

Charter Township of Canton, Michigan

**Comprehensive Annual Financial Report
with Supplemental Information
For the Year Ended December 31, 2002**

Charter Township of Canton

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March 26, 2003

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

This letter serves to formally transmit to the Board of Trustees the Comprehensive Annual Financial Report for the 2002 fiscal year. This report was prepared by the Finance and Budget Department. Responsibility for the accuracy, completeness, and fairness of the data herein including all disclosures rests with the Township. We would ask that the Board review and accept this report, which details Canton's financial condition.

Business, Industry, and Commercial

The year 2002 saw a continued softening of retail and industrial activity. The general national downturn has resulted in a number of industrial vacancies and very few new facility leases. Canton is well-positioned to take advantage of the upturn that will soon be underway. The retail sector continues to see the construction of new centers and stand-alone buildings. Sam's Club, Wal-Mart, LifeTime Fitness, Carrabba's, Friday's, and a TCF Bank were completed in 2002. The Michigan Avenue corridor continues to see new projects including a bank, a restaurant, and retail strip.

Public Facilities

In 2002, the initial construction began on two significant public facilities - the expansion and renovation of the Administration Building and the Canton Performing Arts Center. Construction was completed on the expansion and renovation of the Department of Public Works and a new Human Services Center. Plans are underway to construct a third fire station.

Residential Development

Canton remains a very desirable community, and as a result, continues to attract new residents. The innovative Cherry Hill Village development is underway with more than 200 homes in some form of construction. Cherry Hill represents one of the Midwest's most unique and interesting traditional neighborhood developments. Central Park, a 600+ acre development, is now nearly completed. Hampton Ridge, Pheasant Ridge, and Cobblestone are completed. New projects in the northwest section of Canton are Vintage Valley and Westchester. The Geddes Road corridor is seeing a tremendous amount of single-family, condominium, and arrangement development. Condominium construction remains strong throughout the community.

Services

As a Charter Township, Canton offers a broad scope of services to the community. Canton has a full service Police Department with 78 officers. The Fire Department has two stations with a third in the design phase. The department boasts 52 firefighters. Canton's recreation offerings are very large. We have a state-of-the-art community center, 72 holes of golf, and 340 acres of parks with numerous baseball and soccer fields. Indoor ice and soccer facilities are located in the Township but are provided by private companies. Refuse pick-up is provided as is community-wide water and sewer service.

Budgeting

The Canton Board of Trustees adopts an annual budget in accordance with the State of Michigan Uniform Budgeting Act, P.A. 621 of 1978. The Township's fiscal year is January through December. The annual budget is adopted each October for the subsequent year. Budgetary controls include the fact that expenditures cannot exceed revenues for the year plus beginning fund balance. An encumbrance system is in place to ensure that this control is not violated. In addition, the Board of Trustees must approve all budget amendments made throughout the fiscal year. Transfers within a fund may be approved by the Township Supervisor, except for changes to capital or personnel. These changes require Board approval regardless of the amount. Adequate internal controls are an important aspect of the financial system for the Township. An Internal Control Committee is comprised of the Treasurer, the Director of Finance and Budget, both Finance and Budget Accountants, and the Deputy Treasurer. This committee establishes and reviews internal controls to ensure accountability, reliability, and accuracy.

Pension and Postemployment Benefits

Our pension program is administered and handled by private insurance companies, Retirement Funding/Schwab. The Township's pension plan is a defined contribution plan. It is mandatory for employees to contribute 5 percent of their base pay and, beginning in July 1993, the Township matches it with 15 percent. There is a pension committee comprised of the Treasurer, Administrative Services Director, an accountant from the Finance and Budget department, and one member of each of the union and nonunion groups. The Township is currently in the process of converting some employee groups to the MERS defined benefit program.

A fund was created in 1997 to account for retiree health insurance premium costs. It is anticipated that the investments in this fund will provide for future health care benefit costs for retired Township employees.

Component Units

The Charter Township of Canton Building Authority is governed by a Board that is appointed by the Charter Township Supervisor. Although it is legally separate from the Charter Township, it is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

Included in the financial statements are the Township's two (2) discretely presented component units, the Downtown Development Authority (DDA) and the Economic Development Corporation (EDC). The DDA captures tax revenues that are used to fund improvements to the downtown area. The EDC assists businesses with the financing of industrial construction projects.

Cash Management

The Township's investment policies follow the legal requirements of municipalities covered under Michigan Public Act No. 20 of 1943, as amended in December 1997. We maximize the use of funds and ultimately try to increase the return of our dollars while minimizing risk. Investments are placed with institutions that are deemed to provide minimal risk to Township assets. Our investment portfolio consists of U.S. Treasury and other obligations of the U.S. and its agencies, certificates of deposit, commercial paper, and authorized pooled funds, in compliance with the Township's investment policy and Public Act 20, as amended.

Risk Management

Canton Township is a member of the Michigan Municipal Risk Management Authority (MMRMA). The MMRMA is a self-insured association with a membership of approximately 1,170 Michigan local governmental units. It provides risk management, claims administration, legal defense, and reinsurance services for its members. As a member of MMRMA, Canton has liability coverage of up to \$15,000,000 per occurrence. Our self-insured retention for liability is \$250,000 per occurrence. We are actively involved in risk control through supervisory and employee training, facilities inspections, and utilization of the MMRMA Risk Control staff.

The Township is also self-insured for our workers' compensation coverage. We utilize Alexis as a third-party administrator of our workers' compensation program. Working with the Alexis professional staff, we conduct an active risk management program with regard to reducing on-the-job injuries. This program includes safety training, employee safety committees, wellness programs, employee fitness programs, safety inspections, and aggressive claims management.

Independent Audit

State law requires an annual audit of the Township's financial records and transactions by an independent certified public accountant. This has been done for Canton Township by Plante & Moran, PLLC. They have given the Township an "unqualified opinion," which is the best opinion an organization can receive on its financial statements. This indicates that Plante & Moran, PLLC has found nothing to cause them to believe that the financial statements are not fairly stated in all material respects.

A single audit was also performed by Plante & Moran, PLLC and is under separate cover.

Awards and Recognitions

Canton's strengths continue to be exceptional strategic planning, as well as strong financial management; sound finances with surpluses and significant fund balances stimulated by economic growth; low tax rates and strengthened wealth levels among its residents. For the 11th consecutive year, the Township has achieved national recognition from the Government Finance Officers' Association (GFOA). Canton received a GFOA Certificate of Achievement for Excellence in Financial Reporting for Canton's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2001.

Acknowledgments

I would like to take this opportunity to thank all those who assisted in the preparation of this document, especially the Finance and Budget staff. Its completion represents the hard work of many individuals, without whom it would not be possible to present this report. This year presented additional challenges due to the implementation of GASB 34 and the increased reporting requirements. Given the extraordinary growth of Canton, the demands placed on our finance department have increased dramatically, but we continue to provide an extremely high level of service. I would also like to express my appreciation to the Township Board for their continued support of the Finance and Budget Department.

Conclusion

Canton continues to exhibit strong growth. The community's state equalized valuation increased by \$410 million to \$3.2 billion. Canton's continued economic strength and its positive financial position have yielded one of Michigan's highest municipal credit ratings.

Our financial condition remains positive and will serve the community well.

Sincerely,



Thomas J. Yack
Canton Supervisor



Anthony J. Minghine
Director of Finance and Budget

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charter Township of Canton, Michigan

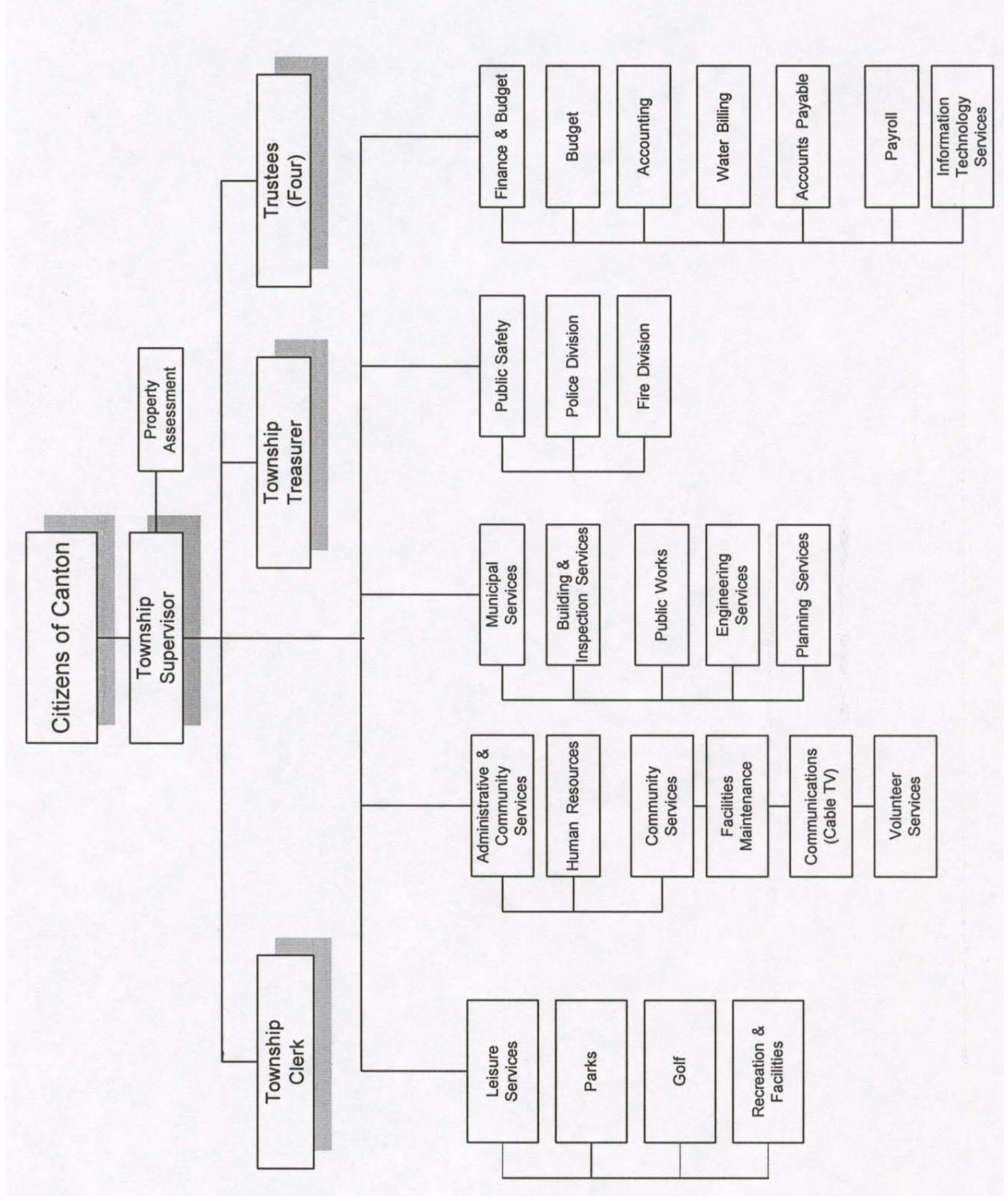
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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



William Patrick Pate
President

Jeffrey L. Essler
Executive Director



Charter Township of Canton

List of Principal Officials as of December 31, 2002

Supervisor's Office

Supervisor

Thomas Yack

Clerk's Office

Clerk

Terry G. Bennett

Deputy Clerk

Pam Popejoy

Treasurer's Office

Treasurer

Elaine Kirchgatter

Assistant Deputy Treasurer

Bruce Malinczak

Finance and Budget Division

Director

Anthony J. Minghine

Accounting Manager

Karen H. Fox

Budget & Water Billing Manager

John Spencer

Information Technology Manager

Bradford Thompson

Administrative and Community Services Division

Director

Daniel Durack

Human Resource Manager

David Medley

Community Services Manager

Michael Ager

Maintenance Supervisor

Bob Jenkins

Municipal Services Department

Director

Aaron Machnik

Building Official

John Weyer

Township Engineer

Thomas Casari

Community Planner

Jeffrey Goulet

Public Works Superintendent

Jake Dingeldey

Leisure Services Department

Director

Ann Conklin

Chief of Recreation and Facilities

Debra Bilbrey-Honsowetz

Chief of Parks

Brad Sharp

Chief of Golf Operations

David Horstman

Public Safety Department

Director

John Santomauro

Police Captain

Alexander Wilson

Police Captain

Laura Golles

Fire Chief

Michael Rorabacher

Fire Marshal

Frank Barrett

Charter Township of Canton

Labor Agreements as of December 31, 2002

Bargaining Unit	Expiration Date	Number of Employees
Police Officers Labor Council:		
Police captains	12/31/05	2
Sergeants and lieutenants	12/31/05	15
Police Officers Association of Michigan - Represents police officers and dispatchers	06/30/04	74
International Association of Firefighters - Represents firefighters	06/30/04	51
Technical, Professional, and Officeworkers Association of Michigan - Represents clerical employees	12/31/04	62
American Federation of State, County, and Municipal Employees - Represents public works employees, facilities maintenance employees, building inspectors, and ordinance officers	03/31/04	<u>59</u>
Total		<u><u>263</u></u>

Charter Township of Canton

Summary of Personnel as of December 31, 2002

	<u>Full-time</u>	<u>Part-time</u>
Supervisor's Office	3	-
Clerk's Office	6	-
Treasurer's Office	6	-
Finance and Budget:		
Finance	12	-
Utility Billing	4	-
Information Technology Systems	8	-
Administrative Services:		
Director's Office	3	-
Human Resources	4	-
Community Services	4	-
Facilities Maintenance	11	4
Cable Television	2	2
Municipal Services:		
Director's Office	5	-
Building and Inspection Services	20	-
Engineering Services	16	-
Planning Services	8	1
Public Works	34	5
Leisure Services:		
Director's Offices	4	1
Grounds Maintenance	10	-
Summit Community Center	10	-
Pheasant Run Golf Course	4	-
Parks and Recreation	9	1
Softball Center	1	-
Public Safety:		
Fire	62	-
Police	105	2
	<u>105</u>	<u>2</u>
Total budgeted employees	<u><u>351</u></u>	<u><u>16</u></u>

Charter Township of Canton

Fund Organization Chart

<u>Fund Name</u>	<u>Fund Number</u>
Governmental Funds	
General Fund	101
Special Revenue Funds	
Police	207
Fire	206
Public Improvement	245
Community Improvement	246
Special Investigation	266, 267, & 289
Community Center	208
Street Lighting	219
Community Development Block Grant	274
Cable TV	230
911 Service	261
Debt Service Funds	
Palmer Road Paving	863
Building Authority	369
North Haggerty Storm	853
North Haggerty Paving	862
Beck Road Paving	864
South Haggerty Paving	865
Koppernick Corporate Park Sewer, Water Main, and Paving	852
Tonquish Creek Storm Sewer	854
Capital Projects Funds	
Road Paving	403
South Haggerty Paving	815
Building Authority Construction	469
Building Construction	402
Beck Road Paving	814
Tonquish Creek Storm Sewer	804
Koppernick Corporate Park Sewer, Water Main, and Paving	812

Charter Township of Canton

Fund Organization Chart (Continued)

<u>Fund Name</u>	<u>Fund Number</u>
Proprietary Fund	
Enterprise Fund	
Water and Sewer	592
Golf Course	584
Fiduciary Funds	
Trust and Agency Funds	
Tax Collections	703
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Postemployment Benefits	736

Independent Auditor's Report

To the Township Board
Charter Township of Canton

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Canton, as of and for the year ended December 31, 2002, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Charter Township of Canton. 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 Canton as of December 31, 2002 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 (identified in the table of contents) is not a required part of the basic financial statements but is 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 Township Board
Charter Township of Canton

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

The accompanying introductory section and statistical tables, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

As described in Note 12, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of January 1, 2002.

