

Grand Rapids Charter Township
Kent County, Michigan
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year ended December 31, 2008

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Grand Rapids Charter Township
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is intended as a narrative overview of the Grand Rapids Charter Township, Michigan's operations over the fiscal year and its financial condition on December 31, 2008.

FINANCIAL HIGHLIGHTS

- The Township's total net assets increased \$674,070 (6 percent) as a result of this year's operations.
- Of the \$11,662,686 total net assets reported, \$3,920,475 is unrestricted or available to be used to meet future operating and capital improvement needs.
- The General Fund's unreserved, undesignated fund balance at the end of the fiscal year was \$869,541, which represents 33 percent of the actual total General Fund expenditures for the fiscal year.

Overview of the financial statements

This discussion and analysis introduces the Township's basic financial statements that follow this section. These financial statements are presented to comply with Governmental Accounting Standards Board Statement No. 34. The Township's annual financial report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
 - The governmental funds statements tell how general government services like public works and public safety were financed in the short term, as well as what remains for future spending.
 - Proprietary fund statements offer short- and long-term financial information about the activities the government operates like a business. The Township's lone proprietary fund accounts for its building inspections department.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

A comparative analysis of the basic financial statements for 2008 and 2007 is also presented.

Grand Rapids Charter Township
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide statements

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

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

- Over time, increases or decreases in the Township's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's roads.

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

- *Governmental activities* - These activities include functions most commonly associated with government (e.g., general government, public safety, public works, etc.). Property taxes and intergovernmental revenues generally fund these services.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of operating the building inspections department.

Fund financial statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by grant agreements.
- The Township Board establishes other funds to control and manage money for particular purposes (like sewer and water improvements) or to show that it is properly using certain taxes and other revenues (like the street lighting and lakes management special assessments).

The Township has three kinds of funds:

- *Governmental funds.* Most of the Township's basic services are included in governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out and, (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship between them.

**Grand Rapids Charter Township
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.
- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the government. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Net Assets - Fiduciary Funds. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net assets

Total net assets at the end of the fiscal year were \$11,662,686, an increase of 6% compared to the prior year. However, \$7,483,378 of this total is invested in capital assets and \$258,833 is restricted for various purposes. Consequently, unrestricted net assets were \$3,920,475, 34% of the total.

*Condensed financial information
Net assets*

	<u>Governmental activities</u>	
	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 5,827,007	\$ 4,967,381
Capital assets	<u>7,483,378</u>	<u>7,601,546</u>
Total assets	<u>13,310,385</u>	<u>12,568,927</u>
Liabilities, other than long-term debt	<u>1,647,699</u>	<u>1,580,311</u>
Net assets:		
Invested in capital assets	7,483,378	7,601,546
Restricted	258,833	106,474
Unrestricted	<u>3,920,475</u>	<u>3,280,596</u>
Total net assets	<u>\$ 11,662,686</u>	<u>\$ 10,988,616</u>

**Grand Rapids Charter Township
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Changes in net assets

The Township's total revenues are \$3,587,790. Approximately 39% of the Township's revenues come from property taxes while state revenue sharing represents 28%. About 17% of total revenues come from charges for services.

*Condensed financial information
Changes in net assets*

	<u>Governmental activities</u>	
	<u>2008</u>	<u>2007</u>
Program revenues:		
Charges for services	\$ 454,055	\$ 410,129
Operating grants and contributions	115,970	59,303
Capital grants	79,916	74,436
General revenues:		
Property taxes	1,386,749	1,297,755
State shared revenue	1,000,880	940,957
Cable franchise fees	168,242	182,066
Interest income	150,033	208,816
Other	15,857	10,986
Special item:		
Gain on sale of land	<u>216,088</u>	<u>-</u>
Total revenues	<u>3,587,790</u>	<u>3,184,448</u>
Expenses:		
Legislative	20,632	19,764
General government	944,981	774,131
Public safety	1,454,713	1,462,900
Public works	223,195	389,732
Health and welfare	97,679	93,883
Community and economic development	97,627	112,325
Recreation and culture	<u>74,893</u>	<u>66,805</u>
Total expenses	<u>2,913,720</u>	<u>2,919,540</u>
Increase in net assets	<u>\$ 674,070</u>	<u>\$ 264,908</u>

Governmental activities

Governmental activities increased the Township's net assets by \$674,070 in the current year compared to a \$264,908 increase in the prior year. The Township experienced a significant gain on the sale of land, in the amount of \$216,088, in the current year, which augmented the increase in net assets. Program and general revenues also increased by \$187,254, while expenses decreased by \$5,820 to further enhance the increase in net assets compared to the prior year. The increase in revenue in the current year can be attributed primarily to the following significant items:

- The receipt of \$100,000 from Kent County that is restricted for maintenance of the courthouse property.
- A 3% increase in taxable value generated nearly \$89,000 in additional tax revenues.
- An increase in state shared revenue of nearly \$60,000.

