Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type	Local Unit Name	County
☐County ☐City ☒Twp ☐Village ☐Other	CHARTER TWP. OF CHESTERFIELD	MACOMB

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
12/31/2005	5/9/2006	6/19/2006

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	**Check each applicable box below**. (See instructions for further detail.)
1.	☒	☐	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.	☐	☒	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.	☒	☐	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.	☒	☐	The local unit has adopted a budget for all required funds.
5.	☒	☐	A public hearing on the budget was held in accordance with State statute.
6.	☒	☐	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.	☒	☐	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.	☒	☐	The local unit only holds deposits/investments that comply with statutory requirements.
9.	☒	☐	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan,* as revised (see Appendix H of Bulletin).
10.	☒	☐	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.	☒	☐	The local unit is free of repeated comments from previous years.
12.	☐	☒	The audit opinion is UNQUALIFIED.
13.	☒	☐	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.	☒	☐	The board or council approves all invoices prior to payment as required by charter or statute.
15.	☒	☐	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	☒	
The letter of Comments and Recommendations	☒	
Other (Describe)	☒	REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Certified Public Accountant (Firm Name)	Telephone Number		
BUSS & COMPANY, P.C.	586-263-8200		
Street Address	**City**	**State**	**Zip**
42550 GARFIELD, SUITE 105	CLINTON TWP.	MI	48038
Authorizing CPA Signature	**Printed Name**	**License Number**	
	JOHN E. GIDEON	1101007016	

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD

County of Macomb, Michigan

FINANCIAL REPORT

WITH SUPPLEMENTAL INFORMATION

PREPARED IN ACCORDANCE WITH GASB 34

December 31, 2005

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
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BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
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County of Macomb, Michigan
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BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

INDEPENDENT AUDITOR'S REPORT

May 9, 2006

Board of Trustees
Charter Township of Chesterfield
County of Macomb, Michigan

Honorable Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Chesterfield, Macomb County, Michigan as of and for the year ended December 31, 2005, 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 opinions on these financial statements based on our audit.

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

The financial statements referred to above include financial data regarding Public Act 342 Funds which were not audited by us. This information was obtained directly from the County Drain Commission. This financial data is included in the Water Supply and Sewage Disposal System and represents approximately 1 percent of the assets and negligible percent of revenues of that fund type.

In our opinion, except for the effects on the financial statements of the inclusion described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Chesterfield, Macomb County, Michigan, as of December 31, 2005, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2006, on our consideration of Charter Township of Chesterfield's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 6 and budgetary comparison schedule on pages 34 through 36, are not a required part of the basic financial statements, but are supplemental information required by accounting principles 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 supplemental 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 Charter Township of Chesterfield, Macomb County, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements 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. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully,

BUSS & COMPANY, P.C.

Buss & Company, P.C.

Certified Public Accountants

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Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 6.1% from a year ago - increasing from $91,843,084 to $97,481,306. Governmental activities experienced an increase in net assets of $2,687,426 during the year, an increase of 8.2%. The business-type activities experienced an increase in net assets of $2,950,796 during the year, an increase of 5.0%. In a condensed format, the table below shows a comparison of key financial information for the current year to the prior year.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2005	2004	2005	2004	2005	2004
Current and other assets	$32,606,046	$34,149,779	$20,061,124	$25,577,060	$ 52,667,170	$ 59,726,839
Capital assets	24,743,613	20,071,722	53,137,196	45,109,495	77,880,809	65,181,217
Total Assets	$57,349,659	$54,221,501	$73,198,320	$70,686,555	$130,547,979	$124,908,056
Long-term debt outstanding	$ 7,581,731	$ 8,255,873	$ 7,890,016	$ 8,300,620	$ 15,471,747	$ 16,556,493
Other liabilities	14,476,244	13,361,370	3,118,682	3,147,109	17,594,926	16,508,479
Total Liabilities	$22,057,975	$21,617,243	$11,008,698	$11,447,729	$ 33,066,673	$ 33,064,972
Net Assets:						
Invested in capital assets - Net of debt	$17,268,181	$14,001,416	$45,247,180	$36,808,875	$ 62,515,361	$ 50,810,291
Restricted	726,766	739,293	5,142,125	4,995,177	5,868,891	5,734,470
Unrestricted	17,296,737	17,863,549	11,800,317	17,434,774	29,097,054	35,298,323
Total Net Assets	$35,291,684	$32,604,258	$62,189,622	$59,238,826	$ 97,481,306	$ 91,843,084

Unrestricted net assets - the part of net assets that can be used to finance day to day operations for our governmental activities stands at $17,296,737 or about 93% of expenditures.

(Continued)

The Township as a Whole (Continued)

The following table shows the changes of the net assets:

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2005	2004	2005	2004	2005	2004
PROGRAM REVENUES:						
Charges for services	$ 2,665,529	$ 2,832,036	$ 7,510,096	$ 7,408,697	$10,175,625	$10,240,733
Operating grants and contributions	170,147	203,045	-	-	170,147	203,045
Capital grants and contributions	2,831,007	6,360,971	4,216,014	5,686,604	7,047,021	12,047,575
GENERAL REVENUES:						
Property taxes	12,023,096	11,138,104	-	-	12,023,096	11,138,104
State-shared revenues	2,857,974	2,820,145	-	-	2,857,974	2,820,145
Unrestricted investment earnings	704,414	351,050	581,668	308,173	1,286,082	659,223
Franchise fees	416,058	385,273	-	-	416,058	385,273
Transfers and other revenues	(292,460)	23,375	204,539	(24,672)	(87,921)	(1,297)
Total Revenues	$21,375,765	$24,113,999	$12,512,317	$13,378,802	$33,888,082	$37,492,801
PROGRAM EXPENSES:						
General Government	$ 4,558,014	$ 4,408,631	$ -	$ -	$ 4,558,014	$ 4,408,631
Public Safety	11,010,663	10,543,457	-	-	11,010,663	10,543,457
Street, sidewalks and drains	968,480	2,287,053	-	-	968,480	2,287,053
Recreation and culture	1,793,465	1,730,255	-	-	1,793,465	1,730,255
Interest on long-term debt	357,717	247,776	-	-	357,717	247,776
Water and sewer	-	-	9,447,716	9,443,396	9,447,716	9,443,396
Brandenburg Park	-	-	113,805	124,345	113,805	124,345
Total Expenses	$18,688,339	$19,217,172	$ 9,561,521	$ 9,567,741	$28,249,860	$28,784,913
CHANGE IN NET ASSETS	$ 2,687,426	$ 4,896,827	$ 2,950,796	$ 3,811,061	$ 5,638,222	$ 8,707,888

The Township's net assets continue to remain healthy. With new residents moving in and property values continuing to rise, net assets grew by $5,638,222.

(Continued)

Governmental Activities

Revenues for governmental activities totaled $21,375,765. $12,023,096 was in the form of property tax collections for general operations, public safety and library operations. State revenues provided $2,857,974 in revenue but continue to be a concern due to the State's financial difficulties. Charges for services, made up primarily of inspection fees, generated $2,665,529.

