion of which is captured by the DDA and BRDA), on which taxes levied consisted of .8173 mills for operating purposes, .9848 mills for fire services, and 2.1979 mills for police and fire services. This resulted in \$1,654,000 for operating, \$2,561,000 for fire services, and \$3,842,000 for police and fire services. These amounts are recognized in the General Fund financial statements as tax revenue (net of reductions for delinquent amounts and prior year tax tribunal changes).

### **Other General Revenues**

The Township receives state-shared revenue from the State of Michigan based on a percentage of sales tax collections. These revenues are unrestricted and have been reported as general revenues.

The Township receives cable franchise fees that are based on 5 percent of the gross receipts of the cable company. This revenue is unrestricted as to use.

The Township owns a golf course that is run by a management company. The operator of the golf course pays a rental fee to the Township. There are no program costs associated with the golf course agreement for the Township; thus, the fees have been classified as general revenue on the statement of activities.

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

**Bank Deposits 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 Plymouth

## Notes to Financial Statements December 31, 2008

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

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is 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 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.

**Capital Assets** - Capital assets, which include property, plant, and equipment, 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 \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method for real property and 150 percent declining balance for personal property over the following useful lives:

Water and sewer transportation lines	50 years
Buildings and improvements	30 to 40 years
Meters and supplies	15 years
Furnishings, vehicles, and equipment	2 to 15 years
Road improvements	40 years
Sidewalks	25 years

# Charter Township of Plymouth

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

## **Note 1 - 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 pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Typically, the General Fund or the Water and Sewer Fund, based on whichever an employee is assigned (and to which their salary and wages are charged), will also be the fund to liquidate any compensated absences.

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

**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.

# Charter Township of Plymouth

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

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

**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.

**New Accounting Standard** - In the current year, the Township implemented the Governmental Accounting Standards Board's Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new 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 statements and the proprietary funds to recognize the cost of providing retiree healthcare expenses over the working life of the employee, rather than at the time the healthcare expenses are paid. This statement was implemented prospectively. Implementing the statement caused an additional expense to be reported in the government-wide statement of activities and the proprietary funds of \$2,525,504 in excess of what would have been reported in prior years.

During 2008, the Township adopted GASB Statement No. 51, *Intangible Assets*. As a result, costs related to intangible assets that benefit the Township beyond the current year are now reported as capital assets, rather than expensed in the government-wide statements. The Township has applied the effects of this statement retroactively, which resulted in an increase in the beginning of year net assets of \$856,682. During 2008, the adoption of this pronouncement increased the change in net assets by \$766,313.

## **Note 2 - Stewardship, Compliance, and Accountability**

**Fund Deficits** - The Township has no fund deficits at December 31, 2008. The Downtown Development Authority has a deficit in unrestricted net assets at the government-wide level, but a positive unreserved fund balance at the fund level. This net asset deficit is caused by the borrowing from the Plymouth Township General Fund. This borrowing will be paid back (and the net asset deficit eliminated) with the collection of future property tax captures.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### Note 2 - Stewardship, Compliance, and Accountability (Continued)

**Construction Code Fees** - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at December 31, 2007		\$ (781,763)
Current year building permit revenue	\$ 394,110	
Related expenses (modified accrual basis):		
Direct costs	391,263	
Estimated indirect costs	<u>163,126</u>	
Total construction code expenses	<u>554,389</u>	
Current year shortfall		<u>(160,279)</u>
Cumulative shortfall at December 31, 2008		<u><u>\$ (942,042)</u></u>

### Note 3 - Deposits and Investments

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

The Township has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Township's deposits and investment policies are in accordance with statutory authority.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

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

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 \$13,498,881 of bank deposits (certificates of deposit, checking, and savings accounts) that were 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. The component units had a bank balance of \$618,308. The federal depository insurance coverage pertains to all of the deposits of the Township; hence, the specific coverage pertaining to the component units, if any, is not determinable.

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

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Bank investment pool (2a-7 like)	\$1,705,944	P-1	Moody's

The bank investment pool is regulated by the Michigan Banking Act; the fair value of the position in the pool is the same as the value of the pool shares.

**Interest Rate Risk** - The Township owns no investment securities with fixed maturity dates. The Township's investment policy has no restrictions on maturity lengths (other than that found in State law, described above).

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### Note 4 - Deferred Revenue

The Township records unearned revenue for property taxes billed as of December 1 that are to be used in the next year's budget. The Township also records unearned revenue in connection with resources that have been received but not yet earned. In addition, governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes billed for next year's budget	\$ -	\$ 8,222,362	\$ 8,222,362
Refunds and other reimbursements	<u>42,588</u>	<u>-</u>	<u>42,588</u>
Total	<u>\$ 42,588</u>	<u>\$ 8,222,362</u>	<u>\$ 8,264,950</u>

The Brownfield Redevelopment Authority and the Downtown Development Authority record unearned revenue for property taxes billed as of December 1 that are to be used in the next year's budget. Unearned revenue recorded for the component units as of December 31, 2008 is \$465,404.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### Note 5 - Capital Assets

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

	Beginning Balance - As Restated	Additions	Disposals and Adjustments	Reclassifications	Ending Balance
<b>Governmental Activities</b>					
Capital assets not being depreciated - Land	\$ 3,750,661	\$ -	\$ -	\$ -	\$ 3,750,661
Capital assets being depreciated:					
Buildings and improvements	16,458,377	23,719	(42,750)	-	16,439,346
Sidewalks	1,022,394	-	-	-	1,022,394
Road improvements	-	766,313	-	-	766,313
Furnishings, vehicles, and equipment	7,261,914	327,131	(174,937)	-	7,414,108
Subtotal	24,742,685	1,117,163	(217,687)	-	25,642,161
Accumulated depreciation:					
Buildings and improvements	3,968,901	402,760	(42,750)	-	4,328,911
Sidewalks	165,712	40,896	-	-	206,608
Furnishings, vehicles, and equipment	4,102,808	616,417	(148,386)	-	4,570,839
Subtotal	8,237,421	1,060,073	(191,136)	-	9,106,358
Net capital assets being depreciated	16,505,264	57,090	(26,551)	-	16,535,803
Total capital assets - Net of depreciation	<u>\$ 20,255,925</u>	<u>\$ 57,090</u>	<u>\$ (26,551)</u>	<u>\$ -</u>	<u>\$ 20,286,464</u>
	Beginning Balance	Additions	Disposals and Adjustments	Reclassifications	Ending Balance
<b>Business-type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 909,058	\$ -	\$ -	\$ -	\$ 909,058
Construction in progress	2,103,366	119,180	-	(2,222,546)	-
Subtotal	3,012,424	119,180	-	(2,222,546)	909,058
Capital assets being depreciated:					
Water and sewer transportation lines	48,908,965	-	-	1,991,850	50,900,815
Buildings and improvements	3,121,448	-	-	-	3,121,448
Meters and supplies	1,497,306	73,708	(67,472)	-	1,503,542
Equipment and other	902,013	34,904	(94,321)	230,696	1,073,292
Subtotal	54,429,732	108,612	(161,793)	2,222,546	56,599,097
Accumulated depreciation:					
Water and sewer transportation lines	19,109,677	1,005,189	-	-	20,114,866
Buildings and improvements	749,298	80,882	-	-	830,180
Meters and supplies	1,040,296	68,173	(67,472)	-	1,040,997
Equipment and other	688,260	66,895	(60,921)	-	694,234
Subtotal	21,587,531	1,221,139	(128,393)	-	22,680,277
Net capital assets being depreciated	32,842,201	(1,112,527)	(33,400)	2,222,546	33,918,820
Total capital assets - Net of depreciation	<u>\$ 35,854,625</u>	<u>\$ (993,347)</u>	<u>\$ (33,400)</u>	<u>\$ -</u>	<u>\$ 34,827,878</u>



# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 280,251
Public safety:	
Police	240,310
Fire	285,494
Dispatching	57,326
Building inspections	12,100
Planning and zoning	3,487
Public works	50,021
Parks	<u>131,084</u>
Total governmental activities	<u>\$ 1,060,073</u>
Business-type activities:	
Water and sewer	\$ 1,220,918
Solid waste disposal	<u>221</u>
Total business-type activities	<u>\$ 1,221,139</u>

There is a resolution for the Township to fund \$1,021,750 for a grade separation at a railroad crossing. In February 2006, the Township board approved the issuance of approximately \$995,000 of bonds to cover the majority of its share of the project costs. As of December 31, 2008, a total of \$52,852 remains unspent from the bond proceeds. It is anticipated that the bonds will be repaid over a 20-year period. The remaining funding for the project is being provided by state and federal grants and the City of Plymouth.