Plante & Moran, PLLC

March 26, 2003

Charter Township of Canton

Management's Discussion and Analysis

Overview of the Financial Statements

Canton's 2002 annual report follows a different format than in previous years. This annual report consists of five parts - Management's Discussion and Analysis, the basic financial statements, required supplementary information, other supplemental information that presents combining statements for nonmajor governmental funds and fiduciary funds, and a statistical section. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

Government-wide Statements

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

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

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

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

Charter Township of Canton

Management's Discussion and Analysis (Continued)

Fund Financial Statements

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

The Township has three kinds of funds:

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

Charter Township of Canton

Management's Discussion and Analysis (Continued)

Financial Overview

Canton has combined net assets of \$209 million. Business-type activities comprise \$137 million, and governmental activities make up \$72 million of the total net assets. Future reports will provide comparative data for the statement of activities. Comparative data is not required during the first year of reporting under requirements of GASB 34, and therefore, a comparative statement of activities is not part of the Management's Discussion and Analysis. In a condensed format, the table below shows a comparison of the net assets as of the current date to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
Current and other assets	\$ 65,403,134	\$ 65,528,599	\$ 36,245,102	\$ 54,749,952	\$ 101,648,236	\$ 120,278,551
Capital assets and investments in joint ventures	56,751,198	53,374,820	117,643,424	93,984,095	174,394,622	147,358,915
Total assets	122,154,332	118,903,419	153,888,526	148,734,047	276,042,858	267,637,466
Current liabilities	33,337,888	30,022,700	6,387,379	4,194,347	39,725,267	34,217,047
Long-term liabilities	17,109,441	17,931,199	9,790,448	10,453,140	26,899,889	28,384,339
Total liabilities	50,447,329	47,953,899	16,177,827	14,647,487	66,625,156	62,601,386
Net assets	<u>\$ 71,707,003</u>	<u>\$ 70,949,520</u>	<u>\$ 137,710,699</u>	<u>\$ 134,086,560</u>	<u>\$ 209,417,702</u>	<u>\$ 205,036,080</u>

The most significant change was a shift in business-type activities between current and non-current assets. This reflects a cash investment in a YCUA sewage plant expansion. Other changes are minimal and balances are consistent with last year.

Charter Township of Canton

Management's Discussion and Analysis (Continued)

The following table shows the changes in net assets for 2002:

	Governmental Activities	Business-type Activities	Total
Revenue			
Program revenue:			
Charges for services	\$ 8,427,533	\$ 20,427,701	\$ 28,855,234
Operating grants and contributions	1,482,609	-	1,482,609
Capital grants and contributions	586,191	7,345,221	7,931,412
General revenue:			
Property taxes	3,740,620	-	3,740,620
Public safety operating levy	16,695,873	-	16,695,873
State-shared revenue	7,064,413	-	7,064,413
Franchise fees and royalties	1,764,592	-	1,764,592
Investment earnings	1,020,755	1,558,866	2,579,621
Miscellaneous	168,615	35,268	203,883
Special item - Gain on sale of assets	29,728	8,131	37,859
Transfers	(523,122)	523,122	-
Total revenue	40,457,807	29,898,309	70,356,116
Program Expenses			
General government	7,255,264	-	7,255,264
Public safety	16,463,481	-	16,463,481
Public works	4,807,186	-	4,807,186
Building, planning, and engineering	3,588,191	-	3,588,191
Culture and recreation	5,113,356	-	5,113,356
Sanitation	2,015,090	-	2,015,090
Interest on long-term debt	457,756	-	457,756
Water and sewer	-	23,764,705	23,764,705
Golf course	-	2,509,465	2,509,465
Total program expenses	39,700,324	26,274,170	65,974,494
Change in Net Assets	757,483	3,624,139	4,381,622
Net Assets - Beginning of year	70,949,520	134,086,560	205,036,080
Net Assets - End of year	<u>\$ 71,707,003</u>	<u>\$ 137,710,699</u>	<u>\$ 209,417,702</u>

Governmental Activities

Revenues for governmental activities totaled \$40 million in 2002. A total of \$3.7 million was in the form of property tax collections that reflect an increase in the general operating millage from 1.51 to 1.71 mills, as well as a significant increase in taxable value of \$246 million. The police and fire special assessment millage generated \$16.7 million. State-shared revenues continue to be of concern. While they provided \$7.06 million, we are uncertain what will happen in 2003 given the State's financial difficulties. Charges for services, primarily for inspections, generated \$8.4 million.

Charter Township of Canton

Management's Discussion and Analysis (Continued)

Business-type Activities

Canton has two business-type activities. These include the water and sewer operations, and the operating fund for the Pheasant Run and Fellows Creek golf courses. Revenues for business-type activities were \$29.9 million. Just under \$1.8 million was attributable to golf operations. Canton owns two golf courses. The Pheasant Run course is operated by Canton and is an upscale public course. Operating revenues were impacted by poor weather throughout the season. Fellows Creek is leased to an operator and a fixed fee is paid to Canton by the lessee.

The water and sewer operation is much larger. Water is provided to Canton residents via the Detroit Water and Sewer Department. Sewage treatment is provided by contracts with Western Township Utility Authority, Wayne County, and the Ypsilanti Community Utility Authority. Canton is participating in a WTUA/YCUA project to expand the YCUA treatment facilities to ensure continued sewage treatment services for the community.

Current Economic Events

As of the date of this letter, several issues are worth noting in evaluating the financial condition of Canton. Canton issued \$23 million in limited tax general obligation debt shortly after year end to complete the funding package for expansion of the Administration and Public Safety complex, and to construct the Performing Arts Theater. For the purpose of the bond issue, Canton was rated an AA credit by Standard and Poors and sold 20-year bonds at 4.177 percent TIC, which was over .4 percent below the 20-year bond index at that time. Both projects are on schedule and within budget as of the date of this letter.

Canton continues to experience good growth in the community. This is seen in a continually strong housing market, as well as significant retail projects. Included in this growth are Walmart, Sam's Club, Carrabba's, and Friday's. Our State Equalized Value (SEV) is now \$3,226,241,880, which is \$514,350,231 more than our taxable value. This is significant because taxes are based on taxable value, not SEV.

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan is experiencing significant budgeting problems, and as they look for solutions, revenue sharing continues to be under attack. The governor's proposed budget for 2003/04 calls for a reduction of 3 percent of total revenue sharing. This should mean a reduction of around \$225,000 to Canton. However, there is continued growth in the community and a millage strategy to bring the General Fund millage rate to 2 mills. One additional step we are taking to provide managerial and financial stability is to develop a five-year strategic plan. This plan will serve as our guide as we develop future budget and strategies.

Charter Township of Canton

Management's Discussion and Analysis (Continued)

Financial Analysis of Township Funds and Budgets

The General Fund ended 2002 with a fund balance of \$6,317,975, with \$569,543 reserved for encumbrances. Several factors affected operating results. First, state-shared revenue was \$500,000 below original projections. This was due to a downturn in the state's economy. Tax revenue was up due to increased taxable value, but fell short of original projections and an increase in the General Fund millage rate. Investment income was short of budget by \$746,000. Expenditures were below expectations (\$3.59 million below final budget). This is reflective of amendments to include projects that were not completed.

Police and fire operations are funded separately through Special Assessment millages. These funds are expended exclusively for operations of police and fire, respectively. Both funds ended the year in line with budget expectations.

The General Fund budget is amended throughout the year as deemed necessary. This is primarily done to prevent overexpenditures. With that in mind, the General Fund expenditures were 83 percent of budget. The largest under budget areas were public services, which were below the original budget. Revenues were shy of projections (collections from residents for sidewalk replacement also fell short of projections by \$320,000).

Capital

The Township undertook several capital projects in 2002. No new debt was issued, but construction was underway on many projects. The Human Service Center was approximately 97 percent complete as of year end. This project was funded with CDBG funds and reserves. The Administration/Public Safety expansion project began in November 2002. This project was 10 percent complete at year end. Bonds were sold after year end for this project.

Contact Us

This report is intended to aid our residents and other interested parties in understanding Canton's financial condition. Should you have further questions, please contact the Finance and Budget Department at the Canton Administration Building.

Charter Township of Canton

Statement of Net Assets December 31, 2002

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 36,913,733	\$ 10,459,173	\$ 47,372,906	\$ 2,339,202
Investments (Note 3)	1,507,965	17,994,363	19,502,328	-
Receivables - Net:				
Property taxes	13,649,481	-	13,649,481	961,466
Customers	-	4,880,148	4,880,148	-
Special assessments	3,331,189	17,671	3,348,860	-
Accrued interest and other receivables	351,415	243,934	595,349	-
Internal balances	185,755	(185,755)	-	-
Due from other governmental units	3,077,058	69,090	3,146,148	-
Other assets	306,257	2,299,279	2,605,536	-
Inventories	-	467,199	467,199	-
Restricted assets (Note 7)	-	165,325	165,325	-
Investment in joint venture (Note 11):				
35th District Courthouse Authority	2,461,719	-	2,461,719	-
Western Township Utilities Authority (WTUA)	-	24,798,437	24,798,437	-
Capital lease receivable	6,080,281	-	6,080,281	-
Non-depreciable capital assets (Note 4)	16,843,840	10,682,955	27,526,795	-
Depreciable capital assets - Net (Note 4)	<u>37,445,639</u>	<u>81,996,707</u>	<u>119,442,346</u>	<u>2,581,810</u>
Total assets	122,154,332	153,888,526	276,042,858	5,882,478
Liabilities				
Accounts payable	2,035,329	2,873,560	4,908,889	26,887
Accrued and other liabilities	687,991	424,578	1,112,569	47,650
Cash bonds and deposits	3,169,701	2,746,099	5,915,800	-
Current liabilities payable from restricted assets	-	158,142	158,142	-
Deferred revenue:				
Special assessments	188,262	-	188,262	-
Property taxes and other	24,893,317	-	24,893,317	961,466
Noncurrent liabilities (Note 6):				
Due within one year	2,363,288	185,000	2,548,288	135,000
Due in more than one year	<u>17,109,441</u>	<u>9,790,448</u>	<u>26,899,889</u>	<u>1,750,000</u>
Total liabilities	50,447,329	16,177,827	66,625,156	2,921,003
Net Assets				
Invested in capital assets - Net of related debt	37,645,979	82,983,166	120,629,145	696,810
Restricted:				
Police and Fire	8,490,177	-	8,490,177	-
Western Wayne Narcotics	1,030,102	-	1,030,102	-
Street lighting	68,714	-	68,714	-
Community Development Block Grant	3,413	-	3,413	-
911 Activities	514,831	-	514,831	-
Debt service	1,730,420	7,183	1,737,603	-
Unrestricted	<u>22,223,367</u>	<u>54,720,350</u>	<u>76,943,717</u>	<u>2,264,665</u>
Total net assets	<u>\$ 71,707,003</u>	<u>\$ 137,710,699</u>	<u>\$ 209,417,702</u>	<u>\$ 2,961,475</u>

Charter Township of Canton

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 7,255,264	\$ 795,939	\$ 510,506	\$ 154,349
Public safety	16,463,481	1,135,371	937,905	-
Public works	4,807,186	-	-	208,657
Building, planning, and engineering	3,588,191	3,132,019	13,419	130,094
Culture and recreation	5,113,356	3,364,204	20,779	93,091
Sanitation	2,015,090	-	-	-
Interest on long-term debt	457,756	-	-	-
Total governmental activities	39,700,324	8,427,533	1,482,609	586,191
Business-type activities:				
Water and sewer	23,764,705	18,590,625	-	7,345,221
Golf course	2,509,465	1,837,076	-	-
Total primary government	\$ 65,974,494	\$ 28,855,234	\$ 1,482,609	\$ 7,931,412
Component units:				
Downtown Development Authority	\$ 561,592	\$ -	\$ -	\$ -
Economic Development Corporation	-	-	-	-
Total component units	\$ 561,592	\$ -	\$ -	\$ -

General revenues:

Taxes:

Property taxes

Public safety operating levy

Captured taxes

State-shared revenues

Franchise fees and royalties

Unrestricted grants and contributions

Investment earnings

Miscellaneous

Special item - Gain on sale of assets

Transfers

Total general revenues, special item, and transfers

Change in Net Assets

Net Assets - Beginning of year

Net Assets - End of year

Statement of Activities
Year Ended December 31, 2002

Net (Expense) Revenue and Changes in Net Assets				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (5,794,470)	\$ -	\$ (5,794,470)	\$ -	
(14,390,205)	-	(14,390,205)	-	
(4,598,529)	-	(4,598,529)	-	
(312,659)	-	(312,659)	-	
(1,635,282)	-	(1,635,282)	-	
(2,015,090)	-	(2,015,090)	-	
(457,756)	-	(457,756)	-	
(29,203,991)	-	(29,203,991)	-	
-	2,171,141	2,171,141	-	
-	(672,389)	(672,389)	-	
<u>\$ (29,203,991)</u>	<u>\$ 1,498,752</u>	<u>\$ (27,705,239)</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ (561,592)	
-	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (561,592)</u>	
\$ 3,740,620	\$ -	\$ 3,740,620	\$ -	
16,695,873	-	16,695,873	-	
-	-	-	966,258	
7,064,413	-	7,064,413	-	
1,764,592	-	1,764,592	-	
-	-	-	-	
1,020,755	1,558,866	2,579,621	28,921	
168,615	35,268	203,883	-	
29,728	8,131	37,859	11,885	
(523,122)	523,122	-	-	
29,961,474	2,125,387	32,086,861	1,007,064	
757,483	3,624,139	4,381,622	445,472	
70,949,520	134,086,560	205,036,080	2,516,003	
<u>\$ 71,707,003</u>	<u>\$ 137,710,699</u>	<u>\$ 209,417,702</u>	<u>\$ 2,961,475</u>	

Charter Township of Canton

	General	Police	Fire	Public Improvement
Assets				
Cash and cash equivalents (Note 3)	\$ 8,743,996	\$ 7,502,267	\$ 7,830,259	\$ 22,830
Investments (Note 3)	502,655	502,655	502,655	-
Receivables - Net:				
Property taxes	2,879,255	6,636,974	4,133,252	-
Special assessments	-	-	-	-
Accrued interest and other receivables	124,830	18,312	7,899	-
Other assets	85,147	185,360	35,750	-
Due from other funds (Note 5)	866,616	85	-	-
Due from other governmental units	1,463,857	18,395	-	-
Total assets	\$ 14,666,356	\$ 14,864,048	\$ 12,509,815	\$ 22,830
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 432,522	\$ 193,879	\$ 315,916	\$ -
Accrued and other liabilities	100,005	166,093	110,635	-
Due to other funds (Note 5)	57,959	18,032	3,174	-
Due to other governmental units	9,919	10,915	-	-
Cash bonds and deposits	3,169,701	-	-	-
Deferred revenue:				
Special assessments	-	-	-	-
Property taxes and other	4,578,275	11,132,519	6,932,523	-
Total liabilities	8,348,381	11,521,438	7,362,248	-
Fund Balances				
Reserved for encumbrances	569,543	91,548	232,681	-
Unreserved, reported in:				
General Fund	5,748,432	-	-	-
Special Revenue Funds	-	3,251,062	2,914,886	22,830
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Designated for fire station	-	-	2,000,000	-
Total fund balances	6,317,975	3,342,610	5,147,567	22,830
Total liabilities and fund balances	\$ 14,666,356	\$ 14,864,048	\$ 12,509,815	\$ 22,830

**Governmental Funds
Balance Sheet
December 31, 2002**

Community Improvement	Community Center	Cable TV	Building Authority Construction	Other Non-Major Governmental Funds	Total Governmental Funds
\$ 1,645,755	\$ 303,117	\$ 2,186,551	\$ 593,845	\$ 8,085,113	\$ 36,913,733
-	-	-	-	-	1,507,965
-	-	-	-	-	13,649,481
-	-	-	-	3,331,189	3,331,189
646	-	190,661	-	9,067	351,415
-	-	-	-	-	306,257
-	58,263	-	-	6,310	931,274
199,159	1,526	-	-	98,243	1,781,180
\$ 1,845,560	\$ 362,906	\$ 2,377,212	\$ 593,845	\$ 11,529,922	\$ 58,772,494
\$ 347,030	\$ 77,429	\$ 141,232	\$ 46,887	\$ 480,434	\$ 2,035,329
-	12,188	1,149	-	1,828	391,898
2,398	206,846	85	332,859	124,166	745,519
-	-	-	-	70,106	90,940
-	-	-	-	-	3,169,701
-	-	-	-	3,109,365	3,109,365
-	-	-	-	2,250,000	24,893,317
349,428	296,463	142,466	379,746	6,035,899	34,436,069
379,701	47,760	7,076	51,549	498,258	1,878,116
-	-	-	-	-	5,748,432
1,116,431	18,683	2,227,670	-	1,583,276	11,134,838
-	-	-	-	1,730,420	1,730,420
-	-	-	162,550	1,682,069	1,844,619
-	-	-	-	-	2,000,000
1,496,132	66,443	2,234,746	214,099	5,494,023	24,336,425
\$ 1,845,560	\$ 362,906	\$ 2,377,212	\$ 593,845	\$ 11,529,922	\$ 58,772,494

