

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

**Financial Report
with Supplemental Information
March 31, 2010**

Charter Township of Clinton

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Clinton (the "Township") as of and for the year ended March 31, 2010, 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 Clinton's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Clinton as of March 31, 2010 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.

The management's discussion and analysis, pension system schedule of funding progress and employer contributions, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Trustees
Charter Township of Clinton

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Clinton's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2010 on our consideration of the Charter Township of Clinton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plante & Moran, PLLC

September 13, 2010

Charter Township of Clinton

Management's Discussion and Analysis

Introduction

This discussion and analysis is included with the Charter Township of Clinton's (the "Township") financial report to provide an overview of the Township's financial activities for the fiscal year ended March 31, 2010. Please read it in conjunction with the financial statements.

Overview of this Annual Report

The basic financial statements section of this report consists of the government-wide financial statements, fund financial statements, and notes to financial statements. The notes section is to be read in conjunction with and is an integral part of each financial statement included within both series.

The first and shorter of this series provides information about the activities of the Charter Township of Clinton on a government-wide basis. There are two statements in this series, namely, a statement of net assets and a statement of activities. These government-wide statements are presented on pages 13-15. These two statements are presented on a full accrual basis which is designed to present a longer-term view of the Township's finances. Unlike the more traditional fund-based financial statements, all activities reflected in these statements reflect the Township's investment in capital assets net of depreciation as an asset, noncurrent liabilities as liabilities, and the current period's depreciation as an expenditure.

The second of these two series is presented on pages 16-28. This series consists of the more traditional fund-based financial statements. It is grouped by governmental funds, proprietary funds, fiduciary funds, and component units. These statements illustrate how the services provided by the Township were financed in the short term. Additionally, these fund-based financial statements report the Township's operations in more detail than the government-wide financial statements.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

Government-wide Financial Statements

In a condensed format, the following table shows the comparison of net assets (in thousands) as of March 31, 2010 and 2009:

Summary Condensed Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current Assets	\$ 60,981.3	\$ 59,996.6	\$ 7,509.6	\$ 12,258.1	\$ 68,490.9	\$ 72,254.7
Noncurrent Assets						
Restricted assets	-	-	1,551.4	1,548.6	1,551.4	1,548.6
Special assessments	-	-	920.9	1,113.3	920.9	1,113.3
Capital assets (as restated)	41,681.5	43,263.7	120,465.9	119,923.4	162,147.4	163,187.1
Total assets	102,662.8	103,260.3	130,447.8	134,843.4	233,110.6	238,103.7
Liabilities						
Current liabilities	6,119.4	6,402.4	4,309.3	5,051.7	10,428.7	11,454.1
Long-term liabilities	31,712.6	32,923.0	22,254.9	24,046.8	53,967.5	56,969.8
Total liabilities	37,832.0	39,325.4	26,564.2	29,098.5	64,396.2	68,423.9
Net Assets (as Restated)						
Invested in capital assets - Net of related debt	17,239.9	17,841.4	97,864.1	95,436.3	115,104.0	113,277.7
Restricted	38,013.8	35,339.6	1,835.0	1,905.3	39,848.8	37,244.9
Unrestricted	9,577.1	10,753.9	4,184.5	8,403.3	13,761.6	19,157.2
Total net assets	<u>\$ 64,830.8</u>	<u>\$ 63,934.9</u>	<u>\$ 103,883.6</u>	<u>\$ 105,744.9</u>	<u>\$ 168,714.4</u>	<u>\$ 169,679.8</u>

Total net assets related to the Township's governmental activities increased by approximately \$900 thousand. An approximate \$1.23 million increase resulted from revenue exceeding expenditures across most governmental funds due to the close monitoring of expenditures, unfilled full-time vacant positions due to retirements to keep staffing at a minimum, and the deferring of capital expenditures. During the fiscal year, the Township moved many of its current retirees to a Medicare Advantage plan for its healthcare insurance, which provided a significant cost savings. Another \$100 thousand of the increase in net assets is the result of a reduction in the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. Net assets were increased by approximately \$130 thousand due to a decrease in accumulated sick and vacation pay liability.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

For the year ended March 31, 2010, the Township continues to record its liability/asset (in the Township's case for March 31, 2010, it is an asset) in accordance with Governmental Accounting Standards Board Statement No. 45 (GASB No. 45), *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement's rules cause the government-wide statements to recognize the cost of providing retiree healthcare coverage, as well as any "other" postemployment benefits (other than pensions), over the working life of the employee, rather than at the time the healthcare premiums are paid. The implementation of this pronouncement began on March 31, 2009 and resulted in an additional asset recorded at the government-wide level of \$899 thousand. This asset was reduced by \$80 thousand to \$820 thousand at March 31, 2010. The Township, in its 2010/2011 budget, plans to use this asset to offset the obligation for the fiscal year.

The remainder of the difference in net assets of the approximate \$600 thousand decrease can be attributed to the change in capital assets net of related debt.

The following table shows the changes in net assets (in thousands of dollars) during the years ended March 31, 2010 and 2009:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue						
Program revenue:						
Charges for services	\$ 2,916.2	\$ 4,244.1	\$ 27,946.1	\$ 26,066.7	\$ 30,862.3	\$ 30,310.8
Operating grants and contributions	2,877.8	2,390.5	-	-	2,877.8	2,390.5
Capital grants and contributions (as restated)	219.0	12.3	387.0	121.0	606.0	133.3
General revenue:						
Property taxes	38,297.1	39,384.1	-	-	38,297.1	39,384.1
State-shared revenue	6,639.3	7,723.8	-	-	6,639.3	7,723.8
Interest	68.4	518.8	80.1	307.7	148.5	826.5
Miscellaneous	2,456.4	1,689.5	-	15.6	2,456.4	1,705.1
Total revenue	53,474.2	55,963.1	28,413.2	26,511.0	81,887.4	82,474.1
Program Expenses						
General government	4,581.1	5,547.9	-	-	4,581.1	5,547.9
Public safety	38,293.7	36,607.6	-	-	38,293.7	36,607.6
Public works	5,078.4	6,004.4	-	-	5,078.4	6,004.4
Recreation and culture	2,621.4	2,096.4	-	-	2,621.4	2,096.4
Community and economic development	715.6	-	-	-	715.6	-
Interest on long-term debt	1,364.4	1,413.5	-	-	1,364.4	1,413.5
Water and sewer (as restated)	-	-	24,747.0	24,659.9	24,747.0	24,659.9
Senior housing	-	-	1,497.1	1,476.2	1,497.1	1,476.2
Sanitation	-	-	3,881.3	3,892.3	3,881.3	3,892.3
Special assessments	-	-	72.8	12.3	72.8	12.3
Total program expenses	52,654.6	51,669.8	30,198.2	30,040.7	82,852.8	81,710.5
Change in Net Assets - Before transfers	819.6	4,293.3	(1,785.0)	(3,529.7)	(965.4)	763.6
Transfers	76.3	112.8	(76.3)	(112.8)	-	-
Change in Net Assets	895.9	4,406.1	(1,861.3)	(3,642.5)	(965.4)	763.6
Net Assets - Beginning of year (as restated)	63,934.9	59,528.8	105,744.9	109,387.4	169,679.8	168,916.2
Net Assets - End of year (as restated)	\$ 64,830.8	\$ 63,934.9	\$ 103,883.6	\$ 105,744.9	\$ 168,714.4	\$ 169,679.8

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

Property taxes are the primary source of revenue for the governmental activities, providing approximately 72 percent of the total. State-shared revenue provides another 12 percent, user charges provide 5 percent, and grants and contributions provide 6 percent, leaving only 5 percent being provided by all other sources.

Property taxes, the largest source of general government revenue, experienced a decrease of approximately 3 percent due to a decrease in taxable property values. This was the first decrease in property values that the Township has experienced in over 25 years.

State-shared revenue, our second largest source of general government revenue, continued at the reduced levels of recent years and was reduced an additional 14 percent or approximately \$1.1 million during this fiscal year. The amount received from the State during the 2010 fiscal year was approximately \$3.6 million less than what the Township received in the 2002 fiscal year. The Township countered these reductions by leaving vacant the positions resulting from retirements to keep the effect on non-personnel related expenditures at a minimum. The Township continues to budget for staff reductions through attrition in its 2010/2011 budget to counter the continuance of revenue reductions being endured. The continued sluggishness of the State's economy continues to directly impact revenue-sharing payments. The Township realizes that there are no guarantees that further revenue-sharing cuts will not be made as the State continues to struggle with its own budget difficulties. As a result, the Township is taking a proactive approach and including continued reductions of state-shared revenues in its three-year projections.

Governmental activities include those activities accounted for in the following funds:

General Fund	Fire Fund
Police Fund	Capital Improvement Revolving Fund
Community Development Block Fund	Drainage Fund
Drug Forfeiture Fund	Postemployment Benefit Fund
Building Authority	Street Lighting Fund
Police Facility Debt Service Fund	Neighborhood Stabilization Fund
41-B District Court Debt Service Fund	

Such activities include those of the Township's police and fire departments, public works, recreation, building, planning, assessing, and administrative departments.

Business-type activities are accounted for in the Township's Water and Sewer, Sanitation, Senior Housing, and Special Assessment Funds.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

Fund-based Financial Statements

The fund-based financial statements provide detailed information about individual significant funds created by the Township to help segregate money for specific purposes as well as to show accountability for certain activities. While the government-wide financial statements attempt to give the reader a simple overview of the Township's finances, to achieve a more complete understanding it is necessary to consider matters such as restrictions placed on certain tax assessments or fund balances either by law or policy. Users of this financial report will best achieve this understanding from the fund-based statements.

Financial and Budgetary Highlights

General Fund - Overall, General Fund revenue decreased by 7.5 percent from the prior year. The actual property tax revenue in the General Fund has decreased by 3 percent. The overall property tax revenue, which includes payment in lieu of taxes and prior year adjustments, decreased by less than 1 percent. Revenue from state sources, the General Fund's largest revenue source, decreased by 11.4 percent mainly due to a drop in state-shared revenue of 14 percent. Fees and permit revenue was down 32.6 percent due to continued reduction in the building and development activity in the Township. Interest income continued to decrease resulting in an 81 percent reduction from the prior year due to declining market rates and fewer funds available to invest.

Total General Fund expenditures decreased by approximately 1.7 percent from the prior year. When preparing the 2009/2010 budget and over the course of the year, the Township board and administration continued to look for areas to trim expenditures. The originally adopted 2009/2010 budget contained the reduction of five full-time positions, and during the course of the fiscal year an additional nine full-time positions were eliminated. Conservative revenue projections, unfilled vacant positions, and carefully controlled spending resulted in favorable budget variances at year end.

Police Fund - Overall, Police Fund revenue decreased approximately 3.2 percent over the prior year. In August 2006, the voters approved a 1.5 mill property tax levy for the operation and maintenance of the police department. This levy, along with the ongoing five special assessment mills, generated \$19.6 million this year in the Police Fund, a decrease of 3.3 percent below the prior year. This property tax revenue provides 92 percent of the revenue in the Police Fund. Other revenue in the Police Fund has decreased by 1 percent from the prior year.

The voted 1.5 mill levy was approved for a 20-year period and was first levied on January 1, 2007. This mill is subject to both the Truth in Taxation and Headlee rollbacks. As a result of those rollbacks, the December 1, 2009 levy was reduced to 1.4551.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

Overall, Police Fund expenditures increased by 1.7 percent over the prior year. This increase is due to increased compensation and fringe benefit costs of approximately 4 percent and offset by reductions in purchases related to the state and federal grant revenue received during the year. Conservative revenue projections, unfilled vacant positions, and carefully controlled spending resulted in favorable budget variances at year end.

Fire Fund - Overall, Fire Fund revenue decreased approximately 4.2 percent from the prior year. The Fire Fund is supported by a 4 mill special assessment operating levy and a voter approved 1 mill operating levy. This mill was approved for a 20-year period and was first levied on January 1, 2003. This mill is subject to both the Truth in Taxation and Headlee rollbacks. As a result of those rollbacks, the December 1, 2009 levy was reduced to .8647. These two levies generated \$14.8 million this year in the Fire Fund. Also included in the property tax revenue for the Fire Fund is an additional \$105,000 payment in lieu of tax from the Water and Sewer Fund. This property tax revenue provides 99.8 percent of the revenue in the Fire Fund.

