

**CASCADE
CHARTER TOWNSHIP
Kent County, Michigan**

Comprehensive Annual Financial Report

For the year ended December 31, 2008

CASCADE CHARTER TOWNSHIP
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For the year ended December 31, 2008

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FINANCIAL SECTION

Hungerford, Aldrin,
Nichols & Carter, P.C.

C P A s A N D C O N S U L T A N T S

INDEPENDENT AUDITOR'S REPORT

May 21, 2009

The Township Board
Cascade Charter Township
Kent County, Michigan

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Cascade Charter Township (the "Township") as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Cascade Charter Township as of December 31, 2008, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Cascade Charter Township's basic financial statements. The combining and individual fund statements, and other information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements, and other information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hungerford, Aldwin, Nichols & Carter, P.C.

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

As management of the Cascade Charter Township ("the Township"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2008. We encourage readers to consider the information presented here in conjunction with the Township's financial statements, which immediately follow this section.

Financial Highlights

- The Township's net assets increased through 2008 operations by \$3,120,848 (or 15.14%).
- Total expenses of the Township's programs were \$7,684,753.
- Total revenues, including all program and general revenues, were \$10,805,601.
- At the close of the current year, the Township's governmental funds reported combined ending fund balances of \$10,989,381, an increase of \$125,483 from the prior year.
- At the end of the current year, the unreserved undesignated fund balance for the General Fund was \$2,304,745, or 42 percent of total General Fund expenditures and transfers out.
- Total debt of the Township decreased by \$1,138,399 (11 percent) during the current year.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements and Supplemental Information. The Basic Financial Statements include two kinds of statements that present different views of the Township:

- The first two statements, the Statement of Net Assets and the Statement of Activities, are *Government-wide financial statements* that provide both short-term and long-term information about the Township's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Township, reporting the Township's operations in more detail than the Government-wide statements.
 - ♦ *Governmental funds statements* tell how basic services such as township administration, public safety, library, parks and pathways, etc. were financed in the short term as well as what remains for future spending.
 - ♦ *Fiduciary funds statements* provide information about the financial relationships in which the Township acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Basic Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data. Supplemental Information follows and includes combining and individual fund statements.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

Government-wide Statements

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

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

- Over time, increases or decreases in the Township's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Township's overall health, one should consider additional non-financial factors such as changes in the Township's property tax-base and the condition of township buildings and other facilities.

In the Government-wide financial statements, the Township's activities are presented as follows:

- *Governmental activities:* The Township's basic services are included here, such as general government, public safety, public works, recreation and cultural and other services. State revenue sharing and property taxes finance most of these activities.

Government-Wide Financial Statements

The Statement of Net Assets provides financial information on the Township as a whole.

	2008	2007
Assets		
Current assets	\$ 17,282,927	\$ 16,731,565
Special assessments receivable	2,800,763	2,606,004
Capital assets	24,829,195	22,824,287
Less accumulated depreciation	(6,049,882)	(5,418,832)
Capital assets, net book value	18,779,313	17,405,455
Total Assets	38,863,003	36,743,024
Liabilities		
Current liabilities	7,035,470	6,955,748
Long-term liabilities	8,092,772	9,173,363
Total Liabilities	15,128,242	16,129,111
Net Assets		
Invested in capital assets, net of related debt	9,603,113	7,083,638
Restricted	4,025,298	3,445,074
Unrestricted	10,106,350	10,085,201
Total Net Assets	\$ 23,734,761	\$ 20,613,913

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

The Statement of Activities presents changes in net assets from operating results:

	<u>2008</u>	<u>2007</u>
Program Revenues		
Charges for services	\$ 3,194,515	\$ 2,356,740
Operating grants	—	65,100
General Revenues		
Property taxes	5,685,701	5,592,354
State/intergovernmental revenue	1,092,941	1,078,136
Interest earnings	605,217	890,386
Other	227,227	256,728
Total Revenues	<u>10,805,601</u>	<u>10,239,444</u>
Expenses		
General government	1,503,453	1,557,019
Public safety	3,528,143	3,508,775
Public works	794,386	2,811,968
Community and economic development	160,041	113,124
Recreation and cultural	878,824	730,334
Other township	403,005	415,176
Interest on long-term debt	416,901	458,612
Total Expenses	<u>7,684,753</u>	<u>9,595,008</u>
Increase in net assets	3,120,848	644,436
Net Assets - Beginning of Year	<u>20,613,913</u>	<u>19,969,477</u>
Net Assets - End of Year	<u><u>\$ 23,734,761</u></u>	<u><u>\$ 20,613,913</u></u>

Financial Analysis of the Township as a Whole

The Township's financial position is the product of many factors. Growth during the year in property taxes and state shared revenues was minimal. Lower interest rates on invested balances generated less interest income in 2008. Special assessments and developer contributions to sewer and water expansion projects were contributors to revenue increases. Total expenses decreased by \$1,910,255 in 2008, due mainly to the completion of sewer and water improvement projects in 2007, which were reimbursed by the developer. Total net assets increased by \$3,120,848 during the year due to these revenue factors and close budgetary control of expenses, while increasing the capital assets and reducing the long-term debt of the Township.

Property taxes accounted for most of the Township's revenue, contributing about 53 cents of every dollar raised; licenses, permits, connection charges and other user fees accounted for 30 percent of revenues; another 11 percent came from state and other intergovernmental sources; 6 percent came from interest earnings during the year and the remainder from contributions, reimbursements and other sources.

The Township's expenses were predominantly related to public safety (46 percent); general government administration (20 percent); public works (10 percent); and recreation and cultural (11 percent). Interest on long-term debt totaled 5 percent of expenses for the year.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

Financial Analysis of the Township's Funds

The fund financial statements provide more detailed information about the Township's funds, focusing on its most significant or "major" funds - not the Township as a whole. Funds are accounting devices the Township uses to keep track of specific sources of funding and spending on particular programs.

The Township utilizes two kinds of funds:

- *Governmental funds:* Most of the Township's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the Township-wide statements, additional information following the governmental funds' statements explain the relationship (or differences) between them.
- *Fiduciary funds:* The Township is the trustee, or fiduciary, for assets that belong to others, such as property taxes. The Township is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and/or paid to those to whom the assets belong. The Township excludes these activities from the Government-wide financial statements because it cannot use these assets to finance its operations.

The Township uses funds to record and analyze financial information. Cascade Charter Township's funds are described as follows:

Major Funds

The *General Fund* is our primary operating fund. The General Fund had total revenues of \$3,989,173, total expenditures of \$4,772,492, and transfers to other funds of \$706,152. It ended the fiscal year with a fund balance of \$2,310,309, down from \$3,799,780 at December 31, 2007. \$2.1 million was expended for the purchase of an 80-acre park with a reimbursement agreement from a bond sale in May of 2009.

The *Fire Fund* levies property taxes for fire protection services. The Fund had total revenues of \$1,940,319 and total expenditures of \$1,789,489, plus transfers out for debt service of \$93,612, and transfers in from the General Fund of \$400,000. It ended the year with a fund balance of \$1,918,398, up from \$1,461,180 at December 31, 2007.

The *Police Fund* levies property taxes for law enforcement purposes. The Fund had total revenues of \$725,514 and total expenditures of \$730,318. It ended the year with a fund balance of \$1,277,180, down from \$1,281,984 at December 31, 2007.

The *Improvement Revolving Fund* collects connection fees for sewer and water hookups to be used for the construction of extensions to the utility systems benefitting Township residents. The Fund had total revenues of \$1,348,030, total expenditures of \$714,795 and transfers out for debt service of \$15,000. It ended the year with a fund balance of \$1,588,162, up from \$969,927 at December 31, 2007.

The *Library Fund* levies property taxes for library building operations and capital improvements. The Fund does not pay for library personnel labor costs. The Fund had total revenues of \$640,514, total expenditures of \$243,369 and transfers out for debt service of \$205,496. It ended the year with a fund balance of \$1,259,023, up from \$1,067,374 at December 31, 2007.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

The *Pathways Fund* levies property taxes for pathway maintenance, construction, improvements and debt service, and also has issued bonds for capital improvements. The Fund had total revenues of \$604,817 and total expenditures of \$530,432. It ended the year with a fund balance of \$989,467, up from \$915,082 at December 31, 2007.

The *Inspections Fund* collects inspection (building, mechanical, electrical, plumbing) permits from Cascade and other township residents to be used for maintaining the operations of the Inspections Department. The Fund had total revenues of \$1,068,753, and total expenditures of \$914,597. It ended the year with a fund balance of \$417,469, up from \$263,313 at December 31, 2007.

The *Open Space Fund* was established late in 2008. The purpose of the fund will be to collect property taxes for the purchase and improvement of Township parks and recreational areas. The 2008 tax levy will be used in 2009 to repay the General Fund approximately 2.1 million dollars for its purchase of park property in 2008.

Nonmajor Funds

The *Dam Major Repair Fund* collects interest, rentals and General Fund contributions for use in major repairs to the Cascade Dam. Total revenues were \$ 4,931, total expenditures of \$12,574, and transfers in were \$20,000. It ended the year with a fund balance of \$314,049, up from \$301,692 at December 31, 2007.

The *HAZMAT Fund* collects contributions from surrounding governmental units to be used for hazardous waste clean-up. Total revenues were \$7,530 and expenditures totaled \$5,460. It ended the year with a fund balance of \$51,240, up from \$49,170 at December 31, 2007.

The *Open Space Preservation Capital Projects Fund* collects private contributions and transfers from the General Fund to fund future projects. Total revenues were \$71,885 and transfers in were \$50,000. Total expenditures were \$2,668. It ended the year with a fund balance of \$733,741, up from \$614,524 at December 31, 2007.

The Township operates three *Debt Service Funds* which collect special assessments and transfers from other Township Funds to be used for bond principal retirement and interest payments. Total revenues were \$6,265, total principal and interest expenditures were \$567,340 and transfers in from other funds were \$547,900. The ending fund balances totaled \$69,813, down from \$82,988 at December 31, 2007.

The *Cemetery Perpetual Care Fund* collects cemetery burial fees to be used for future improvements to Township cemeteries. Total revenues were \$2,126 and operating transfers in were \$2,360; total expenditures were \$840. It ended the year with a fund balance of \$60,530, up from \$56,884 at December 31, 2007.

The *Trust Account and Tax Account Funds* are operated as Agency Funds of the Township. The assets of these funds are being held for the future payment to the governmental units and businesses and individuals entitled to the monies. Balances on hand at December 31, 2008 totaled \$135,272 in the Trust Account and \$4,522,378 in the Tax Account.

General Fund Budgetary Highlights

Over the course of the year, the Township revised the annual operating budget several times to comply with Michigan Department of Treasury guidelines. The budget amendments were made to reflect changes in revenues and expenditures as they occurred during the year, including increases in property taxes, licenses and permits, interest income and other revenues; and general government and parks and recreation expenditures. The net effect of the budget amendments were not material to the overall operations of the Township during the year.

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

Capital Asset and Debt Administration

Capital Assets

By the end of 2008, the Township had a \$24,829,195 investment in a broad range of capital assets, including land, land improvements, infrastructure, buildings and improvements, vehicles and furniture and equipment. (More detailed information about capital assets can be found in the Notes to Basic Financial Statements.)

Net capital asset additions totaled \$2,004,908 for the fiscal year with accumulated depreciation increasing \$631,050. The net book value of capital assets at December 31, 2008 and 2007 is detailed as follows:

	2008	2007
Land	\$ 6,021,970	\$ 3,918,895
Land improvements	4,325,432	4,661,272
Infrastructure	756,000	784,000
Buildings and improvements	6,395,632	6,592,569
Furniture and equipment	574,763	662,323
Vehicles	705,516	786,396
Net Capital Assets	\$ 18,779,313	\$ 17,405,455

Long-Term Debt

At year end, the Township had \$9,176,655 in bonds (general obligation and special assessment), notes, installment purchase agreements and unused vacation, sick and compensation pay – prior year debt balances were reduced by payments of \$1,313,194 during the current year. There is more detailed information about long-term liabilities in the Notes to Basic Financial Statements. Long-term debt at December 31, 2008 and 2007 is detailed by type as follows:

	2008	2007
General obligation bonds	\$ 3,095,000	\$ 3,420,000
Building authority bonds	2,925,000	3,330,000
Special assessment bonds	91,000	118,000
Municipal purchase notes	2,805,000	3,135,000
Installment purchase agreements	181,178	230,869
Accumulated vacation pay	30,171	28,071
Accumulated sick leave	32,512	28,660
Accumulated compensation time	16,794	24,454
Total Long-term Debt	\$ 9,176,655	\$ 10,315,054

CASCADE CHARTER TOWNSHIP
Management's Discussion and Analysis
December 31, 2008

Factors Bearing on the Township's Future

At the time these financial statements were prepared and audited, the Township was aware of the following existing circumstances that could affect its financial circumstances in the future:

- The Township's initial General Fund budget for 2009 anticipates a reduction in year end fund balance of \$68,594. This estimate reflects the slowing of property tax growth within the Township, continuing reductions in state shared revenues and a continuing effort to control/reduce costs within the Township, while continuing to maintain a high quality of taxpayer service.

Contacting the Township's Financial Management

This financial report is designed to provide the Township's citizens, taxpayers, customers, and investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact William Cousins, Township Manager, Cascade Charter Township, 2865 Thornhills SE, Grand Rapids, MI, 49546-7192.