The cost of all governmental activities this year was \$2,913,720 compared to \$2,919,540 in 2007. After subtracting the direct charges to those who directly benefited from the programs (\$454,055), and operating and capital grants (\$195,886), the "public benefit" portion covered by property taxes, state shared revenue, and other general revenues was \$2,263,779 in 2008, compared to \$2,375,672 in 2007.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

At December 31, 2008, the Township's governmental funds reported total fund balances of \$3,942,976, an increase of \$803,866 over last year.

The fund balance of the General Fund at year end was \$869,541, which represents a decrease of \$325,802 in 2008. The fund balance decreased due to increases in general government expenditures (\$185,000) and public works (\$153,000) expenditures. General government expenditures increased due to an increase in legal fees (\$75,000) and computer support fees (\$29,000), and public works expenditures increased due to an increase in road improvement costs.

The fund balance of the Improvement Revolving Fund at year end was \$2,880,875. The fund's equity increased by \$980,633 in 2008 primarily due to a sale of land that generated revenue of \$891,088.

General Fund budgetary highlights

Revenues were \$180,051 higher than budgeted as several revenue sources exceeded expectations. Property tax revenues (\$30,159), state grants (\$89,283), charges for services (\$52,477), and interest income (\$30,547) were all more than expected.

General Fund expenditures were \$157,570 less than the amounts appropriated because of the Township's continued ability to control operating costs. Fire Department costs were the most notable variance in that actual costs were \$78,347 less than appropriated.

These variances resulted in a \$336,980 positive budget variance, and a \$325,802 decrease in fund balance compared to a budgeted decrease of \$662,692.

**Grand Rapids Charter Township
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Capital assets

At December 31, 2008, the Township had invested \$7,483,378 in various capital assets, including its land, buildings, equipment, and vehicles. This amount represents a net decrease of \$118,168 in 2008.

This year's major capital asset additions included:

- Costs incurred to develop a bike trail in the amount of \$507,549.
- Costs associated with shared road costs in the amount of \$263,373.

Economic condition and outlook

The current economic condition has dramatically deteriorated during the last year on both the national and state level. There are very few indications of an economic turnaround nationally and most experts expect Michigan to lag behind any national recovery. The negative affect of the continuing recession on Grand Rapids Charter Township relates to our revenue sources for 2010 and 2011 and are as follows:

- a) The probable deflation of real property values in 2009 with lower property tax collection for 2010 and 2011 will be most likely be in the 1% to 2% range annually.
- b) High unemployment will likely result in less consumer spending and decrease state tax receipts that will impact the revenue we receive from State Constitutional Revenue Sharing by as much as 10%.
- c) The further slowdown in construction will likely result in less inspection fee revenue of approximately 25% this year and remain flat for 2010 with slow growth returning in 2011.
- d) The interest we earn on our investments will likely average in the 2.5% annual range which is one-third less than 2008 with no anticipated rebound in interest rates until late 2010.

The impact for the 2009 Grand Rapids Charter Township budget is an expected revenue drop of 3.8% from the 2008 level. The Township will likely see an additional decline of 6% in 2010 before stabilizing for the 2011 budget year. Grand Rapids Charter Township expects to weather the economic storm without increasing the burden on our residents of additional taxes or fees. We will take the necessary steps to control costs and provide essential services to live with the revenue projections.

Contacting the Township's financial management

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors, and creditors, and to demonstrate the Township's accountability for the money it receives. Questions regarding any information provided in this report or request for additional financial information should be addressed to:

Grand Rapids Charter Township
Michael DeVries, Supervisor
1836 East Beltline N.E.
Grand Rapids, MI 49525-4594

Phone: (616) 361-7391

INDEPENDENT AUDITORS' REPORT

**Board of Trustees
Grand Rapids Charter Township, Michigan**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grand Rapids Charter Township, Michigan, as of December 31, 2008, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Grand Rapids Charter Township, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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, each major fund, and the aggregate remaining fund information of Grand Rapids Charter Township, Michigan, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and the budgetary comparison information, as listed in the contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Board of Trustees
Grand Rapids Charter Township, Michigan
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grand Rapids Charter Township, Michigan's basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sigfried Crandall P.C.