Charter Township of Canton

Governmental Funds Reconciliation of Fund Balances to the Statement of Net Assets Year Ended December 31, 2002

Total Fund Balances for Governmental Funds	\$ 24,336,425
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	54,289,479
Capital lease receivable from Library is not a financial resource and is not reported in the funds	6,080,281
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(16,857,500)
Interest amounts on long-term liabilities are not payable until due in the funds	(205,153)
Special assessment receivables are expected to be collected over several years, and are not available to pay for current year expenditures	2,921,103
Compensated absences are not due and payable in the current period and are not reported in the funds	(2,099,685)
State revenue-sharing receipts are expected to be collected during the subsequent year, and are not available to pay for current year expenditures	1,295,878
Self-insurance liabilities are not due and payable in the current period and are not reported in the funds	(515,544)
Investment in joint venture is not a financial resource and is not reported in the funds	2,461,719
Net Assets of Governmental Activities	<u>\$ 71,707,003</u>

Charter Township of Canton

	General	Police	Fire	Public Improvement
Revenue				
Property taxes	\$ 3,740,620	\$ 10,007,064	\$ 6,688,809	\$ -
Licenses and permits	2,500,046	51,011	-	-
Federal sources	7,000	101,659	6,500	-
State sources	7,172,770	22,105	2,726	-
Charges for services	2,141,177	93,689	476,095	-
Court fees	488,992	-	-	-
Administration charges	2,589,298	-	-	-
Special assessments	-	-	-	-
Royalties	-	-	-	-
Contributions from other governmental units	-	-	-	-
Summit recreation fees	-	-	-	-
Other revenues	590,771	286,232	184,893	445
Total revenue	19,230,674	10,561,760	7,359,023	445
Expenditures				
Current:				
General government	6,088,577	-	-	-
Public safety	70,345	10,457,216	5,929,967	5,345
Public services	7,660,126	-	-	-
Recreation	2,583,015	-	-	-
Sanitation	2,083,855	-	-	-
Other	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	18,485,918	10,457,216	5,929,967	5,345
Excess of Revenue Over (Under) Expenditures	744,756	104,544	1,429,056	(4,900)
Other Financing Sources (Uses) (Note 5)				
Transfers in	-	-	-	-
Transfers out	(1,753,644)	(458,125)	(394,374)	-
Total other financing sources (uses)	(1,753,644)	(458,125)	(394,374)	-
Excess of Revenue and Other Financing Sources Over (Under) Expenditures and Other Uses	(1,008,888)	(353,581)	1,034,682	(4,900)
Fund Balances - Beginning of year, as restated (Note 12)	7,326,863	3,696,191	4,112,885	27,730
Fund Balances - End of year	\$ 6,317,975	\$ 3,342,610	\$ 5,147,567	\$ 22,830

**Governmental Funds
Statement of Revenue, Expenditures, and
Changes in Fund Balances
Year Ended December 31, 2002**

Community Improvement	Community Center	Cable TV	Building Authority Construction	Other Non-major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,436,493
-	-	-	-	-	2,551,057
-	-	-	-	573,502	688,661
150,002	-	-	-	361,685	7,709,288
-	-	-	-	265,692	2,976,653
-	-	-	-	-	488,992
-	-	-	-	-	2,589,298
-	-	-	-	737,763	737,763
861,721	-	902,871	-	-	1,764,592
-	-	-	-	709,043	709,043
-	856,124	-	-	-	856,124
<u>47,664</u>	<u>1,318,621</u>	<u>46,113</u>	<u>13,395</u>	<u>576,231</u>	<u>3,064,365</u>
1,059,387	2,174,745	948,984	13,395	3,223,916	44,572,329
2,613,005	-	2,500	-	494,956	9,199,038
-	8,750	-	-	867,072	17,338,695
-	-	-	-	173,247	7,833,373
-	2,878,266	-	-	-	5,461,281
-	-	-	-	-	2,083,855
-	-	428,849	-	-	428,849
-	-	-	72,274	2,052,093	2,124,367
-	-	-	-	2,593,465	2,593,465
<u>2,613,005</u>	<u>2,887,016</u>	<u>431,349</u>	<u>72,274</u>	<u>6,180,833</u>	<u>47,062,923</u>
(1,553,618)	(712,271)	517,635	(58,879)	(2,956,917)	(2,490,594)
550,000	510,196	-	-	1,730,578	2,790,774
(500,000)	(144,336)	(40,295)	(23,122)	-	(3,313,896)
<u>50,000</u>	<u>365,860</u>	<u>(40,295)</u>	<u>(23,122)</u>	<u>1,730,578</u>	<u>(523,122)</u>
(1,503,618)	(346,411)	477,340	(82,001)	(1,226,339)	(3,013,716)
<u>2,999,750</u>	<u>412,854</u>	<u>1,757,406</u>	<u>296,100</u>	<u>6,720,362</u>	<u>27,350,141</u>
<u>\$ 1,496,132</u>	<u>\$ 66,443</u>	<u>\$ 2,234,746</u>	<u>\$ 214,099</u>	<u>\$ 5,494,023</u>	<u>\$ 24,336,425</u>

Charter Township of Canton

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2002

Net Change in Fund Balances - Total Governmental Funds	\$ (3,013,716)
Amounts reported for governmental activities in the statement of activities are different because:	
Certain revenue reported in the statement of activities in previous years did not provide current financial resources in the governmental funds until the current year	(15,266)
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	3,493,912
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,715,000
Accrued interest payable is recorded when due in governmental funds	65,836
Accumulated employee sick and vacation pay are recorded when earned in the statement of activities	(810,895)
Equity interest in 35th District Courthouse Authority is not reported in the governmental funds	318,872
Receipt of amount due from Canton Public Library for payment of bonds is reported as revenue when received in the governmental funds and as the reduction of a receivable in the statement of activities	(350,000)
Special assessment revenues are recorded in the statement of activities when the assessment is earned (i.e., work is substantially complete); they are not reported in the funds until collected or collectible within 60 days of year end. In the current year, more was collected than earned	<u>(646,260)</u>
Change in Net Assets of Governmental Activities	<u>\$ 757,483</u>

Charter Township of Canton

Proprietary Funds Statement of Net Assets December 31, 2002

	Enterprise - Water and Sewer	Golf Course	Total
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 10,396,549	\$ 62,624	\$ 10,459,173
Investments (Note 3)	17,994,363	-	17,994,363
Receivables:			
Customers	4,880,148	-	4,880,148
Special assessments - Property owners	17,671	-	17,671
Accrued interest and other receivables	243,934	-	243,934
Other assets	2,299,260	19	2,299,279
Due from other funds (Note 5)	122,403	335,986	458,389
Due from other governmental units	67,079	2,011	69,090
Inventories	452,724	14,475	467,199
Restricted assets (Note 7)	165,325	-	165,325
Total current assets	36,639,456	415,115	37,054,571
Noncurrent assets:			
Investment in joint venture - Western Townships			
Utilities Authority (WTUA) (Note 12)	24,798,437	-	24,798,437
Non-depreciable capital assets (Note 4)	1,499,017	9,183,938	10,682,955
Depreciable capital assets - Net (Note 4)	77,628,882	4,367,825	81,996,707
Total noncurrent assets	103,926,336	13,551,763	117,478,099
Total assets	140,565,792	13,966,878	154,532,670
Liabilities			
Current liabilities:			
Accounts payable	2,864,360	9,200	2,873,560
Accrued and other liabilities	78,713	345,865	424,578
Cash bonds and deposits	2,746,099	-	2,746,099
Due to other funds (Note 5)	1,660	642,484	644,144
Current liabilities payable from restricted assets	158,142	-	158,142
Current portion of long-term debt (Note 6)	120,000	65,000	185,000
Total current liabilities	5,968,974	1,062,549	7,031,523
Noncurrent liabilities:			
Provision for compensated absences	26,120	-	26,120
Provision for uninsured losses	43,489	13,343	56,832
Long-term debt - Net of current portion (Note 6)	1,579,996	8,127,500	9,707,496
Total noncurrent liabilities	1,649,605	8,140,843	9,790,448
Total liabilities	7,618,579	9,203,392	16,821,971
Net Assets			
Investment in capital assets - Net of related debt	77,292,903	5,690,263	82,983,166
Restricted - Debt service	7,183	-	7,183
Unrestricted	55,647,127	(926,777)	54,720,350
Total net assets	<u>\$ 132,947,213</u>	<u>\$ 4,763,486</u>	<u>\$ 137,710,699</u>

Charter Township of Canton

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2002

	Enterprise - Water		Total
	and Sewer	Golf Course	
Operating Revenue			
Sale of water	\$ 6,780,611	\$ -	\$ 6,780,611
Sewage disposal revenues	10,018,742	-	10,018,742
Service charges	227,845	-	227,845
Greens fees and cart rentals	-	1,046,243	1,046,243
Operating lease	-	403,998	403,998
Other revenues	563,550	417,215	980,765
Total operating revenue	<u>17,590,748</u>	<u>1,867,456</u>	<u>19,458,204</u>
Operating Expenses			
Recreation	-	1,420,255	1,420,255
Salaries and wages	1,673,135	-	1,673,135
Payroll taxes and fringe benefits	706,698	-	706,698
Insurance	69,046	-	69,046
Supplies	80,422	-	80,422
Engineering fees	93,282	-	93,282
Professional services	102,617	-	102,617
Vehicle expense	65,937	-	65,937
Water purchases	5,513,424	-	5,513,424
Sewage disposal charges	6,360,656	-	6,360,656
Maintenance	214,266	-	214,266
Administration charges	1,492,725	-	1,492,725
Depreciation (Note 4)	2,626,710	451,115	3,077,825
Other expenses	922,832	5,000	927,832
Total operating expenses	<u>19,921,750</u>	<u>1,876,370</u>	<u>21,798,120</u>
Operating Loss	(2,331,002)	(8,914)	(2,339,916)
Nonoperating Revenue (Expenses)			
Customer connection fees	3,477,846	-	3,477,846
Investment income	1,554,939	3,927	1,558,866
Interest expense	(3,842,955)	(633,095)	(4,476,050)
Gain on disposal of assets	8,131	-	8,131
Operating Loss Before Contributions	(1,133,041)	(638,082)	(1,771,123)
Capital Contributions - Lines constructed by developers	4,872,140	-	4,872,140
Transfers from Other Funds (Note 5)	500,000	23,122	523,122
Change in Net Assets	4,239,099	(614,960)	3,624,139
Net Assets - Beginning of year, as restated (Note 12)	<u>128,708,114</u>	<u>5,378,446</u>	<u>134,086,560</u>
Net Assets - End of year	<u>\$ 132,947,213</u>	<u>\$ 4,763,486</u>	<u>\$ 137,710,699</u>

Charter Township of Canton

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2002

	Enterprise - Water and Sewer	Enterprise - Golf Course
Cash Flows from Operating Activities		
Receipts from customers	\$ 16,884,971	\$ 1,891,108
Payments to suppliers and vendors	(12,020,867)	(738,198)
Payments to employees	(1,911,489)	(684,766)
Payments connected with interfund services	(3,794,667)	(158,197)
Receipts connected with interfund services	249,621	457,372
Other receipts (payments)	(359,282)	398,998
	(951,713)	1,166,317
Net cash (used in) provided by operating activities		
Cash Flows from Non-Capital Financing Activities - Transfers from other funds	500,000	23,122
Cash Flows from Capital and Related Financing Activities		
Collection of customer assessments (principal and interest)	17,367	-
Purchase of investment in joint venture	(18,769,874)	-
Purchase of capital assets	(2,321,395)	(608,425)
Sale of capital assets	8,131	-
Connection fees	3,477,846	-
Principal and interest paid on capital debt	(4,087,955)	(925,664)
	(21,675,880)	(1,534,089)
Net cash used in capital and related financing activities		
Cash Flows from Investing Activities		
Interest received on investments	2,264,679	3,927
Proceeds from sale and maturities of investment securities	2,107,756	-
	4,372,435	3,927
Net cash provided by investing activities		
Net Decrease in Cash and Cash Equivalents	(17,755,158)	(340,723)
Cash and Cash Equivalents - Beginning of year	28,317,032	403,347
Cash and Cash Equivalents - End of year	\$ 10,561,874	\$ 62,624
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 10,396,549	\$ 62,624
Restricted cash (Note 3)	165,325	-
	\$ 10,561,874	\$ 62,624
Total cash and cash equivalents		
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (2,331,002)	\$ (8,914)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	2,626,710	451,115
Changes in assets and liabilities:		
Receivables	(1,164,461)	-
Due from other funds	249,621	457,372
Due from other governmental units	(65,722)	585
Inventory	84,446	3,885
Other assets	(2,243,336)	296,535
Accounts payable	1,160,093	(29,147)
Accrued and other liabilities	(307,963)	155,815
Cash bonds and deposits	1,022,234	-
Provisions for compensated absences and uninsured losses	69,609	(2,302)
Due to other funds	(51,942)	(158,197)
Due to other governmental units	-	(430)
	(951,713)	1,166,317
Net cash provided by (used in) operating activities	\$ (951,713)	\$ 1,166,317

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2002, developers constructed water and sewer lines with an estimated value of \$4,872,140 and donated them to the Township's Water and Sewer Fund.

Charter Township of Canton

Fiduciary Funds Statement of Net Assets December 31, 2002

	Pension and Other Employee Benefits Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,619,561	\$ 12,873,035
Receivables - Accrued interest and other	17,120	6,662
Total assets	1,636,681	\$ 12,879,697
Liabilities		
Due to other governmental units	-	\$ 12,312,066
Cash bonds and deposits	-	567,631
Total liabilities	-	\$ 12,879,697
Net Assets - Held in trust for pension and other employee benefits	\$ 1,636,681	

Charter Township of Canton

Fiduciary Funds Statement of Changes in Net Assets Year Ended December 31, 2002

	<u>Pension and Other Employee Benefits Fund</u>
Additions	
Contributions	\$ 435,000
Investment income - Interest and dividends	<u>31,370</u>
Total additions	466,370
Deductions - Benefit payments	<u>227,394</u>
Net Increase	238,976
Net Assets Held in Trust for Pension and Other Employee Benefits	
Beginning of year	<u>1,397,705</u>
End of year	<u><u>\$ 1,636,681</u></u>

Charter Township of Canton

Component Units Statement of Net Assets December 31, 2002

	Downtown Development Authority	Economic Development Corporation	Totals
Assets			
Cash and cash equivalents (Note 3)	\$ 2,337,117	\$ 2,085	\$ 2,339,202
Receivables - Property taxes	961,466	-	961,466
Capital assets	2,581,810	-	2,581,810
Total assets	<u>5,880,393</u>	<u>2,085</u>	<u>5,882,478</u>
Liabilities			
Accounts payable	26,887	-	26,887
Accrued and other liabilities	47,650	-	47,650
Deferred revenue	961,466	-	961,466
Noncurrent liabilities:			
Due within one year	135,000	-	135,000
Due in more than one year	1,750,000	-	1,750,000
Total liabilities	<u>2,921,003</u>	<u>-</u>	<u>2,921,003</u>
Net Assets			
Investment in capital assets - Net of related debt	696,810	-	696,810
Unrestricted	2,262,580	2,085	2,264,665
Total net assets	<u>\$ 2,959,390</u>	<u>\$ 2,085</u>	<u>\$ 2,961,475</u>

Charter Township of Canton

Component Units Statement of Activities Year Ended December 31, 2002

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for	Operating	Downtown Development Authority	Economic Development Corporation	Total
		Services	Grants/ Contributions			
Downtown Development Authority -						
Public works	\$ 561,592	\$ -	\$ -	\$ (561,592)	\$ -	\$ (561,592)
Economic Development Corporation -						
Public works	-	-	-	-	-	-
Total component units	<u>\$ 561,592</u>	<u>\$ -</u>	<u>\$ -</u>	(561,592)	-	(561,592)
General revenues:						
Captured taxes				966,258	-	966,258
Interest				28,921	-	28,921
Miscellaneous				11,885	-	11,885
Total general revenues				<u>1,007,064</u>	<u>-</u>	<u>1,007,064</u>
Change in Net Assets				445,472	-	445,472
Net Assets - Beginning of year				<u>2,513,918</u>	<u>2,085</u>	<u>2,516,003</u>
Net Assets - End of year				<u>\$ 2,959,390</u>	<u>\$ 2,085</u>	<u>\$ 2,961,475</u>

Charter Township of Canton

**Notes to Financial Statements
December 31, 2002**

Note I - Summary of Significant Accounting Policies

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

Reporting Entity

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

Discretely Presented Component Units - The following component units are reported within the component units column in the combined financial statements. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Charter Township.