BASIC FINANCIAL STATEMENTS

CASCADE CHARTER TOWNSHIP
Statement of Net Assets
December 31, 2008

	<u>Primary Governmental Activities</u>	<u>Component Unit</u>
Assets		
Current Assets		
Cash equivalents, deposits and investments (Note B)	\$ 10,724,955	\$ 1,822,716
Receivables:		
Taxes (Note C)	3,466,441	423,209
Accounts	2,511,141	-
Special assessments - current portion (Note F)	140,000	419
Accrued interest	655	-
Due from other governmental units	369,800	-
Prepaid expenditures	69,935	-
Total Current Assets	<u>17,282,927</u>	<u>2,246,344</u>
Noncurrent Assets		
Special assessments receivable (Note F)	2,800,763	-
Capital assets (Note E)	24,829,195	3,443,681
Less accumulated depreciation	<u>(6,049,882)</u>	<u>(1,008,973)</u>
Total Noncurrent Assets	<u>21,580,076</u>	<u>2,434,708</u>
Total Assets	<u>38,863,003</u>	<u>4,681,052</u>
Liabilities		
Current Liabilities		
Accounts payable	266,443	4,145
Due to other governmental units	98	-
Accrued interest payable	81,664	8,658
Deferred revenue (Note F)	5,603,382	423,628
Current portion of noncurrent liabilities (Note G)	<u>1,083,883</u>	<u>65,000</u>
Total Current Liabilities	<u>7,035,470</u>	<u>501,431</u>
Noncurrent Liabilities (Note G)		
General obligation bonds payable	3,095,000	-
Building authority bonds payable	2,925,000	-
Special assessment bonds payable	91,000	-
Municipal purchase notes payable	2,805,000	-
Tax increment financing authority bonds payable	-	1,020,000
Installment purchase agreements payable	181,178	-
Accumulated vacation, sick, compensation time pay	79,477	-
Current portion of noncurrent liabilities (Note G)	<u>(1,083,883)</u>	<u>(65,000)</u>
Total Noncurrent Liabilities	<u>8,092,772</u>	<u>955,000</u>
Total Liabilities	<u>15,128,242</u>	<u>1,456,431</u>
Net Assets		
Invested in capital assets, net of related debt	9,603,113	1,406,050
Restricted for:		
Debt service	70,461	-
Capital projects	3,954,837	-
Unrestricted	<u>10,106,350</u>	<u>1,818,571</u>
Total Net Assets	<u>\$ 23,734,761</u>	<u>\$ 3,224,621</u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Statement of Activities
For the year ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants	Primary Government	Component Unit
Primary Government					
Governmental activities:					
General government	\$ 1,503,453	\$ 113,730	\$ -	\$ (1,389,723)	\$ -
Public safety	3,528,143	1,298,924	-	(2,229,219)	-
Public works	794,386	1,781,861	-	987,475	-
Community and economic development	160,041	-	-	(160,041)	-
Recreational and cultural	878,824	-	-	(878,824)	-
Other township	403,005	-	-	(403,005)	-
Interest on long-term debt	416,901	-	-	(416,901)	-
Total Primary Government	\$ 7,684,753	\$ 3,194,515	\$ -	(4,490,238)	-
Component Unit					
Downtown Development Authority	\$ 244,370	\$ -	\$ -		(244,370)
General revenues:					
Property taxes levied for:					
General operations				2,056,459	-
Fire				1,851,387	-
Police				670,466	-
Library				546,446	-
Pathways				560,943	-
Downtown development authority				-	825,993
State revenue sharing				1,071,028	-
Intergovernmental revenues				21,913	-
Interest and investment earnings				605,217	68,791
Other				220,901	70,397
Gain (loss) on sale of capital assets				6,326	-
Total General Revenues				7,611,086	965,181
Change in Net Assets				3,120,848	720,811
Net Assets - Beginning of Year				20,613,913	2,503,810
Net Assets - End of Year				\$ 23,734,761	\$ 3,224,621

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Balance Sheet
Governmental Funds
December 31, 2008

Assets	<u>General</u>	<u>Fire</u>	<u>Police</u>	<u>Improvement Revolving</u>
Cash equivalents, deposits and investments (Note B)	\$ 1,894,896	\$ 1,967,008	\$1,341,793	\$1,577,816
Receivables:				
Taxes (Note C)	1,038,776	1,144,017	399,330	-
Accounts	62,850	-	-	292,405
Special assessments (Note F)	-	-	-	2,937,473
Accrued interest	-	-	-	87
Due from other funds (Note D)	630,299	718,133	250,545	2,477
Due from other governmental units	369,800	-	-	-
Prepaid expenditures	21,425	23,998	-	-
Total Assets	<u>\$ 4,018,046</u>	<u>\$ 3,853,156</u>	<u>\$1,991,668</u>	<u>\$4,810,258</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 54,714	\$ 72,957	\$ 64,613	\$ -
Due to other funds (Note D)	466	-	-	1,000
Due to other governmental units	-	-	-	-
Deferred revenue (Note F)	1,652,557	1,861,801	649,875	3,221,096
Total Liabilities	<u>1,707,737</u>	<u>1,934,758</u>	<u>714,488</u>	<u>3,222,096</u>
Fund Balances				
Reserved for:				
Debt service	-	-	-	-
Unreserved:				
Designated	5,564	-	-	1,588,162
Undesignated, reported in:				
General fund	2,304,745	-	-	-
Special revenue funds	-	1,918,398	1,277,180	-
Total Fund Balances	<u>2,310,309</u>	<u>1,918,398</u>	<u>1,277,180</u>	<u>1,588,162</u>
Total Liabilities and Fund Balances	<u>\$ 4,018,046</u>	<u>\$ 3,853,156</u>	<u>\$1,991,668</u>	<u>\$4,810,258</u>

See accompanying notes to basic financial statements.

Special Revenue					
Library	Pathways	Inspections	Open Space	Other Governmental	Total
\$ 1,307,234	\$ 989,565	\$ 416,118	\$ -	\$ 1,230,525	\$ 10,724,955
337,657	346,615	-	200,046	-	3,466,441
-	-	-	-	-	355,255
-	-	-	-	3,290	2,940,763
-	-	-	-	568	655
211,850	217,471	72	125,510	1,045	2,157,402
-	-	-	-	-	369,800
12,300	-	12,212	-	-	69,935
<u>\$ 1,869,041</u>	<u>\$ 1,553,651</u>	<u>\$ 428,402</u>	<u>\$ 325,556</u>	<u>\$ 1,235,428</u>	<u>\$ 20,085,206</u>
\$ 60,511	\$ -	\$ 10,883	\$ -	\$ 2,765	\$ 266,443
-	-	50	-	-	1,516
-	98	-	-	-	98
549,507	564,086	-	325,556	3,290	8,827,768
<u>610,018</u>	<u>564,184</u>	<u>10,933</u>	<u>325,556</u>	<u>6,055</u>	<u>9,095,825</u>
-	-	-	-	69,813	69,813
400,000	-	-	-	1,108,320	3,102,046
-	-	-	-	-	2,304,745
859,023	989,467	417,469	-	51,240	5,512,777
<u>1,259,023</u>	<u>989,467</u>	<u>417,469</u>	<u>-</u>	<u>1,229,373</u>	<u>10,989,381</u>
<u>\$ 1,869,041</u>	<u>\$ 1,553,651</u>	<u>\$ 428,402</u>	<u>\$ 325,556</u>	<u>\$ 1,235,428</u>	<u>\$ 20,085,206</u>

CASCADE CHARTER TOWNSHIP
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2008

Total governmental fund balances		\$ 10,989,381
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 therefore are not reported as assets in governmental funds. The cost of assets is \$24,829,195 and accumulated depreciation is \$6,049,882.		18,779,313
Long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds: Special assessments receivable		3,224,386
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (3,095,000)	
Building authority bonds	(2,925,000)	
Special assessment bonds	(91,000)	
Municipal purchase notes	(2,805,000)	
Installment purchase agreements	(181,178)	
Accumulated vacation, sick and compensation time pay	<u>(79,477)</u>	(9,176,655)
Accrued interest is not included as a liability in governmental funds		<u>(81,664)</u>
Total net assets - governmental activities		<u><u>\$ 23,734,761</u></u>

See accompanying notes to basic financial statements.

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CASCADE CHARTER TOWNSHIP
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2008

	General	Fire	Police	Improvement Revolving
Revenues				
Taxes	\$ 2,056,459	\$ 1,851,387	\$ 670,466	\$ -
Licenses and permits	233,602	-	-	-
State sources	1,071,028	-	-	-
Intergovernmental sources	-	-	-	-
Charges for services	113,730	-	-	-
Fines and forfeitures	-	21	-	-
Interest and rentals	295,235	83,898	55,048	39,714
Other	219,119	5,013	-	1,308,316
Total Revenues	<u>3,989,173</u>	<u>1,940,319</u>	<u>725,514</u>	<u>1,348,030</u>
Expenditures				
Current:				
General government	1,383,677	-	-	-
Public safety	-	1,755,479	730,318	-
Public works	431,108	-	-	-
Community and economic development	160,041	-	-	-
Recreational and cultural	101,154	-	-	-
Other township	403,584	-	-	-
Capital outlay	2,179,269	-	-	363,278
Debt service:				
Principal repayment	83,800	25,883	-	280,000
Interest and fiscal charges	29,859	8,127	-	71,517
Total Expenditures	<u>4,772,492</u>	<u>1,789,489</u>	<u>730,318</u>	<u>714,795</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(783,319)</u>	<u>150,830</u>	<u>(4,804)</u>	<u>633,235</u>
Other Financing Sources (Uses)				
Transfers in	-	400,000	-	-
Transfers out	(706,152)	(93,612)	-	(15,000)
Total Other Financing Sources (Uses)	<u>(706,152)</u>	<u>306,388</u>	<u>-</u>	<u>(15,000)</u>
Net Change in Fund Balances	(1,489,471)	457,218	(4,804)	618,235
Fund Balances, Beginning of year	<u>3,799,780</u>	<u>1,461,180</u>	<u>1,281,984</u>	<u>969,927</u>
Fund Balances, End of year	<u>\$ 2,310,309</u>	<u>\$ 1,918,398</u>	<u>\$ 1,277,180</u>	<u>\$ 1,588,162</u>

See accompanying notes to basic financial statements.

Special Revenue					
Library	Pathways	Inspections	Open Space	Other Governmental	Total
\$ 546,446	\$ 560,943	\$ -	\$ -	\$ -	\$ 5,685,701
-	-	1,059,301	-	-	1,292,903
-	-	-	-	-	1,071,028
21,913	-	-	-	-	21,913
-	-	-	-	6,000	119,730
-	-	-	-	-	21
47,055	43,874	7,621	-	32,772	605,217
25,100	-	1,831	-	53,965	1,613,344
<u>640,514</u>	<u>604,817</u>	<u>1,068,753</u>	<u>-</u>	<u>92,737</u>	<u>10,409,857</u>
-	-	-	-	13,414	1,397,091
-	-	914,597	-	5,460	3,405,854
-	-	-	-	-	431,108
-	-	-	-	-	160,041
243,369	33,803	-	-	-	378,326
-	-	-	-	-	403,584
-	-	-	-	2,668	2,545,215
-	315,000	-	-	432,000	1,136,683
-	181,629	-	-	135,340	426,472
<u>243,369</u>	<u>530,432</u>	<u>914,597</u>	<u>-</u>	<u>588,882</u>	<u>10,284,374</u>
<u>397,145</u>	<u>74,385</u>	<u>154,156</u>	<u>-</u>	<u>(496,145)</u>	<u>125,483</u>
-	-	-	-	620,260	1,020,260
(205,496)	-	-	-	-	(1,020,260)
<u>(205,496)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,260</u>	<u>-</u>
191,649	74,385	154,156	-	124,115	125,483
<u>1,067,374</u>	<u>915,082</u>	<u>263,313</u>	<u>-</u>	<u>1,105,258</u>	<u>10,863,898</u>
<u>\$ 1,259,023</u>	<u>\$ 989,467</u>	<u>\$ 417,469</u>	<u>\$ -</u>	<u>\$ 1,229,373</u>	<u>\$ 10,989,381</u>

CASCADE CHARTER TOWNSHIP
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2008

Net change in fund balances - total governmental funds		\$ 125,483
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded in depreciation in the current period:		
	Capital outlays	\$ 2,180,808
	Depreciation expense	<u>(729,149)</u>
		1,451,659
In the Statement of Activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.		
		(77,801)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Special assessments		473,545
Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities:		
Repayment of general obligation bonds	325,000	
Repayment of building authority bonds	405,000	
Repayment of special assessment bonds	27,000	
Repayment of municipal purchase notes	330,000	
Repayment of installment purchase agreements	<u>49,691</u>	1,136,691
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid.		
		9,563
In the Statement of Net Assets, accumulated vacation, sick and compensation time pay is measured by the amount earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits used/paid (\$176,503) exceeded the amounts earned (\$174,795).		
		<u>1,708</u>
Total changes in net assets - governmental activities		<u><u>\$ 3,120,848</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,975,297	\$ 2,086,647	\$ 2,056,459	\$ (30,188)
Licenses and permits	196,450	190,600	233,602	43,002
State sources	1,023,700	1,023,750	1,071,028	47,278
Charges for services	138,300	108,300	113,730	5,430
Interest and rentals	315,227	300,227	295,235	(4,992)
Other	100,970	228,495	219,119	(9,376)
Total Revenues	3,749,944	3,938,019	3,989,173	51,154
Expenditures				
Current:				
General government:				
Township board	33,469	41,969	35,023	6,946
Supervisor	5,697	6,197	5,554	643
Manager	136,873	144,270	141,889	2,381
Elections	103,600	103,600	91,591	12,009
Assessor	169,984	170,984	163,419	7,565
Clerk	124,622	122,222	111,796	10,426
General administration	39,505	39,505	35,147	4,358
Treasurer	386,885	380,469	351,395	29,074
Buildings and grounds	5,500	5,800	4,388	1,412
Cemetery	547,150	538,395	443,475	94,920
Total general government	1,553,285	1,553,411	1,383,677	169,734
Public works:				
Drains	53,175	56,175	12,114	44,061
Highways, streets and bridges	392,500	392,500	216,191	176,309
Street lighting	125,500	125,500	119,508	5,992
Hydrant rental	40,000	40,000	38,920	1,080
Sanitation services	60,600	60,600	44,375	16,225
Total public works	671,775	674,775	431,108	243,667
Community and economic development:				
Planning	176,086	176,086	159,066	17,020
Zoning	3,300	3,300	975	2,325
Total community and economic development	179,386	179,386	160,041	19,345
Recreation and cultural:				
Parks and recreation	94,027	100,967	98,544	2,423
Historical	3,150	3,150	2,610	540
Total recreation and cultural	97,177	104,117	101,154	2,963
Other township	448,829	482,329	403,584	78,745
Capital outlay	88,000	2,190,169	2,179,269	10,900