The Township expenditures of $18,688,339 relate primarily to the cost of providing public safety and compliance which accounts for 59% of the governmental activity expenditures. Approximately 24% of expenditures relate to general government expenses.

Business-Type Activities

The Township has two business-type activities. These include the water and sewer operations and the Brandenburg Memorial Park Fund. Revenues for business-type activities were $12,512,317. Water and sewage treatment is provided to Chesterfield residents through the Detroit Water and Sewer Department. Revenues from water and sewer operations were $12,437,332, including contributions from developers. Revenues from the Township's operation of Brandenburg Memorial Park were $74,985.

The Township's Funds

Our analysis of the Township's major funds begins on page 9, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2005 include the General Fund, the Fire Department Fund, and the Police Department Fund.

The General Fund pays for most of the Township's governmental services. The General Fund ended 2005 with a fund balance of $4,889,246. Revenues increased by $180,052 due primarily to an increase in property taxes. Expenditures decreased by $105,374 due primarily to completion of certain capital projects during 2004.

The Fire Department Fund is funded through a property tax millage. These funds are expended exclusively for operations and equipment for the Fire Department. The Fire Department ended 2005 with a fund balance of $4,641,337. Revenues increased by $188,197 due primarily to increased taxable value of properties. Expenditures decreased by $192,823 due primarily to the purchase of fire fighting equipment during 2004.

The Police Department Fund is funded by a special assessment. These funds are expended exclusively for operations for the Police Department. The Police Department ended 2005 with a fund balance of $3,703,838. Revenues increased by $705,259 due primarily to increased taxable value of properties. Expenditures decreased by $84,960, due primarily to a decrease in the acquisition of technology equipment.

(Continued)

General Fund Budgetary Highlights

Over the course of the year, the Township Board amended the budget to take into account events during the year. Actual revenues exceeded budgeted amounts by $171,688. Budgeted expenditures exceeded actual expenditures by $433,066.

Fire Department Fund Budgetary Highlights

The Fire Department's revenues exceeded budgeted amounts by $11,652. Final budgeted expenditures exceeded actual expenditures by $548,754.

Police Department Fund Budgetary Highlights

The Police Department's revenues exceeded budgeted amounts by $236,461. Actual expenditures exceeded budgeted expenditures by $198,556 due primarily to the acquisition of technology equipment.

Capital Assets

At the end of 2005, the Township had $97,727,679 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law, which makes these roads the property of the Macomb County Road Commission (along with the responsibility to maintain them).

Construction of facilities for the Water and Sewer Department and a third fire station were completed in 2005.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Clerk at 47275 Sugarbush, Chesterfield Township, Michigan 48047.

Exhibit 1

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GOVERNMENT-WIDE
STATEMENT OF NET ASSETS
December 31, 2005

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	$16,768,806	$10,078,198	$ 26,847,004
Investments	2,232,948	2,375,603	4,608,551
Receivables:			
Taxes	10,522,371	-	10,522,371
Special assessments	1,312,829	-	1,312,829
Accrued interest	125,544	101,371	226,915
Other	435,841	1,517,518	1,953,359
Due from other governmental units	1,260,191	-	1,260,191
Internal balances	(188,268)	188,268	-
Prepaid expenditures	27,243	-	27,243
Inventories	-	146,527	146,527
Restricted assets	-	5,653,639	5,653,639
Capital assets - Net of depreciation	24,743,613	53,137,196	77,880,809
Total Assets	$57,241,118	$73,198,320	$130,439,438
LIABILITIES:			
Accounts payable	$ 321,379	$ 1,229,088	$ 1,550,467
Accrued compensation	694,017	86,234	780,251
Accrued and other liabilities	114,194	77,164	191,358
Deferred revenue	13,238,113	1,726,196	14,964,309
Noncurrent liabilities:			
Due within one year	735,231	410,604	1,145,835
Due in more than one year	6,846,500	7,479,412	14,325,912
Total Liabilities	$21,949,434	$11,008,698	$ 32,958,132
NET ASSETS:			
Invested in capital assets - Net of related debt	$17,268,181	$45,247,180	$ 62,515,361
Restricted:			
Debt service	726,766	5,142,125	5,868,891
Unrestricted:			
Undesignated	17,296,737	11,800,317	29,097,054
Total Net Assets	$35,291,684	$62,189,622	$ 97,481,306

See accompanying notes to financial statements.

Exhibit 2

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
December 31, 2005

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: TOTAL
PRIMARY GOVERNMENT:							
Governmental Activities:							
General government	$ 4,558,014	$ 515,556	$101,577	$ -	($ 3,940,881)	$ -	($ 3,940,881)
Public safety and compliance	11,010,663	1,887,823	17,170	31,459	(9,074,211)	-	(9,074,211)
Streets, sidewalks and drains	968,480	-	-	2,799,548	1,831,068	-	1,831,068
Culture and recreation	1,793,465	262,150	51,400	-	(1,479,915)	-	(1,479,915)
Interest on long-term debt	357,717	-	-	-	(357,717)	-	(357,717)
Total Governmental Activities	$18,688,339	$ 2,665,529	$170,147	$2,831,007	($13,021,656)	$ -	($13,021,656)
Business-type Activities:							
Water Supply and Sewage Disposal System	$ 9,447,716	$ 7,436,404	$ -	$4,216,014	$ -	$ 2,204,702	$ 2,204,702
Brandenburg Memorial Park Fund	113,805	73,692	-	-	-	(40,113)	(40,113)
Total Business-type Activities	$ 9,561,521	$ 7,510,096	$ -	$4,216,014	$ -	$ 2,164,589	$ 2,164,589
Total Primary Government	$28,249,860	$10,175,625	$170,147	$7,047,021	($13,021,656)	$ 2,164,589	($10,857,067)
GENERAL REVENUES:							
Taxes:							
Property taxes					$12,023,096	$ -	$12,023,096
State revenues					2,857,974	-	2,857,974
Franchise fees					416,058	-	416,058
Investment earnings					704,414	581,668	1,286,082
SPECIAL ITEM - GAIN (LOSS) ON SALE OF EQUIPMENT					(87,921)	-	(87,921)
TRANSFERS					(204,539)	204,539	-
Total General Revenues, Special Item, and Transfers					$15,709,082	$ 786,207	$16,495,289
CHANGES IN NET ASSETS					$ 2,687,426	$ 2,950,796	$ 5,638,222
NET ASSETS - BEGINNING					32,604,258	59,238,826	91,843,084
NET ASSETS - ENDING					$35,291,684	$62,189,622	$97,481,306

See accompanying notes to financial statements.