Overall, Fire Fund expenditures decreased by approximately 5.2 percent below the prior year. This decrease is due to a reduction of seven positions during the course of the fiscal year through attrition or relocation to other departments, which included five firefighters, one administrative supervisor, and a statistical secretary. The savings from the elimination of the seven positions would also be offset by increased fringe benefit costs to current members of the department. Conservative revenue projections, unfilled vacant positions, and carefully controlled spending resulted in favorable budget variances at year end.

Court Building Debt Service Fund - Beginning July 1, 2006, the Township entered into an agreement with the City of Mount Clemens and Harrison Township for the management, operation, and establishment of a common fund for the 41-B District Court. Since July 1, 2006, Court operations are reflected in this common fund, which is not included in these financial statements. Each local community's common fund, building equity, and related bond debt shall be equal to the percentage of the number of case filings generated by that local community during the applicable period. As of December 31, 2009, Clinton Township's share is 62 percent. On August 1, 2006, \$13,500,000 of Township General Obligation Limited Tax Capital Improvement Bonds was issued for the construction of a new court building which is located in Clinton Township. The Court Building Debt Service Fund accounts for this debt service. It is intended that the debt service obligation for these bonds will be paid by the Court from its revenue.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

Water and Sewer Fund - The Water and Sewer Fund's financial performance, which has been sound for decades, faced some financial difficulties during the current fiscal year due to cost overruns related to capital projects, increased rates for water purchases and sewage treatment, a decline in consumption, and not passing on the water and sewer rate increases in the prior year. The Township purchases 99 percent of its water from the City of Detroit and sewage treatment services are also provided by the City of Detroit through an operating agreement with the County of Macomb. The Township has adopted the policy of annually reviewing its water and sewer rates and passing along cost increases, including increases received from Detroit, to its customers. However, due to the financial difficulties stated above, the Township instituted an additional 20 percent rate increase to its customers beginning February 1, 2010. Despite this policy, the Township maintains water and sewer rates that are very competitive with neighboring communities. The system has enjoyed steady growth, ongoing and aggressive maintenance, and sound coverage of its debt.

For the fiscal year ended March 31, 2010, water and sewer operating revenue increased by 4.4 percent due to the two water and sewer rate increases instituted during the fiscal year, which was offset by a 6 percent reduction in consumption. Operating expenses increased by 2.5 percent. Despite the decrease in water consumption during the year, a contributing factor in the increase in operating expenses was an increase received from the City of Detroit water and sewerage department, a 7.7 percent increase in the cost of water purchased, and a 1.6 increase in the cost of sewage treatment. Increases in the compensation and fringe benefit costs, along with normal inflationary cost adjustments, also contributed to the increase. Net nonoperating revenue has decreased by 6.4 percent primarily in interest income, which was offset by additional contributions of water lines from developers. As a result, the total net assets in the Water and Sewer Fund decreased by \$2 million.

Senior Housing Fund - The Senior Housing Fund accounts for the operation of Heritage Estates, a 312-unit apartment complex. The Township has contracted with an outside management company to act as a leasing agent and oversee daily operations, including an activity center for use by tenants.

The apartment complex is designed primarily for independent, middle-income seniors. The complex includes 188 one-bedroom and 124 two-bedroom apartments with monthly rents currently set between \$460 and \$540 for current residents, respectively, and between \$490 and \$570 for incoming residents, respectively.

In addition to its normal operating expenditures, a program for the replacement of furnaces in the apartment units was established. The Senior Housing Fund provided \$300,000, and \$180,000 of Community Development Block Grant funds was provided for the replacement project.

The Township is in the process of issuing Capital Improvement Bonds to provide funding to complete the furnace replacements and to replace the siding on the Heritage Estates senior housing buildings.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

Operations of this complex are not subsidized from any other Township sources.

Sanitation Fund - The Sanitation Fund accounts for the collection and disposal of trash, recyclables, and compost materials. Except for the billing of customers and the brush chipping function, virtually all sanitation activity is completed by outside contractors. Although all residential commercial and industrial customers have the option of opting out of the municipal system, this option has generally not been taken by residential customers but has been increasingly used by business customers.

Currently, single-family sanitation customers pay \$13.00 per month. This fiscal year saw the first increase in rates since February 2001. Residential customers pay approximately 75 percent of total rubbish charges collected.

The Sanitation Fund's net assets have decreased by \$172,248. This decrease was the result of the Township board's decision to charge the brush chipping function to the Sanitation Fund in the amount of \$300,000. The rate increase instituted on February 1, 2010 will provide the funding needed in this fund to avoid future decreases in net assets. The Township is currently in the process of reviewing bids for refuse service in the Township.

Although the Sanitation Fund had an operating loss during the fiscal year, the value of the Township's equity in the Grosse Pointe Clinton Authority, a joint venture between Clinton Township, Grosse Pointe City, Grosse Pointe Farms, Grosse Pointe Park, Grosse Pointe Shores, Grosse Pointe Woods, Harper Woods, and Mount Clemens, increased by \$5,028.

Capital Asset and Debt Administration

The Township's investment in capital assets devoted to its governmental activities had \$64.8 million historical cost invested in a wide range of capital assets, including land, buildings and improvements, furniture, equipment, and vehicles. Net capital assets net of accumulated depreciation amount to \$41.7 million.

The Township's investment in capital assets devoted to its business-type activities had \$183.4 million historical cost invested in a wide range of capital assets, including land, buildings and improvements, furniture, equipment, and vehicles. Also included in that total is the Township's investment in infrastructure such as water mains, sewer lines, and water meters. Additions during the year totaled \$4.5 million, resulting primarily from water main and sanitary sewer replacements and improvements.

As of March 31, 2010, the Township had approximately \$162.1 million in capital assets, net of accumulated depreciation.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

The Township did not issue any additional bonds during the year. Included in the long-term debt for governmental activities are the 41-B District Court General Obligation Bonds, which were issued for the construction and furnishing of the new court building. Also included in the governmental activities are general obligation bonds for the construction of Township buildings. Included in the long-term debt for business-type activities are Water Supply and Sewage Disposal System Revenue Bonds for acquiring and constructing additions, extensions, and improvements to the Township's Water Supply and Sewage Disposal System, and Special Assessment Limited Tax Bonds for the purpose of defraying the cost of public improvements in certain Special Assessment Districts in the Township.

Economic Factors and Future Budgets

The Township is facing the same daunting challenges that are globally facing cities, villages, and townships throughout the state of Michigan. Both internal and external factors have converged to present us with a historical first in which we have seen the economy struggle, and the struggle is expected to continue.

As indicated earlier, property taxes and state revenue-sharing comprise 84 percent of the Charter Township of Clinton's governmental activity revenue. For the past several years, governmental activities have struggled to keep a balanced budget since revenue, led by property taxes and state-shared revenue, could not keep pace with increases in expenditures such as compensation, health care, retiree health care, pension, utilities, and gasoline. Looking to the future, it is clear that reductions in revenue will continue.

We have seen the housing market continue its downward spiral with the mortgage crisis, and foreclosures in our community continuing to take its toll on housing values which have resulted in the first reduction of our taxable value, affecting this 2009/2010 fiscal year. As with many other communities nationwide, home foreclosures are at an all-time high and sales of foreclosed properties continue to cause the values of non-foreclosed homes to drop. Taxable values are expected to decline further for the following two to three years. Additionally, when the housing market does recover, under Proposal A, taxable value losses will recover at a slower pace due to the mandated inflationary cap on property assessments. It is clear that the trend in taxable values in the Township will parallel the county, state, and many other areas of the country.

State-shared revenue, which provides 49 percent of the General Fund's revenues, continues to decrease as the State of Michigan struggles to balance its budget. The Township received \$3.6 million less in the 2009/2010 fiscal year than it received in the 2002/2003 fiscal year. State-shared revenue reductions equate to \$18 million cumulatively since 2002/2003. The Township anticipates further reductions in revenue-sharing payments due to the State's continued structural deficit problems.

Charter Township of Clinton

Management's Discussion and Analysis (Continued)

As building and development in the Township have come to a virtual halt, so has the revenue generated by it. Fee and permit revenue is down by 32.6 percent from the previous year over and above the 20.3 percent reduction in the prior year.

The Township remains proactive and is strategically planning for the future, while continuing to prepare a three-year forecast containing all of the factors listed above. The Township board has conducted strategic planning sessions during the fiscal year to address the problems facing the Township in the near future. Expenditure reductions designed to control personnel costs through attrition and labor negotiations, as well as revenue enhancements, are being pursued, with the goal of maintaining an efficient labor force. The ultimate goal is to establish a budget that continues to fund vital services that provide a high quality of life and the high level of services our residents deserve and have come to expect.

Charter Township of Clinton

Statement of Net Assets March 31, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 47,818,707	\$ 2,381,095	\$ 50,199,802	\$ 679,600
Receivables:				
Taxes - Net of reserve for uncollectible taxes	3,176,656	-	3,176,656	-
Customers	38,418	4,218,889	4,257,307	-
Interest	-	-	-	286
Other	1,137,706	-	1,137,706	-
Due from other governmental units	6,721,847	384,590	7,106,437	55,288
Special assessments - Current	-	77,267	77,267	-
Due from component units	4,360	-	4,360	-
Internal balances (Note 4)	489,162	(489,162)	-	-
Inventories	-	193,217	193,217	-
Prepaid costs and other	774,533	16,381	790,914	-
Restricted assets (Note 6)	-	1,551,399	1,551,399	-
Investment in joint ventures (Note 13)	-	727,400	727,400	-
Net other postemployment benefit asset (Note 10)	819,893	-	819,893	-
Capital assets:				
Not depreciated (Note 3)	3,411,611	10,604,694	14,016,305	-
Depreciated - Net (Note 3)	38,269,936	109,861,215	148,131,151	14,637
Special assessment - Net of current portion	-	920,880	920,880	-
Total assets	102,662,829	130,447,865	233,110,694	749,811
Liabilities				
Vouchers payable	653,051	1,708,778	2,361,829	601
Due to primary government	-	-	-	4,360
Accrued and other liabilities	2,381,019	416,832	2,797,851	-
Noncurrent liabilities:				
Due within one year (Note 5)	3,085,385	2,183,845	5,269,230	-
Due in more than one year (Note 5)	31,712,595	22,254,812	53,967,407	-
Total liabilities	37,832,050	26,564,267	64,396,317	4,961
Net Assets				
Invested in capital assets - Net of related debt	17,239,852	97,864,071	115,103,923	14,637
Restricted for:				
Fire department services	14,918,699	-	14,918,699	-
Police department services	20,988,434	-	20,988,434	-
Street light services	434,317	-	434,317	-
Drug forfeiture activities	653,982	-	653,982	-
Debt service	215,477	283,606	499,083	-
Bond covenants (Note 6)	-	1,551,399	1,551,399	-
Drainage services	802,931	-	802,931	-
Unrestricted	9,577,087	4,184,522	13,761,609	730,213
Total net assets	\$ 64,830,779	\$ 103,883,598	\$ 168,714,377	\$ 744,850

Charter Township of Clinton

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,581,130	\$ 894,734	\$ 2,137,453	\$ -
Public safety	38,293,633	395,083	740,311	218,968
Public works	5,078,425	1,061,547	-	-
Community and economic development	715,556	-	-	-
Recreation and senior activities	2,621,375	564,814	-	-
Interest on long-term debt	1,364,433	-	-	-
Total governmental activities	52,654,552	2,916,178	2,877,764	218,968
Business-type activities:				
Water and sewer	24,747,042	22,323,823	-	387,008
Senior housing	1,497,025	1,907,204	-	-
Sanitation	3,881,279	3,708,958	-	-
Special assessments	72,808	6,073	-	-
Total business-type activities	30,198,154	27,946,058	-	387,008
Total primary government	<u>\$ 82,852,706</u>	<u>\$ 30,862,236</u>	<u>\$ 2,877,764</u>	<u>\$ 605,976</u>
Component units:				
Economic Development Corporation	\$ 107,667	\$ -	\$ -	\$ -
Downtown Development Authority	30,755	-	-	-
Total component units	<u>\$ 138,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Interest and investment earnings				
Other miscellaneous income				
Gain on sale of fixed assets				
Total general revenue				
Transfers				
Change in Net Assets				
Net Assets (as Restated) - Beginning of year (Note 1)				
Net Assets - End of year				