(Continued)

CASCADE CHARTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Debt service:				
Principal repayment	\$ 83,808	\$ 83,809	\$ 83,800	\$ 9
Interest and fiscal charges	28,860	29,859	29,859	-
	<u>112,668</u>	<u>113,668</u>	<u>113,659</u>	<u>9</u>
Total Expenditures	<u>3,151,120</u>	<u>5,297,855</u>	<u>4,772,492</u>	<u>525,363</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>598,824</u>	<u>(1,359,836)</u>	<u>(783,319)</u>	<u>576,517</u>
Other Financing Sources (Uses)				
Transfers out	<u>(704,169)</u>	<u>(709,469)</u>	<u>(706,152)</u>	<u>3,317</u>
Net Change in Fund Balances	<u>(105,345)</u>	<u>(2,069,305)</u>	<u>(1,489,471)</u>	<u>579,834</u>
Fund Balances, Beginning of year	<u>3,799,780</u>	<u>3,799,780</u>	<u>3,799,780</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 3,694,435</u></u>	<u><u>\$ 1,730,475</u></u>	<u><u>\$ 2,310,309</u></u>	<u><u>\$ 579,834</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Fire Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	Budget	Actual	Variance
Revenues			
Taxes	\$ 1,881,047	\$ 1,851,387	\$ (29,660)
Fines and forfeitures	500	21	(479)
Interest and rentals	92,309	83,898	(8,411)
Other	4,200	5,013	813
Total Revenues	<u>1,978,056</u>	<u>1,940,319</u>	<u>(37,737)</u>
Expenditures			
Current:			
Public safety	2,050,868	1,755,479	295,389
Debt service:			
Principal repayment	25,883	25,883	-
Interest and fiscal charges	8,212	8,127	85
Total Expenditures	<u>2,084,963</u>	<u>1,789,489</u>	<u>295,474</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(106,907)</u>	<u>150,830</u>	<u>257,737</u>
Other Financing Sources (Uses)			
Transfers in	400,000	400,000	-
Transfers out	(93,684)	(93,612)	72
Total Other Financing Sources (Uses)	<u>306,316</u>	<u>306,388</u>	<u>72</u>
Net Change in Fund Balances	199,409	457,218	257,809
Fund Balances, Beginning of year	<u>1,461,180</u>	<u>1,461,180</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 1,660,589</u></u>	<u><u>\$ 1,918,398</u></u>	<u><u>\$ 257,809</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Police Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 681,506	\$ 670,466	\$ (11,040)
Interest and rentals	73,941	55,048	(18,893)
Other	1,000	-	(1,000)
Total Revenues	<u>756,447</u>	<u>725,514</u>	<u>(30,933)</u>
Expenditures			
Current:			
Public safety:			
Law enforcement	727,336	730,318	(2,982)
Net Change in Fund Balances	29,111	(4,804)	(33,915)
Fund Balances, Beginning of year	<u>1,281,984</u>	<u>1,281,984</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 1,311,095</u></u>	<u><u>\$ 1,277,180</u></u>	<u><u>\$ (33,915)</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Improvement Revolving Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	Budget	Actual	Variance
Revenues			
Interest and rentals	\$ 67,478	\$ 39,714	\$ (27,764)
Other	1,380,711	1,308,316	(72,395)
Total Revenues	<u>1,448,189</u>	<u>1,348,030</u>	<u>(100,159)</u>
Expenditures			
Capital outlay	430,363	363,278	67,085
Debt service:			
Principal repayment	280,000	280,000	-
Interest and fiscal charges	72,063	71,517	546
Total debt service	<u>352,063</u>	<u>351,517</u>	<u>546</u>
Total Expenditures	<u>782,426</u>	<u>714,795</u>	<u>67,631</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>665,763</u>	<u>633,235</u>	<u>(32,528)</u>
Other Financing Sources (Uses)			
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balances	650,763	618,235	(32,528)
Fund Balances, Beginning of year	<u>969,927</u>	<u>969,927</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 1,620,690</u></u>	<u><u>\$ 1,588,162</u></u>	<u><u>\$ (32,528)</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Library Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	Budget	Actual	Variance
Revenues			
Taxes	\$ 555,993	\$ 546,446	\$ (9,547)
Intergovernmental sources	20,300	21,913	1,613
Interest and rentals	53,219	47,055	(6,164)
Other	40,000	25,100	(14,900)
Total Revenues	<u>669,512</u>	<u>640,514</u>	<u>(28,998)</u>
Expenditures			
Current:			
Recreation and cultural:			
Library	262,536	243,369	19,167
Excess of Revenues Over Expenditures	<u>406,976</u>	<u>397,145</u>	<u>(9,831)</u>
Other Financing Sources (Uses)			
Transfers out	(205,497)	(205,496)	1
Net Change in Fund Balances	201,479	191,649	(9,830)
Fund Balances, Beginning of year	<u>1,067,374</u>	<u>1,067,374</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 1,268,853</u></u>	<u><u>\$ 1,259,023</u></u>	<u><u>\$ (9,830)</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Pathways Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	Budget	Actual	Variance
Revenues			
Taxes	\$ 570,061	\$ 560,943	\$ (9,118)
Interest and rentals	56,016	43,874	(12,142)
Total Revenues	<u>626,077</u>	<u>604,817</u>	<u>(21,260)</u>
Expenditures			
Current:			
Recreation and cultural:			
Parks and recreation	36,500	33,803	2,697
Debt service:			
Principal repayment	315,000	315,000	-
Interest and fiscal charges	181,815	181,629	186
Total debt service	<u>496,815</u>	<u>496,629</u>	<u>186</u>
Total Expenditures	<u>533,315</u>	<u>530,432</u>	<u>2,883</u>
Net Change in Fund Balances	92,762	74,385	(18,377)
Fund Balances, Beginning of year	<u>915,082</u>	<u>915,082</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 1,007,844</u></u>	<u><u>\$ 989,467</u></u>	<u><u>\$ (18,377)</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Inspections Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses and permits	\$ 1,135,898	\$ 1,059,301	\$ (76,597)
Interest and rentals	9,976	7,621	(2,355)
Other	2,000	1,831	(169)
Total Revenues	<u>1,147,874</u>	<u>1,068,753</u>	<u>(79,121)</u>
Expenditures			
Current:			
Public safety	<u>990,920</u>	<u>914,597</u>	<u>76,323</u>
Net Change in Fund Balances	156,954	154,156	(2,798)
Fund Balances, Beginning of year	<u>263,313</u>	<u>263,313</u>	<u>-</u>
Fund Balances, End of year	<u><u>\$ 420,267</u></u>	<u><u>\$ 417,469</u></u>	<u><u>\$ (2,798)</u></u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Fiduciary Funds
Statement of Fiduciary Net Assets
December 31, 2008

Assets	<u>Agency Funds</u>
Cash	\$ 150
Cash equivalents, deposits and investments (Note B)	4,657,500
Accrued interest receivable	<u>186</u>
Total Assets	<u>\$ 4,657,836</u>
Liabilities	
Accounts payable	\$ 15,611
Due to other funds (Note D)	2,155,886
Due to other governmental units	2,352,993
Escrow deposits	<u>133,346</u>
Total Liabilities	<u>\$ 4,657,836</u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Component Unit
Balance Sheet
December 31, 2008

	<u>Downtown Development Authority</u>
Assets	
Cash equivalents, deposits and investments (Note B)	\$ 1,822,716
Taxes receivable (Note C)	423,209
Special assessments receivable	<u>419</u>
Total Assets	<u>\$ 2,246,344</u>
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 4,145
Deferred revenue	<u>423,628</u>
Total Liabilities	<u>427,773</u>
Fund Balances	
Unreserved:	
Undesignated	<u>1,818,571</u>
Total Liabilities and Fund Balances	<u>\$ 2,246,344</u>

See accompanying notes to basic financial statements.

CASCADE CHARTER TOWNSHIP
Component Unit
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2008

	Downtown Development Authority
Revenues	
Taxes	\$ 825,993
Interest and rentals	68,791
Other	70,397
Total Revenues	965,181
Expenditures	
Current:	
General government	766,197
Debt service:	
Principal repayment	60,000
Interest and fiscal charges	55,075
Total debt service	115,075
Total Expenditures	881,272
Net Change In Fund Balances	83,909
Fund Balances, Beginning of Year	1,734,662
Fund Balances, End of Year	\$ 1,818,571

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Note A – Summary of Significant Accounting Policies

Cascade Charter Township was organized as a general law township under applicable laws of the State of Michigan and was incorporated as a charter township on May 16, 1980 under provisions of Act 359, Public Acts of 1947, as amended by the Public Acts of 1976. The Township is governed by a Board of Trustees which consists of a Supervisor, Clerk, Treasurer and four Trustees. The Township is administered by a Manager appointed by the aforementioned Board. The Township provides, or contributes to the providing of, the following services to its residents as provided by statute: public safety (police, fire, inspection), highways and streets, parks and recreation, cultural, public improvements, planning and zoning, general administrative and other services.

The financial statements of Cascade Charter Township (the “Township”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to Townships. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Township’s significant accounting policies are described below.

1. Reporting Entity

The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable.

The component units discussed below are included in the reporting entity because of the significance of their operational or financial relationships to the Township.

Cascade Charter Township Building Authority
Cascade Charter Township Downtown Development Authority

Blended Component Units

Entities whose governing bodies are substantially the same as the governing body of the primary government, or those which provide services entirely, or virtually entirely, for the benefit of the primary government, are disclosed as blended component units.

The *Cascade Charter Township Building Authority* is blended in the Debt Service Funds because its sole purpose is to finance and construct the Township’s public buildings. Separate financial statements are not prepared for the Building Authority.

Discretely Presented Component Units

These component units are reported in a separate column to emphasize that, while legally separate, Cascade Charter Township remains financially accountable for these entities, or the nature and significance of the relationship between these entities and Cascade Charter Township is such that exclusion of these entities would render the financial statements misleading or incomplete.

The *Cascade Charter Township Downtown Development Authority* is responsible for the improvement and ongoing maintenance and debt service of the Downtown Development Improvement District. Separate financial statements are not prepared for the Downtown Development Authority.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

2. Government-wide and Fund Financial Statements

Government-wide Financial Statements - The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) present financial information about the Township as a whole. The reported information includes all of the nonfiduciary activities of the Township. The Township does not allocate indirect costs and, except for certain interfund reimbursements, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the Township. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. The Township does not have any business-type activities.

The Statement of Net Assets is presented on the classified basis and is reported on the full accrual, economic resource basis, which recognizes all long-term assets as well as all long-term debt and obligations. The Township's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets, and unrestricted net assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, state revenue sharing, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

Fund Financial Statements - Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

The Township reports the following major governmental funds:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government except those that are required to be accounted for in another fund.

The *Fire Special Revenue Fund* accounts for property tax revenues levied to maintain the operations and debt service of the Township Fire Department.

The *Police Special Revenue Fund* accounts for property tax revenues levied to maintain law enforcement activities in the Township.

The *Improvement Revolving Special Revenue Fund* accounts for special assessments and fees used to construct and improve the sewer sanitation and water supply systems in the Township.

The *Library Special Revenue Fund* accounts for property tax revenues levied to maintain the operations and debt service of the Township library.

The *Pathways Special Revenue Fund* accounts for property tax revenues levied to maintain the operations and debt service of the Township pedestrian pathways system.

The *Inspections Special Revenue Fund* accounts for permit fees collected to maintain the operations of the Township inspections department.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

The *Open Space Special Revenue Fund* accounts for property tax revenues levied to purchase land needed for Township park development.

Additionally, the Township reports the following non-major fund types:

The *Cascade Dam Major Repair Fund* accounts for rental fees and General Fund contributions collected to be used for major repairs or renovations to the Cascade Dam.

The *HAZMAT Special Revenue Fund* accounts for intergovernmental fees to be used for the disposal of hazardous materials.

The *Debt Service Funds* account for special assessments and transfers to be used for bond principal retirement and interest payments.

The *Open Space Preservation Capital Projects Fund* collects private contributions and transfers to be used to fund future projects.

The *Cemetery Trust Permanent Fund* accounts for fees collected to be used for cemetery improvements.

The *Trust Account Agency Fund* accounts for the collection of bonds and deposits and the payment to the governmental units or other persons entitled to receive these funds.

The *Tax Account Agency Fund* accounts for the collection of current and delinquent property taxes and the payment to the governmental units or other persons entitled to receive these funds.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues 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 grantor or provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the government-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual; i.e., both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Taxes, intergovernmental revenues and interest associated with current period are all considered to susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes levied for the subsequent fiscal year are presented as deferred revenue at fiscal year end.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Expenditures are recorded when the liability is incurred, as under accrual accounting, if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt and claims and judgments are recorded only when the payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and fiduciary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

4. Budgets and Budgetary Accounting

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The General and Special Revenue Funds are subject to legal budgetary accounting controls and are budgeted annually. The Township utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- The budgets are generated with input from the Township Manager, the various department heads, Supervisor, Clerk, Treasurer and the Township Trustees.
- The completed budgets are then presented to Township electors at a public budget hearing prior to December 31, at which time taxpayer comments and recommendations are heard. These operating budgets include proposed expenditures and the means of financing them for the General Fund and Special Revenue Funds.
- Prior to January 1, the budgets are legally enacted on a departmental (activity) basis through passage of an appropriations resolution.
- The budget may only be amended by action of the Township Board.
- Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
- Budget appropriations lapse at fiscal year-end.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act). The budget to actual revenues and expenditures in the financial statements represent the final budgets as amended by the Township.
- The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for each individual fund.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

5. Investments

Investments are recorded at fair value, based on quoted market prices, or estimated fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

6. Capital Assets

Capital assets, which include land, land improvements, infrastructure, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$2,500 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not materially add to the value of an asset or extend an asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful life of the related assets.