Exhibit 3

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2005

	GENERAL FUND	FIRE DEPARTMENT FUND	POLICE DEPARTMENT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$3,633,473	$4,348,920	$ 5,689,067	$3,097,346	$16,768,806
Investments	431,344	815,250	33,869	952,485	2,232,948
Receivables:					
Taxes	1,064,731	2,477,273	6,113,485	866,882	10,522,371
Special assessments	64,021	-	-	1,248,808	1,312,829
Accrued interest	19,849	36,849	58,345	10,501	125,544
Other	435,219	-	-	622	435,841
Due from other governmental units	1,156,390	-	96,772	7,029	1,260,191
Due from other funds	651	100,668	-	6,511	107,830
Prepaid expenditures	-	-	22,500	4,743	27,243
Total Assets	$6,805,678	$7,778,960	$12,014,038	$6,194,927	$32,793,603
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	$ 115,272	$ 29,849	$ 152,123	$ 24,135	$ 321,379
Accrued compensation	148,360	56,342	397,994	54,003	656,699
Accrued and other liabilities	3,341	-	4,728	-	8,069
Due to other funds	25,704	21,682	170,432	78,280	296,098
Deferred revenue	1,623,755	3,029,750	7,584,923	2,312,514	14,550,942
Total Liabilities	$1,916,432	$3,137,623	$ 8,310,200	$2,468,932	$15,833,187
FUND BALANCE:					
Reserved for:					
Debt service	$ -	$ -	$ -	$ 729,698	$ 729,698
Other specific purposes	-	-	117,854	12,109	129,963
Unreserved, reported in:					
Designated	14,608	-	-	657,781	672,389
Undesignated	4,874,638	4,641,337	3,585,984	2,326,407	15,428,366
Total Fund Balance	$4,889,246	$4,641,337	$ 3,703,838	$3,725,995	$16,960,416
Total Liabilities and Fund Balance	$6,805,678	$7,778,960	$12,014,038	$6,194,927	$32,793,603

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 4

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
For The Year Ended December 31, 2005

TOTAL FUND BALANCES FOR THE GOVERNMENTAL FUNDS		$16,960,416
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources, and are not reported in the funds:		
Cost of capital assets	$36,124,149	
Accumulated depreciation	(11,380,536)	24,743,613
Special assessment receivables are expected to be collected over several years, and are not available to pay current year expenditures and, therefore, are not reported in the governmental funds		1,312,829
Accumulated employee leave benefits are not due and payable in the current period and, therefore, are not reported in governmental funds		(37,318)
Accrued interest payable on long-term liabilities is not payable until due in the funds		(106,125)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		(7,581,731)
NET ASSETS OF GOVERNMENTAL ACTIVITIES		$35,291,684

See accompanying notes to financial statements.

Exhibit 5

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2005

	GENERAL FUND	FIRE DEPARTMENT FUND	POLICE DEPARTMENT FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Property taxes	$1,233,593	$2,826,561	$6,976,728	$ 986,214	$12,023,096
Inter-governmental	2,728,040	-	-	-	2,728,040
Permits and fees	8,512	-	-	1,425,607	1,434,119
Grants and entitlements	666,965	-	68,613	315,580	1,051,158
Charges for services	167,971	-	-	-	167,971
Special assessments	-	-	-	349,172	349,172
Interest and investment earnings	162,296	149,965	200,519	186,516	699,296
Other	688,931	19,860	439,242	119,584	1,267,617
Total Revenues	$5,656,308	$2,996,386	$7,685,102	$3,382,673	$19,720,469
EXPENDITURES:					
Current:					
General government	$4,750,741	$ -	$ -	$ -	$ 4,750,741
Public safety and compliance	-	2,970,983	7,845,967	1,191,740	12,008,690
Road maintenance and repair	551,515	-	-	-	551,515
Recreation and culture	507,300	-	-	1,388,512	1,895,812
Debt service:					
Principal	-	-	-	337,000	337,000
Interest	-	-	-	79,584	79,584
Capital outlay	-	-	-	2,184,830	2,184,830
Total Expenditures	$5,809,556	$2,970,983	$7,845,967	$5,181,666	$21,808,172
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	($ 153,248)	$ 25,403	($ 160,865)	($1,798,993)	($ 2,087,703)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	$ 46,077	$ 61,431	$ -	$ 112,999	$ 220,507
Operating transfers (out)	(82,929)	(91,501)	-	(250,616)	(425,046)
Total Other Financing Sources (Uses)	($ 36,852)	($ 30,070)	$ -	($ 137,617)	($ 204,539)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($ 190,100)	($ 4,667)	($ 160,865)	($1,936,610)	($ 2,292,242)
FUND BALANCES - JANUARY 1	5,079,346	4,646,004	3,864,703	5,662,605	19,252,658
FUND BALANCES - DECEMBER 31	$4,889,246	$4,641,337	$3,703,838	$3,725,995	$16,960,416

See accompanying notes to financial statements.

Exhibit 6

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		($2,292,242)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources		2,797,069
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense	$3,325,874	
Depreciation expense not recorded in governmental activities	(1,354,582)	1,971,292
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net assets.		
Repayment of long-term debt during current year		674,143
Accrued interest expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds		8,362
Expenses for employee leave benefits are recorded when earned in the statement of activities:		
Reversal of employee leave benefits earned in 2004	$ 31,316	
Employee leave benefits earned in 2005	(37,318)	(6,002)
The statement of activities reports losses arising from the sale of exiting capital assets. Conversely, governmental funds report proceeds from the sale of assets as an increase in financial resources.		
Proceeds from the sale of fixed assets reported in governmental funds	($ 8,550)	
Loss on sale of fixed assets reported in statement of activities	(87,921)	(96,471)
Special assessment revenues are recorded in the statement of activities when the assessment is earned (i.e., work is substantially complete); they are not reported in the funds until collected. In the current year, more was earned than collected.		(368,725)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		$2,687,426

See accompanying notes to financial statements.

Exhibit 7

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
December 31, 2005

	WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM	BRANDENBURG MEMORIAL PARK FUND	TOTAL
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$10,044,781	$ 33,417	$10,078,198
Investments	2,375,603	-	2,375,603
Accounts receivable	1,517,518	-	1,517,518
Interest receivable	100,983	388	101,371
Inventories	146,527	-	146,527
Due from other funds	134,742	-	134,742
Total Current Assets	$14,320,154	$ 33,805	$14,353,959
NONCURRENT ASSETS:			
Restricted cash and cash equivalents	$ 4,978,983	$ -	$ 4,978,983
Other restricted assets	653,985	-	653,985
Special assessments	77,272	-	77,272
Capital assets: (Note I)			
Depreciable buildings, property, and equipment, net	52,002,631	1,134,565	53,137,196
Total Noncurrent Assets	$57,712,871	$1,134,565	$58,847,436
Total Assets	$72,033,025	$1,168,370	$73,201,395
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	$ 1,227,233	$ 1,855	$ 1,229,088
Accrued compensation	86,234	-	86,234
Due to other funds	3,075	-	3,075
Current portion of long-term obligations	410,604	-	410,604
Liabilities payable from restricted assets	77,164	-	77,164
Total Current Liabilities	$ 1,804,310	$ 1,855	$ 1,806,165
NONCURRENT LIABILITIES:			
Noncurrent portion of long-term obligations	$ 7,479,412	$ -	$ 7,479,412
Deferred revenue	1,726,196	-	1,726,196
Total Noncurrent Liabilities	$ 9,205,608	$ -	$ 9,205,608
Total Liabilities	$11,009,918	$ 1,855	$11,011,773
NET ASSETS			
Invested in capital assets, net of related debt	$44,112,615	$1,134,565	$45,247,180
Restricted for debt service	5,142,125	-	5,142,125
Unrestricted	11,768,367	31,950	11,800,317
Total Net Assets	$61,023,107	$1,166,515	$62,189,622

See accompanying notes to financial statements.