Brownfield redevelopment costs of approximately \$229,000 have been incurred by property owners in the Brownfield district. These costs will be paid for through future property tax collections. The Township is not responsible for costs incurred in excess of property taxes captured.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

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

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 187
Water and Sewer Fund	General Fund	57,900
Improvement Revolving Fund	Nonmajor Special Assessment District Fund	614,974
	Total	<u>\$ 673,061</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.

#### Interfund Transfers

Fund Transferred From	Fund Transferred To	Amount
General Fund	Improvement Revolving Fund	<u>\$ 473,651</u>

The transfer from the General Fund to the Improvement Revolving Fund represents the annual amount set aside to fund future capital projects (principally fire equipment and debt payments).

### Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds and installment purchase agreements are direct obligations and pledge the full faith and credit of the Township.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

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

Description	Amount
2007 installment purchase agreement originally issued for \$15,903, used for Pitney Bowes mailing system, bearing interest at 7.38%, with principal maturity ranges from \$5,291 to \$5,693, maturing in 2010	\$ 10,984
2003 installment purchase agreement originally issued for \$1,173,773, used for Lake Pointe Soccer Park, bearing interest at 3.60%, with principal maturity ranges from \$59,639 to \$116,119, maturing in 2015	697,845
2004 general obligation bond originally issued for \$6,000,000, used to design and construct the new town hall, bearing interest from 3.75% to 4.85%, with principal maturity ranges from \$150,000 to \$500,000, maturing in 2025	5,675,000
2006 general obligation bond originally issued for \$995,000, used to construct the underpass at Sheldon Road, bearing interest from 4% to 4.4%, with principal maturity ranges from \$25,000 to \$100,000, maturing in 2026	<u>995,000</u>
Total governmental activities	7,378,829
2001 contractual obligation to WTUA to service a portion of its debt related to construction of sewage collection and retention facilities, with an original obligation amount of \$17,448,892, bearing interest from 3.50% to 5.25%, with principal maturity ranges from \$403,734 to \$1,705,482, maturing in 2018	13,124,170
2002 contractual obligation to WTUA to service a portion of its debt related to construction of sewage collection and retention facilities, with an original obligation amount of \$18,289,494, bearing interest from 3.00% to 5.00%, with principal maturity ranges from \$709,430 to \$1,611,929, maturing in 2022	<u>16,069,018</u>
Total business-type activities	<u>29,193,188</u>
Total	<u>\$ 36,572,017</u>

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

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

Long-term obligation activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligations	\$ 7,627,401	\$ -	\$ (248,572)	\$ 7,378,829	\$ 277,361
Compensated balances	1,319,652	617,213	(571,216)	1,365,649	607,114
Total governmental activities	<u>\$ 8,947,053</u>	<u>\$ 617,213</u>	<u>\$ (819,788)</u>	<u>\$ 8,744,478</u>	<u>\$ 884,475</u>
<b>Business-type Activities</b>					
2001 contractual obligation	\$ 14,992,350	\$ -	\$ (1,143,000)	\$ 13,849,350	\$ 1,155,700
Less deferred amount on 2001 refunding	(797,700)	-	72,520	(725,180)	(72,518)
Net 2001 contractual obligation	14,194,650	-	(1,070,480)	13,124,170	1,083,182
2002 contractual obligation	16,967,000	-	(722,000)	16,245,000	721,999
Less:					
Unamortized bond issue costs on 2002 issue	(50,738)	-	3,383	(47,355)	(3,382)
Unamortized discount on 2002 issue	(137,814)	-	9,187	(128,627)	(9,187)
Net 2002 contractual obligation	<u>16,778,448</u>	<u>-</u>	<u>(709,430)</u>	<u>16,069,018</u>	<u>709,430</u>
Total contractual obligations	30,973,098	-	(1,779,910)	29,193,188	1,792,612
Compensated absences	146,250	62,030	(56,036)	152,244	55,613
Total business-type activities	<u>\$ 31,119,348</u>	<u>\$ 62,030</u>	<u>\$ (1,835,946)</u>	<u>\$ 29,345,432</u>	<u>\$ 1,848,225</u>

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

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal*	Interest	Total
2009	\$ 277,361	\$ 316,253	\$ 593,614	\$ 1,877,699	\$ 1,484,063	\$ 3,361,762
2010	311,306	306,685	617,991	1,993,439	1,387,289	3,380,728
2011	334,283	293,987	628,270	2,198,619	1,291,734	3,490,353
2012	388,087	280,981	669,068	2,300,219	1,187,625	3,487,844
2013-2017	1,967,792	1,174,925	3,142,717	14,034,595	4,065,206	18,099,801
2018-2022	2,290,000	749,163	3,039,163	7,689,779	1,192,395	8,882,174
2023-2026	1,810,000	183,300	1,993,300	-	-	-
Total	<u>\$ 7,378,829</u>	<u>\$ 3,305,294</u>	<u>\$ 10,684,123</u>	<u>\$ 30,094,350</u>	<u>\$ 10,608,312</u>	<u>\$ 40,702,662</u>

\* Excludes the \$901,162 of deferred amounts on refunding and unamortized discounts and unamortized bond issuance costs.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### 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 participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and employee medical benefit claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to general liability claims.

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

The Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2008</u>	<u>2007</u>
Unpaid claims - Beginning of year	\$ 357,264	\$ 120,000
Incurred claims (including claims incurred but not reported, and adjustments of prior years' estimates)	14,028	623,339
Claim payments	<u>(352,837)</u>	<u>(386,075)</u>
Unpaid claims - End of year	<u>\$ 18,455</u>	<u>\$ 357,264</u>

# Charter Township of Plymouth

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## Notes to Financial Statements December 31, 2008

### **Note 9 - Defined Contribution Pension Plan**

The Township provides pension benefits to its full-time general office and DPW employees through a defined contribution plan (police and fire personnel are provided a defined benefit plan, as discussed in the following note) administered by John Hancock. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by the Township board resolution, the Township contributes 15 percent of employees' base earnings and certain employees contribute 5 percent of base earnings, with an additional 5 percent allowed.

The current year contribution was calculated based on covered payroll of \$2,180,900, resulting in an employer contribution of \$327,130 and employee contributions of \$109,094.

### **Note 10 - Defined Benefit Pension Plan**

**Plan Description** - Beginning in 2005, the Township began participating in the Municipal Employees Retirement System of Michigan, an agent multiple-employer defined benefit pension plan that covers all police and fire union employees plus certain command officers. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Municipal Employees Retirement System of Michigan 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 13.5 percent of wages; the employees contribute the difference between the actuarial required contribution rates less the 13.5 percent employer portion. The firefighter agreement requires the first 2 percent contribution to be made by the employee, the next 13.5 percent by the employer, the next 5 percent by the employee, and any remaining to be paid by the employer.

**Annual Pension Cost** - For year ended December 31, 2008, the Township's annual pension cost of \$648,681 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined by the actuarial valuation dated December 31, 2006.

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### Note 10 - 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 unfunded actuarial liability is being amortized as a level percentage of payroll on a 15- to 28-year closed basis (the amortization period is re-established with each valuation).

**Three-year Trend Information** - The plan's three most recent actuarial valuations are summarized as follows (information presented separately for each division of the plan):

	2006	2007	2008
Annual pension cost (APC)	\$ 523,470	\$ 603,341	\$ 648,681
Percentage of APC contributed	100%	100%	100%

	Fiscal Year Ended December 31					
	2005		2006		2007	
	Police	Fire	Police	Fire	Police	Fire
Actuarial value of assets	\$ 4,491,169	\$ 4,837,615	\$ 5,365,287	\$ 5,314,026	\$ 6,074,295	\$ 5,883,783
Actuarial accrued liability (AAL)	6,339,717	6,645,652	7,947,888	7,106,217	8,844,283	7,863,315
Unfunded AAL (UAAL)	1,848,548	1,808,037	2,582,601	1,792,191	2,769,988	1,979,532
Funded ratio	70.8%	72.8%	67.5%	74.8%	68.7%	74.8%
Covered payroll	2,434,820	1,742,750	2,598,167	1,738,671	2,770,795	1,676,907
UAAL as a percentage of covered payroll	75.9%	103.7%	99.4%	103.1%	100.0%	118.0%

### Note 11 - Other Postemployment Benefits

**Plan Description** - The Township provides retiree healthcare benefits to eligible employees and their beneficiaries. This is a single employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

**Funding Policy** - The collective bargaining agreements require a contribution of \$50 per month from police employees and \$75 per month for all other employees. 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).