- a. The Downtown Development Authority was created to correct and prevent deterioration on the downtown district, encourage historical preservation, and to promote economic growth within the district. The Authority's governing body, which consists of 11 individuals, is selected by the Charter Township Supervisor. Although no separate financial statements are prepared for this component unit, all financial information can be obtained from the Charter Township's finance department.
- b. The Economic Development Corporation was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the Charter Township so as to provide needed services and facilities of such enterprises to the residents of the Charter Township. The Corporation's governing body, which consists of six individuals, is selected by the Charter Township Supervisor. Although no separate financial statements are prepared for this component unit, all financial information can be obtained from the Charter Township's finance department.

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

Note I - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and 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.

Note I - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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 taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The Charter Township reports the following major governmental funds:

- The General Fund is the Charter Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Police Fund is a full service department consisting of 78 sworn personnel and 30 civilian employees. The main source of revenue for the Police Department comes from a voter-approved special assessment on all real property.
- The Fire Fund has a full service Fire Department consisting of 52 sworn fire personnel and 2 support personnel, which provides fire suppression, fire prevention, and emergency medical service. The main source of revenue for the Fire Department comes from a voter-approved special assessment on real property.
- The Public Improvement Fund accounts for special community projects such as road improvements and building construction. Revenues come from property sales and General Fund contributions.
- The Community Improvement Fund accounts for royalty payments for solid waste deposited in two privately owned landfills in the Charter Township, although only one remains open at this time. The money from this fund is used to fund community improvements and recreation projects, not for operations.

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 1 - Summary of Significant Accounting Policies (Continued)

- The Community Center Fund accounts for the activity of Canton's Summit on the Park. Revenue consists primarily of user charges associated with the athletic center and rentals from the banquet facility.
- The Cable TV Fund accounts for royalty revenues and expenditures related to cable TV operations. Franchise fee revenues are paid to the Charter Township based on a percentage of cable TV subscriber fees. Expenditures in this fund are to provide for local cable TV programming services.
- The Building Authority Construction Fund accounts for Charter Township construction activity funded by the Building Authority Bonds.

The Charter Township reports the following major proprietary funds:

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

Additionally, the Charter Township reports the following fund type:

- The Postemployment Benefit Fund accounts for the accumulation of resources to provide for retiree health insurance premium costs.

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

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

Note I - Summary of Significant Accounting Policies (Continued)

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 our proprietary funds relates to charges to customers for sales and services. The Water and Sewer Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Assets, Liabilities, and Net Assets or Equity

Cash and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

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

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted Assets - The county contract related to bonds of the Enterprise Funds require amounts to be set aside for debt service principal and interest. These amounts have been classified as restricted assets.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Charter Township as assets with an initial individual cost of more than \$250 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Infrastructure	25 years
Buildings and improvements	40 years
Vehicles	5 years
Furniture, fixtures, and equipment	7 to 15 years
Computer equipment	3 to 5 years
Land improvements	15 years
Water and Sewer distribution systems	50 years

Compensated Absences - It is the Charter Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when earned in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds as it comes due for payment (when employees terminate).

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 1 - Summary of Significant Accounting Policies (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

Note 2 - Stewardship, Compliance, and Accountability

State Construction Code Act - The Charter 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 Charter Township charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and cumulative shortfall is as follows:

Cumulative shortfall at January 1, 2002		\$ (424,855)
Building permit revenue		2,483,044
Related expenses:		
Direct costs	\$ 1,748,038	
Estimated indirect costs	<u>958,881</u>	
Total construction code expenses		<u>2,706,919</u>
Cumulative shortfall at December 31, 2002		<u>\$ (648,730)</u>

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 3 - Deposits and Investments

Michigan Compiled Laws, Section 129.91, 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 mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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

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

At year end, the Charter Township's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and cash equivalents	\$ 36,913,733	\$ 10,459,173	\$ 14,492,596	\$ 61,865,502	\$ 2,339,202
Investments	1,507,965	17,994,363	-	19,502,328	-
Restricted assets	-	165,325	-	165,325	-
Total	<u>\$ 38,421,698</u>	<u>\$ 28,618,861</u>	<u>\$ 14,492,596</u>	<u>\$ 81,533,155</u>	<u>\$ 2,339,202</u>

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 3 - Deposits and Investments (Continued)

The breakdown between deposits and investments is as follows:

	Primary Government	Component Units
Bank deposits (checking accounts, savings accounts, and certificates of deposit)	\$ 15,206,563	\$ 1,222,589
Investments in securities, mutual funds, and similar vehicles	66,320,542	1,116,613
Petty cash or cash on hand	6,050	-
Total	<u>\$ 81,533,155</u>	<u>\$ 2,339,202</u>

Deposits

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$18,485,724. Of that amount, \$700,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized.

Investments

The Charter Township's investments are categorized below to give an indication of the level of risk assumed by the entity at December 31, 2002. Risk Category 1 includes those investments that meet any one of the following criteria:

- a. Insured
- b. Registered
- c. Held by the Charter Township or its agent in the Charter Township's name

Risk Categories 2 and 3 include investments that are neither insured nor registered. Category 2 includes investments that are held by the counterparty's trust department (or agent) in the Charter Township's name. Category 3 includes investments held by:

- a. The counterparty
- b. The counterparty's trust department (or agent) but not in the Charter Township's name

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 3 - Deposits and Investments (Continued)

At year end, the Charter Township's investment balances were categorized as follows:

	Category			Reported Amount (Fair Value)
	1	2	3	
Primary government:				
U.S. government securities	\$ -	\$ 19,502,328	\$ -	\$ 19,502,328
Commercial paper	-	942,450	-	942,450
Subtotal	-	20,444,778	-	20,444,778
Investments not subject to categorization:				
Bank investment pool funds	-	-	-	32,080,271
Interlocal agreement investment pool funds	-	-	-	2,565,103
Money market mutual funds (bank investment pools under Public Act 20)	-	-	-	11,230,390
Total primary government	<u>\$ -</u>	<u>\$ 20,444,778</u>	<u>\$ -</u>	<u>\$ 66,320,542</u>
Component units - Bank investment pool funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116,613</u>

Investments not subject to categorization are not evidenced by securities that exist in physical or book entry form.

The bank investment pools and money market mutual funds consist of bank trust funds, which are held by the Trust Department of the bank and are regulated by the Michigan Banking Act. The investments under the interlocal agreement investment pool are regulated by the Urban Cooperation Act. The fair value of the position in the bank investment pools, money market mutual funds, and interlocal agreement investment pools (MBIA-CLASS) is the same as the value of the pool shares. The bank investment pools, money market mutual funds, and interlocal agreement investment pools are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes that the investments in these funds comply with the investment authority noted above.

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 3 - Deposits and Investments (Continued)

Included in the Charter Township's investments at the balance sheet date are the following:

- Approximately \$2,152,000 of securities issued by the Federal National Mortgage Association (FNMA) and an additional \$17,350,000 of securities issued by the Federal Home Loan Bank or Federal Home Loan Mortgage Corp. These investments are usually not backed by the full faith and credit of the U.S. government, but are generally considered to offer modest credit risks. The yields provided by these mortgage-related securities historically have exceeded the yields on other types of U.S. government securities with comparable maturities, in large measure due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments with comparable yields.

Component Units

The deposits of the Charter Township's component units consist of bank deposits of \$1,222,589. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$1,233,673, of which \$100,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized.

The investments of the Charter Township during the year consisted solely of money market mutual funds (bank investment pools under Public Act 20) of \$1,116,613 at December 31, 2002. Investments are normally categorized to give an indication of the level of risk assumed; however, money market mutual funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. The Charter Township's component units believe that the investments in these funds comply with the investment authority noted above. Money market mutual funds consist of bank trust funds, which are held by the Trust Department of the bank and are regulated by the Michigan Banking Act. The fair value of the position of the fund is the same as the value of the pool of shares.

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 4 - Capital Assets

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

Governmental Activities	Balance January 1, 2002	Additions	Disposals and Adjustments	Balance December 31, 2002
Capital assets not being depreciated:				
Land	\$ 14,222,596	\$ 679,291	\$ -	\$ 14,901,887
Construction in progress	-	1,941,953	-	1,941,953
Subtotal	14,222,596	2,621,244	-	16,843,840
Capital assets being depreciated:				
Infrastructure	10,167,282	486,142	-	10,653,424
Buildings and improvements	27,772,084	550,650	-	28,322,734
Vehicles	4,509,599	1,193,640	-	5,703,239
Furniture, fixtures, and equipment	10,721,486	947,980	-	11,669,466
Computer equipment	699,206	511,809	-	1,211,015
Subtotal	53,869,657	3,690,221	-	57,559,878
Accumulated depreciation:				
Infrastructure	3,746,486	435,228	-	4,181,714
Buildings and improvements	5,419,790	668,680	-	6,088,470
Vehicles	3,491,380	527,337	-	4,018,717
Furniture, fixtures, and equipment	4,228,400	895,645	-	5,124,045
Computer equipment	410,630	290,663	-	701,293
Subtotal	17,296,686	2,817,553	-	20,114,239
Net capital assets being depreciated	36,572,971	872,668	-	37,445,639
Net governmental capital assets	<u>\$ 50,795,567</u>	<u>\$ 3,493,912</u>	<u>\$ -</u>	<u>\$ 54,289,479</u>

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 4 - Capital Assets (Continued)

Business-type Activities	Balance	Reclassifications	Additions	Disposals and Adjustments	Balance
	January 1, 2002				December 31, 2002
Capital assets not being depreciated:					
Land	\$ 10,643,109	\$ -	\$ 39,846	\$ -	\$ 10,682,955
Construction in progress	1,478,529	(3,628,985)	2,150,456	-	-
Subtotal	12,121,638	(3,628,985)	2,190,302	-	10,682,955
Capital assets being depreciated:					
Land improvements	1,213,022	-	-	-	1,213,022
Water and sewer distribution systems	96,474,086	2,339,323	2,473,113	-	101,286,522
Buildings and building improvements	3,926,512	1,289,662	2,184,625	-	7,400,799
Vehicles and equipment	5,098,747	-	691,344	(104,305)	5,685,786
Office furnishings	1,585,615	-	247,014	-	1,832,629
Computer equipment	38,846	-	15,557	-	54,403
Subtotal	108,336,828	3,628,985	5,611,653	(104,305)	117,473,161
Accumulated depreciation:					
Land improvements	601,522	-	70,153	-	671,675
Water and sewer distribution systems	26,577,207	-	2,253,176	-	28,830,383
Buildings and building improvements	1,147,853	-	166,721	-	1,314,574
Vehicles and equipment	3,266,098	-	439,224	(104,305)	3,601,017
Office furnishings	876,808	-	139,765	-	1,016,573
Computer equipment	33,446	-	8,786	-	42,232
Subtotal	32,502,934	-	3,077,825	(104,305)	35,476,454
Net capital assets being depreciated	75,833,894	3,628,985	2,533,828	-	81,996,707
Net business-type capital assets	\$ 87,955,532	\$ -	\$ 4,724,130	\$ -	\$ 92,679,662

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

Component Units	Balance	Additions	Disposals and Adjustments	Balance
	January 1, 2002			December 31, 2002
Capital assets being depreciated:				
Infrastructure	\$ 991,965	\$ 89,549	\$ -	\$ 1,081,514
Furniture, fixtures, and equipment	2,239,578	438,846	-	2,678,424
Subtotal	3,231,543	528,395	-	3,759,938
Accumulated depreciation:				
Infrastructure	130,119	56,229	-	186,348
Furniture, fixtures, and equipment	850,659	141,121	-	991,780
Subtotal	980,778	197,350	-	1,178,128
Net component unit capital assets	\$ 2,250,765	\$ 331,045	\$ -	\$ 2,581,810

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 4 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 410,277
Public safety	782,995
Public works	266,760
Building, planning, and engineering	120,339
Recreation and culture	<u>914,641</u>
Total governmental activities	<u>\$ 2,495,012</u>
Business-type activities:	
Water and sewer	\$ 2,626,710
Golf course	<u>451,115</u>
Total business-type activities	<u>\$ 3,077,825</u>

Construction Commitments - The Charter Township has active construction projects at year end. The projects include the \$23 million bond issue subsequent to year end related to the renovation of the administration building and the construction of a performing arts center (see Note 13). At year end, the Charter Township's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Administration building	\$ 584,418	\$ 13,290,582
Performing arts center	<u>25,141</u>	<u>9,349,859</u>
Total	<u>\$ 609,559</u>	<u>\$ 22,640,441</u>

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Fund	Fire	\$ 98
	Police	550
	Enterprise - Water and Sewer	1,660
	Nonmajor governmental funds	324,136
	Enterprise - Golf Course	<u>540,172</u>
	Total General Fund	866,616
Special Revenue Funds:		
Police	Cable TV	85
Community Center	General	13,688
	Community Improvement	2,398
	Golf Course	42,177
Nonmajor governmental funds	Police	<u>6,310</u>
	Total governmental funds	931,274
Enterprise Funds:		
Golf Course	Community Center	3,127
	Nonmajor governmental funds	332,859
Water and Sewer	General	44,271
	Fire	3,076
	Police	11,172
	State Projects	30
	Community Center	3,719
	Golf Course	<u>60,135</u>
	Total Enterprise Funds	<u>458,389</u>
	Total	<u>\$ 1,389,663</u>

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund statements were as follows:

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General	Community Improvement (1)	\$ 550,000
	Community Center (1)	469,901
	Nonmajor governmental funds (2)	<u>733,743</u>
	Total General Fund	1,753,644
Fire	Nonmajor governmental funds (2)	394,374
Police	Nonmajor governmental funds (2)	458,125
Cable TV	Community Center	40,295
Community Center	Nonmajor governmental funds	144,336
Community Improvement	Water and Sewer (1)	500,000
Building Authority Construction	Golf Course	<u>23,122</u>
	Total governmental funds	<u>\$ 3,313,896</u>

The following describes the nature of significant transfers:

- (1) Transfers of discretionary funds to be used for the benefit of the community
- (2) Transfers for capital improvements

Note 6 - Long-term Debt

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

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 6 - 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:						
1987 Building Authority Bonds (Library)*						
Amount of issue - \$3,800,000						
Maturing through 2002	7.00%	\$35,000	\$ 350,000	\$ (350,000)	\$ -	\$ -
1997 Building Authority Bonds (Fire Headquarters)						
Amount of issue - \$3,500,000	5.00% -	\$125,000 -				
Maturing through 2016	7.00%	\$300,000	3,000,000	(125,000)	2,875,000	125,000
1998 Building Authority Bonds (Softball Center)						
Amount of issue - \$2,500,000		\$250,000 -				
Maturing through 2008	3.75%	\$300,000	1,875,000	(225,000)	1,650,000	250,000
1999 Building Authority Bonds (Library)*						
Amount of issue - \$6,000,000		\$200,000 -				
Maturing through 2020	5.50%	\$500,000	6,000,000	-	6,000,000	-
2000 Building Authority Recreation Bonds (debt issue split between governmental and business-type activities)						
Amount of issue - \$2,100,000	4.75% -	\$35,000-				
Maturing through 2020	6.75%	\$210,000	2,082,500	(35,000)	2,047,500	35,000
Special Assessment Bonds:						
1995 Special Assessment Bonds						
Amount of issue - \$1,035,000						
Maturing through 2002	5.00%	\$150,000	150,000	(150,000)	-	-
1995 Special Assessment Bonds (Series II)						
Amount of issue - \$535,000	6.40% -					
Maturing through 2004	6.50%	\$55,000	165,000	(55,000)	110,000	55,000
1996 Special Assessment Bonds						
Amount of issue - \$1,590,000	4.30% -	\$175,000 -				
Maturing through 2006	4.375%	\$200,000	900,000	(150,000)	750,000	175,000
1997 Special Assessment Bonds						
Amount of issue - \$2,140,000		\$200,000 -				
Maturing through 2007	5.00%	\$250,000	1,350,000	(250,000)	1,100,000	250,000
1998 Special Assessment Bonds						
Amount of issue - \$3,480,000	3.60% -	\$375,000 -				
Maturing through 2008	3.65%	\$400,000	2,700,000	(375,000)	2,325,000	375,000
Total bond obligations			18,572,500	(1,715,000)	16,857,500	1,265,000
Other long-term obligations:						
Accumulated employee benefits						
			1,288,790	810,895	2,099,685	1,098,288
Provision for uninsured losses						
			528,888	(13,344)	515,544	-
Total other long-term obligations			1,817,678	797,551	2,615,229	1,098,288
Total governmental activities			\$ 20,390,178	\$ (917,449)	\$ 19,472,729	\$ 2,363,288

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 6 - Long-term Debt (Continued)

* The Library Building Authority bonds debt service requirements are being provided by the Canton Township Library. The Charter Township and the Library have entered into an agreement that calls for annual payments from the Library equal to the debt service requirements on the bonds. The 2002 debt service requirements on the 1999 bond issuance were comprised solely of interest payments. In 2002, the 1987 bond issue was paid off. The balance outstanding on the 1999 bond issue is \$6,000,000. A capital lease receivable equal to the remaining principal balance plus accrued interest totaling \$6,080,281 has been reported in the governmental activities as of December 31, 2002.