March 12, 2009

BASIC FINANCIAL STATEMENTS

Grand Rapids Charter Township
STATEMENT OF NET ASSETS
December 31, 2008

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 2,228,187
Investments	2,397,940
Receivables	1,056,006
Prepaid expenses	<u>55,110</u>
Total current assets	<u>5,737,243</u>
Noncurrent assets:	
Receivables	89,764
Capital assets not being depreciated - land	4,299,000
Capital assets, net of accumulated depreciation	<u>3,184,378</u>
Total noncurrent assets	<u>7,573,142</u>
Total assets	<u>13,310,385</u>
LIABILITIES	
Current liabilities:	
Payables	128,744
Deferred revenue	<u>1,518,955</u>
Total current liabilities	<u>1,647,699</u>
NET ASSETS	
Invested in capital assets	7,483,378
Restricted for:	
Public safety	84,458
Public works	174,375
Unrestricted	<u>3,920,475</u>
Total net assets	<u>\$ 11,662,686</u>

See notes to financial statements

Grand Rapids Charter Township
STATEMENT OF ACTIVITIES
Year ended December 31, 2008

Functions/Programs	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expenses) revenues and changes in net assets</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	
Governmental activities:				
Legislative	\$ 20,632	\$ -	\$ -	\$ -
General government	944,981	85,383	-	-
Public safety	1,454,713	232,932	-	-
Public works	223,195	106,979	115,970	-
Health and welfare	97,679	-	-	-
Community and economic development	97,627	20,663	-	-
Recreation and culture	74,893	8,098	-	79,916
Total governmental activities	\$2,913,720	\$ 454,055	\$ 115,970	\$ 79,916
General revenues:				
Property taxes				1,386,749
State shared revenue				1,000,880
Franchise fees				168,242
Unrestricted interest income				150,033
Other				15,857
Total general revenues				2,721,761
Special item - gain on sale of land				216,088
Change in net assets				674,070
Net assets - beginning				10,988,616
Net assets - ending				\$ 11,662,686

See notes to financial statements

Grand Rapids Charter Township
BALANCE SHEET - governmental funds
December 31, 2008

	<u>Major funds</u>					<u>Total governmental funds</u>
	<u>General</u>	<u>Improvement Revolving</u>	<u>Public Safety</u>	<u>Leonard/Crahen/Foresthill Pathways</u>	<u>Nonmajor governmental funds</u>	
ASSETS						
Cash	\$ 570,865	\$ 959,557	\$ 362,099	\$ 18,197	\$ 237,123	\$ 2,147,841
Investments	476,622	1,921,318	-	-	-	2,397,940
Receivables	591,007	96,764	391,845	-	45,591	1,125,207
Total assets	<u>\$ 1,638,494</u>	<u>\$ 2,977,639</u>	<u>\$ 753,944</u>	<u>\$ 18,197</u>	<u>\$ 282,714</u>	<u>\$ 5,670,988</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Payables	\$ 103,312	\$ -	\$ -	\$ 1,540	\$ 7,441	\$ 112,293
Deferred revenue	665,641	96,764	753,944	-	99,370	1,615,719
Total liabilities	<u>768,953</u>	<u>96,764</u>	<u>753,944</u>	<u>1,540</u>	<u>106,811</u>	<u>1,728,012</u>
Fund balances:						
Unreserved, undesignated	869,541	2,880,875	-	16,657	-	3,767,073
Unreserved, reported in nonmajor: special revenue funds	-	-	-	-	175,903	175,903
Total fund balances	<u>869,541</u>	<u>2,880,875</u>	<u>-</u>	<u>16,657</u>	<u>175,903</u>	<u>3,942,976</u>
Total liabilities and fund balances	<u>\$ 1,638,494</u>	<u>\$ 2,977,639</u>	<u>\$ 753,944</u>	<u>\$ 18,197</u>	<u>\$ 282,714</u>	<u>\$ 5,670,988</u>

Amounts reported for governmental activities in the statement of net assets (page 5) are different because:

Total fund balances - governmental funds	\$ 3,942,976
Prepaid expenses are not reported in the funds.	55,110
Special assessments receivable are not available to pay for the current period's expenditures and, therefore, are deferred in the funds.	96,764
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	7,483,378
Net assets of the Building Inspections Fund are included in governmental activities.	<u>84,458</u>
Net assets of governmental activities	<u>\$ 11,662,686</u>

See notes to financial statements

Grand Rapids Charter Township
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - governmental funds
Year ended December 31, 2008