Land improvements, infrastructure, buildings and improvements, vehicles and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15-30 years
Infrastructure	50 years
Buildings and improvements	25-40 years
Vehicles	5-20 years
Furniture and equipment	5-15 years

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

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 issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

8. Accumulated Vacation, Sick and Compensation Time

Accumulated vacation, sick and compensation time at December 31, 2008 has been computed and recorded in the government-wide financial statements of the Township. At present, each Township employee may accumulate all unused vacation, sick and compensation time days and be reimbursed at their current salary rate for total days accumulated upon termination or retirement. At December 31, 2008, the accumulated liability (expected to be financed by General Fund and Fire and Inspections Special Revenue Funds revenues) amounted to \$79,477.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditures or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

11. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as transfers in or out. Transfers between governmental funds are eliminated in the Statement of Activities. Transfers in the fund financial statements are reported as other financing sources/uses.

12. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents, Deposits and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a Township in Michigan.
- Investment pools, as authorized by the surplus funds investment pool act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a Township in Michigan.

Balances at December 31, 2008 related to cash equivalents, deposits and investments are detailed in the Basic Financial Statements as follows:

Cash equivalents, deposits and investments per the Statement of Net Assets:

Primary government	\$ 10,724,955
Component Unit	1,822,716

Cash equivalents, deposits and investments of Fiduciary Funds:

Primary government:	
Agency Funds	4,657,500
	\$ 17,205,171

Cash Equivalents and Deposits

Cash equivalents consist of bank public funds checking, savings and money market accounts. Deposits consist of certificates of deposit.

Depositories actively used by the Township Treasurer during the year are detailed as follows:

1. National City Bank
2. Huntington National Bank
3. Bank of America
4. Fifth Third Bank
5. Independent Bank
6. Chemical Bank
7. Byron Bank
8. Comerica Bank

December 31, 2008 balances are detailed as follows:

Cash equivalents	\$ 7,193,332
Deposits	2,295,778
	\$ 9,489,110

Custodial Credit Risk as Related to Deposits

Custodial credit risk is the risk that in the event of bank failure, the Township's deposits may not be returned to the Township. Protection of Township cash equivalents and deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the Township's cash equivalents and deposits was \$9,489,110 and the bank balance was \$10,060,011. Of the bank balance, \$2,375,809 was covered by federal depository insurance and \$7,684,202 was uninsured and uncollateralized.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Investments

As of December 31, 2008 the Township and its component unit had the following investments in their portfolio:

	<u>Maturity</u>	<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
Primary Government				
Fifth Third Securities Institutional Money Market Fund	N/A	Standard & Poor's	AAA	\$2,284,711
JP Morgan Chase Michigan Governmental Money Market Fund	N/A	Moody's	Aaa	4,108,634
				<u>\$6,393,345</u>
Component Unit				
JP Morgan Chase Michigan Governmental Money Market Fund	N/A	Moody's	Aaa	<u>\$1,322,716</u>

The Fifth Third Securities Institutional Money Market Fund and the JP Morgan Chase Michigan Governmental Money Market Fund are open-end mutual funds that include qualified investments in accordance with applicable laws of the State. The Funds are not regulated or registered with the Securities and Exchange Commission and reported the same value of the pool shares as the fair value of the Township's investments at December 31, 2008.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Township may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Township will do business. All security transactions, including collateral for repurchase agreements entered into by the Township, shall be conducted on a cash (or delivery vs. payment) basis. Securities may be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. At December 31, 2008, the Township had no investments that were subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township's investment policy requires that commercial paper be rated within the two highest classifications established by not less than two standard rating services at the time of purchase. Mutual fund investments must have a par share value intended to maintain a net asset value of at least \$1.00 per share.

Interest Rate Risk

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the Township's cash requirements. Unless matched to a specific cash flow, the Township will not directly invest in securities maturing more than three years from the date of purchase. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as possible with the expected use of the funds.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Concentration of Credit Risk

The Township minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, through its diversification policy which states the objective of the Township is to protect principal by diversifying its cash management portfolio to the extent practical and within sound business practices. With the exception of U.S. Treasury Securities and authorized pools, no more than fifty percent of the Township's total investment portfolio will be invested in single security type or with a single financial institution. Excluding U.S. government guaranteed investments, mutual funds and pooled investments, no single investment exceeded 5% of total investments at December 31, 2008.

Foreign Currency Risk

The Township is not authorized to invest in investments which have this type of risk.

Note C – General Property Taxes

Property taxes for the Township and County become due and payable on December 1 of each year. School district taxes are payable July 1 and December 1 of each year, under a split-levy system, pursuant to the Michigan School Code of 1976. All taxes are returned delinquent March 1 of the following year.

Property tax revenues are recognized by the Township in the calendar year for which taxes have been levied. For the 2008 calendar year, the 2007 Township property tax levies are recognized in the amounts collected. As the 2008 property tax roll was levied for 2009 operations, Township taxes that become due December 1, 2008 have not been included as revenue for the year ended December 31, 2008. Instead, the uncollected portion of the 2008 Township tax roll at December 31, 2008 is reported in the General, Police, Fire, Library and Pathways Funds as taxes receivable, with total 2008 Township levies reported as deferred revenue.

The Township bills and collects its own taxes in addition to taxes for the State of Michigan, Kent County, Kent District Library, Kent Intermediate School District, Grand Rapids Community College, Caledonia Community Schools, Forest Hills Public Schools and Lowell Area Schools. The collection and remittance of taxes are accounted for in the Tax Account Agency Fund. Taxes collected in December, 2008 on the 2008 tax roll are shown as amounts due to other governmental units in the Tax Account Agency Fund.

The Township is permitted by statute (Act 359, Public Acts of 1947, as amended by Public Acts of 1976) to levy up to 1.1 mills of general property taxes on the taxable valuation in the Township. Due to the effect of the Headlee Amendment, the actual tax levies were reduced to .9716 mills for 2008 general operations. The Township also levied 1.3152 mills for fire protection, .4763 mills for police protection, .3882 mills for library services and .3985 mills for pathways, as previously approved by Township electors and reduced by the effect of the Headlee Amendment.

The Township also levies street lighting and hydrant rental assessments on benefiting real property in the Township.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

The tax collection record of Township taxes for the past four years is shown in the following summary:

	2008	2007	2006	2005
Township taxes levied	\$5,178,084	\$4,980,453	\$4,703,867	\$4,288,108
Taxes collected:				
Current to March 1	4,934,433	4,724,273	4,520,349	4,107,451
Total to December 31, 2008	5,162,414	4,962,472	4,691,637	4,282,962
Percentages of collections:				
Current to March 1	95.29%	94.86%	96.10%	95.79%
Total to December 31, 2008	99.70%	99.64%	99.74%	99.88%

Taxable property in the Township is assessed initially by the assessing official of the Township. These valuations are then equalized by the County and finally by the State of Michigan. Michigan statutes provide that all ad valorem taxes be levied upon State Equalized Valuation. In accordance with Act 409, Public Acts of 1965 and Article IX, Section 3 of the Michigan Constitution, State Equalized Valuation represents 50% of true cash value. The valuations of taxable property in the Township for prior years are compared with 2007 valuations in the following summary:

Year	Real	Personal	Total
2007	\$1,318,945,603	\$139,811,158	\$1,458,756,761
2006	1,264,263,936	138,819,167	1,403,083,103
2005	1,193,619,730	131,546,127	1,325,165,857
2004	1,118,866,865	127,329,203	1,246,196,068
2003	1,061,911,828	130,160,600	1,192,072,428
2002	1,011,639,610	135,639,100	1,147,278,710
2001	955,669,815	131,302,300	1,086,972,115
2000	892,195,449	131,854,979	1,024,050,428
1999	836,089,119	134,908,873	970,997,992
1998	791,675,035	109,630,700	901,305,735

The State Equalized Valuations do not include valuation of certain facilities which are exempt under Act 198, Public Acts 1974 or Act 255, Public Acts 1978. These Acts are designed to provide stimulus in the form of significant tax incentives to industrial and commercial enterprises to renovate and expand aging facilities and to build new facilities in Michigan. Under the provisions of the Acts, a local governmental unit (city, village or township) in which the total property tax levy is at least 30 mills or in which a city income tax is levied may establish rehabilitation districts and industrial development districts to encourage restoration or replacement of obsolete facilities and to attract new plants to the area.

An Industrial (Act 198) or Commercial Act (Act 255) Facilities Exemption Certificate entitles the facility to exemption from ad valorem real and personal property taxes for a period of up to 12 years. In lieu of the property tax, the firm will pay a specific tax. The tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the ad valorem property tax, the important difference being that the state equalized valuation of the property remains at the level assessed on the obsolete facility prior to the improvements, even though the restoration or replacement substantially increases the true cash value of the facility. For a new facility being built in a rehabilitation or a development district, the tax is also determined the same as the ad valorem property tax but instead of using the total mills levied as ad valorem taxes, only half the millage rate is applied. The amount of the resulting tax thus is equal to 50% of the property tax which otherwise would be payable. The 2007 valuations of these certificates is compared with prior years in the following exhibit:

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Year	Real	Personal	Total
2007	\$15,436,045	\$25,202,200	\$40,638,245
2006	21,666,788	26,016,000	47,676,788
2005	19,557,695	27,189,500	46,747,195
2004	27,308,598	28,283,200	55,591,798
2003	25,266,200	27,428,800	52,695,000
2002	26,448,122	30,987,200	57,435,322
2001	26,324,071	33,995,800	60,319,871
2000	25,798,120	31,576,300	57,374,420
1999	23,842,608	20,994,200	44,836,808
1998	16,614,047	17,010,200	33,624,247

Note D – Interfund Receivables/Payables and Transfers

Amounts due from/to other funds representing 2008 interest earnings, 2008 budgeted transfers and expenditure allocation corrections due at December 31, 2008 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Fire Fund	\$ —	\$ 350
Inspections Fund	50	72
Permanent Fund:		
Cemetery Perpetual Care Fund	—	45
Agency Funds:		
Trust Account Agency Fund	2,112	—
Tax Account Agency Fund	628,137	—
	<u>630,299</u>	<u>467</u>
Special Revenue Funds:		
Fire Fund:		
General Fund	350	—
Tax Account Agency Fund	717,783	—
Police Fund:		
Tax Account Agency Fund	250,545	—
Improvement Revolving Fund:		
1988-A Debt Service Fund	—	1,000
Tax Account Agency Fund	2,477	—
Library Fund:		
Tax Account Agency Fund	211,850	—
Pathways Fund:		
Tax Account Agency Fund	217,471	—
Inspections Fund:		
General Fund	72	50
Open Space Fund:		
Tax Account Agency Fund	125,510	—
	<u>2,156,357</u>	<u>1,517</u>
Total Major Funds		

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

	Due From	Due To
Nonmajor Funds		
Debt Service Fund:		
1988-A Debt Fund:		
Improvement Revolving Fund	\$ 1,000	\$ —
Permanent Fund:		
Cemetery Perpetual Care Fund:		
General Fund	45	—
Agency Funds:		
Trust Account Agency Fund:		
General Fund	—	2,112
Tax Account Agency Fund:		
General Fund		628,137
Special Revenue Funds:		
Fire Fund	—	717,783
Police Fund	—	250,545
Improvement Revolving Fund	—	2,477
Library Fund	—	211,850
Pathways Fund	—	217,471
Open Space Fund	—	125,510
	1,045	2,155,885
Total Nonmajor Funds		
Total All Funds	\$ 2,157,402	\$ 2,157,402

Interfund transfers during the year ended December 31, 2008 were as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Special Revenue Funds:		
Fire Special Revenue Fund	\$ —	\$ 400,000
Cascade Dam Major Repair Fund	—	20,000
Debt Service Funds:		
Building Authority Fund	—	233,792
Capital Projects Fund:		
Openspace Preservation Fund	—	50,000
Permanent Fund:		
Cemetery Perpetual Care Fund	—	2,360
	—	706,152
Total General Fund		
Fire Fund:		
General Fund	400,000	—
Building Authority Debt Service Fund	—	93,612
Improvement Revolving Fund:		
1988-A Debt Service Fund	—	15,000
Library Fund:		
Building Authority Debt Service Fund	—	205,496
	400,000	1,020,260
Total Major Funds		

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

	Transfers In	Transfers Out
Nonmajor Funds		
Special Revenue Fund:		
Cascade Dam Major Repair Fund:		
General Fund	\$ 20,000	\$ —
Debt Service Funds:		
1988-A Fund:		
Improvement Revolving Special Revenue Fund	15,000	—
Building Authority Fund:		
General Fund	233,792	—
Fire Special Revenue Fund	93,612	—
Library Special Revenue Fund	205,496	—
Capital Projects Fund:		
Openspace Preservation Fund:		
General Fund	50,000	—
Permanent Fund:		
Cemetery Perpetual Care Fund:		
General Fund	2,360	—
	620,260	—
Total Nonmajor Funds		
	\$ 1,020,260	\$ 1,020,260