	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 1992						
Amount of issue - \$1,525,000	1.75% -	\$150,000 -				
Maturing through 2005	5.125%	\$170,000	\$ 490,000	\$ (150,000)	\$ 340,000	\$ -
Building Authority Refunding Bonds, Series 1993						
Amount of issue - \$5,700,000	4.75% -	\$250,000 -				
Maturing through 2014	7.75%	\$500,000	4,300,000	(250,000)	4,050,000	-
Building Authority Recreation Bonds, Series 2000 (debt issue split between governmental and business-type activities)						
Amount of issue - \$3,900,000	4.75% -	\$65,000 -				
Maturing through 2020	6.75%	\$390,000	3,867,500	(65,000)	3,802,500	65,000
County contractual obligations:						
Wayne County Metropolitan Sewage Disposal System Bonds						
Amount of issue - \$2,500,000	4.25% -	\$135,000 -				
Maturing through 2007	5.00%	\$140,000	824,996	(130,000)	694,996	135,000
		\$20,000				
Michigan State Revolving Loan Fund						
Amount of issue - \$2,295,000	2.00%	\$120,000 -				
Maturing through 2012		\$135,000	1,255,000	(115,000)	1,140,000	120,000
Total bonds and other contractual obligations			10,737,496	(710,000)	10,027,496	320,000
Other long-term obligations:						
Accumulated employee benefits			2,302	23,818	26,120	-
Provision for uninsured losses			56,832	-	56,832	-
Total other long-term obligations			59,134	23,818	82,952	-
Less: Current portion payable from restricted assets			130,000	5,000	135,000	135,000
Total business-type activities			10,666,630	(691,182)	9,975,448	185,000
Total governmental and business-type activities			\$ 31,056,808	\$ (1,608,631)	\$ 29,448,177	\$ 2,548,288

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 6 - Long-term Debt (Continued)

Component Units	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
General obligation bonds:						
1994 Downtown Development Bonds						
Amount of issue - \$850,000						
Maturing through 2009	5.30% - 5.85%	\$55,000 - \$95,000	\$ 590,000	\$ (55,000)	\$ 535,000	\$ 60,000
1999 Downtown Development Bonds						
Amount of issue - \$1,500,000						
Maturing through 2014	4.00% - 4.60%	\$50,000 - \$150,000	1,400,000	(50,000)	1,350,000	75,000
Total component unit bond obligations			\$ 1,990,000	\$ (105,000)	\$ 1,885,000	\$ 135,000

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

	Governmental Activities			Business-type Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 1,265,000	\$ 790,656	\$ 2,055,656	\$ 320,000	\$ 481,505	\$ 801,505	\$ 135,000	\$ 173,672	\$ 308,672
2004	1,498,750	732,230	2,230,980	781,250	442,667	1,223,917	140,000	168,983	308,983
2005	1,502,500	665,386	2,167,886	802,500	407,327	1,209,827	145,000	163,622	308,622
2006	1,570,000	597,680	2,167,680	695,000	374,183	1,069,183	175,000	157,073	332,073
2007	1,395,000	531,605	1,926,605	695,000	339,933	1,034,933	180,000	149,263	329,263
2008-2012	3,757,500	2,025,295	5,782,795	3,377,500	1,244,474	4,621,974	810,000	349,727	1,159,727
2013-2017	3,841,250	1,109,655	4,950,905	2,283,750	507,895	2,791,645	300,000	13,800	313,800
2018-2022	2,027,500	219,213	2,246,713	1,072,496	105,788	1,178,284	-	-	-
Total	\$ 16,857,500	\$ 6,671,720	\$ 23,529,220	\$ 10,027,496	\$ 3,903,772	\$ 13,931,268	\$ 1,885,000	\$ 1,176,140	\$ 3,061,140

In prior years, the Charter Township defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the general purpose financial statements. At December 31, 2002, \$500,000 of bonds outstanding are considered defeased.

Note 7 - Restricted Assets

Restricted assets at December 31, 2002 consist of the following:

Cash and cash equivalents	\$ 165,325
Less current liabilities payable from restricted assets:	
Current maturities of long-term debt	\$ 135,000
Accrued interest payable	23,142
	<u>158,142</u>
Net restricted assets	<u>\$ 7,183</u>

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 8 - Risk Management

The Charter Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Charter Township has purchased commercial insurance for medical claims and participates in the Michigan Municipal Risk Management Authority for claims relating to property and general liability. The Charter Township is uninsured for employee injuries (workers' compensation).

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

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

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

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

	<u>2002</u>	<u>2001</u>
Estimated liability - Beginning of year	\$ 528,888	\$ 528,888
Estimated claims incurred, including changes in estimates	203,055	483,710
Claim payments, administration fees, and excess payments	<u>(159,567)</u>	<u>(483,710)</u>
Estimated liability - End of year	<u>\$ 572,376</u>	<u>\$ 528,888</u>

Charter Township of Canton

**Notes to Financial Statements
December 31, 2002**

Note 9 - Defined Contribution Retirement Plan

The Charter Township provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate as of the date of employment. As established by the Charter Township Board, the Charter Township contributes 15 percent of employees' gross earnings and employees contribute 5 percent of earnings. In accordance with these requirements, the Charter Township contributed approximately \$2,420,000 during the current year, and employees contributed approximately \$807,000.

Note 10 - Postemployment Benefits

The Charter Township provides health care benefits to certain full-time employees, based on age and years of service, upon retirement in accordance with labor contracts. Currently, 27 retirees are eligible. The Charter Township includes pre-Medicare retirees and their dependents in its insured health care plan, with no contributions required by the participants. The Charter Township purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment health care benefits are recognized as the insurance premiums become due. Postemployment benefits paid during the current year amounted to approximately \$227,000.

Note 11 - Joint Ventures

The Charter Township is a member of the Western Townships Utilities Authority (WTUA), which provides sewage disposal services to the residents of Canton, Northville, and Plymouth Townships. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed approximately \$28,000,000 to WTUA for operations, debt, and capital. The Charter Township's equity interest is recorded within the Water and Sewer Fund. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for WTUA can be obtained from the administrative offices at 40905 Joy Road, Canton, Michigan 48187.

Charter Township of Canton

**Notes to Financial Statements
December 31, 2002**

Note 11 - Joint Ventures (Continued)

The Charter Township is a member of the 35th District Court System and has an equity interest in the 35th District Courthouse Authority (the "Courthouse"), which provides judicial services to the Charter Township and various other surrounding communities. The Charter Township appoints one member to the joint venture's board, which then approves the annual budget. The Charter Township's equity interest is recorded within the governmental activities column in the statement of net assets. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. The Charter Township and various other surrounding communities agreed to become guarantors of bonds issued by the Courthouse during 1999. There were bonds outstanding of \$3,950,000 at December 31, 2002, of which the Charter Township guarantees 47 percent, or \$1,856,500. Complete financial statements for the Courthouse can be obtained from the administrative offices at 660 Plymouth Road, Plymouth, Michigan 48170.

Note 12 - Accounting and Reporting Change

GASB 34

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*. The Charter Township has applied the provisions of this statement in the accompanying financial statements (including notes to financial statements). The Charter Township has elected to implement both the general provisions of the statement and the retroactive reporting of the infrastructure in the current year. Certain significant changes in the statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Charter Township's overall financial position and results of operations
- Financial statements prepared using full accrual accounting for all of the Charter Township's activities, including infrastructure (roads, bridges, etc.)
- A change in the fund financial statements to focus on the major funds
- Capital assets in the governmental activities column of the statement of net assets includes infrastructure assets (roads, bridges, etc.) not previously accounted for by the Charter Township as well as assets totaling approximately \$44,000,000 that would previously have been reported in the General Fixed Assets Account Group

Charter Township of Canton

Notes to Financial Statements December 31, 2002

Note 12 - Accounting and Reporting Change (Continued)

- Capital assets at January 1, 2002 previously reported in the General Fixed Assets Account Group have been adjusted by approximately \$23,000,000 to reflect the historical cost of the Charter Township's capital assets at that date
- The governmental activities column includes bonds and other long-term obligations totaling \$19,472,729 previously reported in the General Long-term Debt Account Group.
- The Postemployment Benefits Fund has previously been reported as a Special Revenue Fund. The Charter Township has adopted Public Act 149. This fund is now reported as a fiduciary fund under GASB 34.
- Fund balance/retained earnings as of December 31, 2001 have been restated as follows:

	Enterprise - Water and Sewer	Golf Course Fund
Fund balance/retained earnings - December 31, 2001, as previously reported	\$ 133,130,232	\$ 400,054
Effect of restating fund previously reported as a governmental fund type as a proprietary fund type	-	4,978,392
Effect of restating investment in joint venture under the equity method	<u>(4,422,118)</u>	<u>-</u>
Retained earnings - December 31, 2001, as restated	<u>\$ 128,708,114</u>	<u>\$ 5,378,446</u>

Interpretation 6

The effect of implementing GASB 16, Interpretation 6, *Adjustment of Compensated Absences*, was not significant to the General Fund. Consequently, the General Fund fund balance as of December 31, 2001 has not been restated.

Note 13 - Subsequent Events

Subsequent to year end, the Charter Township issued general obligation bonds totaling \$23 million for the renovation of the Charter Township's administration building as well as the construction of a performing arts center. The payments begin in 2004 and mature in 2023 with interest ranging from 2.50 percent to 4.50 percent.

Charter Township of Canton

**Notes to Financial Statements
December 31, 2002**

Note 13 - Subsequent Events (Continued)

In addition, in 2003, the Charter Township adopted a defined benefit retirement plan through the Municipal Employers Retirement System of Michigan for employees who are employed under certain union contracts.

Required Supplemental Information

Charter Township of Canton

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2002

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Property taxes	\$ 3,829,521	\$ 3,829,521	\$ 3,740,620	\$ (88,901)
Licenses and permits	2,356,100	2,361,100	2,500,046	138,946
Federal sources	-	-	7,000	7,000
State sources	7,591,508	7,591,508	7,172,770	(418,738)
Charges for services	2,535,900	2,611,400	2,141,177	(470,223)
Court fees	600,000	600,000	488,992	(111,008)
Administration charges	202,500	2,565,273	2,589,298	24,025
Special assessments	15,000	15,000	-	(15,000)
Interest and other	1,169,400	1,271,980	590,771	(681,209)
Operating transfers in	1,166,993	287,720	-	(287,720)
Fund balance appropriation	986,761	2,694,408	1,008,888	(1,685,520)
Total revenues	<u>\$ 20,453,683</u>	<u>\$ 23,827,910</u>	<u>\$ 20,239,562</u>	<u>\$ (3,588,348)</u>
Expenditures - Current				
General government	\$ 7,404,688	\$ 6,913,080	\$ 6,088,577	\$ 824,503
Public safety	70,500	75,500	70,345	5,155
Public services	6,829,666	9,278,320	7,660,126	1,618,194
Recreation	2,281,934	3,208,542	2,583,015	625,527
Sanitation	2,393,000	2,405,186	2,083,855	321,331
Operating transfers out	1,473,895	1,947,282	1,753,644	193,638
Total expenditures	<u>\$ 20,453,683</u>	<u>\$ 23,827,910</u>	<u>\$ 20,239,562</u>	<u>\$ 3,588,348</u>

Charter Township of Canton

	Police			Variance With
	Original Budget	Final Budget	Actual	Final Budget
				Favorable
				(Unfavorable)
Revenues				
Property taxes	\$ 10,270,772	\$ 10,270,772	\$ 10,007,064	\$ (263,708)
Licenses and permits	51,900	51,900	51,011	(889)
Federal sources	92,400	120,588	101,659	(18,929)
State sources	15,000	15,000	22,105	7,105
Charges for services	101,000	106,000	93,689	(12,311)
Special assessments	-	-	-	-
Royalties	-	-	-	-
Summit recreation fees	-	-	-	-
Operating lease	-	-	-	-
Interest and other	552,000	552,000	286,232	(265,768)
Operating transfers in	-	-	-	-
Fund balance appropriation	-	1,163,182	353,581	(809,601)
Total revenues	<u>\$ 11,083,072</u>	<u>\$ 12,279,442</u>	<u>\$ 10,915,341</u>	<u>\$ (1,364,101)</u>
Expenditures				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	10,474,975	11,667,085	10,457,216	1,209,869
Public services	-	-	-	-
Recreation	-	-	-	-
Other	-	-	-	-
Transfers to other funds	608,097	612,357	458,125	154,232
Transfer to fund balance	-	-	-	-
Total expenditures	<u>\$ 11,083,072</u>	<u>\$ 12,279,442</u>	<u>\$ 10,915,341</u>	<u>\$ 1,364,101</u>

Required Supplemental Information
Budgetary Comparison Schedule - Major Special Revenue Funds
Year Ended December 31, 2002

Fire				Public Improvement			
Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
\$ 6,738,263	\$ 6,738,263	\$ 6,688,809	\$ (49,454)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
8,000	8,000	6,500	(1,500)	-	-	-	-
2,300	2,300	2,726	426	-	-	-	-
450,000	450,000	476,095	26,095	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
189,000	189,000	184,893	(4,107)	10,000	10,000	445	(9,555)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,900	4,900
<u>\$ 7,387,563</u>	<u>\$ 7,387,563</u>	<u>\$ 7,359,023</u>	<u>\$ (28,540)</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 5,345</u>	<u>\$ (4,655)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,721,010	7,185,832	5,929,967	1,255,865	10,000	10,000	5,345	4,655
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
666,553	723,020	394,374	328,646	-	-	-	-
-	(521,289)	1,034,682	(1,555,971)	-	-	-	-
<u>\$ 7,387,563</u>	<u>\$ 7,387,563</u>	<u>\$ 7,359,023</u>	<u>\$ 28,540</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 5,345</u>	<u>\$ 4,655</u>

Charter Township of Canton

	Community Improvement			Variance With
	Original Budget	Final Budget	Actual	Final Budget
				Favorable
				(Unfavorable)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Federal sources	-	-	-	-
State sources	-	44,500	150,002	105,502
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Royalties	1,100,000	1,100,000	861,721	(238,279)
Summit recreation fees	-	-	-	-
Operating lease	-	-	-	-
Interest and other	90,500	90,500	47,664	(42,836)
Operating transfers in	550,000	550,000	550,000	-
Fund balance appropriation	-	2,412,457	1,503,618	(908,839)
Total revenues	<u>\$ 1,740,500</u>	<u>\$ 4,197,457</u>	<u>\$ 3,113,005</u>	<u>\$ (1,084,452)</u>
Expenditures				
General government	\$ 848,000	\$ 3,662,457	\$ 2,613,005	\$ 1,049,452
Public safety	-	-	-	-
Public services	-	-	-	-
Recreation	-	-	-	-
Other	-	-	-	-
Transfers to other funds	535,000	535,000	500,000	35,000
Transfer to fund balance	357,500	-	-	-
Total expenditures	<u>\$ 1,740,500</u>	<u>\$ 4,197,457</u>	<u>\$ 3,113,005</u>	<u>\$ 1,084,452</u>

Required Supplemental Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Year Ended December 31, 2002

Community Center				Cable TV			
Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	660,000	660,000	902,871	242,871
780,000	780,000	856,124	76,124	-	-	-	-
-	-	-	-	-	-	-	-
1,539,000	1,539,000	1,318,621	(220,379)	65,000	65,000	46,113	(18,887)
511,406	511,406	510,196	(1,210)	-	-	-	-
353,288	403,346	346,411	(56,935)	-	4,912	-	(4,912)
<u>\$ 3,183,694</u>	<u>\$ 3,233,752</u>	<u>\$ 3,031,352</u>	<u>\$ (202,400)</u>	<u>\$ 725,000</u>	<u>\$ 729,912</u>	<u>\$ 948,984</u>	<u>\$ 219,072</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	8,750	(8,750)	-	-	-	-
-	-	-	-	-	-	-	-
2,790,564	3,080,622	2,878,266	202,356	-	-	-	-
-	-	-	-	682,205	687,117	431,349	255,768
393,130	153,130	144,336	8,794	42,795	42,795	40,295	2,500
-	-	-	-	-	-	477,340	(477,340)
<u>\$ 3,183,694</u>	<u>\$ 3,233,752</u>	<u>\$ 3,031,352</u>	<u>\$ 202,400</u>	<u>\$ 725,000</u>	<u>\$ 729,912</u>	<u>\$ 948,984</u>	<u>\$ (219,072)</u>

Charter Township of Canton

Note to Required Supplemental Information December 31, 2002

Note - Stewardship, Compliance, and Accountability

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

The statement comparing actual to budgeted revenue and expenditures is presented in greater detail than the amended budget adopted. Following is a reconciliation of the budget statement of the General Fund and other major funds to the operating statement:

	Budget Statement	Fund Balance Appropriation	Transfers	Operating Statement
General Fund:				
Total revenue	\$ 20,239,562	\$ (1,008,888)	\$ -	\$ 19,230,674
Total expenditures	20,239,562	-	(1,753,644)	18,485,918
Police Fund:				
Total revenue	10,915,341	(353,581)	-	10,561,760
Total expenditures	10,915,341	-	(458,125)	10,457,216
Fire Fund - Total expenditures	7,359,023	(1,034,682)	(394,374)	5,929,967
Public Improvement - Total revenue	5,345	(4,900)	-	445
Community Improvement:				
Total revenue	3,113,005	(1,503,618)	(550,000)	1,059,387
Total expenditures	3,113,005	-	(500,000)	2,613,005
Community Center:				
Total revenue	3,031,352	(346,411)	(510,196)	2,174,745
Total expenditures	3,031,352	-	(144,336)	2,887,016

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

- Prior to the last Friday in August, the Charter Township Supervisor submits to the Board of Trustees (the "Board") a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted in September to obtain taxpayer comments.