	<i>Major funds</i>			
	<u>General</u>	<u>Improvement Revolving</u>	<u>Public Safety</u>	<u>Leonard/ Crahen/ Foresthill Pathways</u>
REVENUES				
Property taxes	\$ 680,679	\$ -	\$ 731,519	\$ -
Licenses and permits	197,453	-	-	-
State grants	1,009,283	-	-	-
Intergovernmental	-	-	-	-
Charges for services	96,577	-	-	-
Interest and rentals	84,547	76,275	-	2,640
Other	8,432	13,270	-	79,916
Total revenues	<u>2,076,971</u>	<u>89,545</u>	<u>731,519</u>	<u>82,556</u>
EXPENDITURES				
Legislative	20,632	-	-	-
General government	893,793	-	-	-
Public safety	1,113,296	-	-	-
Public works	353,472	-	-	-
Health and welfare	105,869	-	-	-
Community and economic development	91,337	-	-	-
Recreation and culture	11,879	-	-	-
Capital outlay	54,014	-	-	507,549
Total expenditures	<u>2,644,292</u>	<u>-</u>	<u>-</u>	<u>507,549</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(567,321)</u>	<u>89,545</u>	<u>731,519</u>	<u>(424,993)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	731,519	-	-	420,000
Transfers out	(490,000)	-	(731,519)	-
Total other sources (uses)	<u>241,519</u>	<u>-</u>	<u>(731,519)</u>	<u>420,000</u>
SPECIAL ITEM				
Proceeds from sale of land	-	891,088	-	-
NET CHANGES IN FUND BALANCES	(325,802)	980,633	-	(4,993)
FUND BALANCES - BEGINNING	<u>1,195,343</u>	<u>1,900,242</u>	<u>-</u>	<u>21,650</u>
FUND BALANCES - ENDING	<u>\$ 869,541</u>	<u>\$ 2,880,875</u>	<u>\$ -</u>	<u>\$ 16,657</u>

<i>Nonmajor governmental funds</i>	<i>Total governmental funds</i>
\$ -	\$ 1,412,198
-	197,453
-	1,009,283
100,000	100,000
-	96,577
2,164	165,626
<u>103,253</u>	<u>204,871</u>
<u>205,417</u>	<u>3,186,008</u>
-	20,632
-	893,793
-	1,113,296
121,389	474,861
-	105,869
-	91,337
-	11,879
-	<u>561,563</u>
<u>121,389</u>	<u>3,273,230</u>
<u>84,028</u>	<u>(87,222)</u>
70,000	1,221,519
-	<u>(1,221,519)</u>
<u>70,000</u>	<u>-</u>
-	<u>891,088</u>
154,028	803,866
<u>21,875</u>	<u>3,139,110</u>
<u>\$ 175,903</u>	<u>\$ 3,942,976</u>

See notes to financial statements

Grand Rapids Charter Township
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - governmental funds (Continued)
Year ended December 31, 2008

Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:

Net change in fund balances - total governmental funds (page 8) \$ 803,866

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital assets:

Assets acquired	812,053
Assets disposed	(675,000)
Provision for depreciation	(255,221)

Change in other assets/liabilities:

Prepaid expenses	(650)
Special assessments receivable	(10,270)

Net expenses of the Building Inspections Fund (708)

Change in net assets of *governmental activities* (page 6) \$ 674,070

Grand Rapids Charter Township
STATEMENT OF NET ASSETS - proprietary fund
December 31, 2008

	<i>Building Inspections</i>
ASSETS	
Cash	\$ 80,346
Receivables	<u>20,563</u>
Total assets	100,909
LIABILITIES	
Payables	<u>16,451</u>
NET ASSETS	84,458

Amounts reported for business-type activities in the government-wide statement of net assets (page 5) are different because:

Assets and liabilities of the Building Inspections Fund have been combined with those of governmental activities.	<u>(84,458)</u>
Net assets of business-type activities	<u>\$ -</u>

Grand Rapids Charter Township
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET ASSETS - *proprietary fund*
Year ended December 31, 2008

	<u><i>Building Inspections</i></u>
OPERATING REVENUES	
Charges for services - licenses and permits	\$ 195,964
OPERATING EXPENSES	
Salaries and fringe benefits	39,901
Contracted services	<u>156,771</u>
Total operating expenses	<u>196,672</u>
CHANGE IN NET ASSETS	(708)
NET ASSETS - BEGINNING	<u>85,166</u>
NET ASSETS - ENDING	<u>\$ 84,458</u>
CHANGE IN NET ASSETS	\$ (708)
Amounts reported for business-type activities in the government-wide statement of activities (page 6) are different because:	
Revenues and expenses of the Building Inspections Fund have been combined with those of the governmental activities.	<u>708</u>
Change in net assets of business-type activities	<u>\$ -</u>

See notes to financial statements

Grand Rapids Charter Township
STATEMENT OF CASH FLOWS - proprietary fund
Year ended December 31, 2008