# Charter Township of Plymouth

## Notes to Financial Statements December 31, 2008

### Note 11 - Other Postemployment Benefits (Continued)

**Funding Progress** - For the year beginning January 1, 2008, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2008. 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:

Annual required contribution (recommended)	\$ 2,876,156
Interest on the prior year's net OPEB obligation	-
Less adjustment to the annual required contribution	-
	<hr/>
Annual OPEB cost	2,876,156
Amounts contributed:	
Payments of current premiums	350,652
Advance funding	-
	<hr/>
Increase in net OPEB obligation	2,525,504
OPEB obligation - Beginning of year	-
	<hr/>
OPEB obligation - End of year	<u>\$ 2,525,504</u>

The schedule of employer contributions and the net OPEB obligation for the fiscal year ended December 31, 2008 is as follows (three-year trend is not available because this is the initial year of reporting):

Annual OPEB costs	\$ 2,876,156
Percentage contributed	12%
Net OPEB obligation	\$ 2,525,504

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of December 31, 2008:	
Actuarial value of assets	\$ -
Actuarial accrued liability (AAL)	27,751,990
Unfunded AAL	27,751,990
Funded ratio	0%



## **Note 11 - Other Postemployment Benefits (Continued)**

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

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

In the December 31, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets, and an annual healthcare cost trend rate of 4.0 percent initially, reduced by decrements to an ultimate rate of 0.0 percent after four years. Both rates included a 5.0 percent inflation assumption. The UAAL is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2008 was 30 years.

## **Note 12 - Subsequent Event**

The Township board approved the issuance of Limited Tax General Obligation bonds in the amount of \$2,500,000 in June 2009. The proceeds from these bonds will be used for two purposes: \$2,150,000 for water and sewer rehabilitation and \$350,000 for a park building.

## **Required Supplemental Information**

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# Charter Township of Plymouth

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

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 8,200,000	\$ 8,200,000	\$ 8,050,245	\$ (149,755)
State-shared revenue	2,076,000	2,076,000	2,070,429	(5,571)
Licenses and permits	406,000	421,000	471,250	50,250
Fines and forfeitures	360,000	360,000	373,532	13,532
City of Plymouth fire contribution	1,015,000	1,050,000	990,396	(59,604)
City of Plymouth dispatch contribution	285,000	305,000	310,654	5,654
Charges for services	100,000	150,000	158,711	8,711
Interest and rents	625,000	475,000	496,691	21,691
Federal grants	150,000	150,000	90,949	(59,051)
Miscellaneous	580,000	555,500	415,665	(139,835)
Intragovernmental service charge	540,000	540,000	497,794	(42,206)
Total revenue	<u>\$ 14,337,000</u>	<u>\$ 14,282,500</u>	<u>\$ 13,926,316</u>	<u>\$ (356,184)</u>
<b>Expenditures</b>				
General government	\$ 3,344,387	\$ 3,740,267	\$ 3,561,006	\$ 179,261
Public safety	9,264,088	9,352,123	8,762,215	589,908
Building	414,602	426,976	391,263	35,713
Community development	238,804	297,929	289,617	8,312
Park	311,331	332,596	306,713	25,883
Grants	105,000	105,000	83,199	21,801
Capital improvement	473,745	473,745	473,651	94
Total expenditures	14,151,957	14,728,636	13,867,664	860,972
Contribution to fund balance	185,043	(446,136)	58,652	504,788
Total uses of funds	<u>\$ 14,337,000</u>	<u>\$ 14,282,500</u>	<u>\$ 13,926,316</u>	<u>\$ (356,184)</u>

# Charter Township of Plymouth

## Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Fund - Improvement Revolving Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Interest and rents	\$ 90,000	\$ 80,000	\$ 47,775	\$ (32,225)
Transfer from other funds	473,951	473,951	473,651	(300)
Total revenue	563,951	553,951	521,426	(32,525)
<b>Expenditures</b>				
Capital outlay	921,000	639,000	950,446	(311,446)
Debt payment	523,951	566,104	566,194	(90)
Total expenditures	1,444,951	1,205,104	1,516,640	(311,536)
<b>Change in Fund Balance</b>	(881,000)	(651,153)	(995,214)	344,061
<b>Fund Balance</b>				
Beginning of year	1,286,250	1,745,937	1,745,937	-
End of year	<u>\$ 405,250</u>	<u>\$ 1,094,784</u>	<u>\$ 750,723</u>	<u>\$ 344,061</u>

# Charter Township of Plymouth

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## Note to Required Supplemental Information December 31, 2008

### Note - Budgetary Information

The Township adopts a formal budget for the General Fund and all Special Revenue Funds. The budget is prepared in accordance with generally accepted accounting principles, with the exception of operating transfers which have been included in the "revenue" and "expenditure" categories, rather than omitted from the budget statement. By August 1 of each year, all department heads submit spending requests to the Township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Township board for review. Public hearings are held, and a final budget is adopted no later than December 31. The Township board must approve any budget amendments.

Appropriations are adopted by the Township board on an activity basis for the General Fund, as reported on the Budgetary Comparison Schedule - General Fund. Appropriations for all other budgeted funds are adopted at the fund level. Michigan law requires expenditures to be within budget at this level. During the year, the Charter Township of Plymouth incurred expenditures that were in excess of the amount budgeted in the Improvement Revolving Fund in the amount of \$311,536. The budget overrun was a result of more expenditures being incurred on the project in 2008 than anticipated. This will result in a decrease in expenditures in 2009.

During the current year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. The amount of encumbrances outstanding at December 31, 2008 has not been calculated. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

## **Other Supplemental Information**

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# Charter Township of Plymouth

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

	Special Revenue Funds		Total
	911	Drug Forfeiture	Nonmajor
	Communications	Drug Forfeiture	Governmental Funds
<b>Assets</b>			
Cash and investments	\$ -	\$ 60,850	\$ 60,850
Receivables - Net	24,404	-	24,404
	<b>24,404</b>	<b>60,850</b>	<b>85,254</b>
Total assets	<b>\$ 24,404</b>	<b>\$ 60,850</b>	<b>\$ 85,254</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 1,147	\$ 1,147
Accrued and other liabilities	-	2,536	2,536
Due to other funds	-	187	187
Deferred revenue	24,404	-	24,404
	24,404	3,870	28,274
Total liabilities	24,404	3,870	28,274
<b>Fund Balances - Unreserved</b>	-	56,980	56,980
Total liabilities and fund balances	<b>\$ 24,404</b>	<b>\$ 60,850</b>	<b>\$ 85,254</b>

# Charter Township of Plymouth

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

	Special Revenue Funds		Total Nonmajor Governmental Funds
	911 Communications	Drug Forfeiture	
<b>Revenue</b>			
Interest income	\$ -	\$ 1,804	\$ 1,804
Forfeitures	-	11,023	11,023
Other	103,354	-	103,354
	103,354	-	103,354
Total revenue	103,354	12,827	116,181
<b>Expenditures</b>			
Public safety	103,354	26,875	130,229
Capital outlay	-	11,464	11,464
	-	11,464	11,464
Total expenditures	103,354	38,339	141,693
<b>Excess of Expenditures Over Revenue</b>	-	(25,512)	(25,512)
<b>Fund Balances - Beginning of year</b>	-	82,492	82,492
<b>Fund Balances - End of year</b>	\$ -	\$ 56,980	\$ 56,980



# Charter Township of Plymouth

## Other Supplemental Information Budgetary Comparison Schedule 911 Communication Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - 911 income</b>	\$ 190,000	\$ 190,000	\$ 103,354	\$ (86,646)
<b>Expenditures - Public safety</b>	<u>190,000</u>	<u>190,000</u>	<u>103,354</u>	<u>86,646</u>
<b>Net Revenue</b>	-	-	-	-
<b>Fund Balance</b>				
Beginning of year	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u><b>\$ 34,000</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