Exhibit 8

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For The Year Ended December 31, 2005

	WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM	BRANDENBURG MEMORIAL PARK FUND	TOTAL
OPERATING REVENUES:			
Water revenues	$ 3,578,463	$ -	$ 3,578,463
Sewage disposal revenues	3,857,941	-	3,857,941
Usage fees	-	66,171	66,171
Other	-	7,521	7,521
Total Operating Revenues	$ 7,436,404	$ 73,692	$ 7,510,096
OPERATING EXPENSES:			
Personnel services	$ 1,798,576	$ 47,641	$ 1,846,217
Supplies	355,744	6,567	362,311
Other services and charges	6,970,917	59,597	7,030,514
Total Operating Expenses	$ 9,125,237	$ 113,805	$ 9,239,042
OPERATING INCOME (LOSS)	($ 1,688,833)	($ 40,113)	($ 1,728,946)
NONOPERATING REVENUES (EXPENSE):			
Interest income	$ 580,375	$ 1,293	$ 581,668
Capital income	1,943,526	-	1,943,526
Special assessments	4,139	-	4,139
Interest expense	(322,479)	-	(322,479)
Total Nonoperating Revenues (Expense)	$ 2,205,561	$ 1,293	$ 2,206,854
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	$ 516,728	($ 38,820)	$ 477,908
CONTRIBUTIONS FROM DEVELOPERS	2,268,349	-	2,268,349
TRANSFERS FROM OTHER FUNDS	204,539	-	204,539
CHANGE IN NET ASSETS	$ 2,989,616	($ 38,820)	$ 2,950,796
NET ASSETS - JANUARY 1	58,033,491	1,205,335	59,238,826
NET ASSETS - DECEMBER 31	$61,023,107	$1,166,515	$62,189,622

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2005

	WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM	BRANDENBURG MEMORIAL PARK FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 7,615,739	$ 73,692
Payments to suppliers	(5,793,867)	(33,527)
Payments to employees	(1,787,423)	(47,641)
Internal activity - Other funds	91,259	(3,175)
Other receipts (payments)	91,387	-
Net Cash Provided (Used) by Operating Activities	$ 217,095	($ 10,651)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers	$ 204,539	$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital revenue	$ 1,639,872	$ -
Interest earned	1,719	-
Special assessments	11,493	-
Interest expense	(327,620)	-
Purchase of capital assets	(7,019,126)	(37,425)
Increase (decrease) in long-term debt	(410,604)	-
Change in restricted assets	(136,359)	-
Net Cash (Used) by Capital and Related Financing Activities	($ 6,240,625)	($ 37,425)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and investment earnings	$ 528,000	$ 981
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	($ 5,290,991)	($ 47,095)
CASH AND CASH EQUIVALENTS - JANUARY 1	17,711,375	80,512
CASH AND CASH EQUIVALENTS - DECEMBER 31	$12,420,384	$ 33,417

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS, CONTINUED
For The Year Ended December 31, 2005

	WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM	BRANDENBURG MEMORIAL PARK FUND
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	($ 1,688,833)	($ 40,113)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	1,264,300	32,899
(Increase) decrease in:		
Accounts receivable	270,722	-
Inventories	(5,122)	-
Due from other funds	91,259	686
Increase (decrease) in:		
Accounts payable	273,615	(262)
Accrued expenses	11,154	-
Due to other funds	-	(3,861)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 217,095	($ 10,651)

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 10

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
December 31, 2005

	PENSION TRUST FUNDS	AGENCY FUNDS
	CHESTERFIELD TOWNSHIP PENSION PLAN	TRUST AND AGENCY
ASSETS:		
Cash and cash equivalents	$ -	$2,871,070
Investments	4,418,589	-
Accrued interest	-	8,511
Total Assets	$4,418,589	$2,879,581
LIABILITIES:		
Bonds and deposits	$ -	$1,295,741
Due to other governmental units	-	1,501,511
Due to others	-	82,329
Total Liabilities	$ -	$2,879,581
NET ASSETS:		
Held in trust for employees' retirement benefits	$4,418,589	$ -

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 11

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
For The Year Ended December 31, 2005

	CHESTERFIELD TOWNSHIP PENSION PLAN
ADDITIONS:	
Contributions:	
Employer	$ 345,444
Employee	91,516
Total Contributions	$ 436,960
Investment earnings	338,676
Total Additions	$ 775,636
DEDUCTIONS:	
Distributions to beneficiaries	65,728
NET INCREASE FOR THE YEAR	$ 709,908
NET ASSETS - JANUARY 1	3,708,681
NET ASSETS - DECEMBER 31	$4,418,589

See accompanying notes to financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The Chesterfield Township Library serves all of the citizens of the Township and is governed by an elected six-member board. The Library was formed under P.A. of 1877 and remains a fund of the Township. The Library is reported as a Special Revenue Fund.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, and claims and judgments are recorded only when payment is due.

(Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

State-shared revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The Township reports the following major governmental funds:

- The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Police Department Fund is a full service Police Department. The main source of revenue for the Police Department comes from a voter-approved special assessment on all real property.
- The Fire Department Fund is a full service Fire Department. The main source of revenue for the Fire Department comes from a voter-approved millage on real and personal property. The approved millage for the Fire Department is split with a portion being allocated to fire operations and a portion allocated to fire equipment.

The Township reports the following major proprietary funds:

- The Water and Sewer Fund accounts for the results of operations that provide water and sewer services to citizens, financed primarily by a user charge for the provision of those services.

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

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

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

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

(Continued)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

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

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

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

Restricted Assets - The revenue bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of the Township's water and sewer lines.

Capital Assets - Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Infrastructure	20 years
Buildings and improvements	20 years
Machinery and equipment	5-10 years
Water and sewer distribution systems	50 years

Compensated Absences - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability for these amounts is reported in governmental funds because the Township has a policy to pay employees for unused sick time at the beginning of each year and vacation pay is generally used by employees each year. All sick and vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

(Continued)

D. **ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (Continued)**

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

Comparative Data/Reclassifications - Comparative total data for the prior year have been presented for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

GENERAL BUDGET POLICIES

Annual operating budgets are formally adopted for the General Fund, Special Revenue and Enterprise Funds. Legal authorization for the spending of individual capital projects is provided by the Township Board approval of construction contracts. Budgets are adopted by the Township in total or by departments where applicable. Budget information as presented as required supplemental information is formatted for presentation purposes and may not reflect categories as adopted.

Budgets are prepared on the same accounting basis as the accounts of the funds. As such, the budgets of the General and Special Revenue Funds are prepared on the modified accrual basis. The budgets of the Enterprise Funds are prepared on the accrual basis.