	<u>Building Inspections</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 184,801
Payments to employees	18,823
Payments to suppliers	<u>(206,564)</u>
Net cash used in operating activities	(2,940)
CASH - BEGINNING	<u>83,286</u>
CASH - ENDING	<u>\$ 80,346</u>
Reconciliation of change in net assets to net cash used in operating activities:	
Change in net assets	\$ (708)
Adjustments to reconcile the change in net assets to net cash used in operating activities:	
Increase in receivables	(11,163)
Increase in payables	<u>8,931</u>
Net cash used in operating activities	<u>\$ (2,940)</u>

See notes to financial statements

Grand Rapids Charter Township
STATEMENT OF FIDUCIARY NET ASSETS - Agency Funds
December 31, 2008

ASSETS

Cash \$ 914,240

LIABILITIES

Due to other governmental units \$ 914,240

See notes to financial statements

Grand Rapids Charter Township NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Grand Rapids Charter Township, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present the Township and its component unit, an entity for which the Township is considered to be financially accountable. Component units are normally reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the Township.

Discretely-presented component unit:

Plainfield Avenue Corridor Improvement Authority:

The Authority was created in 2007 under the provisions of Act 280, Public Acts of 2005 of the State of Michigan. The purpose of the Authority is to redevelop and promote economic growth within the Plainfield Avenue corridor. The Authority's revenues are primarily derived through tax increment financing. The Authority's governing body is appointed by the Township Board and its budget must be approved by the Township Board. The Authority had no transactions occur during the year; therefore, no information regarding the Authority has been included in the accompanying financial statements in 2007. Separate financial statements will not be issued for the Authority, as management believes these financial statements, including disclosures, contain complete information so as to constitute a fair presentation of the Authority.

b) 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 Township. The effect of interfund activity has been removed from these statements. Governmental activities, normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) 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 fiduciary fund financial statements. Revenues are 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. 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.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Improvement Revolving Fund accounts for utility improvements financed through special assessments.

The Public Safety Fund accounts for the financial resources used for the operational costs of the Township's public safety functions. Revenues are derived from property taxes.

The Leonard/Crahen/Foresthill Pathways Fund accounts for the financial resources used for the construction and maintenance of nonmotorized trails within the Township. Revenues are derived from transfers from the General Fund and private contributions.

The Township reports a single proprietary fund, the Building Inspections Fund, which accounts for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

The Township reports fiduciary funds, its Agency and Tax Collection funds, which account for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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 (GASB). Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector standards.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

d) Assets, liabilities, and net assets or equity:

i) Bank deposits - Cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) Receivables - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the government-wide financial statements.

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) *Assets, liabilities, and net assets or equity* (continued):

iv) *Capital assets* - Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., shared road costs, pathways, and similar items), are reported in the government-wide financial statements. Capital assets other than infrastructure are defined by the Township as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets retroactively.

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

Buildings and improvements	40 years
Land improvements	20 years
Equipment	5 - 10 years
Vehicles	10 - 15 years

v) *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.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (with the final collection date of February 28), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, taxes have been deferred from recognition as revenue until the following year.

The 2008 taxable valuation of the Township totaled \$887,535,646, on which ad valorem taxes levied consisted of the following:

<u>Fund</u>	<u>Millage rate</u>	<u>Purpose</u>	<u>Taxes raised</u>
General	0.7500	Operating	\$ 665,641
Public safety	0.8495	Public safety	753,944

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. The budget document presents information by fund, function, department, and line-item. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth a significant budget variance:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance</u>
General	Capital outlay	\$ 48,200	\$ 54,014	\$ (5,814)

NOTE 3 - CASH AND INVESTMENTS:

The Township's deposits and investments were reported in the basic financial statements as follows:

	<u>Governmental activities</u>	<u>Fiduciary funds</u>	<u>Totals</u>
Cash	\$ 2,228,187	\$ 914,240	\$ 3,142,427
Investments	<u>2,397,940</u>	<u>-</u>	<u>2,397,940</u>
Totals	<u>\$ 4,626,127</u>	<u>\$ 914,240</u>	<u>\$ 5,540,367</u>

Deposits:

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance. As of December 31, 2008, \$2,508,828 of the Township's bank balances of \$3,008,828 was exposed to custodial credit risk because it was uninsured. The Township believes that it is impractical to insure all bank deposits. The Township evaluates each financial institution with which it deposits funds and assesses the risk level of each financial institution. Only the institutions with an acceptable estimated risk level are used as depositories.

Investments:

State statutes authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds; and f) investment pools organized under the local government investment pool act. The Township's investments consist of holdings in the Kent County Investment Pool and the Michigan Class Investment Pool, which are nonrisk categorized, qualifying investments that are carried at cost, which approximates fair market value.