Statement of Activities
Year Ended March 31, 2010

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,548,943)	\$ -	\$ (1,548,943)	\$ -
(36,939,271)	-	(36,939,271)	-
(4,016,878)	-	(4,016,878)	-
(715,556)	-	(715,556)	-
(2,056,561)	-	(2,056,561)	-
(1,364,433)	-	(1,364,433)	-
(46,641,642)	-	(46,641,642)	-
-	(2,036,211)	(2,036,211)	-
-	410,179	410,179	-
-	(172,321)	(172,321)	-
-	(66,735)	(66,735)	-
-	(1,865,088)	(1,865,088)	-
(46,641,642)	(1,865,088)	(48,506,730)	-
-	-	-	(107,667)
-	-	-	(30,755)
-	-	-	(138,422)
38,297,135	-	38,297,135	190,277
6,639,343	-	6,639,343	-
68,642	80,085	148,727	5,219
2,213,216	-	2,213,216	-
242,905	-	242,905	-
47,461,241	80,085	47,541,326	195,496
76,308	(76,308)	-	-
895,907	(1,861,311)	(965,404)	57,074
63,934,872	105,744,909	169,679,781	687,776
\$ 64,830,779	\$ 103,883,598	\$ 168,714,377	\$ 744,850

Charter Township of Clinton

Governmental Funds Balance Sheet March 31, 2010

	Major Special Revenue Funds			Major Debt Service Fund	Other	Total Governmental Funds
	General Fund	Fire Fund	Police Fund	Court Building Debt Service Fund	Nonmajor Governmental Funds	
Assets						
Cash and investments (Note 2)	\$ 8,440,788	\$ 14,122,861	\$ 20,007,572	\$ -	\$ 5,247,486	\$ 47,818,707
Receivables:						
Taxes	453,351	1,136,420	1,507,930	-	78,955	3,176,656
Customers	-	-	-	-	38,418	38,418
Other	694,517	15,212	294,361	-	133,616	1,137,706
Due from other governmental units	1,506,971	-	-	4,864,000	350,876	6,721,847
Due from component units	4,360	-	-	-	-	4,360
Due from other funds (Note 4)	647,472	-	-	-	76,308	723,780
Prepaid costs and other	490,930	20,401	10,433	-	43,636	565,400
Total assets	\$ 12,238,389	\$ 15,294,894	\$ 21,820,296	\$ 4,864,000	\$ 5,969,295	\$ 60,186,874
Liabilities and Fund Balances						
Liabilities						
Vouchers payable	\$ 286,012	\$ 105,862	\$ 160,102	\$ -	\$ 101,075	\$ 653,051
Due to other funds (Note 4)	-	-	-	-	234,618	234,618
Accrued and other liabilities	554,452	270,333	624,907	-	1,500	1,451,192
Deferred revenue (Note 12)	515,228	-	46,853	4,864,000	-	5,426,081
Total liabilities	1,355,692	376,195	831,862	4,864,000	337,193	7,764,942
Fund Balances						
Reserved for - Prepaid expenses	490,930	20,401	10,433	-	43,636	565,400
General Fund:						
Designated (Note 9)	3,707,312	-	-	-	-	3,707,312
Undesignated	6,684,455	-	-	-	-	6,684,455
Special Revenue Funds:						
Designated (Note 9)	-	14,898,298	20,978,001	-	1,203,479	37,079,778
Undesignated	-	-	-	-	4,169,510	4,169,510
Debt Service Funds:						
Designated (Note 9)	-	-	-	-	15,575	15,575
Undesignated	-	-	-	-	199,902	199,902
Total fund balances	10,882,697	14,918,699	20,988,434	-	5,632,102	52,421,932
Total liabilities and fund balances	\$ 12,238,389	\$ 15,294,894	\$ 21,820,296	\$ 4,864,000	\$ 5,969,295	\$ 60,186,874

Charter Township of Clinton

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets March 31, 2010

Fund Balance Reported in Governmental Funds	\$ 52,421,932
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	41,681,547
Certain receivables were earned during the current fiscal year but are not available to pay for current year expenditures	5,425,481
Notes and bonds payable are not due and payable in the current period and are not reported in the funds	(30,201,695)
Accrued interest is not due and payable in the current period and is not reported in the funds	(47,572)
Accrued workers' compensation liability is not reported in the governmental funds	(881,655)
Net other postemployment benefit asset is not reported in the governmental funds	819,893
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(4,596,285)
Debt issuance costs treated as an expenditure in a prior period in the governmental funds have been capitalized and are being amortized over the life of the related debt in the governmental activities	209,133
Net Assets of Governmental Activities	<u>\$ 64,830,779</u>

Charter Township of Clinton

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended March 31, 2010

	Major Special Revenue Funds			Major Debt Service Fund	Other	
	General Fund	Fire Fund	Police Fund	Court Building Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue						
Property taxes	\$ 2,482,066	\$ 14,904,286	\$ 19,627,723	\$ -	\$ 1,400,483	\$ 38,414,558
Licenses and permits	651,437	-	62,915	-	-	714,352
Federal sources	104,104	19,071	658,076	-	991,164	1,772,415
State sources	6,949,461	-	282,132	-	-	7,231,593
Interest	54,215	7,465	10,372	-	6,962	79,014
Other revenue	3,391,911	6,702	580,252	813,540	416,815	5,209,220
Total revenue	13,633,194	14,937,524	21,221,470	813,540	2,815,424	53,421,152
Expenditures						
Current:						
General government	5,094,669	-	-	-	1,002,076	6,096,745
Public safety	1,596,078	13,580,518	20,054,758	-	275,689	35,507,043
Public works	3,492,478	-	-	-	1,313,096	4,805,574
Community and economic development	449,791	-	-	-	265,765	715,556
Recreation and senior activities	2,363,697	-	-	-	-	2,363,697
Debt service:						
Principal	-	300,000	-	250,000	1,020,823	1,570,823
Interest	-	288,875	-	568,200	501,219	1,358,294
Total expenditures	12,996,713	14,169,393	20,054,758	818,200	4,378,668	52,417,732
Excess of Revenue Over (Under) Expenditures	636,481	768,131	1,166,712	(4,660)	(1,563,244)	1,003,420
Other Financing Sources (Uses)						
Face value of debt issue	-	-	-	-	477,720	477,720
Proceeds from sale of capital assets	192,489	250	31,316	-	18,850	242,905
Transfers in (Note 4)	-	-	110,000	39	475,111	585,150
Transfers out (Note 4)	(298,802)	(100,001)	-	-	(110,039)	(508,842)
Total other financing sources (uses)	(106,313)	(99,751)	141,316	39	861,642	796,933
Net Change in Fund Balances	530,168	668,380	1,308,028	(4,621)	(701,602)	1,800,353
Fund Balances - Beginning of year	10,352,529	14,250,319	19,680,406	4,621	6,333,704	50,621,579
Fund Balances - End of year	<u>\$ 10,882,697</u>	<u>\$ 14,918,699</u>	<u>\$ 20,988,434</u>	<u>\$ -</u>	<u>\$ 5,632,102</u>	<u>\$ 52,421,932</u>

Charter Township of Clinton

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended March 31, 2010

Net Change in Fund Balances - Total Governmental Funds \$ 1,800,353

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	1,022,516
Depreciation expense	(2,604,684)

Revenue that was previously unavailable and accordingly deferred in the governmental funds was recognized in the current year; this revenue was reported when earned in the statement of activities	(567,173)
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Loan proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets	(477,720)
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,570,823
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Interest expense is recorded in the statement of activities when incurred; it is not reported in the governmental funds until paid	3,820
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The prepayment of other postemployment benefit obligations is an expenditure in the government funds, but not in the statement of activities (where it is an asset)	(79,867)
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Increase in accumulated workers' compensation is recorded when earned in the statement of activities	104,040
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Debt issuance costs are expensed when incurred in the governmental funds; they are capitalized and amortized over the life of the loan in the statement of activities	(9,959)
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Decrease in accumulated employee sick and vacation pay is recorded when earned in the statement of activities	133,758
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Change in Net Assets of Governmental Activities \$ 895,907

Charter Township of Clinton

Proprietary Funds Statement of Net Assets March 31, 2010

	Major Funds			Special Assessment Fund	Total Enterprise Funds
	Water and Sewer Fund	Senior Housing Fund	Sanitation Fund		
Assets					
Current assets:					
Cash and investments (Note 2)	\$ 1,548,832	\$ 372,495	\$ 18,510	\$ 441,258	\$ 2,381,095
Receivables:					
Special assessments	-	-	-	77,267	77,267
Customers	3,449,959	-	768,930	-	4,218,889
Due from other governmental units	192,159	-	-	192,431	384,590
Due from other funds (Note 4)	-	-	424	600	1,024
Inventories	193,217	-	-	-	193,217
Prepaid costs and other	6,075	10,306	-	-	16,381
Total current assets	<u>5,390,242</u>	<u>382,801</u>	<u>787,864</u>	<u>711,556</u>	<u>7,272,463</u>
Noncurrent assets:					
Restricted assets (Notes 2 and 6)	1,551,399	-	-	-	1,551,399
Special assessment - Net of current portion	-	-	-	920,880	920,880
Investment in joint ventures (Note 13)	-	-	727,400	-	727,400
Capital assets - Net (Note 3)	109,291,094	11,032,666	142,149	-	120,465,909
Total noncurrent assets	<u>110,842,493</u>	<u>11,032,666</u>	<u>869,549</u>	<u>920,880</u>	<u>123,665,588</u>
Total assets	<u>116,232,735</u>	<u>11,415,467</u>	<u>1,657,413</u>	<u>1,632,436</u>	<u>130,938,051</u>
Liabilities					
Current liabilities:					
Vouchers payable	1,380,090	28,291	300,397	-	1,708,778
Due to other funds (Note 4)	413,878	-	-	76,308	490,186
Accrued and other liabilities	242,608	161,702	-	12,522	416,832
Compensated absences - Less than one year (Note 5)	76,226	-	-	-	76,226
Current portion of long-term debt (Note 5)	1,088,000	699,619	-	320,000	2,107,619
Total current liabilities	<u>3,200,802</u>	<u>889,612</u>	<u>300,397</u>	<u>408,830</u>	<u>4,799,641</u>
Noncurrent liabilities:					
Compensated absences - Greater than one year (Note 5)	177,861	-	-	-	177,861
Refundable bonds and deposits	222,067	100,665	-	-	322,732
Long-term debt (Note 5)	13,993,471	6,820,748	-	940,000	21,754,219
Total noncurrent liabilities	<u>14,393,399</u>	<u>6,921,413</u>	<u>-</u>	<u>940,000</u>	<u>22,254,812</u>
Total liabilities	<u>17,594,201</u>	<u>7,811,025</u>	<u>300,397</u>	<u>1,348,830</u>	<u>27,054,453</u>
Net Assets					
Invested in capital assets - Net of related debt	94,209,623	3,512,299	142,149	-	97,864,071
Restricted for:					
Debt service	-	-	-	283,606	283,606
Bond covenants (Note 6)	1,551,399	-	-	-	1,551,399
Unrestricted	2,877,512	92,143	1,214,867	-	4,184,522
Total net assets	<u>\$ 98,638,534</u>	<u>\$ 3,604,442</u>	<u>\$ 1,357,016</u>	<u>\$ 283,606</u>	<u>\$ 103,883,598</u>

Charter Township of Clinton

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended March 31, 2010

	Major Funds			Special Assessment Fund	Total Enterprise Funds
	Water and Sewer Fund	Senior Housing Fund	Sanitation Fund		
Operating Revenue					
Charges for sales and services	\$ 21,068,549	\$ -	\$ 3,700,600	\$ -	\$ 24,769,149
Rent	-	1,808,357	-	-	1,808,357
Other	484,938	98,847	3,330	6,073	593,188
Total operating revenue	21,553,487	1,907,204	3,703,930	6,073	27,170,694
Operating Expenses					
Cost of water and sewage disposal	13,346,390	-	-	-	13,346,390
Operation and maintenance	1,211,553	747,239	3,863,000	12,522	5,834,314
General and administrative	1,573,528	-	-	-	1,573,528
Salaries and fringe benefits	4,762,799	-	-	-	4,762,799
Depreciation	3,261,679	342,379	18,279	-	3,622,337
Total operating expenses	24,155,949	1,089,618	3,881,279	12,522	29,139,368
Operating (Loss) Income	(2,602,462)	817,586	(177,349)	(6,449)	(1,968,674)
Nonoperating Revenue (Expenses)					
Investment income	10,655	47	73	69,310	80,085
Income from joint ventures	-	-	5,028	-	5,028
Interest expense	(591,093)	(407,407)	-	(60,286)	(1,058,786)
Debt, capital charges, and tap fees	770,336	-	-	-	770,336
(Loss) Income - Before contributions and transfers	(2,412,564)	410,226	(172,248)	2,575	(2,172,011)
Capital Contributions -					
Lines donated by developers	387,008	-	-	-	387,008
Transfers In from Other Funds (Note 4)	-	-	-	600	600
Transfers Out to Other Funds (Note 4)	(600)	-	-	(76,308)	(76,908)
(Decrease) Increase in Net Assets	(2,026,156)	410,226	(172,248)	(73,133)	(1,861,311)
Net Assets (as Restated) - Beginning of year (Note 1)	100,664,690	3,194,216	1,529,264	356,739	105,744,909
Net Assets - End of year	<u>\$ 98,638,534</u>	<u>\$ 3,604,442</u>	<u>\$ 1,357,016</u>	<u>\$ 283,606</u>	<u>\$ 103,883,598</u>