Encumbrances not committed to accounts and contracts payable by year end are allowed to lapse and are rebudgeted in the following year.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

BUDGET ITEM	BUDGET APPROPRIATION	ACTUAL EXPENDITURE	BUDGET VARIANCE
GENERAL FUND:			
Planning and Zoning Administration	$ 223,427	$ 225,595	$ 2,168
Operating transfers out	-	82,929	82,929
POLICE DEPARTMENT FUND	7,647,411	7,845,967	198,556

(Continued)

III. DETAIL NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

The investment policy adopted by the Township in accordance with Public Act 20 of 1943 (as amended) authorizes investments in U.S. Treasuries, U.S. Agencies, instrumentalities, certificates of deposit, commercial paper (meeting certain rating and maturity requirements), investment pools and mutual funds.

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

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	FIDUCIARY FUNDS	TOTAL
Cash and cash equivalents	$16,768,806	$10,078,198	$2,871,070	$29,718,074
Investments	2,232,948	2,375,603	4,418,589	9,027,140
Restricted assets	-	4,978,983	-	4,978,983
Total	$19,001,754	$17,432,784	$7,289,659	$43,724,197

The breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts, certificates of deposit)	$34,617,441
Investments in securities, mutual funds and similar vehicles	9,027,140
Petty cash and cash on hand	79,616
Total	$43,724,197

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk.

At year end, bank deposits were reflected in the accounts of the bank at $35,776,752. Of that amount, $10,249,718 was covered by federal depository insurance and $25,527,034 was uninsured and uncollateralized. The Township believes that due to dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution it deposits Township funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

(Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the top two ratings. The Township's investment policy does not place additional limitations relating to credit risk. As of year end, the Township held the following investments:

	FAIR VALUE	RATING
Bank investment pool	$4,441,101	Not Rated
Money market funds	167,450	Not Rated
Mutual funds	4,418,589	N/A
	$9,027,140	

B. RECEIVABLES

Although the Township's 2005 ad valorem tax is levied and collectible on December 1, 2005, it is the Township's policy to recognize revenue from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of operations.

Information relating to taxable value and millage rates levied are provided in Table 2. The 2005 levy resulted in raising $1,321,937 for general operating purposes, $2,272,601 for fire operating purposes, $757,149 for acquisition of fire equipment, $7,584,923 for police operating purposes and $1,060,206 for Library operating purposes. These amounts are recognized in the respective General and Special Revenue Fund financial statements as taxes receivable with an offsetting credit to deferred revenue. Taxes receivable has been reduced for amounts received during 2005.

Receivables as of year-end for the Township's individual major and nonmajor funds, are as follows:

	GENERAL FUND	FIRE DEPARTMENT FUND	POLICE DEPARTMENT FUND	WATER AND SEWER	NONMAJOR AND OTHER FUNDS	TOTAL
Taxes receivable	$1,064,731	$2,477,273	$6,113,485	$ -	$ 866,882	$10,522,371
Accounts receivable	-	-	-	1,517,518	-	1,517,518
Special assessments	64,021	-	-	-	1,248,808	1,312,829
Intergovernmental	1,156,390	-	96,772	-	7,029	1,260,191
Interest and other	455,068	36,849	58,345	100,983	11,511	662,756
Gross Receivables	$2,740,210	$2,514,122	$6,268,602	$1,618,501	$2,134,230	$15,275,665

(Continued)

B. RECEIVABLES (Continued)

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

	UNAVAILABLE	UNEARNED
Property taxes	$12,996,816	$ -
Special assessments	1,312,829	-
Grants	-	349,838
Total	$14,309,645	$349,838

C. CAPITAL ASSETS

Capital asset activity of the Township for the current year was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	$ 3,053,183	$ 61,628	$ -	$ 3,114,811
Construction in progress	1,536,188	-	1,536,188	-
Subtotal	$ 4,589,371	$ 61,628	$1,536,188	$ 3,114,811
Capital Assets Being Depreciated:				
Buildings	$ 9,436,759	$3,686,549	$ 107,414	$13,015,894
Improvements other than buildings	951,372	67,095	-	1,018,467
Machinery and equipment	5,949,393	1,046,790	189,333	6,806,850
Infrastructure	9,371,058	2,797,069	-	12,168,127
Subtotal	$25,708,582	$7,597,503	$ 296,747	$33,009,338
Less Accumulated Depreciation for:				
Buildings	$ 4,601,514	$ 403,140	$ 28,638	$ 4,976,016
Improvements other than buildings	447,020	33,668	-	480,688
Machinery and equipment	3,185,691	603,633	171,639	3,617,685
Infrastructure	1,992,006	314,141	-	2,306,147
Subtotal	$10,226,231	$1,354,582	$ 200,277	$11,380,536
Net Capital Assets Being Depreciated	$15,482,351	$6,242,921	$ 96,470	$21,628,802
Governmental Activities Capital Total Capital Assets - Net of Depreciation	$20,071,722	$6,304,549	$1,632,658	$24,743,613

(Continued)

C. **CAPITAL ASSETS (Continued)**

BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital Assets Not Being Depreciated:				
Land	$ 409,484	$ -	$ -	$ 409,484
Construction in progress	2,424,789	-	2,424,789	-
Subtotal	$ 2,834,273	$ -	$2,424,789	$ 409,484
Capital Assets Being Depreciated:				
Buildings	$ 287,007	$ 6,965,747	$ -	$ 7,252,754
Improvements other than buildings	1,519,214	191,366	-	1,710,580
Machinery and equipment	1,331,260	519,261	-	1,850,521
Infrastructure	46,306,877	4,073,315	-	50,380,192
Subtotal	$49,444,358	$11,749,689	$ -	$61,194,047
Less Accumulated Depreciation For:				
Buildings	$ 197,391	$ 8,881	$ -	$ 206,272
Improvements other than buildings	436,096	30,946	-	467,042
Machinery and equipment	863,505	145,187	-	1,008,692
Infrastructure	5,672,144	1,112,185	-	6,784,329
Subtotal	$ 7,169,136	$ 1,297,199	$ -	$ 8,466,335
Net Capital Assets Being Depreciated	$42,275,222	$10,452,490	$ -	$52,727,712
Business-Type Activities Capital Total Capital Assets - Net of Depreciation	$45,109,495	$10,452,490	$2,424,789	$53,137,196

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

GOVERNMENTAL ACTIVITIES	
General Government	$ 381,156
Public safety and compliance	511,407
Streets, sidewalks and drains	314,141
Recreation and culture	147,878
Total Governmental Activities	$1,354,582
BUSINESS-TYPE ACTIVITIES	
Water/Sewer Fund	$1,264,300
Brandenburg Park Fund	32,899
Total Business-Type Activities	$1,297,199

(Continued)

D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
General Fund	Nonmajor governmental funds	$ 651
Fire Department Fund	Police Department Fund	97,593
	Water and Sewer Fund	3,075
Nonmajor Governmental Funds	General Fund	5,885
	Police Department Fund	51
	Nonmajor governmental funds	575
Sub-Total		$107,830
Water and Sewer Fund	General Fund	$ 19,819
	Fire Department Fund	21,682
	Police Department Fund	72,788
	Nonmajor governmental funds	77,054
Sub-Total		$191,343
Total		$299,173

Interfund transfers reported in the fund statements were as follows:

FUND TRANSFERRED FROM	FUND TRANSFERRED TO	AMOUNT
General Fund	Fire Department Fund	$ 61,431
	Nonmajor governmental funds	21,498
Fire Department Fund	Nonmajor governmental funds	91,501
Nonmajor Governmental Funds	General Fund	46,077
Sub-Total		$220,507
Nonmajor Governmental Funds	Water and Sewer Fund	204,539
Total		$425,046

(Continued)

E. OPERATING LEASES

The Chesterfield Township Library leases its current facility under an operating lease dated April 23, 2005. Monthly rent payments are $8,800. The Library is also responsible for insurance and utilities. Rent expense for the year ended December 31, 2005 was $72,866. The lease term ends October 15, 2010.