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - RECEIVABLES:

Receivables as of year end of the Township's funds, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter-governmental</u>	<u>Total</u>
Governmental:					
General	\$ 76,115	\$ 346,385	\$ -	\$ 168,507	\$ 591,007
Improvement Revolving	-	-	96,764	-	96,764
Public Safety	-	391,845	-	-	391,845
Nonmajor	-	-	45,591	-	45,591
	76,115	738,230	142,355	168,507	1,125,207
Proprietary:					
Building Inspections	20,563	-	-	-	20,563
Totals	<u>\$ 96,678</u>	<u>\$ 738,230</u>	<u>\$ 142,355</u>	<u>\$ 168,507</u>	<u>\$ 1,145,770</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,764</u>	<u>\$ -</u>	<u>\$ 89,764</u>

NOTE 5 - DEFERRED REVENUE:

Governmental funds report deferred revenues in connection with resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds may also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, several of the funds deferred recognition of revenues that were considered unearned or unavailable at December 31, 2008. The types of revenues deferred, by fund, follow:

<u>Fund</u>	<u>Unearned taxes</u>	<u>Unearned assessments</u>	<u>Unavailable assessments</u>	<u>Totals</u>
General	\$ 665,641	\$ -	\$ -	\$ 665,641
Improvement Revolving	-	-	96,764	96,764
Public Safety	753,944	-	-	753,944
Nonmajor governmental	-	99,370	-	99,370
Totals	<u>\$ 1,419,585</u>	<u>\$ 99,370</u>	<u>\$ 96,764</u>	<u>\$ 1,615,719</u>

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2008, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 4,974,000	\$ -	\$ (675,000)	\$ 4,299,000
Capital assets being depreciated:				
Infrastructure - shared road costs	131,350	263,373	-	394,723
Building and improvements	3,191,730	507,549	-	3,699,279
Equipment	395,333	12,431	-	407,764
Vehicles	942,257	28,700	-	970,957
Subtotal	<u>4,660,670</u>	<u>812,053</u>	<u>-</u>	<u>5,472,723</u>
Less accumulated depreciation for:				
Infrastructure - shared road costs	(5,930)	(5,140)	-	(11,070)
Buildings and improvements	(1,175,456)	(117,794)	-	(1,293,250)
Equipment	(205,964)	(32,889)	-	(238,853)
Vehicles	(645,774)	(99,398)	-	(745,172)
Subtotal	<u>(2,033,124)</u>	<u>(255,221)</u>	<u>-</u>	<u>(2,288,345)</u>
Total capital assets being depreciated, net	<u>2,627,546</u>	<u>556,832</u>	<u>-</u>	<u>3,184,378</u>
Governmental activities capital assets, net	<u>\$ 7,601,546</u>	<u>\$ 556,832</u>	<u>\$ (675,000)</u>	<u>\$ 7,483,378</u>

Depreciation expense was charged to functions of the Township as follows:

<i>Governmental activities:</i>	
General government	\$ 51,496
Public safety	129,004
Public works	11,707
Recreation and culture	63,014
Total	<u>\$ 255,221</u>

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 - PAYABLES:

Payables as of year end of the Township's funds, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Inter-govern- mental</u>	<u>Totals</u>
Governmental:				
General	\$ 18,205	\$ 30,640	\$ 54,467	\$ 103,312
Pathways	1,540	-	-	1,540
Nonmajor governmental	<u>7,441</u>	<u>-</u>	<u>-</u>	<u>7,441</u>
	27,186	30,640	54,467	112,293
Proprietary:				
Building Inspections	<u>-</u>	<u>-</u>	<u>16,451</u>	<u>16,451</u>
Totals	<u>\$ 27,186</u>	<u>\$ 30,640</u>	<u>\$ 70,918</u>	<u>\$ 128,744</u>

NOTE 8 - INTERFUND TRANSFERS:

Interfund transfers for the year ended December 31, 2008, are as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	\$ <u>731,519</u>	Public Safety	\$ 731,519
Leonard/Crahen/Foresthill Pathways	420,000		
Nonmajor governmental	<u>70,000</u>		
	490,000	General	<u>490,000</u>
Totals	<u>\$ 1,221,519</u>	Totals	<u>\$ 1,221,519</u>

The transfer to the General Fund represents restricted revenues collected in the Public Safety Fund to pay for operational costs of the public safety functions accounted for in the General Fund. The transfers to the Leonard/Crahen/Foresthill Pathways and nonmajor governmental funds consist of unrestricted General Fund resources that support various programs that are accounted for in other funds of the Township.

NOTE 9 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Grand Rapids Charter Township
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN:

The Township provides pension benefits for most of its employees through a defined contribution plan. The plan covers all full-time employees and Grand Rapids Charter Township officials with supervisory duties. 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. The Township contributes a percentage of each qualified employee's base salary to the plan. The Township contributes 12% for non-union employees and union employees. The Township's contributions are fully vested immediately. The Township made the required contributions of \$73,730 for the year ended December 31, 2008.