Charter Township of Clinton

Proprietary Funds Statement of Cash Flows Year Ended March 31, 2010

	Major Funds			Special Assessment Fund	Total Enterprise Funds
	Water and Sewer Fund	Senior Housing Fund	Sanitation Fund		
Cash Flow from Operating Activities					
Receipts from customers	\$ 20,908,578	\$ 1,914,828	\$ 3,773,001	\$ 263,379	\$ 26,859,786
Payments to suppliers	(17,343,384)	(773,089)	(3,608,493)	(3,756)	(21,728,722)
Payments to employees	(4,791,470)	-	(310,234)	-	(5,101,704)
Net cash (used in) provided by operating activities	(1,226,276)	1,141,739	(145,726)	259,623	29,360
Cash Flows from Noncapital Financing Activities					
Repayments of loans made to other funds	888,070	-	-	-	888,070
Transfers to other funds	(600)	-	-	(111,814)	(112,414)
Net cash provided by (used in) noncapital financing activities	887,470	-	-	(111,814)	775,656
Cash Flows from Capital and Related Financing Activities					
Purchase of capital assets	(3,476,890)	(300,917)	-	-	(3,777,807)
Principal and interest paid on capital debt	(1,524,093)	(1,095,798)	-	(375,286)	(2,995,177)
Collection of debt, capital charges, and tap fees	770,336	-	-	-	770,336
Net cash used in capital and related financing activities	(4,230,647)	(1,396,715)	-	(375,286)	(6,002,648)
Cash Flows from Investing Activities -					
Interest received on investments	10,655	47	73	69,310	80,085
Net Decrease in Cash and Cash Equivalents	(4,558,798)	(254,929)	(145,653)	(158,167)	(5,117,547)
Cash and Cash Equivalents - Beginning of year	7,659,029	627,424	164,163	599,425	9,050,041
Cash and Cash Equivalents - End of year	<u>\$ 3,100,231</u>	<u>\$ 372,495</u>	<u>\$ 18,510</u>	<u>\$ 441,258</u>	<u>\$ 3,932,494</u>

Charter Township of Clinton

Proprietary Funds Statement of Cash Flows (Continued) Year Ended March 31, 2010

	Major Funds			Special Assessment Fund	Total Enterprise Funds
	Water and Sewer Fund	Senior Housing Fund	Sanitation Fund		
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments per balance sheet	\$ 1,548,832	\$ 372,495	\$ 18,510	\$ 441,258	\$ 2,381,095
Restricted cash and cash investments	1,551,399	-	-	-	1,551,399
Total cash and cash equivalents	<u>\$ 3,100,231</u>	<u>\$ 372,495</u>	<u>\$ 18,510</u>	<u>\$ 441,258</u>	<u>\$ 3,932,494</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities					
Operating (loss) income	\$ (2,602,462)	\$ 817,586	\$ (177,349)	\$ (6,449)	\$ (1,968,674)
Adjustments to reconcile operating (loss) income to net cash from operating activities:					
Depreciation	3,261,679	342,379	18,279	-	3,622,337
Changes in assets and liabilities:					
Receivables	(644,909)	7,624	(97,636)	257,306	(477,615)
Due from others	-	-	166,707	-	166,707
Inventories	7,315	-	-	-	7,315
Prepaid and other assets	10,838	(10,306)	-	-	532
Accounts payable	(515,350)	28,291	(55,727)	(3,756)	(546,542)
Due to others	(723,376)	-	-	-	(723,376)
Accrued and other liabilities	(20,011)	(43,835)	-	12,522	(51,324)
Net cash (used in) provided by operating activities	<u>\$ (1,226,276)</u>	<u>\$ 1,141,739</u>	<u>\$ (145,726)</u>	<u>\$ 259,623</u>	<u>\$ 29,360</u>
Significant Noncash Investing and Financing Transactions -					
Contribution of capital assets from developers and other funds	<u>\$ 387,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,008</u>

Charter Township of Clinton

Fiduciary Funds Statement of Net Assets March 31, 2010

	Pension and Other Employee Benefit Trust Funds	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 284,722	\$ 4,514,295
Investments:		
Bank investment pools	1,669,571	-
Money market funds	2,119,868	-
U.S. Treasury notes	2,689,280	-
Mutual funds	38,216,292	-
Common stock	36,923,313	-
U.S. government agency securities	2,460,720	-
Corporate bonds	14,355,152	-
Hedge funds	7,784,172	-
Real estate investment trusts	2,694,978	-
Limited partnerships	12,886,461	-
Receivables	-	10,447
Total assets	122,084,529	\$ 4,524,742
Liabilities		
Benefits payable and other liabilities	1,990,399	\$ 4,410
Due to other governmental units	-	3,702,172
Refundable bonds and deposits	-	817,253
Accrued and other liabilities	-	907
Collateral for securities lending	2,062,469	-
Total liabilities	4,052,868	\$ 4,524,742
Net Assets Held in Trust for Pension Systems and Other Employee Benefits	\$ 118,031,661	

Charter Township of Clinton

Fiduciary Funds Statement of Changes in Net Assets Year Ended March 31, 2010

	Pension and Other Employee Benefit Trust Funds
Additions	
Investment income:	
Interest and dividends	\$ 2,230,174
Net appreciation in fair value of investments	26,279,508
Investment expenses	<u>(550,899)</u>
Net investment income	27,958,783
Securities lending income:	
Interest and fees	15,524
Less borrower rebates and fees	<u>(7,857)</u>
Net securities lending income	7,667
Contributions:	
Township	5,044,464
Employee	<u>1,202,694</u>
Total contributions	<u>6,247,158</u>
Total additions	34,213,608
Deductions	
Benefit payments	5,052,728
Administrative expenses	<u>51,199</u>
Total deductions	<u>5,103,927</u>
Net Increase in Net Assets Held in Trust	29,109,681
Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>88,921,980</u>
Net Assets Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 118,031,661</u></u>

Charter Township of Clinton

Component Units Statement of Net Assets March 31, 2010

	Economic Development Corporation	Downtown Development Authority	Total
Assets			
Cash and investments (Note 2)	\$ 108,206	\$ 571,394	\$ 679,600
Receivables:			
Interest	286	-	286
Due from other governmental units	-	55,288	55,288
Capital assets being depreciated - Net (Note 3)	-	14,637	14,637
Total assets	108,492	641,319	749,811
Liabilities			
Vouchers payable	-	601	601
Due to primary government	4,360	-	4,360
Total liabilities	4,360	601	4,961
Net Assets			
Invested in capital assets - Net of related debt	-	14,637	14,637
Unrestricted	104,132	626,081	730,213
Total net assets	\$ 104,132	\$ 640,718	\$ 744,850

Charter Township of Clinton

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Economic Development Corporation - Public works	\$ 107,667	\$ -	\$ -	\$ -
Downtown Development Authority - Public works	30,755	-	-	-
Total component units	\$ 138,422	\$ -	\$ -	\$ -

General revenue:

Property taxes

Interest and investment earnings

Total general revenue

Change in Net Assets

Net Assets - Beginning of year

Net Assets - End of year

**Component Units
Statement of Activities
Year Ended March 31, 2010**

Net (Expense) Revenue and Changes in Net Assets		
Economic Development Corporation	Downtown Development Authority	Total
\$ (107,667)	\$ -	\$ (107,667)
-	(30,755)	(30,755)
(107,667)	(30,755)	(138,422)
-	190,277	190,277
2,785	2,434	5,219
2,785	192,711	195,496
(104,882)	161,956	57,074
209,014	478,762	687,776
\$ 104,132	\$ 640,718	\$ 744,850

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note I - Nature of Business and Significant Accounting Policies

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

Reporting Entity

The Charter Township of Clinton was organized on April 3, 1989 under the provisions of Act 359 of P.A. 1947, as amended (Charter Township Act). The Township is governed by an elected seven-member board of trustees composed of the supervisor, clerk, treasurer, and four other trustees. The Township provides the following services as authorized by its charter: public safety (police and fire), public works, sanitation, culture, recreation, public improvements, planning and zoning, and general administrative services.

The accompanying basic financial statements have been prepared in accordance with criteria established by Governmental Account Standards Board Statement Number 14, *The Financial Reporting Entity*, for determining the various governmental organizations to be included in the reporting entity. 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 legally separate entities, in substance, they are part of the Township's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Township, although the Township has the ability to impose its will over the entities.

Blended Component Unit

Building Authority - The Charter Township of Clinton Building Authority (the "Building Authority") is governed by a seven-member board that is appointed by the Township board of trustees. Although legally separate from the Township, the Building Authority is reported as if it were part of the primary government because its primary purpose is to provide certain facilities necessary for the operation of the Township's government and to finance and construct the Township's public buildings. The Building Authority is reported as a nonmajor Debt Service Fund.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Discretely Presented Component Units

Economic Development Corporation - The primary purpose of the Economic Development Corporation (EDC) is to encourage and assist commercial enterprises to locate and expand facilities within the Township. The governing members of the EDC board are appointed by the Township board of trustees and can be removed or replaced by the Township board. Complete financial statements of the EDC are available at the Township clerk's office.

Downtown Development Authority - The Downtown Development Authority (DDA) was established on August 8, 2002 under the provision of Act 197 of the Public Acts of Michigan of 1975, as amended. The DDA was created to halt property value deterioration and increase property tax valuation where possible, to eliminate the causes of that deterioration, and to promote economic growth in the business district of the Township. The DDA collects captured property taxes in accordance with state law and submits a budget of expenditures within the DDA district. The DDA's governing body is appointed by the Township board of trustees. Complete financial statements of the DDA are available at the Township clerk's office.

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 revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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 revenue 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.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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 general government, except those required to be accounted for in another fund.
- The Fire Special Revenue Fund accounts for all of the activities of the Township's fire department, except for construction activity and equipment purchased in the Fire Facility Capital Projects Fund.
- The Police Special Revenue Fund accounts for all of the activities of the Township's police department, except for construction activity and equipment purchased in the Police Facility Capital Projects Fund.
- The 41-B Court Building Debt Service Fund accounts for all of the activities associated with monitoring and paying debt incurred in the construction of the new 41-B District Court Building.

The Township reports the following major proprietary funds:

- The Water and Sewer Fund accounts for the activities of the water distribution system and sewage collection system.
- The Senior Housing Fund accounts for the activities of the Township's senior housing apartment complex.
- The Sanitation Fund accounts for the activities associated with the Township's rubbish collection program.

Additionally, the Township reports the following fund types:

- The Pension and Other Employee Benefit Trust Funds account for the activities of employee benefit plans that accumulate resources for pension and other postemployment benefit payments to qualified employees.
- The Agency Funds account for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, and other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

As a general rule, the effects of interfund activity have 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 revenue reported for the various functions concerned.

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

Proprietary funds distinguish operating revenue and expenses from nonoperating items. 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 the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Township's policy is to first apply restricted resources.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note I - Nature of Business and 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 revenue to be available if it is collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: property taxes, state-shared revenue, and interest associated with the current fiscal period. Conversely, 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.

Property Tax Revenue

Property taxes are liened and billed on December 1. The winter taxes billed on December 1 are payable without penalty through February 28. Effective March 1, taxes are delinquent and payable to the Macomb County treasurer. The winter tax bill is primarily used to finance Township operations for the following fiscal year.