Charter Township of Canton

Note to Required Supplemental Information December 31, 2002

Note - Stewardship, Compliance, and Accountability (Continued)

- In October, the budget is legally adopted by the Board through adoption of the appropriation ordinance.
- The Charter Township Supervisor is authorized to transfer budgeted amounts within budgetary centers (activity); however, any revisions that alter the total expenditure of any budgetary center (activity) must be approved by the Board.

The budget document presents information by fund, function, department, and line items. The budgets for the Special Revenue Funds, Debt Service Funds, and Capital Projects Funds have been adopted on a fund basis; the budget for the General Fund has been adopted on an activity basis. The adopted budget is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations. The Board must approve all budget amendments made throughout the year. Transfers within a fund may be approved by the Charter Township Supervisor. During the current year, the budget was amended in a legally permissible manner except that the budget for the Road Paving Capital Project Fund was amended subsequent to December 31, 2002.

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

Excess of Expenditures Over Appropriations in Budgeted Funds - The Charter Township did not have significant expenditure budget variances during the year.

Other Supplemental Information

Charter Township of Canton

	Nonmajor Special Revenue				
	Special Investigation	Street Lighting	Community Development Block Grant	911 Service Fund	Building Authority
Assets					
Cash and cash equivalents	\$ 1,043,809	\$ 161,071	\$ 116,326	\$ 536,980	\$ 500
Receivables - Net:					
Special assessments	-	95,903	-	-	-
Accrued interest and other receivables	2,577	-	-	265	-
Due from other funds	-	-	-	6,310	-
Due from other governmental units	78,933	-	19,310	-	-
Total assets	\$ 1,125,319	\$ 256,974	\$ 135,636	\$ 543,555	\$ 500
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 23,253	\$ -	\$ 8,302	\$ 28,724	\$ -
Accrued and other liabilities	1,828	-	-	-	-
Due to other funds	30	-	123,921	-	-
Due to other governmental units	70,106	-	-	-	-
Deferred revenue - Special assessment	-	188,260	-	-	-
Total liabilities	95,217	188,260	132,223	28,724	-
Fund Balances					
Reserved	-	-	-	33,784	-
Unreserved	1,030,102	68,714	3,413	481,047	500
Total fund balance	1,030,102	68,714	3,413	514,831	500
Total liabilities and fund balances	\$ 1,125,319	\$ 256,974	\$ 135,636	\$ 543,555	\$ 500

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002**

Nonmajor Debt Service

Palmer Road Paving	North Haggerty Storm	North Haggerty Paving	Beck Road Paving	South Haggerty Paving	Koppernick Corporate Park	Tonquish Creek Storm Sewer
\$ 160,688	\$ 63,006	\$ 108,679	\$ 467,890	\$ 278,955	\$ 139,734	\$ 201,498
22,040	-	-	291,495	837,481	907,611	1,176,659
817	272	546	2,452	136	545	817
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 183,545	\$ 63,278	\$ 109,225	\$ 761,837	\$ 1,116,572	\$ 1,047,890	\$ 1,378,974
\$ -	\$ -	\$ -	\$ 10,121	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	77	98
-	-	-	-	-	-	-
22,041	-	-	265,442	724,314	830,598	1,078,710
22,041	-	-	275,563	724,314	830,675	1,078,808
-	-	-	-	-	-	-
161,504	63,278	109,225	486,274	392,258	217,215	300,166
161,504	63,278	109,225	486,274	392,258	217,215	300,166
\$ 183,545	\$ 63,278	\$ 109,225	\$ 761,837	\$ 1,116,572	\$ 1,047,890	\$ 1,378,974

Charter Township of Canton

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds (Continued) December 31, 2002

	Nonmajor Capital Project Funds						Total Nonmajor Governmental Funds
	Road Paving	Koppernick Corporate Park Paving	South Haggerty Paving	Building Construction	Beck Road Paving	Tonquish Creek Construction	
Assets							
Cash and investments	\$ 546,184	\$ 135,287	\$ -	\$ 3,047,951	\$ 481,173	\$ 595,382	\$ 8,085,113
Receivables - Net:							
Special assessments	-	-	-	-	-	-	3,331,189
Accrued interest and other receivables	320	-	-	320	-	-	9,067
Due from other funds	-	-	-	-	-	-	6,310
Due from other governmental units	-	-	-	-	-	-	98,243
Total assets	\$ 546,504	\$ 135,287	\$ -	\$ 3,048,271	\$ 481,173	\$ 595,382	\$ 11,529,922
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 23,079	\$ -	\$ -	\$ 386,955	\$ -	\$ -	\$ 480,434
Accrued and other liabilities	-	-	-	2,250,000	-	-	2,251,828
Due to other funds	40	-	-	-	-	-	124,166
Due to other governmental units	-	-	-	-	-	-	70,106
Deferred revenue - Special assessment	-	-	-	-	-	-	3,109,365
Total liabilities	23,119	-	-	2,636,955	-	-	6,035,899
Fund Balances							
Reserved	464,474	-	-	-	-	-	498,258
Unreserved	58,911	135,287	-	411,316	481,173	595,382	4,995,765
Total fund balance	523,385	135,287	-	411,316	481,173	595,382	5,494,023
Total liabilities and fund balances	\$ 546,504	\$ 135,287	\$ -	\$ 3,048,271	\$ 481,173	\$ 595,382	\$ 11,529,922

Charter Township of Canton

	Nonmajor Special Revenue Funds				
	Special Investigation	Street Lighting	Community Development Block Grant	911 Service Fund	Building Authority
Revenues					
Federal sources	\$ 81,483	\$ -	\$ 492,019	\$ -	\$ -
State sources	361,685	-	-	-	-
Charges for services	-	-	-	265,692	-
Special assessments	-	91,503	-	-	-
Contributions from other governmental units	-	-	-	-	695,624
Interest income	23,730	2,625	-	9,579	-
Land sales and other	250,138	362	6,350	-	-
Total revenues	717,036	94,490	498,369	275,271	695,624
Expenditures					
Current:					
General government	-	-	494,956	-	-
Public safety	685,060	-	-	182,012	-
Public services	-	173,247	-	-	-
Capital outlay	-	-	-	-	-
Debt principal payments	-	-	-	-	735,000
Interest and fiscal charges	-	-	-	-	674,880
Total expenditures	685,060	173,247	494,956	182,012	1,409,880
Excess of Revenues Over (Under) Expenditures	31,976	(78,757)	3,413	93,259	(714,256)
Other Financing Sources - Operating transfers in	-	-	-	-	588,279
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	31,976	(78,757)	3,413	93,259	(125,977)
Fund Balances - Beginning of year	998,126	147,471	-	421,572	126,477
Fund Balances - End of year	<u>\$ 1,030,102</u>	<u>\$ 68,714</u>	<u>\$ 3,413</u>	<u>\$ 514,831</u>	<u>\$ 500</u>

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2002

Nonmajor Debt Service Funds						
Palmer Road Paving	North Haggerty Storm	North Haggerty Paving	Beck Road Paving	South Haggerty Paving	Koppernick Corporate Park	Tonquish Creek Storm Sewer
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
20,793	39,941	40,849	74,922	129,351	143,677	196,727
-	-	-	-	-	-	-
6,507	4,505	6,306	31,752	49,724	55,607	73,101
-	-	-	-	-	-	-
27,300	44,446	47,155	106,674	179,075	199,284	269,828
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
55,000	63,045	86,955	150,000	250,000	165,000	210,000
9,516	1,860	2,564	36,456	61,600	40,300	51,289
<u>64,516</u>	<u>64,905</u>	<u>89,519</u>	<u>186,456</u>	<u>311,600</u>	<u>205,300</u>	<u>261,289</u>
(37,216)	(20,459)	(42,364)	(79,782)	(132,525)	(6,016)	8,539
-	-	-	-	-	-	-
(37,216)	(20,459)	(42,364)	(79,782)	(132,525)	(6,016)	8,539
198,720	83,737	151,589	566,056	524,783	223,231	291,627
<u>\$ 161,504</u>	<u>\$ 63,278</u>	<u>\$ 109,225</u>	<u>\$ 486,274</u>	<u>\$ 392,258</u>	<u>\$ 217,215</u>	<u>\$ 300,166</u>

Charter Township of Canton

	Nonmajor Capital Project Funds				
	Koppernick				
	Road Paving	Corporate Park Paving	South Haggerty Paving	Building Construction	Beck Road Paving
Revenues					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
Charges for services	-	-	-	-	-
Special assessments	-	-	-	-	-
Contributions from other governmental units	13,419	-	-	-	-
Interest income	9,930	2,346	-	15,004	7,292
Land sales and other	12,350	-	-	-	-
Total revenues	35,699	2,346	-	15,004	7,292
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public services	-	-	-	-	-
Capital outlay	434,698	72,520	-	1,544,875	-
Debt principal payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	434,698	72,520	-	1,544,875	-
Excess of Revenues Over (Under) Expenditures	(398,999)	(70,174)	-	(1,529,871)	7,292
Other Financing Sources - Operating transfers in	196,200	-	-	946,099	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(202,799)	(70,174)	-	(583,772)	7,292
Fund Balances - Beginning of year	726,184	205,461	-	995,088	473,881
Fund Balances - End of year	<u>\$ 523,385</u>	<u>\$ 135,287</u>	<u>\$ -</u>	<u>\$ 411,316</u>	<u>\$ 481,173</u>

**Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances - Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2002**

Tonquish Creek Construction	Total Nonmajor Governmental Funds
\$ -	\$ 573,502
-	361,685
-	265,692
-	737,763
-	709,043
9,023	307,031
-	269,200
9,023	3,223,916
-	494,956
-	867,072
-	173,247
-	2,052,093
-	1,715,000
-	878,465
-	6,180,833
9,023	(2,956,917)
-	1,730,578
9,023	(1,226,339)
586,359	6,720,362
\$ 595,382	\$ 5,494,023

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds Year Ended December 31, 2002

Special Revenue Fund - Special Investigation

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Federal sources	\$ 10,500	\$ 28,680	\$ 81,483	\$ 52,803
State sources	450,917	450,917	361,685	(89,232)
Interest and other	294,243	386,275	273,868	(112,407)
Operating transfers in	67,327	67,327	-	(67,327)
Fund balance appropriation	116,801	63,325	-	(63,325)
Total revenues	\$ 939,788	\$ 996,524	\$ 717,036	\$ (279,488)
Expenditures				
Current expenditures - Public safety	\$ 872,461	\$ 929,197	\$ 685,060	\$ 244,137
Operating transfers out	67,327	67,327	-	67,327
Transfer to fund balance	-	-	31,976	(31,976)
Total expenditures	\$ 939,788	\$ 996,524	\$ 717,036	\$ 279,488

Special Revenue Fund - Street Lighting

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 200,550	\$ 91,500	\$ 91,503	\$ 3
Interest income	10,250	10,250	2,625	(7,625)
Land sales and other	782	109,832	362	(109,470)
Fund balance appropriation	-	-	78,757	78,757
Total revenues	\$ 211,582	\$ 211,582	\$ 173,247	\$ (38,335)
Expenditures - Current expenditures - Public services				
services	\$ 211,582	\$ 211,582	\$ 173,247	\$ 38,335

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Special Revenue Fund - Community Development Block Grant

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Federal sources	\$ 886,537	\$ 1,324,537	\$ 492,019	\$ (832,518)
Rental income	7,200	7,200	6,350	(850)
Total revenues	\$ 893,737	\$ 1,331,737	\$ 498,369	\$ (833,368)
Expenditures - Current:				
General government	\$ 893,737	\$ 1,331,737	\$ 494,956	\$ 836,781
Transfer to fund balance	-	-	3,413	(3,413)
Total expenditures	\$ 893,737	\$ 1,331,737	\$ 498,369	\$ 833,368

Special Revenue Fund - 911 Service

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 215,000	\$ 215,000	\$ 265,692	\$ 50,692
Interest and other	37,500	37,500	9,579	(27,921)
Total revenues	\$ 252,500	\$ 252,500	\$ 275,271	\$ 22,771
Expenditures				
Current expenditures - Public safety	\$ 25,530	\$ 241,911	\$ 182,012	\$ 59,899
Transfer to fund balance	226,970	10,589	93,259	(82,670)
Total expenditures	\$ 252,500	\$ 252,500	\$ 275,271	\$ (22,771)

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Debt Service Fund - Building Authority

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Contributions from other government units	\$ 696,775	\$ 696,775	\$ 695,624	\$ (1,151)
Operating transfers in	1,627,754	714,785	588,279	(126,506)
Fund balance appropriation	-	-	125,977	125,977
Total revenues	\$ 2,324,529	\$ 1,411,560	\$ 1,409,880	\$ (1,680)
Expenditures				
Current expenditures:				
Debt principal payments	\$ 735,000	\$ 735,000	\$ 735,000	\$ -
Interest and fiscal charges	664,699	676,560	674,880	1,680
Transfer to fund balance	924,830	-	-	-
Total expenditures	\$ 2,324,529	\$ 1,411,560	\$ 1,409,880	\$ 1,680

Debt Service Fund - Palmer Road Paving

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 24,135	\$ 24,135	\$ 20,793	\$ (3,342)
Interest and other	9,208	9,208	6,507	(2,701)
Fund balance appropriation	31,174	31,174	37,216	6,042
Total revenues	\$ 64,517	\$ 64,517	\$ 64,516	\$ (1)
Expenditures - Current				
Debt principal payments	\$ 55,000	\$ 55,000	\$ 55,000	\$ -
Interest and fiscal charges	9,517	9,517	9,516	1
Total expenditures	\$ 64,517	\$ 64,517	\$ 64,516	\$ 1

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Debt Service Fund - North Haggerty Storm

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 25,000	\$ 25,000	\$ 39,941	\$ 14,941
Interest and other	9,000	9,000	4,505	(4,495)
Fund balance appropriation	30,906	30,906	20,459	(10,447)
Total revenues	\$ 64,906	\$ 64,906	\$ 64,905	\$ (1)
Expenditures - Current				
Debt principal payments	\$ 63,045	\$ 63,045	\$ 63,045	\$ -
Interest and fiscal charges	1,861	1,861	1,860	1
Total expenditures	\$ 64,906	\$ 64,906	\$ 64,905	\$ 1

Debt Service Fund - North Haggerty Paving

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 30,320	\$ 30,320	\$ 40,849	\$ 10,529
Interest and other	16,500	16,500	6,306	(10,194)
Fund balance appropriation	42,701	42,701	42,364	(337)
Total revenues	\$ 89,521	\$ 89,521	\$ 89,519	\$ (2)
Expenditures - Current				
Debt principal payments	\$ 86,955	\$ 86,955	\$ 86,955	\$ -
Interest and fiscal charges	2,566	2,566	2,564	2
Total expenditures	\$ 89,521	\$ 89,521	\$ 89,519	\$ 2