# Charter Township of Plymouth

## Other Supplemental Information Budgetary Comparison Schedule Drug Forfeiture Fund Year Ended December 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b> - Forfeitures and interest income	\$ 13,250	\$ 43,250	\$ 12,827	\$ (30,423)
<b>Expenditures</b> - Public safety and capital outlay	<u>24,100</u>	<u>50,447</u>	<u>38,339</u>	<u>12,108</u>
<b>Excess of Expenditures Over Revenue</b>	(10,850)	(7,197)	(25,512)	(18,315)
<b>Fund Balance</b>				
Beginning of year	<u>48,107</u>	<u>82,492</u>	<u>82,492</u>	<u>-</u>
End of year	<u><b>\$ 37,257</b></u>	<u><b>\$ 75,295</b></u>	<u><b>\$ 56,980</b></u>	<u><b>\$ (18,315)</b></u>

# Charter Township of Plymouth

## Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds December 31, 2008

	General Agency	Tax Collections	Total
<b>Assets - Cash and cash equivalents</b>	<b><u>\$ 586,916</u></b>	<b><u>\$ 3,908,685</u></b>	<b><u>\$ 4,495,601</u></b>
<b>Liabilities</b>			
Due to other governmental units	\$ 2,923	\$ 3,908,685	\$ 3,911,608
Deposits for developers and refundables	205,408	-	205,408
Deposits for building bonds	<u>378,585</u>	<u>-</u>	<u>378,585</u>
 Total liabilities	<b><u>\$ 586,916</u></b>	<b><u>\$ 3,908,685</u></b>	<b><u>\$ 4,495,601</u></b>

# Charter Township of Plymouth

## Other Supplemental Information Combining Statement of Changes in Assets and Liabilities Fiduciary Funds Year Ended December 31, 2008

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
<b><u>Agency Funds</u></b>				
<b>Assets - Cash and cash equivalents</b>	<b>\$ 633,806</b>	<b>\$ 350,437</b>	<b>\$ 397,327</b>	<b>\$ 586,916</b>
<b>Liabilities</b>				
Due to other governmental units	\$ 2,896	\$ 193,978	\$ 193,951	\$ 2,923
Deposits for developers and refundables	232,055	75,146	101,793	205,408
Deposits for building bonds	398,855	81,280	101,550	378,585
Total liabilities	<b>\$ 633,806</b>	<b>\$ 350,404</b>	<b>\$ 397,294</b>	<b>\$ 586,916</b>
<b><u>Tax Collection Fund</u></b>				
<b>Assets - Cash and cash equivalents</b>	<b>\$ 6,139,478</b>	<b>\$ 67,746,520</b>	<b>\$ 69,977,313</b>	<b>\$ 3,908,685</b>
<b>Liabilities - Due to other governmental units</b>	<b>\$ 6,139,478</b>	<b>\$ 67,672,829</b>	<b>\$ 69,903,622</b>	<b>\$ 3,908,685</b>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets - Cash and cash equivalents</b>	\$ 6,773,284	\$ 68,096,957	\$ 70,374,640	\$ 4,495,601
<b>Liabilities</b>				
Due to other governmental units	6,142,374	67,866,807	70,097,573	3,911,608
Deposits for developers and refundables	232,055	75,146	101,793	205,408
Deposits for building bonds	398,855	81,280	101,550	378,585
Total liabilities	<b>\$ 6,773,284</b>	<b>\$ 68,023,233</b>	<b>\$ 70,300,916</b>	<b>\$ 4,495,601</b>

# Charter Township of Plymouth

## Other Supplemental Information Balance Sheet/Statement of Net Assets (Deficit) Downtown Development Authority December 31, 2008

	Modified Accrual	Full Accrual Adjustments	Full Accrual
<b>Assets</b>			
Cash and investments	\$ 23,650	\$ -	\$ 23,650
Due from other governmental units	7,025	-	7,025
Property tax receivable	386,030	-	386,030
Total assets	<b>\$ 416,705</b>	<b>\$ -</b>	<b>\$ 416,705</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 14,394	\$ -	\$ 14,394
Deferred revenue	386,030	-	386,030
Loan payable to Plymouth Township General Fund	-	538,752	538,752
Total liabilities	400,424	538,752	939,176
<b>Fund Balance - Unreserved</b>	16,281	(16,281)	
<b>Net Assets (Deficit) - Unrestricted</b>		(522,471)	(522,471)
Total liabilities and fund balance	<b>\$ 416,705</b>	<b>\$ -</b>	<b>\$ 416,705</b>

# Charter Township of Plymouth

## Other Supplemental Information Statement of Revenue, Expenditures, and Changes in Fund Balance/ Statement of Activities Downtown Development Authority Year Ended December 31, 2008

	Modified Accrual	Full Accrual Adjustments	Full Accrual
<b>Revenue</b>			
Property taxes	\$ 312,467	\$ -	\$ 312,467
Interest earnings	2,965	-	2,965
Total revenue	315,432	-	315,432
<b>Expenditures</b>			
Current:			
Contractual services	5,661	-	5,661
Maintenance - Grounds	74,209	-	74,209
Debt service to Township General Fund:			
Principal repayment	223,244	(223,244)	-
Interest expense	14,830	-	14,830
Total expenditures	317,944	(223,244)	94,700
<b>Change in Fund Balance/Net Deficit</b>	(2,512)	223,244	220,732
<b>Fund Balance/Net Deficit</b>			
Beginning of year	18,793	(761,996)	(743,203)
End of year	<u>\$ 16,281</u>	<u>\$ (538,752)</u>	<u>\$ (522,471)</u>

# Charter Township of Plymouth

## Other Supplemental Information Balance Sheet/Statement of Net Assets Brownfield Redevelopment Authority December 31, 2008

	Modified Accrual	Full Accrual Adjustments	Full Accrual
<b>Assets</b>			
Cash and investments	\$ 842,054	\$ -	\$ 842,054
Due from other governmental units	4,563	-	4,563
Property taxes receivable	398,574	-	398,574
Total assets	<b>\$ 1,245,191</b>	<b>\$ -</b>	<b>\$ 1,245,191</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 27,386	\$ -	\$ 27,386
Deferred revenue	79,374	-	79,374
Total liabilities	106,760	-	106,760
<b>Fund Balance - Unreserved</b>	<b>1,138,431</b>	<b>(1,138,431)</b>	
<b>Net Assets - Unrestricted</b>		<b>1,138,431</b>	<b>1,138,431</b>
Total liabilities and fund balance	<b>\$ 1,245,191</b>	<b>\$ -</b>	<b>\$ 1,245,191</b>

# Charter Township of Plymouth

## Other Supplemental Information Statement of Revenue, Expenditures, and Changes in Fund Balance/ Statement of Activities Brownfield Redevelopment Authority Year Ended December 31, 2008

	Modified Accrual	Full Accrual Adjustments	Full Accrual
<b>Revenue</b>			
Property taxes	\$ 406,078	\$ -	\$ 406,078
Interest earnings	18,526	-	18,526
Total revenue	424,604	-	424,604
<b>Expenditures - Current - Environmental remediation</b>			
	33,255	-	33,255
<b>Change in Fund Balance/Net Assets</b>	391,349	-	391,349
<b>Fund Balance/Net Assets</b>			
Beginning of year	747,082	-	747,082
End of year	<b>\$ 1,138,431</b>	<b>\$ -</b>	<b>\$ 1,138,431</b>



## **Statistical Section**

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

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

## **Financial Trends**

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

# Charter Township of Plymouth

## Financial Trends Net Assets by Component (Unaudited)

	As of December 31				
	2004	2005	2006	2007	2008
<b>Governmental Activities</b>					
Invested in capital assets - Net of related debt	\$ 8,341,789	\$ 8,079,178	\$ 12,197,449	\$ 13,623,525	\$ 12,960,487
Restricted	(2,244)	2,651	50,417	82,492	56,980
Unrestricted	6,010,616	5,593,596	3,090,573	1,996,377	(666,990)
Total net assets	14,350,161	13,675,425	15,338,439	15,702,394	12,350,477
<b>Business-type Activities</b>					
Invested in capital assets - Net of related debt	33,297,351	34,742,726	35,941,504	35,854,625	34,827,878
Unrestricted	17,665,918	17,182,999	16,481,504	17,020,233	15,622,880
Total net assets	50,963,269	51,925,725	52,423,008	52,874,858	50,450,758
<b>Primary Government in Total</b>					
Invested in capital assets - Net of related debt	41,639,140	42,821,904	48,138,953	49,478,150	47,788,365
Restricted	(2,244)	2,651	50,417	82,492	56,980
Unrestricted	23,676,534	22,776,595	19,572,077	19,016,610	14,955,890
Total net assets	<u>\$ 65,313,430</u>	<u>\$ 65,601,150</u>	<u>\$ 67,761,447</u>	<u>\$ 68,577,252</u>	<u>\$ 62,801,235</u>