The future minimum lease expense under this agreement is as follows:

2006	$106,200
2007	108,900
2008	112,500
2009	116,100
2010	89,100
Total	$532,800

F. LONG-TERM DEBT

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

Bond and contractual obligation activity can be summarized as follows:

	INTEREST RATE RANGES	PRINCIPAL MATURITY RANGES	BEGINNING BALANCE	ADDITIONS (REDUCTIONS)	ENDING BALANCE	DUE WITHIN ONE YEAR
GOVERNMENTAL ACTIVITIES:						
General Obligation Bonds:						
Fire Station Building Bonds	3.25 to 5.25%	$70,000 to $315,000	$3,461,500	($ 70,000)	$3,391,500	$ 70,000
Installment Purchase Agreements:						
Municipal Building	6.15%	$159,328	265,545	(106,217)	159,328	159,328
Municipal Water Line	6.15%	$12,688	21,140	(8,452)	12,688	12,688
Municipal Bridge	6.15%	$11,215	18,688	(7,473)	11,215	11,215
Police Building	6.0 to 6.25%	$155,000 to $275,000	2,170,000	(145,000)	2,025,000	155,000
Special Assessment Bonds:						
Paving Districts 133, 134 and 136	5.20%	$57,000	114,000	(57,000)	57,000	57,000
Paving District 138	5.0 to 5.2%	$70,000	420,000	(70,000)	350,000	70,000
Paving District 142	4.25%	$15,000 to $20,000	115,000	(20,000)	95,000	15,000
Paving Districts 140 and 143	4.125 to 4.5%	$35,000 to $40,000	295,000	(40,000)	255,000	35,000
Paving District 148	2.25 to 3.5%	$150,000 to $175,000	1,375,000	(150,000)	1,225,000	150,000
Total Governmental Activities			$8,255,873	($674,142)	$7,581,731	$735,231

(Continued)

F. LONG-TERM DEBT (Continued)

	INTEREST RATE RANGES	PRINCIPAL MATURITY RANGES	BEGINNING BALANCE	ADDITIONS (REDUCTIONS)	ENDING BALANCE	DUE WITHIN ONE YEAR
BUSINESS-TYPE ACTIVITIES:						
General Obligation Bonds:						
D.P.W. Building Bonds	3.25 to 5.25%	$130,000 to $546,000	$6,428,500	($130,000)	$6,298,500	$130,000
Installment Purchase Agreements:						
Water and Sewer Improvements	2.25%	$97,804 to $122,255	1,325,246	(97,804)	1,227,442	97,804
Special Assessment Bonds:						
Sewer District 132	5.20%	$18,000	36,000	(18,000)	18,000	18,000
County Contractual Obligations:						
Act 342 Waste Water Extension	7.00%	$164,800 to $181,274	510,874	(164,800)	346,074	164,800
Total Business-Type Activities			$8,300,620	($410,604)	$7,890,016	$410,604

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
YEAR END DECEMBER 31	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2006	$ 735,231	$ 484,636	$ 410,604	$ 302,280
2007	500,000	450,287	413,968	279,904
2008	505,000	269,949	232,694	261,704
2009	550,000	253,772	302,585	250,806
2010	555,000	228,860	302,585	240,098
2011-2015	2,190,000	1,510,643	2,276,825	1,002,257
2016-2020	1,360,000	370,286	2,267,255	591,481
2021-2025	1,186,500	103,364	1,683,500	109,054
Total	$7,581,731	$3,671,797	$7,890,016	$3,037,584

(Continued)

G. FUND EQUITY

Reserved Retained Earnings

Reserved retained earnings are utilized for the retirement of the long-term debt of the Water Supply and Sewage Disposal System. Reserved retained earnings equals Water Supply and Sewage Disposal assets restricted for debt retirement less related current liabilities.

Reserved Fund Balance

Fund balance has been reserved for the following purposes as of December 31, 2005:

FUND	PURPOSE	AMOUNT
Police Fund	Prepaid Expenditures	$ 22,500
Police Fund	Drug Enforcement	95,354
Library Fund	Supplies and Prepaid Expenditures	12,109
Debt Service Funds	Special Assessment Bonds	729,698
Fiduciary Funds	Employees Pension Assets	4,418,589

Unreserved Fund Balance - Designations

Designations of unreserved fund balance were as follows as of December 31, 2005:

FUND	PURPOSE	AMOUNT
General Fund	Park Improvement	$ 9,704
General Fund	Athletic Field	4,904
Library Fund	Building or Future Expansion	631,745
Recreation Land Acquisition	Property Purchase	26,036

(Continued)

IV. OTHER INFORMATION

A. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical claims and participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and participates in the Michigan Townships Participating Plan for claims relating to property and general liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

B. DEFINED CONTRIBUTION PENSION PLAN

The Township contributes to the Chesterfield Township Pension Plan, which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under the Township's defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. All police and dispatch employees are included in the plan. Contributions made by the employee vest immediately and contributions made by the Township vest after 20 months of continuous service. As established by Township Ordinance, the Township contributes 12% of each covered employees' base earnings and the covered employee contributes 2% of his or her base earnings. Employees may make additional voluntary contributions. In accordance with these requirements, the Township contributed approximately $345,000 during the current year, and employees contributed approximately $91,500.

C. DEFINED BENEFIT PENSION PLAN

The Township participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit plan that covers all employees except volunteer firemen, police department employees and dispatch employees. The system provides retirement benefits to plan members. The MERS issues a publicly available financial report that includes financial statements and required supplemental information for the MERS. That report may be obtained by writing to Municipal Employees' Retirement System of Michigan at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy

The obligation to contribute to and maintain the MERS for these full-time employees was established by the Chesterfield Township's Board of Trustees and requires a contribution from the employees of 2% of gross wages and a contribution from the employer initially set at 8.39% of participating employees' gross wages. Employees of the Library are required to contribute 3% of gross wages and a contribution from the employer of 10.74%.

(Continued)

D. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN

Annual Pension Cost and Three-year Trend Information

The Township began participating in the MERS plan in 2004. During 2004, $2,577,201 was transferred from the defined contribution plan to MERS for those employees who changed plans. For the years ended December 31, 2005 and 2004, the Township's annual pension cost of $438,394 and $305,196, respectively, for the plan was equal to the required contribution. The fair market value of the plan's assets approximated $3,892,036 at December 31, 2005. The 2005 annual required contribution was determined as part of the initial actuarial valuation as of November 1, 2003, using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8% investment rate of return, and (b) projected salary increases of 4.5% per year plus percentage based on an age-related scale to reflect merit, longevity and promotional salary increases.