The 2009 taxable valuation (real and personal property) of the Township totaled \$3,184,595,085, on which ad valorem taxes levied consisted of .7289 mills for the Township's operating purposes, .8647 mills for fire operating purposes, 1.4551 mills for police operating purposes, and .33 mills for the retirement of police building debt. The ad valorem taxes generated \$2,321,251 for general operations, \$2,753,719 for fire operations, \$4,633,904 for police operations, and \$1,050,916 for police building debt retirement. The 2009 real property taxable valuation of the Township totaled \$2,978,537,485, on which special assessments levied consisted of 5 mills for police operations and 4 mills for fire operations. The special assessment levies generated \$14,892,687 for police operations and \$11,914,150 for fire operations. The industrial facilities tax roll generated \$21,822 for general operations, \$130,635 for police operations, \$95,545 for fire operations, and \$9,880 for police building debt retirement. These amounts are recorded in their respective funds as tax revenue.

Assets, Liabilities, and Net Assets or Equity

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 Clinton

Notes to Financial Statements March 31, 2010

Note I - Nature of Business and Significant Accounting Policies (Continued)

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Inventories and Prepaid Costs - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets - The revenue bonds of the Enterprise Fund require amounts to be set aside for a bond reserve. The amount has been classified as a restricted asset.

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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Assets are depreciated starting on the first day of the first fiscal year following the date of acquisition.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Structures, mains, and laterals	25 to 50 years
Infrastructure	50 years
Meters	10 to 20 years
Land improvements	15 years
Buildings and improvements	25 to 50 years
Office furniture and equipment	5 years
Operating equipment	10 years
Vehicles	3 to 10 years

Compensated Absences - The Township allows employees to accumulate earned but unused sick and vacation pay benefits. The government-wide and proprietary statements accrue all vacation and personal pay as it is earned, and sick pay as it is used or vested (whichever is earlier). A liability for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off or employees terminate).

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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. 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.

Pension and Other Postemployment Benefit Costs - The Township offers both pension and retiree healthcare benefits to retirees. The Township receives 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.

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.

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.

Prior Period Adjustment - Net assets in the Water and Sewer Fund as of April 1, 2009 were restated to remove water mains and sewer lines installed in prior years that were improperly capitalized twice, as developer contributions and Township expenditures. As a result, beginning net assets decreased \$15,048,613, beginning capital assets decreased \$15,603,823, and accumulated depreciation decreased \$555,210. Change in net assets for the year ended March 31, 2009 decreased \$4,471,705, developer contributions decreased \$4,689,982, and depreciation expense decreased \$218,277. See Note 3 for adjustment to beginning capital assets and accumulated depreciation in the Water and Sewer Fund.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note I - Nature of Business and Significant Accounting Policies (Continued)

Construction Code Act - 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 is as follows:

Cumulative expenditures over revenue - April 1, 2009		\$ (3,736,000)
Fiscal 2010 building department activity:		
Permit revenue	\$ 651,000	
Expenditures	<u>(1,509,000)</u>	
Excess of expenditures over revenue		<u>(858,000)</u>
Cumulative expenditures over revenue - March 31, 2010		<u>\$ (4,594,000)</u>

Upcoming Accounting Pronouncements - The Governmental Accounting Standards Board (GASB) has recently issued Statement Number 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. The new pronouncement is effective for the year ending March 31, 2011. The Township's management is currently evaluating the impact of the pronouncement on its government-wide financial statements.

The Governmental Accounting Standards Board (GASB) has recently issued Statement Number 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The new pronouncement clarifies existing governmental fund definitions and changes fund balance classifications. The new pronouncement is effective for the year ending March 31, 2012. The Township's management is currently evaluating the impact of the pronouncement on its government-wide financial statements.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The 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 14 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 Fire and Police Pension Fund is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles. The Township does not have a separate investment policy for its pension fund.

As permitted by state statutes, and under the provisions of a Securities Lending Authorization Agreement, the Fire and Police Pension System Trust Fund lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The Fire and Police Pension System's custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan equal to not less than 100 percent of the market value of the loaned securities. During the year ended March 31, 2010, only United States currency was received as collateral.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 2 - Deposits and Investments (Continued)

The Police and Fire Pension System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or the custodial bank. The Police and Fire Pension System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of March 31, 2010 was one day. Because the loans are terminable on demand, their duration did not generally match the duration of the investments made with cash collateral. On March 31, 2010, the Police and Fire Pension System had no credit risk exposure to borrowers. The collateral held and the fair market value of underlying securities on loan for the Police and Fire Pension System as of March 31, 2010 were \$2,062,469 and \$2,011,337, respectively.

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

Custodial Credit Risk - Township-wide Bank Deposits and Investments - Custodial credit risk is the risk that in the event of a third-party custodian's failure, the Township's deposits may not be returned to it. The Township's investment policy requires that the Township minimize custodial credit risk by using only financial institutions meeting a pre-qualification evaluation and holding securities in the Township's name. The evaluation of institutions includes screening by size, asset quality, liquidity of funds, profitability, and capital using several third-party sources. At year end, the Township had \$51 million of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized as they exceeded the limits of FDIC insurance or were not held with a financial institution participating in the temporary liquidity guarantee program. 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.

Custodial Credit Risk - Pension and Retiree Health Care Funds - The Township's pension trust fund does not have an investment policy for custodial credit risk. At year end, the Township's pension trust fund had \$34,722 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The Township's pension trust fund 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's pension trust fund 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.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 2 - Deposits and Investments (Continued)

At year end, the following investment securities were uninsured and unregistered, and held by a counterparty or by its trust department or agent but not in the Township's name:

Investment Type	Fair Value of Township Investments and Pension Trust Funds	How Held
Corporate bonds	\$ 14,355,152	Counterparty
Real estate investment trusts	2,694,978	Counterparty
Limited partnerships	12,886,461	Counterparty
Equity securities	35,149,800	Counterparty
Foreign mutual funds	4,506,084	Counterparty
Mutual funds	16,940,850	Counterparty
United States Treasury bonds	2,689,280	Counterparty
United States government agencies	2,460,720	Counterparty
	<u>\$ 91,683,325</u>	
Total uninsured and unregistered	<u>\$ 91,683,325</u>	

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy requires the Township to minimize the risk that the market value of the securities in the portfolio will fall due to changes in general interest rates by structuring the portfolio to meet the cash requirements of ongoing operations, thereby mitigating the need to liquidate securities at a loss prior to maturity. At year end, the Township had the following investments and maturities:

Investment Type	Fair Value of Pension Trust Funds	Less Than 6 Years	6 - 15 Years	Greater Than 15 Years
U.S. government or agency securities	\$ 5,150,000	\$ 2,595,945	\$ 554,414	\$ 1,999,641
Bank investment pool	1,669,571	1,669,571	-	-
Corporate bonds	14,355,152	4,079,233	4,197,888	6,078,031

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 2 - Deposits and Investments (Continued)

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy further minimizes credit risk by limiting investments to the safest types of securities and by diversifying the portfolio so potential losses on individual securities are minimized. As of year end, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Bank investment pool	\$ 5,358,178	Not rated	Not rated
Bank investment pool	8,116,221	AAA	Moody's
Corporate bonds	14,231,091	AAA - CCC-	Standard and Poor's
U.S. Treasury	2,689,280	AAA	Standard and Poor's
U.S. government agency total	2,460,720	AAA - NR	Standard and Poor's

Concentration of Credit Risk - The Township's investment policy minimizes the risk in placing a large portion of the portfolio with a single security issuer by limiting the exposure to 20 percent of the total portfolio.

Foreign Currency Risk - Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The following securities are subject to foreign currency risk:

Security	Fair Value	Foreign Currency
Foreign mutual fund holdings	\$ 35,593	European Union euro
Foreign mutual fund holdings	6,847	Australian dollar
Foreign mutual fund holdings	1,505,073	British pound
Foreign mutual fund holdings	412,966	Canadian dollar
Foreign mutual fund holdings	487,001	Malaysian ringgit
Foreign mutual fund holdings	263,655	New Zealand dollar
Foreign mutual fund holdings	475,961	Polish zloty
Foreign mutual fund holdings	172,600	Swedish krona
Foreign mutual fund holdings	134,896	South African rand
Foreign mutual fund holdings	190,698	Chinese yuan
Foreign mutual fund holdings	370,554	South Korean won
Foreign mutual fund holdings	450,240	Norwegian kroner

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 3 - Capital Assets

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

Governmental Activities	Balance April 1, 2009	Additions	Disposals	Balance March 31, 2010
Capital assets not being depreciated -				
Land	\$ 3,411,611	\$ -	\$ -	\$ 3,411,611
Capital assets being depreciated:				
Buildings and building improvements	40,605,760	-	-	40,605,760
Operating equipment	5,569,710	314,741	(40,000)	5,844,451
Vehicles	8,269,565	230,055	(430,221)	8,069,399
Office furniture and equipment	6,417,400	-	(288,007)	6,129,393
Land improvements	1,764,431	-	-	1,764,431
Infrastructure assets	1,903,726	477,720	-	2,381,446
Subtotal	64,530,592	1,022,516	(758,228)	64,794,880
Accumulated depreciation:				
Buildings and building improvements	8,688,584	1,062,508	-	9,751,092
Operating equipment	2,937,622	483,341	(40,000)	3,380,963
Vehicles	5,806,511	689,957	(430,221)	6,066,247
Office furniture and equipment	5,841,273	230,064	(288,007)	5,783,330
Land improvements	1,300,276	100,739	-	1,401,015
Infrastructure assets	104,222	38,075	-	142,297
Subtotal	24,678,488	2,604,684	(758,228)	26,524,944
Net capital assets being depreciated	39,852,104	(1,582,168)	-	38,269,936
Net capital assets	<u>\$ 43,263,715</u>	<u>\$ (1,582,168)</u>	<u>\$ -</u>	<u>\$ 41,681,547</u>

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 3 - Capital Assets (Continued)

Business-type Activities	Balance (Restated, See Note 1)	Additions	Disposals and Adjustments	Balance
	April 1, 2009			March 31, 2010
Capital assets not being depreciated:				
Land	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Construction in progress	10,075,934	3,456,440	(3,927,680)	9,604,694
Subtotal	11,075,934	3,456,440	(3,927,680)	10,604,694
Capital assets being depreciated:				
Structures, mains, and laterals	154,517,695	4,234,915	-	158,752,610
Meters	4,558,324	7,316	-	4,565,640
Buildings and improvements	14,671,523	300,917	-	14,972,440
Equipment	1,927,402	92,911	-	2,020,313
Vehicles	2,059,586	-	(9,775)	2,049,811
Furniture and fixtures	721,181	-	-	721,181
Land improvements	320,165	-	-	320,165
Subtotal	178,775,876	4,636,059	(9,775)	183,402,160
Accumulated depreciation:				
Structures, mains, and laterals	57,859,524	2,922,389	-	60,781,913
Meters	3,095,058	143,977	-	3,239,035
Buildings and improvements	4,813,085	342,379	-	5,155,464
Equipment	1,799,738	27,285	-	1,827,023
Vehicles	1,616,070	133,992	(9,775)	1,740,287
Furniture and fixtures	640,433	52,315	-	692,748
Land improvements	104,475	-	-	104,475
Subtotal	69,928,383	3,622,337	(9,775)	73,540,945
Net capital assets being depreciated	108,847,493	1,013,722	-	109,861,215
Net capital assets	<u>\$ 119,923,427</u>	<u>\$ 4,470,162</u>	<u>\$ (3,927,680)</u>	<u>\$ 120,465,909</u>
Component Units	Balance April 1, 2009	Additions	Disposals and Adjustments	Balance March 31, 2010
Capital assets being depreciated - Land improvements	\$ 18,297	\$ -	\$ -	\$ 18,297
Accumulated depreciation - Land improvements	1,830	1,830	-	3,660
Net capital assets being depreciated	<u>\$ 16,467</u>	<u>\$ (1,830)</u>	<u>\$ -</u>	<u>\$ 14,637</u>

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 3 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 284,656
Public safety	1,616,709
Public works	123,600
Recreation and senior activities	268,209
Infrastructure assets constructed by special assessment fund	<u>311,510</u>
Total governmental activities	<u>\$ 2,604,684</u>

Business-type activities:

Water and sewer	\$ 3,261,679
Sanitation	18,279
Senior housing	<u>342,379</u>
Total business-type activities	<u>\$ 3,622,337</u>

Note 4 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances in the fund financial statements is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water and Sewer Fund	\$ 412,854
	Other nonmajor funds	<u>234,618</u>
	Total General Fund	647,472
Sanitation Fund	Water and Sewer Fund	424
Other nonmajor funds	Special Assessment Fund	76,308
Special Assessment Fund	Water and Sewer Fund	<u>600</u>
	Total	<u>\$ 724,804</u>

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

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

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

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

Transfers Out	Transfers In	Amount
General Fund	Other nonmajor funds (1)	\$ 298,802
Fire Fund	Other nonmajor funds (1)	100,001
Special Assessment Fund	Other nonmajor funds (2)	76,308
Other nonmajor funds	Police Fund (2)	110,000
	Court Building Debt Service Fund	<u>39</u>
	Total other nonmajor funds	110,039
Water and Sewer Fund	Special Assessment Fund	<u>600</u>
	Total	<u>\$ 585,750</u>

(1) Transfer of discretionary funds for operational usage

(2) Transfer of discretionary funds for capital improvement projects

Note 5 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Township.