# Charter Township of Plymouth

## Financial Trends Changes in Governmental Net Assets (Unaudited)

	Fiscal Year Ended December 31				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
General government	\$ 2,438,405	\$ 2,278,495	\$ 2,400,235	\$ 2,897,089	\$ 3,109,494
Fire services	3,506,160	3,625,384	3,580,155	4,106,463	4,892,427
Dispatch services	905,548	975,780	910,488	1,060,695	1,250,727
Police services	3,922,995	4,204,011	3,903,781	4,322,320	5,648,558
Building inspections and related	617,312	534,144	506,651	493,407	472,205
Planning and zoning	455,081	405,182	423,532	333,075	375,523
Public works	665,616	1,986,167	853,971	223,464	273,368
Community services	83,614	19,827	33,294	163,010	109,324
Parks	400,555	467,973	420,850	412,821	461,683
Interest on long-term debt	205,024	314,741	305,061	344,458	317,623
<b>Total governmental activities</b>	<b>13,200,310</b>	<b>14,811,704</b>	<b>13,338,018</b>	<b>14,356,802</b>	<b>16,910,932</b>
<b>Program revenues:</b>					
<b>Charges for services:</b>					
General government	342,997	123,847	179,639	214,051	197,916
Fire services	988,663	986,341	1,044,466	1,054,601	1,180,589
Dispatch services	382,885	440,622	382,319	488,848	401,081
Police services	312,721	260,179	160,569	226,477	292,152
Building inspections and related services	673,820	969,448	793,343	438,934	394,110
Other activities	163,079	2,007,965	167,019	199,580	47,807
<b>Total charges for services</b>	<b>2,864,165</b>	<b>4,788,402</b>	<b>2,727,355</b>	<b>2,622,491</b>	<b>2,513,655</b>
Operating grants and contributions	316,155	449,333	214,732	312,080	190,303
Capital grants and contributions	65,692	4,500	12,792	-	-
<b>Total program revenues</b>	<b>3,246,012</b>	<b>5,242,235</b>	<b>2,954,879</b>	<b>2,934,571</b>	<b>2,703,958</b>
<b>Net expense</b>	<b>(9,954,298)</b>	<b>(9,569,469)</b>	<b>(10,383,139)</b>	<b>(11,422,231)</b>	<b>(14,206,974)</b>
<b>General Revenues</b>					
Property taxes	5,641,737	6,027,556	7,644,192	7,946,654	8,113,054
State-shared revenues	2,048,750	2,029,620	2,008,623	2,017,997	2,070,429
Golf course	350,000	350,001	111,319	-	-
Investment earnings	295,341	461,314	493,779	567,348	318,608
Franchise fees	278,354	317,242	343,335	368,834	373,532
Gain (loss) on sale of assets	-	-	-	4,671	(20,566)
Investment in joint venture - District court	-	(291,000)	1,444,905	24,000	-
<b>Total general revenues</b>	<b>8,614,182</b>	<b>8,894,733</b>	<b>12,046,153</b>	<b>10,929,504</b>	<b>10,855,057</b>
<b>Change in net assets</b>	<b><u>\$(1,340,116)</u></b>	<b><u>\$(674,736)</u></b>	<b><u>\$ 1,663,014</u></b>	<b><u>\$(492,727)</u></b>	<b><u>\$(3,351,917)</u></b>

# Charter Township of Plymouth

## Financial Trends Changes in Business-type Net Assets (Unaudited)

	Fiscal Year Ended December 31				
	2004	2005	2006	2007	2008
<b>Operating Revenue</b>					
Sale of water	\$ 3,203,302	\$ 3,386,839	\$ 3,344,392	\$ 4,061,196	\$ 3,809,188
Sewage disposal charges	3,938,611	4,133,382	4,159,796	5,161,768	4,876,822
Solid waste charges	1,103,581	1,218,858	1,268,210	1,323,239	1,348,643
Installation fees	53,906	38,741	26,747	9,823	15,292
Other charges for services	580,943	800,323	452,605	274,382	245,607
Total operating revenue	8,880,343	9,578,143	9,251,750	10,830,408	10,295,552
<b>Operating Expenses</b>					
Cost of water produced/purchased	1,874,277	2,216,889	2,112,171	2,663,073	3,407,406
Cost of sewage treatment	2,251,559	2,770,486	2,960,922	3,386,084	4,444,202
Solid waste disposal	1,092,755	1,106,609	1,089,088	1,119,463	1,169,261
Operation costs	2,531,691	2,721,809	2,757,151	2,603,456	2,749,078
Depreciation	1,094,579	1,097,359	1,144,233	1,182,862	1,221,139
Total operating expenses	8,844,861	9,913,152	10,063,565	10,954,938	12,991,086
<b>Operating Income (Loss)</b>	35,482	(335,009)	(811,815)	(124,530)	(2,695,534)
<b>Nonoperating Revenue (Expenses)</b>					
Meter charges	1,250,157	1,262,645	1,264,460	1,301,909	1,298,078
Investment income	239,856	539,040	632,542	515,948	316,030
Interest expense	(1,907,478)	(1,906,081)	(1,735,584)	(1,683,138)	(1,597,559)
<b>Income (Loss) - Before contributions and other items</b>	(381,983)	(439,405)	(650,397)	10,189	(2,678,985)
<b>Capital Contributions</b>					
Benefit fees	1,033,422	877,515	475,750	348,352	254,885
Lines constructed by developers	461,659	524,346	671,930	93,309	-
Total capital contributions	1,495,081	1,401,861	1,147,680	441,661	254,885
Change in net assets	<u>\$ 1,113,098</u>	<u>\$ 962,456</u>	<u>\$ 497,283</u>	<u>\$ 451,850</u>	<u>\$ (2,424,100)</u>

# Charter Township of Plymouth

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	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>General Fund</b>						
Reserved	\$ -	\$ 1,448,889	\$ 540,776	\$ 407,863	\$ -	\$ 494,894
Unreserved	<u>4,559,112</u>	<u>3,402,467</u>	<u>4,667,563</u>	<u>5,147,272</u>	<u>6,374,129</u>	<u>3,665,457</u>
Total General Fund	<u>\$ 4,559,112</u>	<u>\$ 4,851,356</u>	<u>\$ 5,208,339</u>	<u>\$ 5,555,135</u>	<u>\$ 6,374,129</u>	<u>\$ 4,160,351</u>
<b>All Other Governmental Funds</b>						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 111,115	\$ 4,077,673
Unreserved, reported in Special Revenue Funds	<u>827,377</u>	<u>240,233</u>	<u>(144,398)</u>	<u>(552,231)</u>	<u>(130,842)</u>	<u>2,186,242</u>
Total all other governmental funds	<u>827,377</u>	<u>240,233</u>	<u>(144,398)</u>	<u>(552,231)</u>	<u>(19,727)</u>	<u>6,263,915</u>
Total fund balance, all governmental funds	<u>\$ 5,386,489</u>	<u>\$ 5,091,589</u>	<u>\$ 5,063,941</u>	<u>\$ 5,002,904</u>	<u>\$ 6,354,402</u>	<u>\$ 10,424,266</u>

**Financial Trends**  
**Fund Balances - Governmental Funds - Last Ten Years**  
(Unaudited)

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 759,178	\$ 997,706	\$ 761,996	\$ 538,752
<u>2,377,019</u>	<u>996,713</u>	<u>1,605,861</u>	<u>1,887,757</u>
<b><u>\$ 3,136,197</u></b>	<b><u>\$ 1,994,419</u></b>	<b><u>\$ 2,367,857</u></b>	<b><u>\$ 2,426,509</u></b>
\$ 1,489,607	\$ 975,297	\$ 1,700,232	\$ 52,852
<u>1,545,558</u>	<u>1,037,627</u>	<u>128,197</u>	<u>754,851</u>
<u>3,035,165</u>	<u>2,012,924</u>	<u>1,828,429</u>	<u>807,703</u>
<b><u>\$ 6,171,362</u></b>	<b><u>\$ 4,007,343</u></b>	<b><u>\$ 4,196,286</u></b>	<b><u>\$ 3,234,212</u></b>