The General Fund transfer to the Fire Special Revenue Fund was made to pay the amount budgeted for 2008 to support Township fire expenditures. The General Fund transfer to the Cemetery Perpetual Care fund was made to pay the agreed-upon portion of cemetery fees collected in 2008. The General Fund transfer to Dam Major Repair Fund was made to maintain a previously agreed-on level of fund balance in the Dam Major Repair Fund. The General Fund transfer to the Open Spaces Preservation was made to pay the previously agreed-on annual amount to fund future capital outlays. All of the transfers to the Building Authority and 1988-A Debt Service Funds were made to fund required 2008 principal and interest payments.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Note E – General Fixed Assets

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

	Balances January 1, 2008	Additions	Deductions	Balances December 31, 2008
Governmental Activities				
Capital assets not depreciated:				
Land	\$ 3,918,895	\$2,103,075	\$ —	\$ 6,021,970
Capital assets being depreciated:				
Land improvements	6,768,818	—	—	6,768,818
Infrastructure	1,400,000	—	—	1,400,000
Buildings and improvements	8,229,954	—	—	8,229,954
Furniture and equipment	982,302	77,733	157,900	902,135
Vehicles	1,524,318	—	18,000	1,506,318
Totals at historical cost	22,824,287	\$2,180,808	\$ 175,900	24,829,195
Less accumulated depreciation for:				
Land improvements	2,107,546	\$ 335,840	\$ —	2,443,386
Infrastructure	616,000	28,000	—	644,000
Buildings and improvements	1,637,385	196,937	—	1,834,322
Furniture and equipment	319,979	91,492	84,099	327,372
Vehicles	737,922	76,880	14,000	800,802
Totals at historical cost	5,418,832	\$ 729,149	\$ 98,099	6,049,882
Net Capital Assets - Governmental Activities	\$ 17,405,455			\$ 18,779,313

Depreciation expense was charged to Township activities as follows:

General government	\$ 106,362
Public safety	122,289
Recreation and cultural	500,498
	\$ 729,149

Discretely Presented Component Unit

Capital asset activity for the Downtown Development Authority (DDA) for the year ended December 31, 2008 was as follows:

	Balances January 1, 2008	Additions	Deductions	Balances December 31, 2008
Capital assets not depreciated:				
Land	\$ 59,366	\$ —	\$ —	\$ 59,366
Capital assets being depreciated:				
Land improvements	2,672,516	711,799	—	3,384,315
Totals at historical cost	2,731,882	711,799	—	3,443,681
Less accumulated depreciation	873,601	\$ 135,372	\$ —	1,008,973
Net DDA Capital Assets	\$ 1,858,281			\$ 2,434,708

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Note F – Deferred Revenue/Special Assessments Receivable

Deferred revenue of the General and Fire, Police, Library and Pathways Special Revenue Funds represents 2008 property tax levies that became due December 31, 2008, and are levied for 2009 operations.

Deferred revenue of the Improvement Revolving Special Revenue and Debt Service Funds represents the uncollected balances of special assessment rolls levied on benefiting water and sewer customers in the Township. As these special assessments are collected, they are recognized as revenues and credited at that time to fund balances.

Note G –Long-term Debt

Amounts available and to be provided for long-term debt at December 31, 2008 are summarized as follows:

	<u>Bond Issues</u>	<u>Municipal Purchase Notes</u>	<u>Installment Purchase Agreements</u>	<u>Accumulated Vacation, Sick and Comp. Time</u>	<u>Total</u>
<u>Primary Government</u>					
Amounts Available For Retirement of Long-term Debt					
Debt Service Funds	\$ 69,813	\$ —	\$ —	\$ —	\$ 69,813
Amounts To Be Provided For Retirement of Long-term Debt					
General Fund	1,089,066	595,000	—	38,735	1,722,801
Special Revenue Funds:					
Fire Fund	574,592	—	181,178	40,742	796,512
Improvement Revolving Fund	1,655,000	—	—	—	1,655,000
Library Fund	1,261,342	—	—	—	1,261,342
Pathways Fund	1,440,000	2,210,000	—	—	3,650,000
Debt Service Funds	21,187	—	—	—	21,187
Total Primary Government	<u>6,111,000</u>	<u>2,805,000</u>	<u>181,178</u>	<u>79,477</u>	<u>9,176,655</u>
<u>Discretely Presented Component Unit</u>					
Amounts To Be Provided For Retirement of Long-term Debt					
Downtown Development Authority	1,020,000	—	—	—	1,020,000
Total Amounts Available and To Be Provided	<u>\$7,131,000</u>	<u>\$2,805,000</u>	<u>\$ 181,178</u>	<u>\$ 79,477</u>	<u>\$10,196,655</u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Changes in long-term debt for the year ended December 31, 2008 are summarized as follows:

	<u>Debt Outstanding Jan. 1, 2008</u>	<u>Debt Added</u>	<u>Debt Retired</u>	<u>Debt Outstanding Dec. 31, 2008</u>
<u>Primary Government</u>				
Bond Issues				
General obligation:				
March 19, 1996	\$ 65,000	\$ —	\$ 65,000	\$ —
September 26, 2002	970,000	—	—	970,000
September 26, 2002	660,000	—	55,000	605,000
November 19, 2002	1,210,000	—	160,000	1,050,000
January 12, 2005	515,000	—	45,000	470,000
Building Authority:				
May 1, 1994	235,000	—	25,000	210,000
February 1, 1997	325,000	—	75,000	250,000
February 5, 2003 (General)	706,902	—	77,836	629,066
February 5, 2003 (Fire)	645,687	—	71,095	574,592
February 5, 2003 (Library)	1,417,411	—	156,069	1,261,342
Special assessment:				
July 1, 1988	14,000	—	14,000	—
July 1, 1995	104,000	—	13,000	91,000
Municipal Purchase Notes				
Pedestrian Pathways:				
November 1, 1999	910,000	—	110,000	800,000
November 14, 2000	925,000	—	100,000	825,000
March 6, 2002	645,000	—	60,000	585,000
Leslie E. Tassell Park:				
March 6, 2002 (General)	655,000	—	60,000	595,000
Installment Purchase Agreements				
Vehicles:				
December 22, 2004	16,732	—	16,732	—
December 22, 2004	7,077	—	7,077	—
December 29, 2005	207,060	—	25,883	181,178
Accumulated Vacation Pay	28,071	134,388	132,288	30,171
Accumulated Sick Leave	28,660	7,256	3,404	32,512
Accumulated Compensation Time	24,454	33,151	40,811	16,794
Total Primary Government	<u>10,315,054</u>	<u>174,795</u>	<u>1,313,195</u>	<u>9,176,655</u>
<u>Discretely Presented Component Unit</u>				
Bond Issues				
Tax Increment Financing Authority:				
December 1, 2000	1,080,000	—	60,000	1,020,000
Total Long-term Debt	<u>\$11,395,054</u>	<u>\$ 174,795</u>	<u>\$ 1,373,195</u>	<u>\$10,196,655</u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Long-term bonds, notes and installment purchase agreements at December 31, 2008 are comprised of the following:

	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Outstanding Balance</u>	<u>Amount Due Within One Year</u>
<u>Primary Government</u>				
General Obligation Bonds				
\$970M 2002 Pathways Improvement: Annual maturities of \$5M to \$290M	Nov. 1, 2017	3.20 - 4.20	\$ 970,000	\$ 5,000
\$955M 2002 Water & Sewer Improvement: Annual maturities of \$60M to \$80M	Nov. 1, 2017	3.00 - 4.20	605,000	60,000
\$1,935M 2002 Refunding: Annual maturities of \$165M to \$190M	Dec. 1, 2014	3.25 - 4.00	1,050,000	165,000
\$560M 2005 Pathways Improvement: Annual maturities of \$45M to \$60M	Nov. 1, 2017	2.80 - 4.10	470,000	45,000
Building Authority Bonds				
\$465M 1994 Township Real Property Acquisition: Annual maturities of \$30M to \$40M	May 1, 2014	6.25 - 6.30	210,000	30,000
\$950M 1997 Township Hall Remodeling: Annual maturities of \$80M to \$85M	Dec. 1, 2011	5.15 - 5.25	250,000	80,000
\$1,060M 2003 Township Capital Outlay Refunding: Annual maturities of \$24M to \$108M	Aug. 1, 2016	3.00 - 4.00	629,066	80,388
\$969M 2003 Fire Station Refunding: Annual maturities of \$22M to \$99M	Aug. 1, 2016	3.00 - 4.00	574,592	73,427
\$2,126M 2003 Library Building Refunding: Annual maturities of \$49M to \$217M	Aug. 1, 2016	3.00 - 4.00	1,261,342	161,185
Special Assessment Bonds				
\$238M 1995 Water and Sewer Improvement: Annual maturities of \$13M	July 1, 2015	5.70 - 5.95	91,000	13,000
Municipal Purchase Notes				
\$1,640M 1999 Pathways Improvement: Annual maturities of \$115M to \$150M	Nov. 1, 2014	5.00 - 5.40	800,000	115,000
\$1,505M 2000 Pathways Improvement: Annual maturities of \$100M to \$135M	Nov. 1, 2015	4.70 - 5.25	825,000	100,000
\$965M 2002 Pathways Improvement: Annual maturities of \$60M to \$85M	Nov. 1, 2016	4.00 - 4.70	585,000	60,000
\$980M 2002 Tassell Park Improvement: Annual maturities of \$65M to \$85M	Nov. 1, 2016	4.00 - 4.70	595,000	65,000
Installment Purchase Agreements				
\$259M 2005 Vehicle Purchase: Annual maturities of \$25,882	June 1, 2015	4.20	181,178	25,883
Accumulated Employee Benefits				
Vacation, sick and compensation time	N/A	N/A	79,477	5,000
Total Primary Government			<u>9,176,655</u>	<u>1,083,883</u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Outstanding Balance</u>	<u>Amount Due Within One Year</u>
<u>Discretely Presented Component Unit</u>				
Tax Increment Financing Authority Bonds				
\$1,300M 2000 DDA Development:				
Annual maturities of \$60M to 110M	May 1, 2020	4.75 - 5.25	<u>\$ 1,020,000</u>	<u>\$ 65,000</u>
Total Long-term Debt			<u><u>\$10,196,655</u></u>	<u><u>\$ 1,148,883</u></u>

The General Obligation Bonds are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded by ad valorem property tax levies, investment earnings and hookup charges.

The Building Authority Bonds are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded by ad valorem property tax levies and lease payments from the Township.

The Special Assessment Bonds are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded through special assessments levied against properties deemed to benefit from these public improvements.

The Municipal Purchase Notes are backed by the limited tax, full faith and credit of the Township. Debt service requirements are funded by ad valorem property tax levies and investment earnings.

The Installment Purchase Agreements will be repaid by the Fire Special Revenue Fund of the Township. Debt service requirements are funded by ad valorem property tax levies and investment earnings.

The accumulated vacation, sick and compensation time pay liability will be liquidated by the Township's General Fund and Fire and Inspections Special Revenue Funds.

The annual requirements to pay principal and interest on long-term bonds and notes outstanding for the Primary Government are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,078,883	\$ 376,855	\$ 1,455,738
2010	1,138,882	335,430	1,474,312
2011	1,198,883	290,000	1,488,883
2012	1,203,882	240,715	1,444,597
2013	1,263,883	190,686	1,454,569
2014	1,373,882	136,642	1,510,524
2015	753,883	78,423	832,306
2016	655,000	45,776	700,776
2017	430,000	18,000	448,000
	<u><u>\$ 9,097,178</u></u>	<u><u>\$ 1,712,527</u></u>	<u><u>\$ 10,809,705</u></u>

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

The annual requirements to pay principal and interest on long-term bonds outstanding for the Component Unit (Downtown Development Authority) are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 65,000	\$ 51,950	\$ 116,950
2010	65,000	48,862	113,862
2011	70,000	45,776	115,776
2012	75,000	42,416	117,416
2013	80,000	38,664	118,664
2014	80,000	34,664	114,664
2015	85,000	30,586	115,586
2016	90,000	26,250	116,250
2017	95,000	21,526	116,526
2018	100,000	16,538	116,538
2019	105,000	11,288	116,288
2020	110,000	5,772	115,772
	<u>\$ 1,020,000</u>	<u>\$ 374,292</u>	<u>\$ 1,394,292</u>

Note H – Retirement Plans

Defined Benefit Pension Plan

The Township participates in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non-duty and duty death allowances and post-retirement adjustments to plan members and their beneficiaries. The most recent period for which actuarial data was available was as of December 31, 2006.

MERS was organized pursuant to Section 12a of Act 156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a), as amended, State of Michigan. MERS is regulated under Act 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplemental information for the retirement system. That report may be obtained by writing to Municipal Employees Retirement System of Michigan, 447 Canal Road, Lansing, MI 48917-9755.

MERS members are required to contribute a varying amount depending upon which plan they fall under. Township employee contributions for 2008 were 4.82% of covered payroll. The Township was required to contribute at an actuarially determined rate of 9.8% during 2008. Cascade Township actually contributed 10% of covered payroll in 2008. The contribution requirements of plan members and the commission are established and may be amended by MERS.

For the year ended December 31, 2008, the Township's contributions totaling \$211,361 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2006. Employee contributions totaled \$101,969. The employer contribution rate has been determined using the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

is comprised of the normal cost. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used included (a) 8.0% long-term net investment rate of return, (b) projected salary increases of 4.50% per year plus a percentage based on an age-related scale to reflect merit, longevity and promotional salary increases and (c) 4.50% per year cost-of-living adjustments. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

Trend information for the Cascade Township MERS pension plan using the entry age normal actuarial method is presented as follows:

Valuation Year Ended December 31	Fiscal Year Ended December 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2002	2004	\$151,435	100%	—
2003	2005	207,204	100%	—
2004	2006	255,809	100%	—
2005	2007	210,082	100%	—
2006	2008	211,361	100%	—

As of December 31, 2006, the most recent actuarial valuation date, the plan was 66% funded. The actuarial accrued liability for benefits was \$4,643,462, and the actuarial value of assets was \$3,043,515, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,599,947. The covered payroll (annual payroll of active employees covered by the plan) was \$2,113,610 and the ratio of the UAAL to the covered payroll was 75%.