The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

NOTE 11 - RESTRICTED NET ASSETS:

Net assets of the governmental activities as of December 31, 2008, are restricted for the following purposes:

Public safety - construction code inspections	<u>\$ 84,458</u>
Public works:	
Courthouse at Knapp's Corner	152,160
Lakes management	17,142
Street lighting and maintenance	<u>5,073</u>
Total public works	<u>174,375</u>
Total	<u>\$ 258,833</u>

REQUIRED SUPPLEMENTARY INFORMATION

Grand Rapids Charter Township
BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended December 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Property taxes	\$ 650,520	\$ 650,520	\$ 680,679	\$ 30,159
Licenses and permits	199,200	199,200	197,453	(1,747)
State grants	920,000	920,000	1,009,283	89,283
Charges for services	44,100	44,100	96,577	52,477
Interest and rentals	54,000	54,000	84,547	30,547
Other	429,100	29,100	8,432	(20,668)
Total revenues	<u>2,296,920</u>	<u>1,896,920</u>	<u>2,076,971</u>	<u>180,051</u>
EXPENDITURES				
Legislative	<u>19,630</u>	<u>19,630</u>	<u>20,632</u>	<u>(1,002)</u>
General government:				
Supervisor	62,600	62,600	54,100	8,500
Elections	51,200	51,200	55,049	(3,849)
Assessor	111,200	111,200	83,414	27,786
Clerk	102,400	102,400	100,998	1,402
Board of review	1,277	1,277	1,131	146
Treasurer	78,600	78,600	74,291	4,309
Hall and grounds	117,200	117,200	108,820	8,380
Cemetery	1,200	1,200	800	400
General administration	315,720	375,720	415,190	(39,470)
Total general government	<u>841,397</u>	<u>901,397</u>	<u>893,793</u>	<u>7,604</u>
Public safety:				
Police protection	475,000	475,000	478,103	(3,103)
Fire department	713,540	713,540	635,193	78,347
Total public safety	<u>1,188,540</u>	<u>1,188,540</u>	<u>1,113,296</u>	<u>75,244</u>
Public works:				
Road improvements and maintenance	141,500	270,000	265,000	5,000
Pathways	-	50,000	50,000	-
Other	10,000	53,166	36,153	17,013
Street lights	2,500	2,500	2,319	181
Total public works	<u>154,000</u>	<u>375,666</u>	<u>353,472</u>	<u>22,194</u>

Grand Rapids Charter Township
BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended December 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Health and welfare - ambulance	\$ 111,400	\$ 111,400	\$ 105,869	\$ 5,531
Community and economic development - planning and zoning	<u>137,529</u>	<u>137,529</u>	<u>91,337</u>	<u>46,192</u>
Recreation and culture - parks and recreation	<u>19,500</u>	<u>19,500</u>	<u>11,879</u>	<u>7,621</u>
Capital outlay	<u>48,200</u>	<u>48,200</u>	<u>54,014</u>	<u>(5,814)</u>
Total expenditures	<u>2,520,196</u>	<u>2,801,862</u>	<u>2,644,292</u>	<u>157,570</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(223,276)</u>	<u>(904,942)</u>	<u>(567,321)</u>	<u>337,621</u>
OTHER FINANCING SOURCES (USES)				
Transfer in - Public Safety Fund	<u>732,250</u>	<u>732,250</u>	<u>731,519</u>	<u>(731)</u>
Transfers out:				
Leonard/Crahen/Forest Hills Pathway Fund	(420,000)	(420,000)	(420,000)	-
Courthouse at Knapp's Corner Fund	-	(50,000)	(50,000)	-
East Beltline Gateway Fund	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total transfers out	<u>(420,000)</u>	<u>(490,000)</u>	<u>(490,000)</u>	<u>-</u>
Total other financing sources	<u>312,250</u>	<u>242,250</u>	<u>241,519</u>	<u>(731)</u>
NET CHANGES IN FUND BALANCES	88,974	(662,692)	(325,802)	336,890
FUND BALANCES - BEGINNING	<u>1,195,343</u>	<u>1,195,343</u>	<u>1,195,343</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,284,317</u>	<u>\$ 532,651</u>	<u>\$ 869,541</u>	<u>\$ 336,890</u>