Installment purchase agreements are also general obligations of the government.

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

The special assessment bonds represent the financing of public improvements that benefit specific districts; these districts are specially assessed, at least in part, for the cost of the improvements. Under Michigan law, the Township is secondarily liable for payment of these bonds.

In connection with the Water and Sewer Revenue Bonds, the Township is subject to bond ordinance requirements, including maintaining a relationship of net revenue to debt service requirements.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 5 - Long-term Debt (Continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Governmental Activities						
General obligation bonds:						
Building Authority Refunding Bonds - Series 1994:*						
Amount of issue - \$7,270,000						
Maturing through 2010	4.75%	\$278,955	\$ 547,690	\$ (268,735)	\$ 278,955	\$ 278,955
Building Authority Refunding Bonds - Series 1998:*						
Amount of issue - \$10,390,000		\$6,426 -				
Maturing through 2017	4.65% - 5.50%	\$315,945	1,872,108	(6,426)	1,865,682	6,426
Police Building Bonds - Series 1998:						
Amount of issue - \$8,000,000		\$425,000 -				
Maturing through 2018	4.00% - 4.75%	\$725,000	4,850,000	(400,000)	4,450,000	425,000
Police Building Bonds - Series 1999:						
Amount of issue - \$5,900,000		\$350,000 -				
Maturing through 2018	4.00%	\$600,000	3,950,000	(300,000)	3,650,000	350,000
Fire Building Bonds - Series 2002:						
Amount of issue - \$8,500,000		\$350,000 -				
Maturing through 2022	3.50% - 4.60%	\$750,000	7,025,000	(300,000)	6,725,000	350,000
41-B District Court Bonds - Series 2006:						
Amount of issue - \$13,500,000		\$250,000 -				
Maturing through 2031	4.00% - 4.50%	\$1,000,000	13,050,000	(250,000)	12,800,000	250,000
MDOT Infrastructure Loan - Loan amount - \$477,720						
Maturing through 2019	1%	\$46,000 - \$50,000	-	432,058	432,058	46,118
Total bond/loan obligations			31,294,798	(1,093,103)	30,201,695	1,706,499
Other long-term obligations - Compensated absences			4,730,043	(133,758)	4,596,285	1,378,886
Total governmental activities			\$ 36,024,841	\$ (1,226,861)	\$ 34,797,980	\$ 3,085,385

* Bonds with maturing dates from November 1, 2003 through November 1, 2017 were defeased during the years ended March 31, 1994 and March 31, 1999. The Series 1994 bonds are co-funded by the General Fund, Fire Fund, and the Senior Housing Fund. The Series 1998 bonds are co-funded by the General Fund and the Senior Housing Fund. See tables for breakout.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 5 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Business-type Activities						
General obligation bonds:						
Building Authority Refunding Bonds - Series 1994:*						
Amount of issue - \$7,270,000						
Maturing through 2010	4.75%	\$676,045	\$ 1,327,321	\$ (651,265)	\$ 676,056	\$ 676,045
Building Authority Refunding Bonds - Series 1998:*						
Amount of issue - \$10,390,000		\$23,574 -				
Maturing through 2017	4.65% - 5.50%	\$1,159,055	6,867,885	(23,574)	6,844,311	23,574
2001 Special Assessment Bonds - Limited Tax Bonds (Project Nos. 985, 988, and 990):						
Amount of issue - \$995,000						
Maturing through 2011	4.45%	\$110,000	215,000	(105,000)	110,000	110,000
2004 Special Assessment Bonds - Limited Tax Bonds (Project Nos. P1000, P1006, P1018, P1029, and S1013):						
Amount of issue - \$1,115,000						
Maturing through 2014	3.15% - 3.80%	\$110,000	660,000	(110,000)	550,000	110,000
2006 Special Assessment Bonds - Limited Tax Bonds (Project Nos. S-1052, W-1053, and P-1056):						
Amount of issue - \$955,000						
Maturing through 2015	4.00% - 4.50%	\$100,000	700,000	(100,000)	600,000	100,000
Revenue bonds:						
Revenue Refunding Bonds - Series 1998:						
Amount of issue - \$4,110,000		\$185,000 -				
Maturing through 2013	4.75% - 5.00%	\$240,000	1,000,000	(145,000)	855,000	185,000
Revenue Bonds - Series 2001:						
Amount of issue - \$8,000,000		\$325,000 -				
Maturing through 2022	4.00% - 6.85%	\$650,000	6,450,000	(300,000)	6,150,000	325,000
Revenue Refunding Bonds - Series 2004:						
Amount of issue - \$2,570,000		\$5,000 -				
Maturing through 2016	2.50% - 3.40%	\$405,000	2,500,000	(315,000)	2,185,000	405,000
Revenue Bonds - CVRF Project 5191-01:						
Amount of issue - \$1,405,000		\$65,000 -				
Maturing through 2024	2.125%	\$85,000	1,110,000	(65,000)	1,045,000	65,000
Revenue Bonds - SQWIF Project 3001-01:						
Amount of issue - \$270,000						
Maturing through 2024	1.625%	\$8,000 - \$10,000	154,471	(8,000)	146,471	8,000
Revenue Bonds - Series 2006:						
Amount of issue - \$5,000,000		\$100,000 -				
Maturing through 2026	3.75% - 4.30%	\$400,000	4,800,000	(100,000)	4,700,000	100,000
Total bond obligations			25,784,677	(1,922,839)	23,861,838	2,107,619
Other long-term obligations - Compensated absences						
			277,439	(23,352)	254,087	76,226
Total business-type activities			\$ 26,062,116	\$ (1,946,191)	\$ 24,115,925	\$ 2,183,845
Total primary government			\$ 62,086,957	\$ (3,173,052)	\$ 58,913,905	\$ 5,269,230

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 5 - Long-term Debt (Continued)

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

Years Ending March 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 1,706,499	\$ 1,291,531	\$ 2,998,030	\$ 2,107,619	\$ 993,272	\$ 3,100,891
2012	1,712,555	1,222,144	2,934,699	2,204,025	904,289	3,108,314
2013	1,896,588	1,152,341	3,048,929	2,310,457	813,323	3,123,780
2014	2,018,846	1,073,717	3,092,563	2,038,670	721,264	2,759,934
2015	2,103,960	988,930	3,092,890	2,159,031	632,905	2,791,936
2016-2020	10,288,247	3,492,807	13,781,054	8,238,561	1,771,660	10,010,221
2021-2025	4,875,000	1,827,525	6,702,525	4,003,475	507,288	4,510,763
2026-2030	4,600,000	867,700	5,467,700	800,000	34,400	834,400
2031	1,000,000	45,000	1,045,000	-	-	-
Total	<u>\$ 30,201,695</u>	<u>\$ 11,961,695</u>	<u>\$ 42,163,390</u>	<u>\$ 23,861,838</u>	<u>\$ 6,378,401</u>	<u>\$ 30,240,239</u>

Defeased Debt

In prior years, the Township defeased certain Building Authority and Water and Sewer Revenue Bonds by placing surplus cash in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the basic financial statements. At March 31, 2010, \$9,650,000 of Building Authority Bonds and \$1,200,000 of Water and Sewer Revenue Bonds outstanding are considered defeased.

No Commitment Debt

Excluded from the government-wide statement of net assets are revenue bonds issued by the Economic Development Corporation to acquire and lease property to third parties. The revenue bonds issued are payable solely from the net revenue derived from the respective leases and are not a general obligation of the Township. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the Township's financial statements. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or another knowledgeable source.

Revenue Bonds

The Township has pledged certain revenue of the Water and Sewer Fund, net of operating expenses, to repay the revenue bonds disclosed above. Proceeds from the bonds provided financing for the repair of water and sewer lines. The bonds are payable solely from the net revenues of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$19,410,241. During the current year, net income, before depreciation, of the water and sewer system totaled \$848,515, compared to annual debt requirements of \$1,534,389.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 5 - Long-term Debt (Continued)

Commitments and Obligations

The Township is part of the Macomb Interceptor Drain Drainage District. During the year ended March 31, 2011, the District expects to issue Limited Tax General Obligation Bonds for which the Township's portion will be \$22,164,521.

Note 6 - Restricted Net Assets

The Water and Sewer Fund accounts for the operation and maintenance of the water and sewer treatment activities of the Township, including the funding of reserves as required by the revenue bond ordinances. The bond reserve account balance at March 31, 2010 is funded by certificates of deposits and money market funds in the amount of \$1,551,399.

Note 7 - Risk Management

The Township is exposed to losses from various risks. Those risks include those related to property loss, torts, errors and omissions, employee injuries (workers' compensation), and medical benefits provided to employees, retirees, and their dependents. The Township has purchased commercial insurance for property loss, torts, and errors and omissions. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past five fiscal years.

The Township is uninsured for workers' compensation claims and medical benefits. The Township formerly purchased commercial insurance for medical benefits, but during the year ended March 31, 2009, the Township began self-funding medical benefits. These benefits are self-funded up to a retention amount, at which time the Township's reinsurance coverage begins.

The Township estimates the liability for workers' compensation claims and medical benefits that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These liabilities are recorded in accrued and other liabilities on the statement of net assets.

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

	<u>Workers' Compensation</u>		<u>Medical Benefits</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Estimated liability - Beginning of year	\$ 985,695	\$ 1,345,101	\$ 601,499	\$ -
Estimated claims incurred, including changes in estimates	216,425	(16,193)	6,565,806	5,637,179
Claim payments	<u>(320,465)</u>	<u>(343,213)</u>	<u>(6,929,369)</u>	<u>(5,035,680)</u>
Estimated liability - End of year	<u>\$ 881,655</u>	<u>\$ 985,695</u>	<u>\$ 237,936</u>	<u>\$ 601,499</u>

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 8 - Commitments and Contingencies

Environmental Contingency - The Township may be required to undertake measures to upgrade sanitary sewers in order to be in compliance with the Clean Water Act. According to the Michigan Department of Environmental Quality, actions required by the Township are dependent upon the results of a Waste Water Master Plan currently being completed by the City of Detroit Water and Sewerage Department. Since the recommendations of that study are not yet known, the Township cannot estimate these costs.

Lawsuits - The Township is a defendant in various legal actions that have arisen in the normal course of business. In the opinion of management, eventual resolution of these claims will not have a material effect on the Township's financial position or results of operations.

Construction Commitments - The Charter Township of Clinton has active construction projects at year end. As of March 31, 2010, the Township's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Hydraulic Model & Metering	\$ -	\$ 94,000
North Gratiot Water Main Lining	731,256	55,994

Note 9 - Designated Fund Balance

Designated fund balance in the governmental funds at March 31, 2010 is as follows:

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Police Fund</u>	<u>Other Nonmajor Governmental Funds</u>
Subsequent year's budget	\$ -	\$ -	\$ -	\$ 1,219,054
Working capital	3,457,312	14,898,298	20,978,001	-
Workers' compensation	250,000	-	-	-
Total	<u>\$ 3,707,312</u>	<u>\$ 14,898,298</u>	<u>\$ 20,978,001</u>	<u>\$ 1,219,054</u>

Note 10 - Postemployment Benefits

The Township provides retiree healthcare benefits to all full-time employees upon retirement in accordance with labor contracts. Membership in the plan included 156 retiree members and 390 active members as of September 1, 2008, the date of the most recent actuarial valuation.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 10 - Postemployment Benefits (Continued)

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

The collective bargaining agreements do not require contributions from 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). However, as shown below, the Township has made contributions to advance-fund these benefits, as determined by the Township board through annual budget resolutions. The costs of administering the plan are borne by the Township’s General Fund.