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Debt Service Fund - Beck Road Paving

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 117,133	\$ 117,133	\$ 74,922	\$ (42,211)
Interest and other	50,401	50,401	31,752	(18,649)
Fund balance appropriation	<u>18,923</u>	<u>18,923</u>	<u>79,782</u>	<u>60,859</u>
Total revenues	<u>\$ 186,457</u>	<u>\$ 186,457</u>	<u>\$ 186,456</u>	<u>\$ (1)</u>
Expenditures - Current				
Debt principal payments	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Interest and fiscal charges	<u>36,457</u>	<u>36,457</u>	<u>36,456</u>	<u>1</u>
Total expenditures	<u>\$ 186,457</u>	<u>\$ 186,457</u>	<u>\$ 186,456</u>	<u>\$ 1</u>

Debt Service Fund - South Haggerty Paving

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 132,718	\$ 132,718	\$ 129,351	\$ (3,367)
Interest and other	58,278	58,278	49,724	(8,554)
Fund balance appropriation	<u>120,604</u>	<u>120,604</u>	<u>132,525</u>	<u>11,921</u>
Total revenues	<u>\$ 311,600</u>	<u>\$ 311,600</u>	<u>\$ 311,600</u>	<u>\$ -</u>
Expenditures - Current				
Debt principal payments	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Interest and fiscal charges	<u>61,600</u>	<u>61,600</u>	<u>61,600</u>	<u>-</u>
Total expenditures	<u>\$ 311,600</u>	<u>\$ 311,600</u>	<u>\$ 311,600</u>	<u>\$ -</u>

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Debt Service Fund - Koppernick Corporate Park

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 151,553	\$ 151,553	\$ 143,677	\$ (7,876)
Interest and other	52,202	52,202	55,607	3,405
Fund balance appropriation	1,559	1,559	6,016	4,457
Total revenues	\$ 205,314	\$ 205,314	\$ 205,300	\$ (14)
Expenditures - Current				
Debt principal payments	\$ 165,000	\$ 165,000	\$ 165,000	\$ -
Interest and fiscal charges	40,314	40,314	40,300	14
Total expenditures	\$ 205,314	\$ 205,314	\$ 205,300	\$ 14

Debt Service Fund - Tonquish Creek Storm Sewer

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$ 196,726	\$ 196,726	\$ 196,727	\$ 1
Interest and other	80,163	80,163	73,101	(7,062)
Total revenues	\$ 276,889	\$ 276,889	\$ 269,828	\$ (7,061)
Expenditures				
Current expenditures:				
Debt principal payments	\$ 210,000	\$ 210,000	\$ 210,000	\$ -
Interest and fiscal charges	51,293	51,293	51,289	4
Transfer to fund balance	15,596	15,596	8,539	7,057
Total expenditures	\$ 276,889	\$ 276,889	\$ 269,828	\$ 7,061

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Capital Projects Fund - Road Paving

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Contributions from other governmental units	\$ -	\$ -	\$ 13,419	\$ 13,419
Interest income	11,200	11,200	9,930	(1,270)
Land sales and other	-	-	12,350	12,350
Operating transfers in	90,000	150,500	196,200	45,700
Fund balance appropriation	48,800	661,382	202,799	(458,583)
Total revenues	\$ 150,000	\$ 823,082	\$ 434,698	\$ (388,384)
Expenditures - Current - Capital outlay	\$ 150,000	\$ 823,082	\$ 434,698	\$ 388,384

Capital Project Fund - Koppernick Corporate Park Paving

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Interest income	\$ -	\$ -	\$ 2,346	\$ 2,346
Fund balance appropriation	-	72,521	70,174	(2,347)
Total revenues	\$ -	\$ 72,521	\$ 72,520	\$ (1)
Expenditures - Current - Capital outlay	\$ -	\$ 72,521	\$ 72,520	\$ 1

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Capital Projects Fund - Building Construction

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Interest income	\$ -	\$ -	\$ 15,004	\$ 15,004
Land sales and other	-	5,000,000	-	(5,000,000)
Proceeds from long-term debt issue	-	-	-	-
Operating transfers in	-	1,027,187	946,099	(81,088)
Fund balance appropriation	-	978,532	583,772	(394,760)
	\$ -	\$ 7,005,719	\$ 1,544,875	\$ (5,460,844)
Expenditures - Current - Capital outlay	\$ -	\$ 7,005,719	\$ 1,544,875	\$ 5,460,844

Capital Projects Fund - Beck Road Paving

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues - Interest income	\$ -	\$ -	\$ 7,292	\$ 7,292
Expenditures - Transfer to fund balance	\$ -	\$ -	\$ 7,292	\$ (7,292)

Charter Township of Canton

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Year Ended December 31, 2002

Capital Projects Fund - Tonquish Creek Construction

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Favorable (Unfavorable)
Revenues - Interest income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,023</u>	<u>\$ 9,023</u>
Expenditures - Transfer to fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,023</u>	<u>\$ (9,023)</u>

Charter Township of Canton

Other Supplemental Information Combining Statement of Net Assets Fiduciary Funds December 31, 2002

	Agency Funds		
	Tax Collections	Other Agency	Totals
Assets			
Cash and investments	\$ 12,312,066	\$ 560,969	\$ 12,873,035
Receivables	-	6,662	6,662
Total assets	\$ 12,312,066	\$ 567,631	\$ 12,879,697
Liabilities			
Due to other governmental units	\$ 12,312,066	\$ -	\$ 12,312,066
Cash bonds and deposits	-	567,631	567,631
Total liabilities	\$ 12,312,066	\$ 567,631	\$ 12,879,697

Statistical Section

Charter Township of Canton

Fiscal Year	Property Taxes	Licenses and Permits	State Sources	Federal Sources	Charges for Services
1993 (1)	\$ 8,395,559	\$ 995,057	\$ 4,195,075	\$ 294,536	\$ 691,190
1994	9,577,760	1,223,968	4,543,177	592,667	815,961
1995	10,745,990	1,885,000	4,864,915	523,241	653,191
1996	11,622,160	2,133,573	5,598,101	443,329	1,697,905
1997	13,102,303	2,485,544	6,109,169	604,857	1,998,427
1998	14,337,246	2,702,634	6,431,656	431,936	2,214,667
1999	15,393,566	2,657,891	6,726,315	583,893	2,951,991
2000	16,928,959	2,442,411	7,159,118	705,193	3,238,193
2001	18,260,062	2,587,070	9,193,412	1,420,904	3,266,027
2002	20,436,493	2,551,057	7,709,288	688,661	2,976,653

- (1) Beginning in 1993, the operations of the Economic Development Corporation and the Downtown Development Authority were excluded from the governmental funds (Special Revenue Funds) because they have been recorded as separate component units of Canton Township. Prior years have not been adjusted to reflect this change.
- (2) Beginning in 1996, charges for services include revenues from the "recreation center," which began operations in 1996.
- (3) In 1996, the Charter Township had a large increase in revenues from land sales in comparison to prior years. The Charter Township's land sales in 1996 were greater than \$4,000,000.
- (4) In 1997, the courthouse was destroyed in a fire. The majority of court fees were retained by the Court to fund the rebuilding effort in 1997 and 1998. In 1999, the courthouse was again operational and court fees were distributed to the participating communities.
- (5) In 1997, there was a new special assessment (South Haggerty Paving) and many collections of prior special assessments.
- (6) In 1999, Canton Township began accounting for the Western Wayne Narcotics Consortium in a Special Revenue Fund. An initial transfer of approximately \$900,000 was made to this fund. In addition, the Township took over the food service contracts at both the Summit on the Park as well as Pheasant Run Golf Course.
- (7) In 2002, the Golf Course Fund was reclassified to a proprietary fund type concurrent with the adoption of GASB 34.

General Revenues by Source
General, Special Revenue, and Debt Service Funds
(Unaudited)

<u>Court Fees</u>	<u>Administrative Charges</u>	<u>Special Assessments</u>	<u>Contributions from Other Governmental Units</u>	<u>Other Revenues</u>	<u>Total</u>
\$ 448,779	\$ 559,342	\$ 656,028	\$ 458,375	\$ 3,867,272	\$ 20,561,213
451,896	684,790	536,792	452,701	3,795,260	22,674,972
627,910	619,110	610,767	478,750	4,513,004	25,521,878
680,741	880,086	479,069	460,150	9,789,913 (2) (3)	33,785,027
198,757 (4)	930,846	1,101,840 (5)	440,875	6,510,689	33,483,307
5,278 (4)	987,129	873,560	471,250	7,906,869	36,362,225
408,822 (4)	1,314,373	1,154,957	456,313	9,688,650 (6)	41,336,771
822,569	1,374,174	1,033,262	423,950	9,528,584 (6)	43,656,413
1,693,792	1,656,446	909,283	399,800	9,171,663 (6)	48,558,459
488,992	2,589,298	737,763	695,624	5,615,741 (7)	44,489,570

Charter Township of Canton

Fiscal Year	General Government	Public Safety	Public Services	Recreation
1993	\$ 3,913,688	\$ 8,894,257	\$ 2,334,598	\$ 1,706,675
1994	3,599,940	9,076,125	2,437,043	998,047
1995	4,725,838	10,452,164	2,762,892	1,803,222
1996	5,784,092	10,628,289	3,342,035	3,380,887
1997	5,596,024	11,406,335	4,711,869	3,333,733
1998	5,908,351	12,273,979	4,581,140	3,460,918
1999	6,815,285	13,592,109	4,723,662	5,324,020
2000	7,093,633	13,760,299	8,813,786	6,007,321
2001	7,795,598	17,417,837	7,872,144	5,804,672
2002	9,199,038	17,338,695	7,833,373	5,461,281

- (1) Beginning in 1993, the operations of the Economic Development Corporation and the Downtown Development Authority were excluded from the governmental funds (Special Revenue Funds) because they have been recorded as separate component units of Canton Township. Prior years have not been adjusted to reflect this change.
- (2) In 1999, the Charter Township purchased the Canton Softball Center and the expenditures related to operations are recorded in the General Fund.
- (3) In 2000, the Charter Township purchased land to be used for future parks.
- (4) In 2000, the Charter Township made various capital improvements to Fellows Creek Golf Club, which are recorded in the Golf Course Fund.
- (5) In 2002, the Golf Course Fund was reclassified to a proprietary fund type concurrent with the adoption of GASB 34.

**General Government Expenditures by Function
General, Special Revenue, and Debt Service Funds
(Unaudited)**

Sanitation	Debt Service	Other Expenditures	Total
\$ 1,150,702	\$ 1,718,595	\$ 11,658	\$ 19,730,173
1,326,133	1,698,155	113,774	19,249,217
1,445,917	1,623,422	189,024	23,002,479
1,474,134	1,651,519	548,681	26,809,637
1,699,962	1,854,884	355,121	28,957,928
1,600,619	2,148,437	275,300	30,248,744
1,895,826	2,583,909	317,224	35,252,035
1,962,340	2,557,787	301,500	40,496,666
2,171,248	3,558,334	375,655	44,995,488
2,083,855	2,593,465	428,849	44,938,556

Charter Township of Canton

General Fund Balance Compared to Annual Expenditures (Unaudited)

<u>Fiscal Year</u>	<u>Reserved Fund Balance</u>	<u>Unreserved Fund Balance</u>	<u>Annual Expenditures</u>	<u>Unreserved Fund Balance as a Percentage of Expenditures</u>
1993	\$ 176,371	\$ 1,996,354	\$ 7,780,585	38.51
1994	279,524	3,751,119	7,620,320	49.23
1995	67,158	3,854,769	9,310,535	41.40
1996	309,001	4,871,820	10,124,629	48.12
1997	177,534	6,815,696	10,333,311	65.96
1998	262,547	8,327,176	10,984,802	75.81
1999	347,189	7,677,952	13,687,691	56.09
2000	585,215	8,055,315	14,350,342	56.13
2001	545,652	6,781,211	16,616,576	40.81
2002	569,543	5,748,432	18,485,918	31.10

Charter Township of Canton

General Government State Revenues by Source General, Special Revenue, and Debt Services Funds (Unaudited)

Fiscal Year	State Income Tax	State Sales Tax	State Business Tax	Public Grants	Total
1993	\$ 709,723	\$ 2,730,220	\$ 499,052	\$ 256,080	\$ 4,195,075
1994	755,378	2,892,555	553,596	341,648	4,543,177
1995	950,393	3,008,404	478,832	427,286	4,864,915
1996	568,618	4,034,948	524,565	469,970	5,598,101
1997	-	4,902,553	2,379	1,204,237	6,109,169
1998	-	5,973,581	2,379	455,696	6,431,656
1999	-	6,315,230	-	411,085	6,726,315
2000	-	6,726,868	-	432,250	7,159,118
2001	-	7,740,557	-	1,452,855	9,193,412
2002	-	7,079,679	-	629,609	7,709,288

Charter Township of Canton

Computation of Legal Debt Margin December 31, 2002 (Unaudited)

Debt Limit

2002 taxable valuation		<u>\$ 2,711,891,649</u>
Debt limit (10% of Equalized Valuation)		\$ 271,189,165
Debt Applicable to Debt Limit	\$ 26,190,000	
Less special assessment bonds	<u>4,285,000</u>	
Total debt applicable to limitation		<u>21,905,000</u>
Legal Debt Margin		<u>\$ 249,284,165</u>

Charter Township of Canton

Ratio of Annual Debt Service Expenditures for Township Portion of Special Assessment General Obligation Bonded Debt to Total General Government Expenditures Last Ten Fiscal Years (Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1993	\$ 419,932	\$ 63,388	\$ 483,320	\$ 19,730,173	2.45
1994	59,478	40,146	99,624	19,249,217	0.52
1995	423,860	37,681	461,541	23,002,479	2.01
1996	81,241	61,910	143,151	26,809,637	0.53
1997	99,631	59,205	158,836	28,957,928	0.55
1998	121,168	63,212	184,380	30,248,744	0.61
1999	375,285	62,795	438,080	35,252,035	1.24
2000	195,655	34,200	229,855	40,496,666	0.57
2001	91,569	31,540	123,109	44,995,488	0.27
2002	352,813	22,654	375,467	44,938,556	0.84

(1) Includes General, Special Revenue, and Debt Service Funds. Beginning in 1993, the operations of the Economic Development Corporation and Downtown Development Authority were excluded from the governmental funds (Special Revenue Funds) because they have been recorded as separate component units of Canton Township. Prior years have not been adjusted to reflect this change.

Charter Township of Canton

Revenue Bond Coverage Water and Sewer Bonds Last Ten Fiscal Years (Unaudited)

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$ 8,787,578	\$ 6,826,368	\$ 1,961,210	\$ 128,586	\$ 94,673	\$ 223,259	8.78
1994	9,856,428	8,518,552	1,337,876	93,214	89,457	182,671	7.32
1995	10,798,097	8,810,140	1,987,957	128,385	84,190	212,575	9.35
1996	11,848,513	10,480,883	1,367,630	133,386	78,076	211,462	6.47
1997	12,384,370	10,526,198	1,858,172	138,385	71,667	210,052	8.85
1998	15,530,830	10,311,149	5,219,681	143,385	65,040	208,425	25.04
1999	16,950,484	12,701,906	4,248,578	148,386	58,246	206,632	20.56
2000	16,507,764	13,584,325	2,923,439	153,386	51,203	204,589	14.29
2001	18,508,327	14,927,809	3,580,518	158,386	49,909	208,295	17.19
2002	19,145,687	17,295,040	1,850,647	115,000	24,942	139,942	13.22

- (1) Total operating and non-operating revenues including interest income but excluding water/sewer system capital/debt fees.
- (2) Total operating and non-operating expenses excluding depreciation, interest, and net disposal of capital assets.

Charter Township of Canton

Ratio of Township Portion of Special Assessment General Obligation Bonded Debt to Assessed Value and Township Portion of Special Assessment General Obligation Bonded Debt Per Capita (1) Last Ten Fiscal Years (Unaudited)

Fiscal Year	Assessed (3)	Estimated Population (2)	General Bonded Debt Outstanding	Percent of General Bonded Debt to Assessed Value	General Bonded Debt Per Capita
1993	\$ 1,107,857,327	61,300	\$ 537,551	4.85	8.77
1994	1,207,313,910	62,700	614,285	5.09	9.80
1995	1,318,659,160	66,100	190,425	1.44	2.88
1996	1,470,814,152	69,000	499,677	3.40	7.24
1997	1,623,155,252	69,000	735,291	4.53	10.66
1998	1,807,347,573	72,000	898,495	4.97	12.48
1999	2,013,647,997	75,000	774,294	3.85	10.32
2000	2,208,749,763	76,366	444,382	2.01	5.82
2001	2,465,889,990	76,366	352,813	1.43	4.62
2002	2,711,891,649	81,681	258,902	0.95	3.17

(1) General obligation bonds reported in the Enterprise Fund with government commitment and Building Authority bonds have been excluded.