Grand Rapids Charter Township
BUDGETARY COMPARISON SCHEDULE - Improvement Revolving Fund
Year ended December 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Interest	\$ 92,500	\$ 92,500	\$ 76,275	\$ (16,225)
Other - special assessments	7,694	7,694	13,270	5,576
Total revenues	<u>100,194</u>	<u>100,194</u>	<u>89,545</u>	<u>(10,649)</u>
SPECIAL ITEM				
Proceeds from sale of land	<u>-</u>	<u>-</u>	891,088	891,088
NET CHANGES IN FUND BALANCES	100,194	100,194	980,633	880,439
FUND BALANCES - BEGINNING	<u>1,900,242</u>	<u>1,900,242</u>	<u>1,900,242</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,000,436</u>	<u>\$ 2,000,436</u>	<u>\$ 2,880,875</u>	<u>\$ 880,439</u>

Grand Rapids Charter Township
BUDGETARY COMPARISON SCHEDULE - Public Safety Fund
Year ended December 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Property taxes	\$ 646,500	\$ 732,250	\$ 731,519	\$ (731)
OTHER FINANCING USES				
Transfer out - General Fund	<u>(646,500)</u>	<u>(732,250)</u>	<u>(731,519)</u>	<u>731</u>
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Grand Rapids Charter Township
BUDGETARY COMPARISON SCHEDULE - Leonard/Crahen/Foresthill Pathways Fund
Year ended December 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Interest	\$ 500	\$ 500	\$ 2,640	\$ 2,140
Other - private contributions	<u>700,000</u>	<u>280,000</u>	<u>79,916</u>	<u>(200,084)</u>
Total revenues	700,500	280,500	82,556	(197,944)
EXPENDITURES				
Capital outlay	<u>700,000</u>	<u>700,000</u>	<u>507,549</u>	<u>192,451</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	500	(419,500)	(424,993)	(390,395)
OTHER FINANCING SOURCES				
Transfers in - General Fund	<u>-</u>	<u>420,000</u>	<u>420,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCES				
	500	500	(4,993)	(390,395)
FUND BALANCE - BEGINNING				
	<u>21,650</u>	<u>21,650</u>	<u>21,650</u>	<u>-</u>
FUND BALANCE - ENDING				
	<u>\$ 22,150</u>	<u>\$ 22,150</u>	<u>\$ 16,657</u>	<u>\$ (390,395)</u>

SUPPLEMENTARY INFORMATION

Grand Rapids Charter Township
COMBINING BALANCE SHEET - nonmajor governmental funds
 December 31, 2008

	<u>Special revenue funds</u>				<u>Totals</u>
	<u>Lakes Management</u>	<u>Lighting and Maintenance</u>	<u>Courthouse at Knapp's Corner</u>	<u>East Beltline Gateway</u>	
ASSETS					
Cash	\$ 29,078	\$ 54,357	\$ 152,160	\$ 1,528	\$ 237,123
Receivables	11,754	33,837	-	-	45,591
Total assets	<u>\$ 40,832</u>	<u>\$ 88,194</u>	<u>\$ 152,160</u>	<u>\$ 1,528</u>	<u>\$ 282,714</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Payables	\$ -	\$ 7,441	\$ -	\$ -	\$ 7,441
Deferred revenue	23,690	75,680	-	-	99,370
Total liabilities	23,690	83,121	-	-	106,811
Fund balances - unreserved, undesignated	17,142	5,073	152,160	1,528	175,903
Total liabilities and fund balances	<u>\$ 40,832</u>	<u>\$ 88,194</u>	<u>\$ 152,160</u>	<u>\$ 1,528</u>	<u>\$ 282,714</u>

Grand Rapids Charter Township

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - nonmajor governmental funds**

Year ended December 31, 2008

	<u>Special revenue funds</u>				<u>Totals</u>
	<u>Lakes Management</u>	<u>Lighting and Maintenance</u>	<u>Courthouse at Knapp's Corner</u>	<u>East Beltline Gateway</u>	
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
Interest	2	2	2,160	-	2,164
Other:					
Special assessments	23,528	70,500	-	-	94,028
Private contributions	-	-	-	4,800	4,800
Miscellaneous	-	4,425	-	-	4,425
 Total revenues	 23,530	 74,927	 102,160	 4,800	 205,417
EXPENDITURES					
Public works	15,702	81,848	-	23,839	121,389
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,828	(6,921)	102,160	(19,039)	84,028
OTHER FINANCING SOURCES					
Transfers in - General Fund	-	-	50,000	20,000	70,000
NET CHANGES IN FUND BALANCES	7,828	(6,921)	152,160	961	154,028
FUND BALANCE - BEGINNING	9,314	11,994	-	567	21,875
FUND BALANCE - ENDING	<u>\$ 17,142</u>	<u>\$ 5,073</u>	<u>\$ 152,160</u>	<u>\$ 1,528</u>	<u>\$ 175,903</u>