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

Defined Contribution Pension Plan

The Township also participates in a defined contribution pension plan, the Cascade Charter Township Group Pension Plan, for five trustees, the Township Supervisor and one department head, administered through an insurance company. Township contributions at 10% of wages totaled \$6,467 for 2008.

Note I – Lease Agreement

The Township entered into a renewed agreement in 2005, which provides for the leasing of the Cascade Dam to a private company for the purpose of generating and selling hydroelectric power. The lease term is fourteen years (through 2018) with annual base rentals of \$60,000 plus an annual maintenance reserve fee of \$5,000, which will be collected by the Township General Fund. Twenty-five percent of this revenue (\$15,000) plus the \$5,000 maintenance reserve fee is set aside each year in the Cascade Dam Major Repair Fund. At December 31, 2008, the Cascade Dam Major Repair Fund had accumulated \$314,049.

CASCADE CHARTER TOWNSHIP
Notes to Basic Financial Statements
December 31, 2008

Note J – Contingencies

The Township is a defendant in a case pending in the Michigan Court of Appeals. This case involves the appeal of a denial of a rezoning to allow a mineral extraction operation in the Township. While the complaint originally sought reversal of the Township’s zoning decision, there is also a count for damages in excess of \$5 million. At trial, plaintiff only pursued the damage claim. Legal counsel is monitoring this litigation on behalf of the Township since the Township insurance carrier could refuse to pay a judgment if that judgment is based upon an unlawful taking of property by the Township.

Note K – Stewardship, Compliance and Accountability

The following Township fund had actual expenditures exceed final budgeted expenditures for the year ended December 31, 2008, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Revenue Fund			
Police Fund	\$ 727,336	\$ 730,318	\$ 2,982

Note L – Subsequent Events

Township capital outlay expenditures for the year ended December 31, 2008 included \$2.1 million for the purchase of land for future parks and nature preserves. The Township intends to issue approximately \$4.4 million in Building Authority Bonds in 2009 to defray the cost of this, and other future, property purchases and/or improvements. In addition the Township will receive a \$1.2 million grant from the Michigan Natural Resources Trust Fund in 2009 to assist in the purchase of 198 acres for open space preservation.

SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

CASCADE CHARTER TOWNSHIP
Schedule of Funding Progress
December 31, 2008

Valuation Year Ended December 31	Actuarial Accrued Liability	Actuarial Value of Assets	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	UAAL as Percent of Covered Payroll
2004	\$ 3,689,877	\$ 2,105,082	59%	\$ 1,524,795	\$ 2,138,869	90%
2005	4,154,374	2,508,939	60%	1,645,435	2,094,508	80%
2006	4,643,462	3,043,515	66%	1,599,947	2,113,610	75%

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GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Balance Sheet
December 31, 2008 and 2007

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 1,894,896	\$ 3,437,296
Receivables:		
Taxes	1,038,776	1,484,127
Accounts	62,850	58,800
Due from other funds	630,299	76,017
Due from other governmental units	369,800	355,978
Prepaid expenditures	21,425	-
	\$ 4,018,046	\$ 5,412,218
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 54,714	\$ 73,207
Due to other funds	466	55,104
Deferred revenue	1,652,557	1,484,127
	1,707,737	1,612,438
 Fund Balances		
Unreserved:		
Designated for capital outlay	5,564	5,564
Undesignated	2,304,745	3,794,216
	2,310,309	3,799,780
	\$ 4,018,046	\$ 5,412,218

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Schedule of Revenues
For the years ended December 31, 2008 and 2007

	2008	2007
Taxes:		
Current property taxes	\$ 1,342,653	\$ 1,300,149
Hydrant rental assessment	47,646	48,126
Street lighting assessment	73,899	70,095
Delinquent property taxes	4,835	10,910
Industrial facilities taxes	19,742	21,914
Interest and penalties on taxes	19,330	29,303
Tax administration fees	548,354	572,907
	<u>2,056,459</u>	<u>2,053,404</u>
Licenses and permits:		
Cablevision fees	225,154	243,915
Soil erosion fees	8,137	15,852
Dog licenses	311	343
Other permits	-	560
	<u>233,602</u>	<u>260,670</u>
State sources:		
Sales taxes	1,058,024	1,043,426
PA 48/Metro Authority	13,004	12,797
	<u>1,071,028</u>	<u>1,056,223</u>
Charges for services:		
Planning and zoning fees	35,056	40,605
Summer tax collection fees	24,856	24,794
P.A. 198 tax application fees	4,000	2,000
Yard waste tag fees	2,639	2,032
Sewer and water implementation fees	13,948	18,661
Grave openings	15,725	15,150
Cemetery care fees	110	90
Passport application fees	17,300	37,410
Sale of printed materials	96	188
	<u>113,730</u>	<u>140,930</u>
Interest and rentals:		
Interest on deposits and investments	155,597	296,096
Rental income	139,638	147,458
	<u>295,235</u>	<u>443,554</u>
Other revenue:		
Sale of assets	84,127	13,770
Contributions	25,580	35,885
Interfund reimbursements	49,970	46,656
Park income	4,570	4,875
Reimbursements	12,706	11,772
Refunds and rebates	36,527	7,110
Other	5,639	776
	<u>219,119</u>	<u>120,844</u>
Total Revenues	<u><u>\$ 3,989,173</u></u>	<u><u>\$ 4,075,625</u></u>

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Schedule of Expenditures
For the years ended December 31, 2008 and 2007

	2008	2007
Current:		
General government:		
Township board:		
Personnel services	\$ 20,205	\$ 18,989
Other services and charges	14,818	7,055
	<u>35,023</u>	<u>26,044</u>
Supervisor:		
Personnel services	5,497	5,437
Other services and charges	57	6
	<u>5,554</u>	<u>5,443</u>
Manager:		
Personnel services	135,749	146,889
Other services and charges	6,140	5,877
	<u>141,889</u>	<u>152,766</u>
Clerk:		
Personnel services	89,271	105,284
Other services and charges	2,320	2,720
Capital outlay	-	600
	<u>91,591</u>	<u>108,604</u>
Board of review:		
Personnel services	2,020	2,463
Treasurer:		
Personnel services	106,567	94,563
Other services and charges	5,229	22,756
	<u>111,796</u>	<u>117,319</u>
Assessor:		
Personnel services	133,138	139,010
Supplies	779	900
Other services and charges	27,482	26,057
	<u>161,399</u>	<u>165,967</u>
Elections:		
Personnel services	7,898	3,859
Supplies	2,856	733
Other services and charges	24,393	5,944
	<u>35,147</u>	<u>10,536</u>
General administration:		
Personnel services	52,594	59,245
Supplies	21,523	23,654
Other services and charges	367,734	391,735
Capital outlay	1,624	1,800
	<u>443,475</u>	<u>476,434</u>
Buildings and grounds:		
Personnel services	139,211	156,948
Supplies	1,446	1,297
Other services and charges	210,301	317,020
Capital outlay	437	600
	<u>351,395</u>	<u>475,865</u>

(Continued)

CASCADE CHARTER TOWNSHIP
General Fund
Comparative Schedule of Expenditures
For the years ended December 31, 2008 and 2007

	2008	2007
Cemetery:		
Other services and charges	\$ 4,388	\$ 3,599
Total general government	<u>1,383,677</u>	<u>1,545,040</u>
Public works:		
Drains:		
Other services and charges	12,114	23,652
Highways, streets and bridges:		
Capital outlay	216,191	377,769
Street lighting:		
Other services and charges	117,620	116,143
Capital outlay	1,888	2,379
	<u>119,508</u>	<u>118,522</u>
Hydrant rental:		
Other services and charges	38,920	37,960
Sanitation services:		
Other services and charges	44,375	42,226
Total public works	<u>431,108</u>	<u>600,129</u>
Community and economic development:		
Planning:		
Personnel services	99,877	101,098
Supplies	104	245
Other services and charges	59,085	11,781
	<u>159,066</u>	<u>113,124</u>
Zoning:		
Personnel services	975	2,105
Total public safety	<u>160,041</u>	<u>115,229</u>
Recreation and cultural:		
Parks and recreation:		
Supplies	2,068	2,704
Other services and charges	96,476	30,577
	<u>98,544</u>	<u>33,281</u>
Historical:		
Supplies	2,610	585
Total recreation and cultural	<u>101,154</u>	<u>33,866</u>
Other township:		
Personal services	256,084	229,525
Other services and charges	147,500	138,434
Total other township	<u>403,584</u>	<u>367,959</u>
Capital outlay	2,179,269	47,217
Debt service:		
Principal repayment	83,800	82,999
Interest and fiscal charges	29,859	32,800
Total debt service	<u>113,659</u>	<u>115,799</u>
Total Expenditures	<u><u>\$ 4,772,492</u></u>	<u><u>\$ 2,825,239</u></u>

NONMAJOR GOVERNMENTAL FUNDS

CASCADE CHARTER TOWNSHIP
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008

	Special Revenue		Debt Service	
	Dam Major Repair	HAZMAT	1988-A	1995-A
Assets				
Cash equivalents, deposits and investments	\$ 314,049	\$ 51,337	\$ 118	\$ 68,389
Special assessments receivable	-	-	-	3,290
Accrued interest receivable	-	-	-	306
Due from other funds	-	-	1,000	-
Total Assets	\$ 314,049	\$ 51,337	\$ 1,118	\$ 71,985
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 97	\$ -	\$ -
Deferred revenue	-	-	-	3,290
Total Liabilities	-	97	-	3,290
Fund Balances				
Reserved for:				
Debt service	-	-	1,118	68,695
Unreserved:				
Designated	314,049	-	-	-
Undesignated	-	51,240	-	-
Total Fund Balances	314,049	51,240	1,118	68,695
Total Liabilities and Fund Balances	\$ 314,049	\$ 51,337	\$ 1,118	\$ 71,985

<u>Capital Projects</u>	<u>Permanent Cemetery Perpetual Care</u>	<u>Total</u>
\$ 736,409	\$ 60,223	\$ 1,230,525
-	-	3,290
-	262	568
-	45	1,045
<u>\$ 736,409</u>	<u>\$ 60,530</u>	<u>\$ 1,235,428</u>
\$ 2,668	\$ -	\$ 2,765
-	-	3,290
<u>2,668</u>	<u>-</u>	<u>6,055</u>
-	-	69,813
733,741	60,530	1,108,320
-	-	51,240
<u>733,741</u>	<u>60,530</u>	<u>1,229,373</u>
<u>\$ 736,409</u>	<u>\$ 60,530</u>	<u>\$ 1,235,428</u>

CASCADE CHARTER TOWNSHIP
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2008

	Special Revenue		Debt Service	
	Dam Major Repair	HAZMAT	1988-A	1995-A
Revenues				
Charges for services	\$ -	\$ 6,000	\$ -	\$ -
Interest and rentals	4,931	1,530	43	2,932
Other	-	-	-	3,290
Total Revenues	<u>4,931</u>	<u>7,530</u>	<u>43</u>	<u>6,222</u>
Expenditures				
Current:				
General government	12,574	-	-	-
Public safety	-	5,460	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal repayment	-	-	14,000	13,000
Interest and fiscal charges	-	-	1,492	5,948
Total Expenditures	<u>12,574</u>	<u>5,460</u>	<u>15,492</u>	<u>18,948</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,643)</u>	<u>2,070</u>	<u>(15,449)</u>	<u>(12,726)</u>
Other Financing Sources				
Transfers in	<u>20,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balances	12,357	2,070	(449)	(12,726)
Fund Balances, Beginning of Year	<u>301,692</u>	<u>49,170</u>	<u>1,567</u>	<u>81,421</u>
Fund Balances, End of Year	<u><u>\$ 314,049</u></u>	<u><u>\$ 51,240</u></u>	<u><u>\$ 1,118</u></u>	<u><u>\$ 68,695</u></u>

Building Authority	Capital Projects Open Space Preservation	Permanent Cemetery Perpetual Care	Total
\$ -	\$ -	\$ -	\$ 6,000
-	21,210	2,126	32,772
-	50,675	-	53,965
-	71,885	2,126	92,737
-	-	840	13,414
-	-	-	5,460
-	2,668	-	2,668
405,000	-	-	432,000
127,900	-	-	135,340
532,900	2,668	840	588,882
(532,900)	69,217	1,286	(496,145)
532,900	50,000	2,360	620,260
-	119,217	3,646	124,115
-	614,524	56,884	1,105,258
\$ -	\$ 733,741	\$ 60,530	\$ 1,229,373

CASCADE CHARTER TOWNSHIP
Cascade Dam Major Repair Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest and rentals	\$ 10,222	\$ 4,931	\$ (5,291)
Expenditures			
Current:			
General government	35,000	12,574	22,426
Excess (Deficiency) of Revenues Over Expenditures	<u>(24,778)</u>	<u>(7,643)</u>	<u>17,135</u>
Other Financing Sources			
Transfers in	20,000	20,000	-
Net Change in Fund Balances	(4,778)	12,357	17,135
Fund Balances, Beginning of Year	<u>301,692</u>	<u>301,692</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 296,914</u>	<u>\$ 314,049</u>	<u>\$ 17,135</u>

CASCADE CHARTER TOWNSHIP
HAZMAT Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended December 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 6,000	\$ 6,000	\$ -
Interest and rentals	2,079	1,530	(549)
Other revenue	725	-	(725)
Total Revenues	<u>8,804</u>	<u>7,530</u>	<u>(1,274)</u>
Expenditures			
Current:			
Public safety	<u>15,000</u>	<u>5,460</u>	<u>9,540</u>
Net Change in Fund Balances	(6,196)	2,070	8,266
Fund Balances, Beginning of Year	<u>49,170</u>	<u>49,170</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 42,974</u></u>	<u><u>\$ 51,240</u></u>	<u><u>\$ 8,266</u></u>

SPECIAL REVENUE FUNDS

Fire—to accumulate property tax revenues and interest earnings to maintain the Township Fire Department.