The Library employees also joined the MERS plan in 2004. During 2004, $129,290 was transferred from the defined contribution plan to MERS for those employees who changed plans. For the years ended December 31, 2005 and 2004, the Library's annual pension cost of $56,522 and $86,623, respectively, for the plan was equal to the Library's required contribution and lump sum payments of $70,000 and $27,014, respectively, to reduce the Library's intended liability. The fair market value of the plan's assets approximated $340,151 at December 31, 2005. The 2005 annual required contribution was determined as part of the initial actuarial valuation as of March 1, 2004, using the entry age normal cost method. Significant actuarial assumptions used include (a) an 8% investment rate of return, and (b) projected salary increases of 4.5% per year plus percentage based on an age-related scale to reflect merit, longevity and promotional salary increases.

Additional actuarial information for the MERS as of December 31, 2004 is as follows:

	TOWNSHIP PLAN	LIBRARY PLAN
Actuarial value of assets	$3,268,067	$242,233
Actuarial accrued liability (AAL)	6,213,485	269,247
Unfunded AAL (UAAL)	2,945,418	27,014
Funded ratio	53%	90%
Covered payroll	4,767,138	243,926
UAAL as a percentage of covered payroll	62%	11%

As described above, participation in the plan was initiated during 2004. As the actuarial valuation for the year ended December 31, 2005 was not available as of the audit date, only one year of trend information is disclosed during the current year.

E. POST RETIREMENT BENEFITS

Post retirement benefits, other than pension benefits, are provided to all full-time employees of the Township. These benefits include certain health care and life insurance benefits. All employees with 15 years of service and who are at least 55 years old at retirement are eligible to receive these benefits. Such benefits are accounted for on a cash basis so that payments during the current period represent benefit coverage for currently retired employees or their beneficiaries. Currently, 13 retirees are eligible for benefits under this plan. For the year ended December 31, 2005, the Township made payments for post-retirement benefits premiums of $145,512.

(Continued)

F. DEFERRED COMPENSATION PLAN

The Township has adopted a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or financial hardship.

The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries and may not be diverted for any other use. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in the Township's financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

REQUIRED SUPPLEMENTAL INFORMATION

Exhibit 12

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2005

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES:				
Property taxes	$1,233,192	$1,233,192	$1,233,593	$ 401
Trailer park fees	6,600	6,600	6,427	(173)
Licenses and registration	7,000	7,000	8,512	1,512
Inter-governmental	2,807,218	2,807,218	2,728,040	(79,178)
Charges for services	142,050	142,050	167,971	25,921
Parks and recreation programs	56,500	56,500	63,506	7,006
Interest and investment earnings	60,000	60,000	162,296	102,296
Grants and reimbursements	748,637	748,637	666,965	(81,672)
Miscellaneous	469,500	469,500	618,998	149,498
Operating transfers in	-	-	46,077	46,077
Total Revenues and Other Financing Sources	$5,530,697	$5,530,697	$5,702,385	$171,688
EXPENDITURES AND OTHER FINANCING USES:				
General Government:				
Township Board	$ 49,058	$ 49,058	$ 40,210	$ 8,848
Township Supervisor	110,104	110,104	104,048	6,056
Elections	126,586	126,586	115,104	11,482
General Administration	1,573,353	1,573,353	1,502,091	71,262
Accounting	288,219	288,219	262,929	25,290
Assessing	489,621	459,621	432,408	27,213
Township Clerk	229,119	229,119	227,111	2,008
Human Resource	73,828	73,828	66,920	6,908
Board of Review	4,000	2,000	1,566	434
Township Treasurer	339,565	339,565	308,007	31,558
Township Hall and Grounds	1,554,933	1,554,933	1,387,867	167,066
Anchor Bay Harbor Storm Sewer	75,000	15,000	13,192	1,808
Planning Commission	62,960	62,960	41,823	21,137
Zoning Board of Appeals	19,400	19,400	9,542	9,858
Planning and Zoning Administration	223,427	223,427	225,595	(2,168)
Community Development Block Grant	115,000	65,000	12,328	52,672
Streets, sidewalks and drains	573,000	573,000	551,515	21,485
Culture and recreation	660,378	560,378	507,300	53,078
Operating transfers out	-	-	82,929	(82,929)
Total Expenditures and Other Financing Uses	$6,567,551	$6,325,551	$5,892,485	$433,066
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($1,036,854)	($ 794,854)	($ 190,100)	$604,754
FUND BALANCE - JANUARY 1	5,079,346	5,079,346	5,079,346	-
FUND BALANCE - DECEMBER 31	$4,042,492	$4,284,492	$4,889,246	$604,754

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Exhibit 13

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BUDGETARY COMPARISON SCHEDULE
FIRE DEPARTMENT FUND
For The Year Ended December 31, 2005

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	(BUDGETARY BASIS)	(NEGATIVE)
REVENUES AND OTHER FINANCING SOURCES:				
Property taxes	$2,826,165	$2,826,165	$2,826,561	$ 396
Interest and investment earnings	200,000	200,000	149,965	(50,035)
Miscellaneous	20,000	20,000	19,860	(140)
Operating transfers in	-	-	61,431	61,431
Total Revenues and Other Financing Sources	$3,046,165	$3,046,165	$3,057,817	$ 11,652
EXPENDITURES AND OTHER FINANCING USES:				
Personnel services	$2,341,097	$2,341,097	$2,047,708	$293,389
Supplies	54,500	54,500	73,968	(19,468)
Other services and charges	777,523	777,523	778,462	(939)
Capital outlay	438,118	438,118	70,845	367,273
Operating transfers out	-	-	91,501	(91,501)
Total Expenditures and Other Financing Uses	$3,611,238	$3,611,238	$3,062,484	$548,754
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($ 565,073)	($ 565,073)	($ 4,667)	$560,406
FUND BALANCE - JANUARY 1	4,646,004	4,646,004	4,646,004	-
FUND BALANCE - DECEMBER 31	$4,080,931	$4,080,931	$4,641,337	$560,406

See accompanying notes to financial statements.