# Charter Township of Plymouth

	Year Ended December 31			
	1999	2000	2001	2002
<b>Revenue</b>				
Property taxes	\$ 4,117,846	\$ 4,408,297	\$ 4,699,081	\$ 5,204,451
Licenses and permits	1,912,197	1,781,689	1,534,603	1,150,828
Federal grants	260,261	166,095	362,798	247,638
State-shared revenues and grants	2,196,699	2,281,115	2,569,570	2,412,189
City of Plymouth contribution	606,835	877,200	1,345,299	1,314,574
Intergovernmental charges for services	462,994	462,583	477,838	488,842
Fines and forfeitures	160,080	621,984	408,462	278,632
Interest and rentals	1,056,958	1,351,570	1,068,457	666,525
Other	1,971,779	1,763,070	1,636,846	2,400,326
<b>Total revenue</b>	<b>12,745,649</b>	<b>13,713,603</b>	<b>14,102,954</b>	<b>14,164,005</b>
<b>Expenditures</b>				
Current:				
General government	2,654,375	2,786,765	3,147,826	2,894,741
Public safety	5,852,269	6,788,385	7,121,177	7,526,768
Planning and building	1,119,297	1,178,623	1,126,086	1,057,781
Public works	1,400,851	955,493	963,841	-
Community social services	96,970	130,785	143,076	96,774
Parks	360,988	431,110	638,296	234,912
Capital outlay	802,645	1,635,099	886,307	2,247,905
Debt service principal	60,000	65,000	70,000	70,000
Debt service interest	40,123	37,243	33,993	30,352
<b>Total expenditures</b>	<b>12,387,518</b>	<b>14,008,503</b>	<b>14,130,602</b>	<b>14,159,233</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>358,131</b>	<b>(294,900)</b>	<b>(27,648)</b>	<b>4,772</b>
<b>Other Financing Sources (Uses)</b>				
Issuance of debt	-	-	-	-
Sale of fixed assets	-	-	-	-
Transfers in	562,301	527,044	127,852	267,528
Transfers out	(562,301)	(527,044)	(127,852)	(267,528)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>358,131</b>	<b>(294,900)</b>	<b>(27,648)</b>	<b>4,772</b>
<b>Fund Balances - Beginning of year</b>	<b>5,028,358</b>	<b>5,386,489</b>	<b>5,091,589</b>	<b>4,998,132</b>
<b>Fund Balances - End of year</b>	<b>\$ 5,386,489</b>	<b>\$ 5,091,589</b>	<b>\$ 5,063,941</b>	<b>\$ 5,002,904</b>
Debt service as a percentage of noncapital expenditures	0.8%	0.7%	0.7%	0.7%



**Financial Trends**  
**Changes in Fund Balances, Governmental Funds**  
(Unaudited)

Year Ended December 31					
2003	2004	2005	2006	2007	2008
\$ 5,624,458	\$ 5,641,737	\$ 6,027,556	\$ 7,644,192	\$ 7,946,654	\$ 8,113,054
882,336	818,361	1,123,472	953,336	502,153	471,250
113,770	276,872	403,257	51,763	143,962	90,949
2,169,801	2,048,750	2,029,620	2,008,623	2,017,997	2,070,429
1,103,710	1,116,037	1,155,681	1,139,588	1,268,226	1,301,050
448,330	478,545	502,196	534,369	108,127	167,700
188,209	104,108	143,516	124,379	609,730	378,570
659,151	624,359	760,860	659,548	518,495	497,794
<u>1,856,727</u>	<u>2,429,905</u>	<u>2,927,894</u>	<u>1,172,264</u>	<u>1,200,980</u>	<u>999,476</u>
13,046,492	13,538,674	15,074,052	14,288,062	14,316,324	14,090,272
2,778,001	2,914,831	2,995,556	2,992,189	3,106,860	3,561,006
7,627,082	8,001,008	8,341,650	8,615,415	8,989,323	8,892,444
1,028,106	1,016,087	899,607	895,970	780,490	680,880
-	-	-	-	-	-
163,558	225,623	162,366	65,669	84,635	83,199
246,550	287,328	353,065	271,395	286,625	306,713
1,823,003	2,652,003	6,084,903	6,043,256	244,125	961,910
119,494	166,146	174,105	257,175	290,893	248,571
<u>47,125</u>	<u>205,784</u>	<u>315,704</u>	<u>306,012</u>	<u>344,458</u>	<u>317,623</u>
<u>13,832,919</u>	<u>15,468,810</u>	<u>19,326,956</u>	<u>19,447,081</u>	<u>14,127,409</u>	<u>15,052,346</u>
(786,427)	(1,930,136)	(4,252,904)	(5,159,019)	188,915	(962,074)
1,173,773	6,000,000	-	995,000	-	-
-	-	-	2,000,000	28	-
301,482	1,737,001	1,159,946	2,342,680	473,745	473,651
<u>(301,482)</u>	<u>(1,737,001)</u>	<u>(1,159,946)</u>	<u>(2,342,680)</u>	<u>(473,745)</u>	<u>(473,651)</u>
<u>1,173,773</u>	<u>6,000,000</u>	<u>-</u>	<u>2,995,000</u>	<u>28</u>	<u>-</u>
387,346	4,069,864	(4,252,904)	(2,164,019)	188,943	(962,074)
<u>5,967,056</u>	<u>6,354,402</u>	<u>10,424,266</u>	<u>6,171,362</u>	<u>4,007,343</u>	<u>4,196,286</u>
<b><u>\$ 6,354,402</u></b>	<b><u>\$ 10,424,266</u></b>	<b><u>\$ 6,171,362</u></b>	<b><u>\$ 4,007,343</u></b>	<b><u>\$ 4,196,286</u></b>	<b><u>\$ 3,234,212</u></b>
1.2%	2.4%	2.5%	2.9%	4.5%	3.8%

## **Revenue Capacity**

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

# Charter Township of Plymouth

		Taxable Value by Property Type					
Tax Year	Fiscal Year Ended December 31	Real Property				Personal Property	Total Value
		Residential	Commercial	Industrial	Tax Abated		
1998	1999	\$ 774,491,347	\$ 81,269,310	\$ 162,536,620	\$ 76,958,954	\$ 180,880,910	\$ 1,276,137,141
1999	2000	833,822,265	93,603,910	170,083,350	89,868,940	206,519,070	1,393,897,535
2000	2001	915,065,670	97,356,870	194,691,655	109,017,830	222,725,600	1,538,857,625
2001	2002	1,003,644,980	104,153,620	219,200,480	97,142,304	217,798,910	1,641,940,294
2002	2003	1,076,593,290	113,900,970	238,212,870	108,930,260	214,833,838	1,752,471,228
2003	2004	1,116,965,790	116,748,599	267,492,187	89,628,270	218,590,040	1,809,424,886
2004	2005	1,164,579,849	125,033,365	284,295,261	103,778,700	230,142,858	1,907,830,033
2005	2006	1,213,596,955	134,280,330	298,255,476	107,306,010	243,988,510	1,997,427,281
2006	2007	1,264,079,620	145,375,770	319,265,268	110,838,210	210,243,035	2,049,801,903
2007	2008	1,309,575,980	152,280,150	340,353,880	139,612,750	220,805,600	2,162,628,360

Note: Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50 percent of true cash value), limited for each property by the lower of 5 percent or inflation.