(2) Population estimates from SEMCOG (Southeast Michigan Council of Governments) 2000 population is from U.S. Census

(3) From page 84 - Assessed Valuation History Table

Charter Township of Canton

Computation of Direct and Overlapping Debt December 31, 2002 (Unaudited)

	Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percent Applicable to Canton	Amount Applicable to Canton
Direct:	Canton Township	\$ 258,902	100.00	\$ 258,902
	Canton Library	<u>6,000,000</u>	100.00	<u>6,000,000</u>
	Total direct	6,258,902		6,258,902
Overlapping:	County of Wayne	120,080,931	6.47	7,769,236
	Wayne County Community College	84,070,000	1.47	1,235,829
	Plymouth-Canton Community Schools	164,400,000	50.40	82,857,600
	Van Buren Schools	14,545,000	10.30	1,498,135
	Wayne-Westland Schools	113,540,000	11.77	13,363,658
	District Court Facilities	<u>3,950,000</u>	48.19	<u>1,903,500</u>
	Total overlapping	<u>500,585,931</u>		<u>108,627,958</u>
	Total	<u>\$ 506,844,833</u>		<u>\$ 114,886,860</u>

Charter Township of Canton

Assessed Valuation History (Unaudited)

Fiscal Year	Real Assessed Valuation	Personal Assessed Valuation	Total Assessed Valuation (1)	Estimated Actual Value of Taxable Property	State-equalized Valuation
1993	\$ 1,038,653,347	\$ 69,203,980	\$ 2,215,714,654	\$ 1,107,857,327	\$ 1,107,857,327
1994	1,126,158,230	81,155,680	2,414,627,820	1,207,313,910	1,207,313,910
1995	1,223,365,870	95,293,290	2,637,318,320	1,318,659,160	1,354,879,760
1996	1,364,208,772	106,605,380	2,941,628,304	1,470,814,152	1,529,176,917
1997	1,503,014,992	120,140,260	3,246,310,504	1,623,155,252	1,713,863,857
1998	1,677,090,903	130,256,670	3,614,695,146	1,807,347,573	1,951,425,250
1999	1,866,351,037	147,296,960	4,027,295,994	2,013,647,997	2,203,898,155
2000	2,058,212,403	150,537,360	4,417,499,526	2,208,749,763	2,479,871,370
2001	2,295,327,510	170,562,480	4,931,779,980	2,465,889,990	2,817,336,350
2002	2,542,497,469	169,394,180	5,423,783,298	2,711,891,649	3,226,241,880

Tax assessment day - December 31

(1) Total values prior to 1995 were assessed at 50 percent of true cash value. Beginning with the 1995 assessments, the taxable value is limited by the lesser of inflation, growth in true cash value, or 5 percent.

Charter Township of Canton

Special Assessment Collections (Unaudited)

<u>Fiscal Year</u>	<u>Current Special Assessment Installment Due</u>	<u>Increase in Special Assessment</u>	<u>Current Special Assessment Collection</u>	<u>Ratio of Collections to Amount Due (Percent)</u>	<u>Total Outstanding Special Assessments</u>
1993	\$ 485,448	\$ 960,009	\$ 731,532	150.7	\$ 2,737,578
1994	410,273	421,714	470,276	114.6	2,689,016
1995	377,775	219,000	1,273,719	337.2	1,634,297
1996	284,579	1,900,986	506,165	117.9	3,029,118
1997	441,163	2,387,285	1,364,022	309.2	4,052,381
1998	798,670	3,719,844	968,358	121.2	6,803,867
1999	795,441	507,641	1,235,561	155.3	6,075,947
2000	723,368	76,084	1,428,604	197.5	4,723,427
2001	729,607	347,516	1,124,373	154.1	3,969,018
2002	591,034	314,183	1,030,482	174.4	3,252,719

Note: Delinquent special assessments are transferred to the Township tax rolls in the following year. The County Delinquent Tax Revolving Fund reimburses the Township 100 percent of delinquent special assessments. The amounts reported above exclude special assessments for street lighting.

Charter Township of Canton

Property Tax Levies Direct and Overlapping Governments (Unaudited)

Fiscal Year	Township Tax (1)	County Tax	School Tax (2)	Community Colleges (3)	Library	Total
1993	\$ 10,363,282	\$ 11,094,355	\$ 40,494,429	\$ 2,059,125	\$ 1,837,861	\$ 65,849,052
1994	11,574,096	19,287,710	10,410,141	2,215,682	1,996,780	45,484,409
1995	12,394,801	21,071,777	11,128,716	2,391,635	2,180,007	49,166,936
1996	13,855,759	23,621,539	10,924,764	2,665,740	2,441,423	53,509,225
1997	15,107,040	26,059,318	12,218,335	2,934,049	2,690,266	59,009,008
1998	16,913,703	29,547,511	14,180,133	3,258,827	2,998,765	66,898,939
1999	18,470,753	33,209,749	18,102,913	3,584,162	3,337,812	76,705,389
2000	20,110,183	36,251,705	18,899,550	3,890,850	3,632,780	82,785,068
2001	22,119,165	40,383,938	21,897,170	4,802,730	3,932,108	93,135,111
2002	24,273,739	48,383,123	22,685,663	5,245,330	4,348,325	104,936,180

(1) Includes general operating, fire, and police taxes

(2) Includes the Plymouth-Canton, Wayne-Westland, and Van Buren school districts

(3) Represents taxes levied for Schoolcraft College and Wayne County Community College

Charter Township of Canton

Township Tax Collection History (Unaudited)

Fiscal Year	Tax Levy (l)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
1993	\$ 10,363,282	\$ 9,816,227	94.72	\$ 540,170	\$ 10,356,397	99.93
1994	11,574,096	11,086,056	95.78	481,056	11,567,112	99.94
1995	12,394,801	11,897,321	95.99	493,462	12,390,783	99.97
1996	13,855,759	13,169,981	95.05	680,757	13,850,738	99.96
1997	15,107,040	14,425,962	95.49	673,957	15,099,919	99.95
1998	16,913,703	15,915,798	94.10	993,722	16,909,520	99.98
1999	18,470,753	17,449,828	94.47	1,020,925	18,470,753	100.00
2000	20,110,183	18,939,449	94.18	1,160,679	20,100,128	99.95
2001	22,119,165	19,613,982	88.67	2,228,018	21,842,000	98.75
2002	24,273,739	22,263,375	91.72	1,291,979	23,555,354	97.04

Charter Township of Canton

	1993	1994	1995	1996
Wayne County	6.71	6.73	6.73	6.73
Canton Township	1.11	1.11	1.11	1.11
Schools (by district):				
Plymouth/Canton	35.62	5.30	5.08	5.18
Wayne/Westland	40.05	5.85	5.38	5.10
School Enhancement - Wayne/Westland	-	-	3.00	3.00
Van Buren	45.33	4.75	4.75	3.00
Community Colleges (by district):				
Plymouth/Canton	1.89	1.88	1.86	1.86
Wayne/Westland	1.37	1.28	1.28	1.21
Van Buren	1.37	1.28	1.28	1.21
Huron-Clinton Metro Parks	0.23	0.23	0.23	0.23
Wayne County Parks	-	-	-	0.25
Jail	0.96	0.96	0.96	0.96
Inter. School Dist./Spec. Ed.	2.00	2.00	2.00	2.00
Library	1.64	1.64	1.64	1.64
Police	4.96	5.16	5.16	5.16
Fire	2.94	3.10	3.10	3.10
State Education Tax	-	3.00	3.00	3.00
Total millage for year (by school district):				
Plymouth/Canton	58.06	31.11	30.87 (1)	31.22 (1)
Wayne/Westland	61.97	31.06	33.59 (1)	33.49 (1)
Van Buren	67.25	29.96	29.96 (1)	28.39 (1)

Note: All rates are expressed in dollars per \$1,000 of taxable value.

Canton Township general operating tax rate charter limit equals \$10.00 per \$1,000 of taxable value.

(1) All based on homesteads; nonhomestead additional 18.00 mills

Tax Rate History
Direct and Overlapping Governments
(Unaudited)

1997	1998	1999	2000	2001	2002
6.73	6.73	6.71	6.67	6.66	6.64
1.11	1.11	1.11	1.11	1.51	1.71
5.18	5.18	6.47	6.15	6.49	6.30
4.52	8.14	8.14	8.14	8.00	7.70
-	-	-	-	-	-
3.18	4.30	4.30	4.29	4.27	4.26
1.86	1.86	1.84	1.83	1.82	1.80
1.20	1.15	1.02	1.00	2.50	2.49
1.20	1.15	1.02	1.00	2.50	2.49
0.23	0.23	0.22	0.22	0.22	0.22
0.25	0.25	0.25	0.25	0.25	0.25
0.96	0.96	0.95	0.94	0.94	0.94
2.00	2.00	1.99	1.98	1.98	3.46
1.64	1.64	1.63	1.61	1.59	1.58
5.16	5.00	4.80	4.80	4.40	4.40
3.10	2.94	2.94	2.94	2.94	2.74
3.00	3.00	3.00	3.00	3.00	3.00
31.22 (1)	30.90 (1)	31.91 (1)	31.50 (1)	31.80 (1)	33.03 (1)
29.90 (1)	33.15 (1)	32.76 (1)	32.66 (1)	33.99 (1)	35.12 (1)
28.56 (1)	29.31 (1)	28.92 (1)	28.81 (1)	30.26 (1)	31.68 (1)

Charter Township of Canton

Principal Taxpayers December 31, 2002 (Unaudited)

Taxpayer	Real Assessed Valuation	Personal Property Assessed Valuation	Industrial and Commercial Facilities Tax Valuation	Total Assessed Valuation	Percentage of Total Township Assessed Valuation
Yazaki North America Inc.	\$ 8,752,492	\$ 9,391,230	\$ 32,808,838	\$ 50,952,560	0.94
Detroit Edison Company	1,703,354	25,120,840	-	26,824,194	0.49
Kmart Corporation	13,974,116	7,036,740	-	21,010,856	0.39
Procoil Corporation	2,664,246	7,445,860	7,528,153	17,638,259	0.33
Michigan Consolidated Gas	-	17,345,510	-	17,345,510	0.32
Uni Boring Company Inc.	-	-	13,154,619	13,154,619	0.24
Pulte Land Development Inc.	11,406,385	-	-	11,406,385	0.21
Crossings of Canton	10,618,914	-	-	10,618,914	0.20
Singh Wyndchase Townhomes	8,091,680	-	-	8,091,680	0.15
Village Squire Apartments	7,989,799	3,730	-	7,993,529	0.15
Total	\$ 65,200,986	\$ 66,343,910	\$ 53,491,610	\$ 185,036,506	3.42

Charter Township of Canton

Fiscal Year	Construction		Bank Deposits			
	Number of Permits (1)	Construction Value			Commercial	Industrial
1993	618	\$ 92,790,115	\$ 1,036,469,000	(2)	\$ 155,125,080	\$ 66,065,240
1994	849	112,864,797	11,581,022,000	(3)	162,426,380	69,420,480
1995	973	130,869,958	11,323,124,000	(3)	161,878,260	71,939,620
1996	771	150,863,759	10,355,166,000	(3)	169,455,330	77,075,140
1997	856	184,905,790	68,489,000,000	(4)	172,421,330	83,789,320
1998	985	198,941,152	150,247,000,000	(4)	187,880,043	98,452,973
1999	758	199,165,050	157,619,000,000	(4)	199,860,214	110,139,639
2000	560	181,804,433	167,077,000,000	(4)	217,391,941	111,263,567
2001	613	212,606,453	167,530,000,000	(4)	238,431,201	126,293,992
2002	730	197,174,270	170,008,000,000	(4)	270,200,857	136,127,703

(1) New construction permits issued for commercial, industrial, and residential.
Construction value based on these as well as all other permits issued.

(2) Bank deposits of First of America Bank - Ann Arbor reported on a calendar year basis.

(3) Bank deposits of First of America Bank - Michigan N.A. reported on a calendar year basis.

(4) Bank deposits of Bank One - Michigan reported on a calendar year basis.

**Construction, Bank Deposits, and Assessed Property Value
Last Ten Fiscal Years
(Unaudited)**

Assessed Property Value			
Residential	Agriculture	Developmental	Total
\$ 816,745,687	\$ 717,340	\$ -	\$ 1,038,653,347
894,035,690	275,680	-	1,126,158,230
989,269,170	278,820	-	1,223,365,870
1,117,008,342	669,960	-	1,364,208,772
1,246,123,452	680,890	-	1,503,014,992
1,390,068,311	689,576	-	1,677,090,903
1,555,657,654	693,530	-	1,866,351,037
1,728,853,394	703,501	-	2,058,212,403
1,929,949,340	652,977	-	2,295,327,510
2,136,168,909	-	-	2,542,497,469

Charter Township of Canton

Demographic Statistics (Unaudited)

Fiscal Year	Population	Per Capita Income	Median Age	Education Level in years of Formal Schooling	School Enrollment (1)			Unemployment Rate (2)
					Plymouth- Canton	Wayne- Westland	Van Buren	
1992	59,900 (4)	(5)	(5)	(5)	14,998	15,400	6,147	3.80%
1993	61,300 (4)	(5)	(5)	(5)	14,884	15,351	6,176	2.90%
1994	62,700 (4)	(5)	(5)	(5)	14,956	14,841	6,159	2.40%
1995	66,100 (4)	(5)	(5)	(5)	15,352	14,850	6,059	2.10%
1996	69,000 (4)	(5)	(5)	(5)	15,720	14,915	6,153	1.90%
1997	67,924 (4)	(5)	(5)	(5)	15,746	14,735	6,200	1.70%
1998	72,000 (4)	(5)	(5)	(5)	16,033	14,682	6,268	1.50%
1999	75,000 (4)	(5)	(5)	(5)	16,276	14,675	6,269	1.50%
2000	76,366 (3)	(5)	(5)	(5)	16,333	14,392	6,263	2.10%
2001	79,449 (4)	(5)	(5)	(5)	16,581	14,225	6,185	2.00%
2002	81,681 (4)	(5)	(5)	(5)	16,996	14,214	6,185	2.60%

(1) Plymouth-Canton Community Schools
Wayne-Westland Community Schools
Van Buren Public Schools

(2) Michigan Employment Security Commission

(3) 2000 population from U.S Census

(4) Estimated population

(5) Not available

Charter Township of Canton

Miscellaneous Statistical Data (Unaudited)

Established	March 7, 1834
Form of government	Charter Township
Number of employees (excluding police and fire):	
Classified	82
Exempt	121
Area in square miles	36

Streets

Miles of streets	315
Street lights	705

Recreation

Community centers	1
Parks:	
Township-owned parks	10
County-owned parks	2
Private subdivision parks	35
Golf courses	2 - 27 holes

Public Safety

Public Safety Headquarters	1
Sworn Police Personnel	78
Support Services (Civilian)	30
Number of patrol units:	
Cars and Jeep	39
Prisoner van	1
Motorcycles	4
Number of violations:	
Physical arrests	2,329
Traffic violations	13,742
Parking violations	446

Fire Stations	2
Sworn Fire Personnel	52
Support Services (Civilian)	2
Number of calls answered	5,100

Election Data

November 2002 election:	
Registered voters	48,906
Voters at polls	25,586
Absentee ballots	6,180
Percent voting	65%

Population Data

1960 federal census	5,313
1970 federal census	11,026
1980 federal census	48,616
1990 federal census	57,040
2000 federal census	76,366

Library

Registered patrons	61,715
Items circulated	945,464
Book collections	210,708
Internet access available	www.metronet.lib.mi.us/canton

Water Department

Miles of water mains	268
Number of customers	21,184
Number of fire hydrants	3,493
Rates:	
Minimum - 5,000 gallons	10.00
Additional usage billed at \$2.00 per 1,000 gallons	

Sewerage System

Miles of sanitary sewers	238
Number of customers	21,166
Rates:	
Minimum - 5,000 gallons	15.30
Additional usage billed at \$3.06 per 1,000 gallons	
Sewer only:	
Quarterly billing	30.00
Bi-monthly billing	20.00