Police—to accumulate property tax revenues and interest earnings to support law enforcement in the Township.

Improvement Revolving—to accumulate collections of special assessments (hookup fees) for connection to the water and sewer system to be used for sewer and water extension projects.

Cascade Dam Major Repair—to accumulate a portion of rental fees reserved from the Cascade Dam operation to be used for major repairs or renovations to the Dam.

Library—to accumulate property tax revenues, interest earnings and contributions to be used for library operation and debt service purposes.

Pathways—to accumulate property tax revenues and interest earnings to be used for the construction, improvement, maintenance and debt service of the Township pedestrian pathways system.

Inspections—to accumulate permit fees to be used for the operation of the Township inspection department.

HAZMAT—to accumulate HAZMAT fees from other units to be used for the disposal of hazardous materials.

**CASCADE CHARTER TOWNSHIP
Fire Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007**

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 1,967,008	\$ 1,491,673
Taxes receivable	1,144,017	1,851,928
Due from other funds	718,133	2,886
Prepaid expenditures	23,998	-
	Total Assets	Total Assets
	\$ 3,853,156	\$ 3,346,487
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 72,957	\$ 33,379
Deferred revenue	1,861,801	1,851,928
	Total Liabilities	Total Liabilities
	1,934,758	1,885,307
Fund Balances		
Unreserved:		
Undesignated	1,918,398	1,461,180
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 3,853,156	\$ 3,346,487

CASCADE CHARTER TOWNSHIP
Fire Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	2008	2007
Revenues		
Taxes:		
Current property taxes	\$ 1,817,488	\$ 1,759,948
Delinquent property taxes	6,507	13,874
Industrial facilities taxes	26,723	29,476
Penalties and interest on taxes	669	1,746
Total taxes	<u>1,851,387</u>	<u>1,805,044</u>
Federal sources:		
Homeland security grant	-	65,100
Fines and forfeitures:		
District court fines	21	172
Interest and rentals:		
Interest on deposits and investments	83,898	97,422
Other revenue:		
Sale of assets	3	1,360
Donations	2,775	3,595
Refunds and rebates	2,235	3,152
Other	-	1,910
Total other revenue	<u>5,013</u>	<u>10,017</u>
Total Revenues	<u>1,940,319</u>	<u>1,977,755</u>
Expenditures		
Current:		
Public safety:		
Fire department:		
Personnel services	1,469,481	1,435,854
Supplies	31,985	42,825
Other services and charges	171,930	256,450
Capital outlay	82,083	59,725
	<u>1,755,479</u>	<u>1,794,854</u>
Debt service:		
Principal repayment	25,883	25,883
Interest and fiscal charges	8,127	9,232
Total debt service	<u>34,010</u>	<u>35,115</u>
Total Expenditures	<u>1,789,489</u>	<u>1,829,969</u>
Excess of Revenues Over Expenditures	<u>150,830</u>	<u>147,786</u>
Other Financing Sources (Uses)		
Transfers in	400,000	400,000
Transfers out	(93,612)	(94,194)
Total Other Financing Sources (Uses)	<u>306,388</u>	<u>305,806</u>
Net Change in Fund Balances	457,218	453,592
Fund Balances, Beginning of Year	<u>1,461,180</u>	<u>1,007,588</u>
Fund Balances, End of Year	<u>\$ 1,918,398</u>	<u>\$ 1,461,180</u>

**CASCADE CHARTER TOWNSHIP
Police Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007**

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 1,341,793	\$ 1,411,872
Taxes receivable	399,330	670,649
Due from other funds	250,545	-
	\$ 1,991,668	\$ 2,082,521
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 64,613	\$ 129,888
Deferred revenue	649,875	670,649
	714,488	800,537
Fund balances		
Unreserved:		
Undesignated	1,277,180	1,281,984
	\$ 1,991,668	\$ 2,082,521

CASCADE CHARTER TOWNSHIP
Police Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	2008	2007
Revenues		
Taxes:		
Current property taxes	\$ 658,395	\$ 637,340
Delinquent property taxes	2,154	5,217
Industrial facilities taxes	9,675	10,672
Penalties and interest on taxes	242	656
Total taxes	670,466	653,885
Interest and rentals:		
Interest on deposits and investments	55,048	80,309
Total Revenues	725,514	734,194
Expenditures		
Current:		
Law enforcement:		
Other services and charges	730,318	714,454
Net Change in Fund Balances	(4,804)	19,740
Fund Balances, Beginning of Year	1,281,984	1,262,244
Fund Balances, End of Year	\$ 1,277,180	\$ 1,281,984

CASCADE CHARTER TOWNSHIP
Improvement Revolving Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 1,577,816	\$ 1,174,857
Receivables:		
Accounts	292,405	178,573
Special assessments	2,937,473	2,739,180
Accrued interest	87	-
Due from other funds	2,477	-
Total Assets	\$ 4,810,258	\$ 4,092,610
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 358,482
Due to other funds	1,000	19,940
Deferred revenue	3,221,096	2,744,261
Total Liabilities	3,222,096	3,122,683
Fund Balances		
Unreserved:		
Designated for capital outlay	1,588,162	969,927
Total Liabilities and Fund Balances	\$ 4,810,258	\$ 4,092,610

CASCADE CHARTER TOWNSHIP
Improvement Revolving Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	2008	2007
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 34,053	\$ 85,999
Interest on special assessments	5,661	5,636
Total interest and rentals	39,714	91,635
Other revenue:		
Special assessments	68,230	97,729
Developer contributions	-	900,000
Hookup fees	89,867	140,076
Reimbursements	1,150,219	-
Total other revenue	1,308,316	1,137,805
Total Revenues	1,348,030	1,229,440
Expenditures		
Capital outlay	363,278	2,224,656
Debt service:		
Principal repayment	280,000	290,000
Interest and fiscal charges	71,517	81,388
Total debt service	351,517	371,388
Total Expenditures	714,795	2,596,044
Excess (Deficiency) of Revenues Over Expenditures	633,235	(1,366,604)
Other Financing Sources (Uses)		
Transfers out	(15,000)	(15,000)
Net Change in Fund Balances	618,235	(1,381,604)
Fund Balances, Beginning of Year	969,927	2,351,531
Fund Balances, End of Year	\$ 1,588,162	\$ 969,927

CASCADE CHARTER TOWNSHIP
Cascade Dam Major Repair Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 314,049	\$ 301,692
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund Balances		
Unreserved:		
Designated for dam major repair	314,049	301,692
Total Liabilities and Fund Balances	\$ 314,049	\$ 301,692

CASCADE CHARTER TOWNSHIP
Cascade Dam Major Repair Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 4,931	\$ 11,907
Expenditures		
Current:		
Buildings and grounds:		
Other services and charges	12,574	-
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,643)</u>	<u>11,907</u>
Other Financing Sources		
Transfers in	20,000	20,000
Net Change in Fund Balances	12,357	31,907
Fund Balances, Beginning of Year	<u>301,692</u>	<u>269,785</u>
Fund Balances, End of Year	<u><u>\$ 314,049</u></u>	<u><u>\$ 301,692</u></u>

**CASCADE CHARTER TOWNSHIP
Library Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007**

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 1,307,234	\$ 1,073,244
Taxes receivable	337,657	546,593
Due from other funds	211,850	-
Prepaid expenditures	12,300	-
Total Assets	\$ 1,869,041	\$ 1,619,837
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 60,511	\$ 5,870
Deferred revenue	549,507	546,593
Total Liabilities	610,018	552,463
Fund Balances		
Unreserved:		
Designated for capital outlay	400,000	400,000
Undesignated	859,023	667,374
Total Fund Balances	1,259,023	1,067,374
Total Liabilities and Fund Balances	\$ 1,869,041	\$ 1,619,837

CASCADE CHARTER TOWNSHIP
Library Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	2008	2007
Revenues		
Taxes:		
Current property taxes	\$ 536,606	\$ 519,446
Delinquent property taxes	1,755	4,265
Industrial facilities taxes	7,888	8,700
Penalties and interest on taxes	197	535
Total taxes	546,446	532,946
Intergovernmental sources:		
Contributions	21,913	21,913
Interest and rentals:		
Interest on deposits and investments	47,055	54,065
Other revenue:		
Donations	25,100	96,350
Total Revenues	640,514	705,274
Expenditures		
Current:		
Recreation and cultural:		
Library:		
Supplies	1,668	3,673
Other services and charges	235,724	170,963
Capital outlay	5,977	7,000
Total Expenditures	243,369	181,636
Excess of Revenues Over Expenditures	397,145	523,638
Other Financing Sources (Uses)		
Transfers out	(205,496)	(206,775)
Net Change in Fund Balances	191,649	316,863
Fund Balances, Beginning of Year	1,067,374	750,511
Fund Balances, End of Year	\$ 1,259,023	\$ 1,067,374

CASCADE CHARTER TOWNSHIP
Pathways Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 989,565	\$ 915,162
Taxes receivable	346,615	561,096
Due from other funds	217,471	-
	\$ 1,553,651	\$ 1,476,258
Liabilities and Fund Balances		
Liabilities		
Due to other governmental units	\$ 98	\$ 80
Deferred revenue	564,086	561,096
	564,184	561,176
Fund Balances		
Unreserved:		
Undesignated	989,467	915,082
	\$ 1,553,651	\$ 1,476,258

CASCADE CHARTER TOWNSHIP
Pathways Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	2008	2007
Revenues		
Taxes:		
Current taxes	\$ 550,844	\$ 533,228
Delinquent taxes	1,802	4,369
Industrial facilities taxes	8,095	8,929
Penalties and interest on taxes	202	549
Total taxes	<u>560,943</u>	<u>547,075</u>
Interest and rentals:		
Interest on deposits and investments	<u>43,874</u>	<u>58,577</u>
Total Revenues	<u>604,817</u>	<u>605,652</u>
Expenditures		
Current:		
Recreation and cultural:		
Parks and recreation:		
Other services and charges	33,803	9,876
Capital outlay	-	5,817
Total recreation and cultural	<u>33,803</u>	<u>15,693</u>
Debt service:		
Principal repayment	315,000	290,000
Interest and fiscal charges	<u>181,629</u>	<u>194,209</u>
Total debt service	<u>496,629</u>	<u>484,209</u>
Total Expenditures	<u>530,432</u>	<u>499,902</u>
Net Change in Fund Balances	74,385	105,750
Fund Balances, Beginning of Year	<u>915,082</u>	<u>809,332</u>
Fund Balances, End of Year	<u>\$ 989,467</u>	<u>\$ 915,082</u>

**CASCADE CHARTER TOWNSHIP
 Inspections Special Revenue Fund
 Comparative Balance Sheet
 December 31, 2008 and 2007**

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 416,118	\$ 266,217
Due from other funds	72	3,973
Prepaid expenditures	12,212	-
Total Assets	\$ 428,402	\$ 270,190
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 10,883	\$ 6,758
Due to other funds	50	119
Total Liabilities	10,933	6,877
Fund Balances		
Unreserved:		
Undesignated	417,469	263,313
Total Liabilities and Fund Balances	\$ 428,402	\$ 270,190

CASCADE CHARTER TOWNSHIP
Inspections Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Licenses and permits:		
Building permits	\$ 66,744	\$ 105,018
Electrical permits	35,756	45,979
Mechanical permits	36,610	51,504
Plumbing permits	16,614	26,965
Permits - other townships	797,552	495,898
Plan reviews	99,245	22,395
Contractor registration fees	6,780	12,140
Total licenses and permits	<u>1,059,301</u>	<u>759,899</u>
Interest and rentals:		
Interest on deposits and investments	7,621	16,812
Other revenue:		
Miscellaneous	1,831	959
Total Revenues	<u>1,068,753</u>	<u>777,670</u>
Expenditures		
Current:		
Public safety:		
Inspections:		
Personnel services	635,364	664,064
Supplies	4,943	5,349
Other services and charges	274,290	243,011
Capital outlay	-	14,938
Total Expenditures	<u>914,597</u>	<u>927,362</u>
Net Change in Fund Balances	154,156	(149,692)
Fund Balances, Beginning of Year	<u>263,313</u>	<u>413,005</u>
Fund Balances, End of Year	<u>\$ 417,469</u>	<u>\$ 263,313</u>

**CASCADE CHARTER TOWNSHIP
HAZMAT Special Revenue Fund
Comparative Balance Sheet
December 31, 2008 and 2007**

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 51,337	\$ 49,943
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 97	\$ 773
Fund Balances		
Unreserved:		
Undesignated	51,240	49,170
Total Liabilities and Fund Balances	\$ 51,337	\$ 49,943

CASCADE CHARTER TOWNSHIP
HAZMAT Special Revenue Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Charges for services:		
HAZMAT fees	\$ 6,000	\$ 6,000
Interest and rentals:		
Interest on deposits and investments	1,530	2,356
Other revenue:		
Reimbursements	-	712
Total Revenues	<u>7,530</u>	<u>9,068</u>
Expenditures		
Current:		
Public safety:		
HAZMAT:		
Supplies	-	14
Other services and charges	1,609	810
Capital outlay	3,851	3,538
Total Expenditures	<u>5,460</u>	<u>4,362</u>
Net Change in Fund Balances	2,070	4,706
Fund Balances, Beginning of Year	<u>49,170</u>	<u>44,464</u>
Fund Balances, End of Year	<u><u>\$ 51,240</u></u>	<u><u>\$ 49,170</u></u>

DEBT SERVICE FUNDS

To account for the payment of bonds sold to finance water and sewer construction projects and other Township improvements. Financing is provided by collections of charges imposed for connections, interest earnings and debt service transfers from Township funds.