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

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**Revenue Capacity**  
**Taxable Value of Township Property**  
(Unaudited)

Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual
3.5600	\$ 2,515,205,160	50.7
3.4600	2,944,905,010	47.3
3.2000	3,317,933,300	46.4
3.2800	3,725,223,640	44.1
3.2694	4,004,403,636	43.8
3.2694	4,244,724,192	42.6
3.2694	4,499,231,672	42.4
4.0000	4,638,732,472	43.1
4.0000	4,837,250,710	42.4
4.0000	5,007,754,260	43.2

# Charter Township of Plymouth

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Tax Year	Direct Tax Rates			Overlapping Tax				
	Operating	Debt	Total Direct Taxes	County	Plymouth District Library	Huron Clinton Metro Parks	Wayne County Zoo Authority	Community College
1999	3.2900	0.1700	3.4600	7.9066	1.6650	0.2218	0.0000	1.8500
2000	3.2000	0.0000	3.2000	7.8574	1.8297	0.2202	0.0000	1.8311
2001	3.2800	0.0000	3.2800	7.8461	1.7962	0.2186	0.0000	1.8193
2002	3.2694	0.0000	3.2694	7.8220	1.7875	0.2170	0.0000	1.8043
2003	3.2694	0.0000	3.2694	7.8220	1.7838	0.2161	0.0000	1.8024
2004	3.2694	0.0000	3.2694	7.8220	1.7778	0.2154	0.0000	1.7967
2005	4.0000	0.0000	4.0000	7.8220	1.7549	0.2146	0.0000	1.7967
2006	4.0000	0.0000	4.0000	7.8220	1.5156	0.2146	0.0000	1.7967
2007	4.0000	0.0000	4.0000	7.8220	1.9696	0.2146	0.0000	1.7967
2008	4.0000	0.0000	4.0000	7.8220	1.7218	0.2146	0.1000	1.7967

Note: Michigan law restricts the maximum millage that may be levied by the Charter Township of Plymouth without a vote of our residents, as follows:

**Revenue Capacity**  
**Tax Rate History of Direct and Overlapping Governments**  
(Unaudited)

Rates				Total Tax Rate	
Intermediate School District	School Debt	School - Homestead	School - Non- homestead	Homestead	Non- homestead
2.0000	3.4700	6.0000	18.0000	26.5734	44.5734
1.9789	3.1500	6.0000	18.0000	26.0673	44.0673
1.9753	3.4900	6.0000	18.0000	26.4255	44.4255
3.4643	3.3000	6.0000	18.0000	27.6645	45.6645
3.4643	3.1500	5.0000	18.0000	26.5080	44.5080
3.4643	3.1000	6.0000	18.0000	27.4456	45.4456
3.4643	3.4300	6.0000	18.0000	28.4825	46.4825
3.4643	3.1500	6.0000	18.0000	27.9632	45.9632
3.4643	3.1500	6.0000	18.0000	28.4172	46.4172
3.4643	3.1500	6.0000	18.0000	28.2694	46.2694

# Charter Township of Plymouth

## Revenue Capacity Principal Taxpayers (Unaudited)

	2008 Taxable Value	2008 Rank	Percentage of total	1999 Taxable Value	1999 Rank	Percentage of Total
DeMattia Group	\$ 45,399,850	1	2.1%	\$ 13,882,470	4	1.0%
Johnson Control	36,578,720	2	1.7%	28,253,550	3	2.0%
Automotive Components Holdings LLC	31,108,095	3	1.5%	-	-	-
Tower Automotive	18,836,275	4	0.9%	37,513,200	2	2.7%
Robert Bosch Corporation	13,838,090	5	0.6%	-	-	-
Catholic Archdiocese of Detroit	13,712,700	6	0.6%	-	-	-
Detroit Edison	13,656,750	7	0.6%	10,212,070	6	0.7%
D R Group	12,633,700	8	0.6%	-	-	-
AFL-CIO	10,297,760	9	0.5%	-	-	-
AVL North America Inc	9,843,600	10	0.5%	-	-	-
Ford Motor Company	-	-	-	44,888,720	1	3.2%
Consumers Power	-	-	-	5,839,510	10	0.4%
Compuware Sport	-	-	-	12,302,020	5	0.9%
Unisys	-	-	-	7,892,050	7	0.6%
Plymouth Village	-	-	-	7,096,890	9	0.5%
Visteon	-	-	-	7,670,750	8	0.6%
<b>Total</b>	<b><u>\$ 205,905,540</u></b>		<b><u>9.6%</u></b>	<b><u>\$ 175,551,230</u></b>		<b><u>12.6%</u></b>

# Charter Township of Plymouth

## Revenue Capacity General Fund Governmental Revenues by Function Last Ten Fiscal Years

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date		
		Current Collections (1)	Percent Collected	Collections in Subsequent Years (2)	Amount	Percent of Levy	
1999	\$ 4,670,844	\$ 4,516,722	96.70	\$ 122,426	\$ 4,639,148	99.32	
2000	4,749,783	4,590,472	96.65	126,165	4,716,637	99.30	
2001	5,226,089	5,064,629	96.91	120,493	5,185,122	99.22	
2002	5,551,282	5,446,561	98.11	68,855	5,515,416	99.35	
2003	5,769,041	5,669,666	98.28	79,130	5,748,796	99.65	
2004	6,067,630	5,839,457	96.24	143,544	5,983,001	98.61	
2005	7,774,815	7,558,601	97.22	186,766	7,745,367	99.62	
2006	7,977,289	7,702,891	96.56	245,869	7,948,760	99.64	
2007	8,371,040	8,065,911	96.35	292,334	8,358,245	99.85	
2008	8,302,541	7,895,779	95.10	-	7,895,779	95.10	

(1) Represents collections through the final distribution of taxes, including delinquent real taxes purchased by the county

(2) Represents all collections after the final distribution date, through the current date



## **Debt Capacity**

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

# Charter Township of Plymouth

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	1999	2000	2001	2002	2003
<b>Governmental Activities</b>					
General obligation bonds	\$ 650,000	\$ 585,000	\$ 515,000	\$ 445,000	\$ 365,000
Installment purchase agreements	-	-	-	-	1,134,279
Total	650,000	585,000	515,000	445,000	1,499,279
<b>Business-type Activities - General</b>					
obligation bonds	19,201,414	18,424,326	17,817,905	35,635,032	35,470,672
Total debt of the government	19,851,414	19,009,326	18,332,905	36,080,032	36,969,951
Taxable value	1,393,897,535	1,538,857,625	1,641,940,294	1,752,471,228	1,809,424,886
Ratio of total debt to taxable value	1.42%	1.24%	1.12%	2.06%	2.04%
Total population	27,087	27,798	28,443	28,585	28,783
Total debt per capita	\$ 733	\$ 684	\$ 645	\$ 1,262	\$ 1,284

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

	2004	2005	2006	2007	2008
	\$ 6,280,000	\$ 6,190,000	\$ 7,015,000	\$ 6,820,000	\$ 6,670,000
	<u>1,053,133</u>	<u>969,028</u>	<u>881,853</u>	<u>807,401</u>	<u>708,829</u>
	7,333,133	7,159,028	7,896,853	7,627,401	7,378,829
	<u>35,146,661</u>	<u>33,917,924</u>	<u>32,445,511</u>	<u>30,973,098</u>	<u>29,193,188</u>
	42,479,794	41,076,952	40,342,364	38,600,499	36,572,017
	1,907,830,033	1,997,427,281	2,049,801,903	2,162,628,360	2,140,702,506
	2.23%	2.06%	1.97%	1.78%	1.71%
	28,033	28,170	27,107	26,980	26,979
	\$ 1,515	\$ 1,458	\$ 1,488	\$ 1,431	\$ 1,356

# Charter Township of Plymouth

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

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Other General Obligation Debt	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
1999	\$ 650,000	\$ -	\$ 650,000	\$ 1,393,897,535	0.05	27,087	\$ 24.00
2000	585,000	-	585,000	1,538,857,625	0.04	27,798	21.04
2001	515,000	-	515,000	1,641,940,294	0.03	28,443	18.11
2002	445,000	-	445,000	1,752,471,228	0.03	28,585	15.57
2003	365,000	1,134,279	1,499,279	1,809,424,886	0.08	28,783	52.09
2004	6,280,000	1,053,133	7,333,133	1,907,830,033	0.38	28,033	261.59
2005	6,190,000	969,028	7,159,028	1,997,427,281	0.36	28,170	254.14
2006	7,015,000	881,853	7,896,853	2,049,801,903	0.39	27,107	291.32
2007	6,820,000	807,401	7,627,401	2,162,628,360	0.35	26,980	282.71
2008	6,670,000	708,829	7,378,829	2,140,702,506	0.34	26,979	273.50

# Charter Township of Plymouth

## Debt Capacity Direct and Overlapping Debt (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Plymouth-Canton Schools	\$ 210,140,000	32.92	\$ 69,178,088
Wayne County	136,128,379	3.81	5,186,491
Plymouth District Library	3,800,000	80.68	3,065,840
35th District Court	2,934,327	15.00	440,149
Total overlapping debt			77,870,568
Direct Charter Township of Plymouth debt			36,572,017
Total direct and overlapping debt			<u><u>\$ 114,442,585</u></u>