For the year ended March 31, 2010, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of September 1, 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:

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 4,628,384	\$ 3,765,919
Amounts contributed:		
Payments of current premiums	(2,548,517)	(2,265,679)
Advance funding	<u>(2,000,000)</u>	<u>(2,400,000)</u>
Decrease (increase) in net OPEB asset	79,867	(899,760)
OPEB Asset - Beginning of year	<u>(899,760)</u>	<u>-</u>
OPEB Asset - End of year	<u>\$ (819,893)</u>	<u>\$ (899,760)</u>

Three-year trend information is not available for annual OPEB costs, the percentage contributed to the plan, or the net OPEB obligation; therefore, only information relating to the current and prior fiscal years has been presented.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Costs</u>	<u>Percentage Contributed</u>	<u>Net OPEB Asset</u>
March 31, 2010	\$ 4,628,384	98.0	\$ 819,893
March 31, 2009	3,765,919	124.0	899,760

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 10 - Postemployment Benefits (Continued)

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
September 1, 2008	\$ 14,761,410	\$ 68,564,301	\$ 53,802,891	21.5	\$ 23,987,344	224.3
June 30, 2006	10,040,141	53,646,367	43,606,226	18.7	22,754,633	191.6

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. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 September 1, 2008 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent in the seventh year and beyond. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a four-year period. The UAAL is being amortized as a level percentage of projected covered payroll on an open basis. The remaining amortization period at September 1, 2008 was 30 years.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 11 - Pension Plans

Fire and Police Pension System Fund

System Description and Contribution Information

The pension system is the administrator of a single-employer public employees' retirement system that covers all police and fire employees of the Township. The system is composed of a defined contribution plan to account for the employees' contributions and a defined benefit plan to account for the Township's contribution and retirees' reserve. For accounting purposes, these plans are combined. The system provides retirement benefits, as well as death and disability benefits. The Fire and Police Pension System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the system at 40700 Romeo Plank Road, Clinton Township, MI 48038.

The pension system member and employer contributions are recognized in the period in which the contributions are due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. Please refer to Note 1 for further significant accounting policies.

Depending upon their collective bargaining unit, plan members are required to contribute between 6.14 percent and 7.0 percent of their annual covered salary. The Township is required to contribute at an actuarially determined rate. The obligation to contribute to and maintain the system for these employees was established by Act No. 345 of the Public Acts of 1937, as amended, and modified by the collective bargaining agreements. Administrative costs of the system are financed through investment earnings.

Annual Pension Cost - For the year ended March 31, 2010, the Township's annual pension cost of \$3,044,464 for the plan was equal to the pension system's required and actual contribution.

The pension cost for the three most recent years is as follows:

	Fiscal Year Ended March 31		
	2010	2009	2008
Annual pension cost (APC)	\$ 3,044,464	\$ 2,833,972	\$ 3,105,900
Percentage of APC contributed	100.0 %	100.0 %	100.0 %

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 11 - Pension Plans (Continued)

Funded Status and Funding Progress - The funding status for the three most recent years is as follows:

	Actuarial Valuation as of March 31		
	2007	2008	2009
Actuarial value of assets	\$ 88,658,616	\$ 96,959,753	\$ 97,807,348
Actuarial accrued liability (AAL) (entry age)	86,075,845	95,924,951	100,879,824
Unfunded AAL (UAAL)	(2,582,771)	(1,034,802)	3,072,476
Funded ratio	103.0 %	101.1 %	97.0 %
Covered payroll	14,570,507	15,810,152	16,611,300
UAAL as a percentage of covered payroll	(17.7)%	(6.5)%	18.5 %

The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at March 31, 2008. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.5 percent per year, compounded annually, (b) projected salary increases of 5.0 percent to 9.0 percent per year compounded annually, and (c) no postretirement benefit increases. Assumption (b) includes inflation at 4.5 percent. For actuarial purposes, asset values are determined using techniques that smooth the effects of short-term market volatility over a four-year period. Level of percentage of payroll employer contribution rates is determined using the entry age normal actuarial funding method. The pension system's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at March 31, 2008 was 20 years.

Reserves - State law requires employee contributions to be segregated and interest to be added annually. In addition, amounts must be set aside as determined by the actuary to fund benefits to retirees currently approved to receive benefits.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 11 - Pension Plans (Continued)

The reserves of the Fire and Police Pension System Fund are as follows:

	Reserved for Employee Contributions	Reserved for Employer Contributions	Reserved for Membership Annuities	Total
Balances - April 1, 2009	\$ 11,117,568	\$ 31,956,759	\$ 33,692,705	\$ 76,767,032
Additions:				
Contributions:				
Members	1,107,242	95,452	-	1,202,694
General Fund	-	3,044,464	-	3,044,464
Net investment gain	-	23,570,861	-	23,570,861
Securities lending income	-	7,667	-	7,667
Total balances and additions	12,224,810	58,675,203	33,692,705	104,592,718
Transfers:				
Interest	218,802	(2,443,727)	2,224,925	-
Reserve adjustment	-	(3,930,249)	3,930,249	-
Total balances and additions after transfers	12,443,612	52,301,227	39,847,879	104,592,718
Deductions:				
Pension benefits	-	-	(4,046,762)	(4,046,762)
Annuity withdrawals	(1,005,966)	-	-	(1,005,966)
Administrative expenses	-	(51,197)	-	(51,197)
Balances - March 31, 2010	<u>\$ 11,437,646</u>	<u>\$ 52,250,030</u>	<u>\$ 35,801,117</u>	<u>\$ 99,488,793</u>

Michigan Municipal Employees' Retirement System

Plan Description - The Township participates in the Michigan Municipal Employees' Retirement System, an agent multiple-employer defined benefit pension plan that covers all employees of the Township, except police and fire. The system provides retirement, disability and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary 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 eight municipal employee collective bargaining units and requires employee contributions ranging from 4.50 percent to 7.09 percent of gross wages.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 11 - Pension Plans (Continued)

Annual Pension Cost - For the year ended March 31, 2010, the Township's annual pension cost of \$1,197,036 for the system was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2007, using the entry age normal funding method. Significant actuarial assumptions used include (a) an 8.0 percent investment rate of return, (b) projected salary increases of 4.5 percent per year, attributable to inflation, and (c) additional projected salary increases of 0.0 percent to 8.4 percent per year, attributable to seniority/merit. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis over a 28-year period for positive unfunded liabilities and 10-year period for negative unfunded liabilities.

Three-year Trend Information

	Fiscal Year Ended March 31		
	2008	2009	2010
Annual pension cost (APC)	\$ 1,073,762	\$ 1,171,414	\$ 1,197,036
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
	Actuarial Valuation as of December 31		
	2007	2008	2009
Actuarial value of assets	\$ 40,149,323	\$ 41,409,438	\$ 42,734,402
Actuarial accrued liability (AAL) (entry age)	49,540,499	53,724,327	55,714,914
Unfunded AAL (UAAL)	9,391,176	12,314,889	12,980,512
Funded ratio	81.0 %	77.1 %	76.7 %
Covered payroll	10,870,435	11,058,051	10,585,940
UAAL as a percentage of covered payroll	86.4 %	111.4 %	122.6 %

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 12 - Deferred Revenue

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

	Governmental Funds			Government-wide Financial Statements -
	Unavailable	Unearned	Total	Unearned
State-shared revenue	\$ 515,228	\$ -	\$ 515,228	\$ -
Long-term due from other governments	4,864,000	-	4,864,000	-
Other grant revenue	46,853	-	46,853	-
Total	\$ 5,426,081	\$ -	\$ 5,426,081	\$ -

Note 13 - Joint Ventures

The Township is a member of the Grosse Pointes-Clinton Refuse Disposal Authority (the "Authority") joint venture. The Authority's governing board is composed of two appointees from the Township and one appointee from each of the other seven member communities. In April 1999, the Authority's governing board ceased incineration operations at the Authority. The Township's equity portion of the Authority is reported in the Sanitation Fund. The Township is unaware of any circumstances, including environmental remediation, that would cause an additional benefit or burden to the participating governments in the near future. The financial statements for the Authority can be obtained from the Authority's administrative office located at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.

The Township, in conjunction with the Township of Macomb, has created the Clinton-Macomb District Library (the "Library"). The Library's board is composed of three members appointed by the Township board of trustees and three members appointed by the Township of Macomb. The Library is funded through property taxes, specifically through a separate property tax millage that is not recorded as revenue by the Township. The Library currently does not receive a subsidy from the Township. The Township is unaware of any circumstance that would cause an additional benefit or burden to the participating governments in the near future. The financial statements for the Library can be obtained from the Library's administrative office at 40900 Romeo Plank Road, Clinton Township, MI 48038.

Charter Township of Clinton

Notes to Financial Statements March 31, 2010

Note 14 - Subsequent Events

The Township will be issuing \$2,500,000 in limited tax general obligation bonds on September 27, 2010 to fund capital improvements. Principal payments will range from \$90,000 to \$180,000. The first principal payment is due in May 2012 and the last payment is due in May 2031.

Required Supplemental Information

Charter Township of Clinton

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended March 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 2,352,000	\$ 2,471,603	\$ 2,482,066	\$ 10,463
Licenses and permits	677,000	588,620	651,437	62,817
Federal sources	13,000	113,419	104,104	(9,315)
State sources	7,609,500	6,992,925	6,949,461	(43,464)
Interest and investment earnings	125,000	50,000	54,215	4,215
Other revenue	3,063,075	3,258,354	3,391,911	133,557
Total revenue	13,839,575	13,474,921	13,633,194	158,273
Expenditures				
Current:				
General government	5,217,559	5,177,791	5,094,669	83,122
Public safety	1,711,438	1,615,477	1,596,078	19,399
Public works	3,618,241	3,519,408	3,492,478	26,930
Community and economic development	485,963	463,700	449,791	13,909
Recreation and senior activities	2,460,420	2,409,622	2,363,697	45,925
Total expenditures	13,493,621	13,185,998	12,996,713	189,285
Excess of Revenue Over Expenditures	345,954	288,923	636,481	347,558
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	198,530	192,489	(6,041)
Transfers out	(298,653)	(298,802)	(298,802)	-
Net Change in Fund Balance	47,301	188,651	530,168	341,517
Fund Balance - Beginning of year	10,352,529	10,352,529	10,352,529	-
Fund Balance - End of year	\$ 10,399,830	\$ 10,541,180	\$ 10,882,697	\$ 341,517

Charter Township of Clinton

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Fire Fund Year Ended March 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 14,587,000	\$ 14,953,945	\$ 14,904,286	\$ (49,659)
Federal sources	-	456	19,071	18,615
Interest and investment earnings	75,000	20,000	7,465	(12,535)
Other revenue	15,600	10,600	6,702	(3,898)
Total revenue	14,677,600	14,985,001	14,937,524	(47,477)
Expenditures				
Current - Public safety	13,921,453	13,919,512	13,580,518	338,994
Debt service:				
Principal	300,000	300,000	300,000	-
Interest	288,850	288,850	288,875	(25)
Total expenditures	14,510,303	14,508,362	14,169,393	338,969
Excess of Revenue Over Expenditures	167,297	476,639	768,131	291,492
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	250	250
Transfers out	(100,001)	(100,001)	(100,001)	-
Net Change in Fund Balance	67,296	376,638	668,380	291,742
Fund Balance - Beginning of year	14,250,319	14,250,319	14,250,319	-
Fund Balance - End of year	<u>\$ 14,317,615</u>	<u>\$ 14,626,957</u>	<u>\$ 14,918,699</u>	<u>\$ 291,742</u>

Charter Township of Clinton

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Police Fund Year Ended March 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 19,201,000	\$ 19,688,404	\$ 19,627,723	\$ (60,681)
Licenses and permits	65,000	65,000	62,915	(2,085)
Federal sources	10,000	670,680	658,076	(12,604)
State sources	248,000	213,805	282,132	68,327
Interest and investment earnings	100,000	25,000	10,372	(14,628)
Other revenue	486,600	460,568	580,252	119,684
Total revenue	20,110,600	21,123,457	21,221,470	98,013
Expenditures - Current -				
Public safety	19,728,970	20,086,259	20,054,758	31,501
Excess of Revenue Over Expenditures	381,630	1,037,198	1,166,712	129,514
Other Financing Sources				
Proceeds from sale of capital assets	25,000	31,000	31,316	316
Transfers in	-	110,000	110,000	-
Total other financing sources	25,000	141,000	141,316	316
Net Change in Fund Balance	406,630	1,178,198	1,308,028	129,830
Fund Balance - Beginning of year	19,680,406	19,680,406	19,680,406	-
Fund Balance - End of year	\$ 20,087,036	\$ 20,858,604	\$ 20,988,434	\$ 129,830

Charter Township of Clinton

Required Supplemental Information Pension System Schedule of Funding Progress and Employer Contributions Year Ended March 31, 2010

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
3/31/04	\$ 68,920,716	\$ 69,937,354	\$ 1,016,638	98.5	\$ 13,664,660	7.4
3/31/05	72,158,679	75,553,927	3,395,248	95.5	13,754,331	24.7
3/31/06	78,717,338	82,677,222	3,959,884	95.2	14,457,911	27.4
3/31/07	88,658,616	86,075,845	(2,582,771)	103.0	14,570,507	(17.7)
3/31/08	96,959,753	95,924,951	(1,034,802)	101.1	15,810,152	(6.5)
3/31/09	97,807,348	100,879,824	3,072,476	97.0	16,611,300	18.5

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
3/31/05	3/31/03	\$ 2,345,264	100.0
3/31/06	3/31/04	2,757,359	100.0
3/31/07	3/31/05	2,902,650	100.0
3/31/08	3/31/06	3,105,900	100.0
3/31/09	3/31/07	2,833,972	100.0
3/31/10	3/31/08	3,044,464	100.0

* The required contribution is expressed to the Township as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of March 31, 2008, the latest actuarial valuation, follows:

Actuarial cost method	Individual entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	20 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases**	5.0% - 9.0%
**Includes inflation at	4.5%
Cost of living adjustments	None

Charter Township of Clinton

Note to Required Supplemental Information Year Ended March 31, 2010

Note - Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end. The budget cycle runs from April 1 to March 31. The annual budget is submitted to the Township board 120 days prior to the beginning of the next fiscal year and approved by the board prior to commencement of the new fiscal year.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level.