CASCADE CHARTER TOWNSHIP
Debt Service Funds
Combining Balance Sheet
December 31, 2008
With comparative totals for December 31, 2007

	1988 - A	1995 - A	Building Authority
Assets			
Cash equivalents, deposits and investments	\$ 118	\$ 68,389	\$ -
Special assessments receivable	-	3,290	-
Accrued interest receivable	-	306	-
Due from other funds	1,000	-	-
	\$ 1,118	\$ 71,985	\$ -
Liabilities and Fund Balances			
Liabilities			
Deferred revenue	\$ -	\$ 3,290	\$ -
Fund Balances			
Reserved for debt service	1,118	68,695	-
	\$ 1,118	\$ 71,985	\$ -

Totals	
2008	2007
\$ 68,507	\$ 82,744
3,290	6,824
306	-
1,000	-
<u>\$ 73,103</u>	<u>\$ 89,568</u>

<u>\$ 3,290</u>	<u>\$ 6,580</u>
<u>69,813</u>	<u>82,988</u>
<u><u>\$ 73,103</u></u>	<u><u>\$ 89,568</u></u>

CASCADE CHARTER TOWNSHIP
Debt Service Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2008
With comparative totals for the year ended December 31, 2007

	<u>1988 - A</u>	<u>1995 - A</u>	<u>Building Authority</u>
Revenues			
Interest and rentals:			
Interest on deposits and investments	\$ 22	\$ 2,708	\$ -
Interest on special assessments	21	224	-
Total interest and rentals	<u>43</u>	<u>2,932</u>	<u>-</u>
Other revenue:			
Special assessments	<u>-</u>	<u>3,290</u>	<u>-</u>
Total Revenues	<u>43</u>	<u>6,222</u>	<u>-</u>
Expenditures			
Debt service:			
Principal repayment	14,000	13,000	405,000
Interest and fiscal charges	<u>1,492</u>	<u>5,948</u>	<u>127,900</u>
Total Expenditures	<u>15,492</u>	<u>18,948</u>	<u>532,900</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,449)</u>	<u>(12,726)</u>	<u>(532,900)</u>
Other Financing Sources			
Transfers in	<u>15,000</u>	<u>-</u>	<u>532,900</u>
Net Change in Fund Balances	<u>(449)</u>	<u>(12,726)</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>1,567</u>	<u>81,421</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 1,118</u></u>	<u><u>\$ 68,695</u></u>	<u><u>\$ -</u></u>

Totals	
2008	2007
\$ 2,730	\$ 4,501
245	731
<u>2,975</u>	<u>5,232</u>
3,290	940
<u>6,265</u>	<u>6,172</u>
432,000	422,000
<u>135,340</u>	<u>149,056</u>
<u>567,340</u>	<u>571,056</u>
<u>(561,075)</u>	<u>(564,884)</u>
547,900	549,802
(13,175)	(15,082)
<u>82,988</u>	<u>98,070</u>
<u>\$ 69,813</u>	<u>\$ 82,988</u>

CAPITAL PROJECTS FUND

Open Space Preservation - to account for private and General Fund contributions for use in open space preservation.

CASCADE CHARTER TOWNSHIP
Open Space Preservation Capital Projects Fund
Comparative Balance Sheet
December 31, 2008 and 2007

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 736,409	\$ 564,524
Due from other funds	-	50,000
	\$ 736,409	\$ 614,524
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 2,668	\$ -
Fund Balances		
Unreserved:		
Designated for capital outlay	733,741	614,524
	\$ 736,409	\$ 614,524

CASCADE CHARTER TOWNSHIP
Open Space Preservation Capital Projects Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 21,210	\$ 25,782
Other revenue:		
Contributions	<u>50,675</u>	<u>50,000</u>
Total Revenues	<u>71,885</u>	<u>75,782</u>
Expenditures		
Capital outlay	<u>2,668</u>	<u>96</u>
Excess of Revenues Over Expenditures	69,217	75,686
Other Financing Sources		
Transfers in	<u>50,000</u>	<u>50,000</u>
Net Change in Fund Balances	119,217	125,686
Fund Balances, Beginning of Year	<u>614,524</u>	<u>488,838</u>
Fund Balances, End of Year	<u><u>\$ 733,741</u></u>	<u><u>\$ 614,524</u></u>

PERMANENT FUND

Cemetery Perpetual Care—to accumulate cemetery revenues and interest earnings to be used for cemetery improvements.

CASCADE CHARTER TOWNSHIP
Cemetery Perpetual Care Fund
Comparative Balance Sheet
December 31, 2008 and 2007

	2008	2007
Assets		
Cash equivalents, deposits and investments	\$ 60,223	\$ 56,884
Accrued interest receivable	262	-
Due from other funds	45	-
	\$ 60,530	\$ 56,884
Liabilities and Fund Balances		
Liabilities	\$ -	\$ -
Fund balances		
Unreserved:		
Designated for cemetery improvements	60,530	56,884
	\$ 60,530	\$ 56,884

CASCADE CHARTER TOWNSHIP
Cemetery Perpetual Care Fund
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances
For the years ended December 31, 2008 and 2007

	2008	2007
Revenues		
Interest and rentals:		
Interest on deposits and investments	\$ 2,126	\$ 2,735
Expenditures		
Current:		
Cemetery:		
Other services and charges	840	397
Excess of Revenues Over Expenditures	1,286	2,338
Other Financing Sources		
Transfers in	2,360	2,265
Net Change in Fund Balances	3,646	4,603
Fund Balances, Beginning of Year	56,884	52,281
Fund Balances, End of Year	\$ 60,530	\$ 56,884

AGENCY FUNDS

Trust Account Agency—to account for the collection of bonds and deposits and payment to the governmental units or other persons entitled to receive these funds.

Tax Account Agency—to account for the collection of current and delinquent property taxes and payment to the governmental units or other persons entitled to receive these funds.

CASCADE CHARTER TOWNSHIP
Agency Funds
Combining Balance Sheet
December 31, 2008
With comparative totals for December 31, 2007

	Trust Account	Tax Account	Totals	
			2008	2007
Assets				
Cash	\$ -	\$ 150	\$ 150	\$ -
Cash equivalents, deposits and investments	135,272	4,522,228	4,657,500	4,348,498
Accrued interest receivable	186	-	186	-
Total Assets	\$ 135,458	\$ 4,522,378	\$ 4,657,836	\$4,348,498
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ -	\$ 15,611	\$ 15,611	\$ -
Due to other funds	2,112	2,153,774	2,155,886	57,713
Due to other governmental units	-	2,352,993	2,352,993	4,130,363
Escrow deposits	133,346	-	133,346	160,422
Total Liabilities	135,458	4,522,378	4,657,836	4,348,498
Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ 135,458	\$ 4,522,378	\$ 4,657,836	\$4,348,498

CASCADE CHARTER TOWNSHIP
All Agency Funds
Combining Schedule of Changes in Assets and Liabilities
For the year ended December 31, 2008

	Balances January 1, 2008	Additions	Deductions	Balances December 31, 2008
Trust Account Fund				
Assets				
Cash equivalents, deposits and investments	\$ 165,455	\$ 53,321	\$ 83,504	\$ 135,272
Accrued interest receivable	-	186	-	186
Total Assets	\$ 165,455	\$ 53,507	\$ 83,504	\$ 135,458
Liabilities				
Due to other funds	\$ 5,033	\$ 2,112	\$ 5,033	\$ 2,112
Escrow deposits	160,422	51,395	78,471	133,346
Total Liabilities	\$ 165,455	\$ 53,507	\$ 83,504	\$ 135,458
Tax Account Fund				
Assets				
Cash	\$ -	\$ 150	\$ -	\$ 150
Cash equivalents, deposits and investments	4,183,043	53,755,320	53,416,135	4,522,228
Total Assets	\$ 4,183,043	\$53,755,470	\$53,416,135	\$ 4,522,378
Liabilities				
Accounts payable	\$ -	\$ 314,800	\$ 299,189	\$ 15,611
Due to other funds	52,680	8,696,423	6,595,329	2,153,774
Due to other governmental units	4,130,363	44,744,247	46,521,617	2,352,993
Total Liabilities	\$ 4,183,043	\$53,755,470	\$53,416,135	\$ 4,522,378
Totals - All Agency Funds				
Assets				
Cash	\$ -	\$ 150	\$ -	\$ 150
Cash equivalents, deposits and investments	4,348,498	53,808,641	53,499,639	4,657,500
Accrued interest receivable	-	186	-	186
Total Assets	\$ 4,348,498	\$53,808,977	\$53,499,639	\$ 4,657,836
Liabilities				
Accounts payable	\$ -	\$ 314,800	\$ 299,189	\$ 15,611
Due to other funds	57,713	8,698,535	6,600,362	2,155,886
Due to other governmental units	4,130,363	44,744,247	46,521,617	2,352,993
Escrow deposits	160,422	51,395	78,471	133,346
Total Liabilities	\$ 4,348,498	\$53,808,977	\$53,499,639	\$ 4,657,836

OTHER INFORMATION

CASCADE CHARTER TOWNSHIP
Summary of 2007 Taxes Levied and Collected
For the year ended December 31, 2008

<u>Ad Valorem Taxes</u>	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current * Collections</u>
Kent County					
Operating	\$1,458,756,761	5.3940	\$ 7,868,408	\$ 251,388	\$ 7,617,020
Drains	7,586,263		2,986	149	2,837
Total Kent County			<u>7,871,394</u>	<u>251,537</u>	<u>7,619,857</u>
Kent District Library	1,458,756,761	0.8800	1,283,669	60,402	1,223,267
State Education Tax					
Caledonia Community Schools	185,690,685	6.0000	1,114,143	16,217	1,097,926
Forest Hills Public Schools	1,241,589,174	6.0000	7,449,523	225,119	7,224,404
Lowell Area Schools	31,476,902	6.0000	188,861	3,901	184,960
Total State Education Tax			<u>8,752,527</u>	<u>245,237</u>	<u>8,507,290</u>
School Districts					
Kent Intermediate School District	1,458,756,761	4.6903	6,841,964	191,705	6,650,259
Grand Rapids Community College	1,458,756,761	1.7865	2,606,027	73,018	2,533,009
Caledonia Community Schools:					
Other	185,690,685	7.0000	1,299,832	32,023	1,267,809
Operating	143,359,240	18.0000	2,717,900	59,495	2,658,405
Forest Hills Public Schools:					
Other	1,241,589,174	7.3000	9,063,520	352,684	8,710,836
Operating	423,956,800	18.0000	8,061,157	466,156	7,595,001
Lowell Area Schools:					
Other	31,476,902	7.0000	220,337	13,083	207,254
Operating	5,456,121	17.9838	99,689	18,668	81,021
Total School Districts			<u>30,910,426</u>	<u>1,206,832</u>	<u>29,703,594</u>
Cascade Charter Township	1,458,756,761				
Operating		0.9716	1,417,286	66,690	1,350,596
Fire		1.3152	1,918,515	90,275	1,828,240
Police		0.4763	694,764	32,691	662,073
Library		0.3882	566,247	26,644	539,603
Pathways		0.3985	581,272	27,351	553,921
Street lighting assessments			73,514	4,357	69,157
Hydrant assessments			42,518	2,206	40,312
Delinquent special assessments			23,193	3,399	19,794
Tax administration fees			541,269	20,172	521,097
Total Township			<u>5,858,578</u>	<u>273,785</u>	<u>5,584,793</u>
Total Ad Valorem Taxes			<u><u>\$54,676,594</u></u>	<u><u>\$2,037,793</u></u>	<u><u>\$52,638,801</u></u>

(Continued)

CASCADE CHARTER TOWNSHIP
Summary of 2007 Taxes Levied and Collected
For the year ended December 31, 2008

<u>Tax Abatements</u>	<u>Taxable Valuation</u>	<u>Rate (Mills)</u>	<u>Taxes Levied</u>	<u>Returned Delinquent</u>	<u>Current * Collections</u>
Industrial Facilities (P.A. 198) New					
Kent County	\$ 40,638,245	2.69700	\$ 109,596	\$ 4,550	\$ 105,046
Kent District Library	40,638,245	0.44000	17,881	1,277	16,604
State education tax:					
Caledonia Community Schools	22,945,345	6.00000	136,198	8,229	127,969
Forest Hills Public Schools	17,692,900	6.00000	105,097	-	105,097
Kent Intermediate School District	40,638,245	2.34515	95,300	3,216	92,084
Grand Rapids Community College	40,638,245	0.89325	36,298	1,225	35,073
Caledonia Community Schools:					
Operating	22,945,345	3.50000	80,309	7,478	72,831
Other	22,945,345	9.00000	206,508	19,229	187,279
Forest Hills Public Schools:					
Operating	17,692,900	3.65000	-	-	-
Other	17,692,900	9.00000	-	-	-
Cascade Charter Township:	40,638,245				
Operating		0.48580	19,742	1,410	18,332
Fire		0.65760	26,723	1,908	24,815
Police		0.23815	9,676	691	8,985
Library		0.19410	7,887	563	7,324
Pathways		0.19925	8,095	578	7,517
Tax administration fees			10,831	503	10,328
			<u>\$ 870,141</u>	<u>\$ 50,857</u>	<u>\$ 819,284</u>

* Current collections include ad valorem and abated taxes collected for and distributed to the Cascade Charter Township Downtown Development Authority. The following amounts were withheld from the various taxing units and remitted to the DDA:

Kent County	\$ 366,943
Kent District Library	62,435
Grand Rapids Community College	126,749
Cascade Charter Township:	
Operating	68,934
Fire	93,311
Police	33,793
Library	27,542
Pathways	28,273
	<u>\$ 807,980</u>