# Charter Township of Plymouth

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	1999	2000	2001	2002	2003
<b>Calculation of Debt Limit</b>					
State equalized valuation	\$ 1,472,452,505	\$ 1,658,966,650	\$ 1,862,611,820	\$ 2,002,201,818	\$ 2,122,362,096
10 percent of taxable value	147,245,251	165,896,665	186,261,182	200,220,182	212,236,210
<b>Calculation of Debt Subject to Limit</b>					
Total debt	19,851,414	19,009,326	18,332,905	36,080,032	36,969,951
Less debt not subject to limit:					
Installment purchase	-	-	-	-	1,134,279
Water and sewer contractual obligations	19,201,414	18,424,326	17,817,905	35,635,032	35,470,672
Net debt subject to limit	650,000	585,000	515,000	445,000	365,000
<b>Legal Debt Margin</b>	146,595,251	165,311,665	185,746,182	199,775,182	211,871,210
<b>Net Debt Subject to Limit as Percent of Debt Limit</b>					
	0.44%	0.35%	0.28%	0.22%	0.17%

**Debt Capacity**  
**Legal Debt Margin**  
(Unaudited)

2004	2005	2006	2007	2008
\$ 2,249,615,836	\$ 2,319,366,236	\$ 2,418,625,355	\$ 2,503,877,130	\$ 2,402,608,260
224,961,584	231,936,624	241,862,536	250,387,713	240,260,826
42,479,794	41,076,952	40,342,364	38,600,499	36,572,017
1,053,133	969,028	881,853	807,401	708,829
35,146,661	33,917,924	32,445,511	30,973,098	29,193,188
<u>6,280,000</u>	<u>6,190,000</u>	<u>7,015,000</u>	<u>6,820,000</u>	<u>6,670,000</u>
218,681,584	225,746,624	234,847,536	243,567,713	233,590,826
2.79%	2.67%	2.90%	2.72%	2.78%

## **Demographics and Economic Information**

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



# Charter Township of Plymouth

## Demographic and Economic Information Demographic and Economic Statistics (Unaudited)

Fiscal Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate
1999	27,087	(I)	(I)	1.20
2000	27,798	(I)	(I)	1.80
2001	28,443	(I)	(I)	2.20
2002	28,585	(I)	(I)	2.50
2003	28,783	(I)	(I)	2.70
2004	28,033	(I)	(I)	3.40
2005	28,170	(I)	(I)	2.90
2006	27,107	(I)	(I)	2.10
2007	26,980	(I)	(I)	2.30
2008	26,979	(I)	(I)	2.60

(I) Not available

# Charter Township of Plymouth

## Demographic and Economic Information Demographic and Economic Statistics (Unaudited)

Taxpayer	2008 Employees	Percentage of Total	1999 Employees	Percentage of Total
1 Johnson Controls	2,000	0.32	(I)	(I)
2 Automotive Components Holding	1,200	0.19	(I)	(I)
3 Plymouth Canton Community Schools	750	0.12	(I)	(I)
4 Unisys	500	0.08	(I)	(I)
5 Master Automatic	500	0.08	(I)	(I)
6 Tower Automotive	300	0.05	(I)	(I)
7 Metaldyne	280	0.04	(I)	(I)
8 Key Plastics Inc	250	0.04	(I)	(I)
9 Durr Industries	250	0.04	(I)	(I)
10 Frudenberg NOK	250	0.04	(I)	(I)
<b>Total</b>	<b><u>6,280</u></b>	<b><u>1.00</u></b>		

(I) Not available

# Charter Township of Plymouth

Function/Program	1999	2000	2001	2002	2003
General government:					
Supervisor's office	3.0	3.0	3.0	3.0	3.0
Human resources	1.0	1.0	1.0	1.0	1.0
Information services	5.5	3.0	3.0	3.0	3.0
Assessing	1.0	1.0	1.0	1.0	1.0
Clerk's office	5.5	5.5	6.5	6.5	6.5
Treasurer's office	3.5	3.5	3.5	3.5	3.5
<b>Total general government</b>	<b>19.5</b>	<b>17.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>
Public safety:					
Police	40.0	40.0	41.5	45.5	45.5
Fire and EMS	27.0	32.0	32.0	32.0	30.0
Building department	8.0	8.0	8.0	8.0	8.0
Public works:					
Waste management	1.0	1.0	1.0	1.0	1.0
Water and sewer	9.0	9.0	9.0	10.5	10.5
Public services	2.0	2.0	2.0	2.0	2.0
Community and economic development	2.0	2.0	2.0	2.0	2.0
Parks and recreation	2.7	2.7	2.7	2.7	2.7
<b>Total</b>	<b>111.2</b>	<b>113.7</b>	<b>116.2</b>	<b>121.7</b>	<b>119.7</b>

**Demographic and Economic Information**  
**Full-time Equivalent Government Employees**  
(Unaudited)

2004	2005	2006	2007	2008
3.0	3.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	1.0
3.0	3.0	3.0	2.0	2.5
1.0	1.0	1.0	1.0	1.0
6.5	5.5	5.5	6.5	6.5
<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>
18.0	17.0	17.0	17.0	17.5
46.5	45.5	45.0	45.0	45.0
31.0	30.0	28.0	26.0	28.0
6.0	6.0	6.0	4.0	3.5
1.0	1.0	1.0	1.0	1.0
10.5	10.5	10.5	10.5	10.5
2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0
<u>2.7</u>	<u>2.7</u>	<u>2.7</u>	<u>3.0</u>	<u>3.5</u>
<b><u>118.7</u></b>	<b><u>115.7</u></b>	<b><u>113.2</u></b>	<b><u>109.5</u></b>	<b><u>112.0</u></b>

## **Operating Information**

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

# Charter Township of Plymouth

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Function/Program	1999	2000	2001	2002
Election data - Registered voters	(I)	20,023	20,257	20,234
District court:				
Number of court cases	-	-	8,325	7,306
Police incidents	(I)	(I)	(I)	(I)
Fire:				
Fire runs	939	781	838	898
Emergency medical runs	2,159	2,379	2,378	2,436
Water:				
Number of customers billed	(I)	(I)	(I)	9,384
Water consumed in gallons	1,643,230,000	1,423,454,000	1,615,037,000	1,730,652,000
Water and sewer rate (per 1,000 gallons)	\$ 3.44	\$ 3.44	\$ 4.10	\$ 4.92
Building, other permits, and licenses issued	6,066	6,473	4,526	3,542

(I) Not available

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

2003	2004	2005	2006	2007	2008
(1)	21,175	(1)	20,399	20,332	20,609
5,697	5,531	4,944	4,993	5,802	5,913
12,354	11,696	10,393	10,652	10,222	11,088
854	794	771	762	944	912
2,389	2,297	2,301	2,248	2,440	2,424
9,441	9,548	9,602	9,648	9,679	9,720
1,508,206,000	1,463,046,000	1,610,929,000	1,512,705,000	1,549,699,000	1,443,051,287
\$ 4.86	\$ 4.86	\$ 4.86	\$ 5.42	\$ 6.34	\$ 6.34
3,421	(1)	2,390	1,932	1,845	1,716

# Charter Township of Plymouth

Function/Program	1998	1999	2000	2001	2002	2003
<b>Police:</b>						
Stations	1	1	1	1	1	1
Patrol units	18	18	18	18	18	20
<b>Fire:</b>						
Stations	3	3	3	3	3	3
Fire response vehicles	5	5	5	5	5	5
Emergency response vehicles	4	4	4	4	4	4
<b>Public works:</b>						
Streets (miles):					143.5	143.5
Paved	(1)	(1)	(1)	(1)	138	137.5
Unpaved	(1)	(1)	(1)	(1)	6	6.0
Sidewalks	(1)	(1)	(1)	(1)	(1)	(1)
<b>Parks and recreation:</b>						
Acreage	102.0	112.5	112.5	112.5	112.5	112.5
Developed parks/playgrounds	3	3	4	4	4	4
Developed fields (soccer, baseball, etc.)	4	4	4	4	4	4
Golf course	1	1	1	1	1	1
Water - Mains (miles)	(1)	(1)	(1)	(1)	172	172
Sewer - Miles of sanitary sewers	(1)	(1)	(1)	(1)	140	140

(1) Not available



**Operating Information**  
**Capital Asset Statistics**  
(Unaudited)

2004	2005	2006	2007	2008
1	1	1	1	1
20	20	18	18	18
3	3	3	3	3
5	5	5	5	5
4	4	4	4	4
143.5	143.5	143.5	143.5	143.5
139.5	139.5	140.0	140.0	140.5
4.0	4.0	3.0	3.0	3.0
(1)	(1)	(1)	(1)	(1)
112.5	112.5	112.5	112.5	112.5
5	5	5	5	5
6	6	6	6	6
1	1	1	1	1
174	175	176	176	176
140	140	141	141	141