Encumbrances are not included as expenditures. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. The amount of encumbrances outstanding at March 31, 2010 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The major fund budgets are included in the required supplemental information section of the financial statements. The other Special Revenue Fund budgets can be obtained at the Township offices.

Other Supplemental Information

Charter Township of Clinton

	Nonmajor Special Revenue Funds					
	Capital		Community	Post-	Drug	
	Improvement	Drainage	Development	employment	Forfeiture	Street Lighting
	Revolving		Block Grant	Benefit		
Assets						
Cash and investments	\$ 2,129,354	\$ 820,253	\$ -	\$ 1,266,878	\$ 654,618	\$ 156,659
Receivables:						
Taxes	1,803	-	-	-	-	-
Customers	-	-	-	-	-	38,418
Other	1,000	-	-	-	-	-
Due from other governmental units	11,888	-	39,060	-	-	299,928
Due from other funds	76,308	-	-	-	-	-
Prepaid costs and other	-	-	-	43,636	-	-
Total assets	\$ 2,220,353	\$ 820,253	\$ 39,060	\$ 1,310,514	\$ 654,618	\$ 495,005
Liabilities and Fund Balances						
Liabilities						
Vouchers payable	\$ -	\$ 15,822	\$ 16,705	\$ 5,472	\$ 636	\$ 60,688
Due to other funds	-	-	22,355	-	-	-
Accrued and other liabilities	-	1,500	-	-	-	-
Total liabilities	-	17,322	39,060	5,472	636	60,688
Fund Balances						
Reserved for prepaid costs	-	-	-	43,636	-	-
Unreserved, reported in						
Nonmajor Special Revenue Funds:						
Designated	180,159	420,880	-	566,500	-	35,940
Undesignated	2,040,194	382,051	-	694,906	653,982	398,377
Nonmajor Debt Service Funds:						
Designated	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Total fund balances	2,220,353	802,931	-	1,305,042	653,982	434,317
Total liabilities and fund balances	\$ 2,220,353	\$ 820,253	\$ 39,060	\$ 1,310,514	\$ 654,618	\$ 495,005

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2010**

Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds			Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Neighborhood Stabilization	Total Special Revenue Funds	Building Authority	Police Facility	Total Debt Service Funds	Court Building	
\$ -	\$ 5,027,762	\$ 35,459	\$ 184,265	\$ 219,724	\$ -	\$ 5,247,486
-	1,803	-	77,152	77,152	-	78,955
-	38,418	-	-	-	-	38,418
132,616	133,616	-	-	-	-	133,616
-	350,876	-	-	-	-	350,876
-	76,308	-	-	-	-	76,308
-	43,636	-	-	-	-	43,636
\$ 132,616	\$ 5,672,419	\$ 35,459	\$ 261,417	\$ 296,876	\$ -	\$ 5,969,295
\$ 1,750	\$ 101,073	\$ -	\$ 2	\$ 2	\$ -	\$ 101,075
130,866	153,221	3,750	77,647	81,397	-	234,618
-	1,500	-	-	-	-	1,500
132,616	255,794	3,750	77,649	81,399	-	337,193
-	43,636	-	-	-	-	43,636
-	1,203,479	-	-	-	-	1,203,479
-	4,169,510	-	-	-	-	4,169,510
-	-	-	15,575	15,575	-	15,575
-	-	31,709	168,193	199,902	-	199,902
-	5,416,625	31,709	183,768	215,477	-	5,632,102
\$ 132,616	\$ 5,672,419	\$ 35,459	\$ 261,417	\$ 296,876	\$ -	\$ 5,969,295

Charter Township of Clinton

	Nonmajor Special Revenue Funds					
	Capital		Community	Post-	Drug	
	Improvement	Drainage	Development	employment	Forfeiture	Street Lighting
	Revolving		Block Grant	Benefit		
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,346
Federal sources	-	-	621,132	-	-	-
Interest and investment earnings	5,191	689	-	-	-	229
Other revenue	193,593	35,818	-	-	187,404	-
Total revenue	198,784	36,507	621,132	-	187,404	338,575
Expenditures						
Current						
General government	133,462	-	621,132	138,602	-	-
Public safety	-	-	-	100,606	174,313	-
Public works	593,163	331,565	-	7,048	-	381,320
Community and economic development	-	-	-	-	-	-
Debt service:						
Principal	45,662	-	-	-	-	-
Interest	4,777	-	-	-	-	-
Total expenditures	777,064	331,565	621,132	246,256	174,313	381,320
Excess of Revenue (Under) Over Expenditures	(578,280)	(295,058)	-	(246,256)	13,091	(42,745)
Other Financing Sources (Uses)						
Face value of debt issue	477,720	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	18,850	-
Transfers in	76,308	-	-	-	-	-
Transfers out	-	-	-	-	(110,000)	-
Total other financing sources (uses)	554,028	-	-	-	(91,150)	-
Net Change in Fund Balances	(24,252)	(295,058)	-	(246,256)	(78,059)	(42,745)
Fund Balances - Beginning of year	2,244,605	1,097,989	-	1,551,298	732,041	477,062
Fund Balances - End of year	<u>\$ 2,220,353</u>	<u>\$ 802,931</u>	<u>\$ -</u>	<u>\$ 1,305,042</u>	<u>\$ 653,982</u>	<u>\$ 434,317</u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended March 31, 2010

Nonmajor Special Revenue Funds		Nonmajor Debt Service Funds			Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Neighborhood Stabilization	Total Special Revenue Funds	Building Authority	Police Facility	Total Debt Service Funds	Court Building	
\$ -	\$ 338,346	\$ -	\$ 1,062,137	\$ 1,062,137	\$ -	\$ 1,400,483
370,032	991,164	-	-	-	-	991,164
-	6,109	753	61	814	39	6,962
-	416,815	-	-	-	-	416,815
<u>370,032</u>	<u>1,752,434</u>	<u>753</u>	<u>1,062,198</u>	<u>1,062,951</u>	<u>39</u>	<u>2,815,424</u>
104,267	997,463	4,613	-	4,613	-	1,002,076
-	274,919	-	770	770	-	275,689
-	1,313,096	-	-	-	-	1,313,096
265,765	265,765	-	-	-	-	265,765
-	45,662	275,161	700,000	975,161	-	1,020,823
-	4,777	123,642	372,800	496,442	-	501,219
<u>370,032</u>	<u>2,901,682</u>	<u>403,416</u>	<u>1,073,570</u>	<u>1,476,986</u>	<u>-</u>	<u>4,378,668</u>
-	(1,149,248)	(402,663)	(11,372)	(414,035)	39	(1,563,244)
-	477,720	-	-	-	-	477,720
-	18,850	-	-	-	-	18,850
-	76,308	398,803	-	398,803	-	475,111
-	(110,000)	-	-	-	(39)	(110,039)
<u>-</u>	<u>462,878</u>	<u>398,803</u>	<u>-</u>	<u>398,803</u>	<u>(39)</u>	<u>861,642</u>
-	(686,370)	(3,860)	(11,372)	(15,232)	-	(701,602)
-	6,102,995	35,569	195,140	230,709	-	6,333,704
<u>\$ -</u>	<u>\$ 5,416,625</u>	<u>\$ 31,709</u>	<u>\$ 183,768</u>	<u>\$ 215,477</u>	<u>\$ -</u>	<u>\$ 5,632,102</u>

Charter Township of Clinton

Other Supplemental Information Combining Statement of Net Assets Fiduciary Funds March 31, 2010

	Pension and Other Employee Benefit Trust Funds			Agency Funds			
	Fire and Police	Public Employee	Total	Tax Collection	Cash Bond	Trust and Agency	Total
	Pension System	Healthcare					
Assets							
Cash	\$ 284,722	\$ -	\$ 284,722	\$ 3,739,010	\$ 216,411	\$ 558,874	\$ 4,514,295
Investments:							
Bank investment pools	1,669,571	-	1,669,571	-	-	-	-
Money market funds	2,119,868	-	2,119,868	-	-	-	-
U.S. Treasury notes	2,689,280	-	2,689,280	-	-	-	-
Mutual funds	21,446,934	16,769,358	38,216,292	-	-	-	-
Common stock	35,149,801	1,773,512	36,923,313	-	-	-	-
U.S. government agency securities	2,460,720	-	2,460,720	-	-	-	-
Corporate bonds	14,355,152	-	14,355,152	-	-	-	-
Hedge funds	7,784,172	-	7,784,172	-	-	-	-
Real estate investment trusts	2,694,978	-	2,694,978	-	-	-	-
Limited partnerships	12,886,461	-	12,886,461	-	-	-	-
Receivables	-	-	-	10,412	35	-	10,447
Total assets	103,541,659	18,542,870	122,084,529	\$ 3,749,422	\$ 216,446	\$ 558,874	\$ 4,524,742
Liabilities							
Benefits payable and other liabilities	1,990,399	-	1,990,399	\$ 4,410	\$ -	\$ -	\$ 4,410
Due to other governmental units	-	-	-	3,702,172	-	-	3,702,172
Refundable bonds and deposits	-	-	-	41,933	216,446	558,874	817,253
Accrued and other liabilities	-	-	-	907	-	-	907
Collateral for securities lending	2,062,469	-	2,062,469	-	-	-	-
Total liabilities	4,052,868	-	4,052,868	\$ 3,749,422	\$ 216,446	\$ 558,874	\$ 4,524,742
Net Assets Held in Trust for Pension Systems and Other Employee Benefits	\$ 99,488,791	\$ 18,542,870	\$ 118,031,661				

Charter Township of Clinton

Other Supplemental Information Combining Statement of Changes in Net Assets Fiduciary Funds Year Ended March 31, 2010

	Fire and Police Pension System Trust	Public Employee Healthcare Fund	Total
Additions			
Investment income (loss):			
Interest and dividends	\$ 1,754,261	\$ 475,913	\$ 2,230,174
Net appreciation in fair value of investments	22,367,499	3,912,009	26,279,508
Investment expenses	(550,899)	-	(550,899)
Net investment income	23,570,861	4,387,922	27,958,783
Securities lending income:			
Interest and fees	15,524	-	15,524
Less borrower rebates and fees	(7,857)	-	(7,857)
Net securities lending income	7,667	-	7,667
Contributions:			
Township	3,044,464	2,000,000	5,044,464
Employee	1,202,694	-	1,202,694
Total contributions	4,247,158	2,000,000	6,247,158
Total additions	27,825,686	6,387,922	34,213,608
Deductions			
Benefit payments	5,052,728	-	5,052,728
Administrative expenses	51,199	-	51,199
Total deductions	5,103,927	-	5,103,927
Net Increase in Net Assets Held in Trust	22,721,759	6,387,922	29,109,681
Net Assets Held in Trust for Pension Systems and Other Employee Benefits - Beginning of year	76,767,032	12,154,948	88,921,980
Net Assets Held in Trust for Pension Systems and Other Employee Benefits - End of year	\$ 99,488,791	\$ 18,542,870	\$ 118,031,661