Exhibit 14

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BUDGETARY COMPARISON SCHEDULE
POLICE DEPARTMENT FUND
For The Year Ended December 31, 2005

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Property taxes	$6,941,723	$6,941,723	$6,976,728	$ 35,005
Grants and reimbursements	67,000	67,000	68,613	1,613
Interest and investment earnings	100,000	100,000	200,519	100,519
Miscellaneous	339,918	339,918	439,242	99,324
Total Revenues	$7,448,641	$7,448,641	$7,685,102	$236,461
EXPENDITURES:				
Personnel services	$5,269,944	$5,269,944	$5,026,211	$243,733
Supplies	165,000	165,000	127,684	37,316
Other services and charges	1,175,585	1,175,585	1,264,653	(89,068)
Capital outlay	323,000	323,000	756,427	(433,427)
Dispatch services	713,882	713,882	670,992	42,890
Total Expenditures	$7,647,411	$7,647,411	$7,845,967	($198,556)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	($ 198,770)	($ 198,770)	($ 160,865)	$ 37,905
FUND BALANCE - JANUARY 1	3,864,703	3,864,703	3,864,703	-
FUND BALANCE - DECEMBER 31	$3,665,933	$3,665,933	$3,703,838	$ 37,905

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

OTHER SUPPLEMENTAL INFORMATION

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
December 31, 2005
With Comparative Totals For December 31, 2004

	NONMAJOR SPECIAL REVENUE FUNDS					NONMAJOR	NONMAJOR	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	BUILDING DEPARTMENT FUND	PARKS AND RECREATION FUND	LIBRARY FUND	LAGOON RESTORATION FUND	RECREATION LAND ACQUISITION FUND	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	2005	2004
ASSETS									
Cash and cash equivalents	$1,605,079	$251,658	$ 222,763	$ -	$ 22,748	$ 784,545	$210,553	$3,097,346	$3,069,483
Investments	-	-	952,485	-	-	-	-	952,485	3,467,763
Accrued interest receivable	9,414	800	-	-	287	-	-	10,501	1,810
Taxes receivable	-	-	866,882	-	-	-	-	866,882	828,016
Due from other governmental units	-	-	7,029	-	-	-	-	7,029	4,178
Due from other funds	51	-	-	-	3,001	3,429	30	6,511	10,844
Prepaid expenditures	-	-	4,743	-	-	-	-	4,743	7,386
Due from others	-	15	607	-	-	-	-	622	111
Special assessments	-	-	-	-	-	1,248,808	-	1,248,808	1,595,501
Total Assets	$1,614,544	$252,473	$2,054,509	$ -	$ 26,036	$2,036,782	$210,583	$6,194,927	$8,985,092
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
Accounts payable	$ 10,684	$ 5,321	$ 8,130	$ -	$ -	$ -	$ -	$ 24,135	$ 243,112
Accrued compensation	54,003	-	-	-	-	-	-	54,003	45,741
Due to other funds	18,913	-	-	-	-	58,276	1,091	78,280	443,378
Deferred revenue	-	-	1,063,706	-	-	1,248,808	-	2,312,514	2,590,256
Total Liabilities	$ 83,600	$ 5,321	$1,071,836	$ -	$ -	$1,307,084	$ 1,091	$2,468,932	$3,322,487
FUND BALANCES:									
Reserved	$ -	$ -	$ 12,109	$ -	$ -	$ -	$ -	$ 12,109	$ 232,631
Reserved for debt service	-	-	-	-	-	729,698	-	729,698	770,752
Unreserved:									
Designated	-	-	631,745	-	26,036	-	-	657,781	565,595
Undesignated	1,530,944	247,152	338,819	-	-	-	209,492	2,326,407	4,093,627
Total Fund Balances	$1,530,944	$247,152	$ 982,673	$ -	$ 26,036	$ 729,698	$209,492	$3,725,995	$5,662,605
Total Liabilities and Fund Balances	$1,614,544	$252,473	$2,054,509	$ -	$ 26,036	$2,036,782	$210,583	$6,194,927	$8,985,092

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2005
With Comparative Totals For The Year Ended December 31, 2004

	NONMAJOR SPECIAL REVENUE FUNDS					NONMAJOR	NONMAJOR	TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	BUILDING DEPARTMENT FUND	PARKS AND RECREATION FUND	LIBRARY FUND	LAGOON RESTORATION FUND	RECREATION LAND ACQUISITION FUND	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	2005	2004
REVENUES:									
Property taxes	$ -	$ -	$ 986,214	$ -	$ -	$ -	$ -	$ 986,214	$ 925,988
Permits and fees	1,425,607	-	-	-	-	-	-	1,425,607	1,641,471
Grants, entitlements and fund-raisers	-	228,059	87,521	-	-	-	-	315,580	332,586
Special assessment - Collections	-	-	-	-	-	349,172	-	349,172	425,615
Interest and investment earnings	32,592	5,040	36,756	4,729	738	72,435	34,226	186,516	90,868
Other	34,093	-	85,491	-	-	-	-	119,584	139,077
Total Revenues	$1,492,292	$233,099	$1,195,982	$ 4,729	$ 738	$421,607	$ 34,226	$3,382,673	$3,555,605
EXPENDITURES:									
Public safety and compliance	$1,191,740	$ -	$ -	$ -	$ -	$ -	$ -	$1,191,740	$1,095,388
Recreation and culture	-	197,629	1,190,746	137	-	-	-	1,388,512	1,219,339
Construction costs	-	-	-	-	-	-	2,046,731	2,046,731	2,540,520
Engineering costs	-	-	-	-	-	-	350	350	58,840
Legal and other expenses	-	-	-	-	-	-	137,749	137,749	165,590
Debt service:									
Principal	-	-	-	-	-	337,000	-	337,000	356,000
Interest and fees	-	-	-	-	-	79,584	-	79,584	83,380
Total Expenditures	$1,191,740	$197,629	$1,190,746	$ 137	$ -	$416,584	$2,184,830	$5,181,666	$5,519,057
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 300,552	$ 35,470	$ 5,236	$ 4,592	$ 738	$ 5,023	($2,150,604)	($1,798,993)	($1,963,452)
OTHER FINANCING SOURCES (USES):									
Operating transfers in	$ -	$ -	$ 21,498	$ -	$ -	$ -	$ 91,501	$ 112,999	$ 259,955
Proceeds from the issuance of bonds	-	-	-	-	-	-	-	-	1,475,000
Operating transfers (out)	-	-	-	(204,539)	-	(46,077)	-	(250,616)	(294,235)
Total Other Financing Sources (Uses)	$ -	$ -	$ 21,498	($204,539)	$ -	($ 46,077)	$ 91,501	($ 137,617)	$1,440,720
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	$ 300,552	$ 35,470	$ 26,734	($199,947)	$ 738	($ 41,054)	($2,059,103)	($1,936,610)	($ 522,732)
FUND BALANCES - JANUARY 1	1,230,392	211,682	955,939	199,947	25,298	770,752	2,268,595	5,662,605	6,185,337
FUND BALANCES - DECEMBER 31	$1,530,944	$247,152	$ 982,673	$ -	$ 26,036	$729,698	$ 209,492	$3,725,995	$5,662,605

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$3,633,473	$3,095,690
Investments	431,344	1,162,715
Accrued interest receivable	19,849	10,580
Taxes receivable	1,064,731	1,017,367
Due from others	435,219	403,550
Due from other governmental units	1,156,390	1,130,496
Due from other funds	651	4,512
Prepaid expenditures	-	4,153
Special assessments	64,021	86,053
Total Assets	$6,805,678	$6,915,116
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	$ 115,272	$ 68,824
Accrued compensation	148,360	131,789
Due to others	3,341	9,008
Due to other funds	25,704	128,476
Deferred revenue	1,623,755	1,497,673
Total Liabilities	$1,916,432	$1,835,770
FUND BALANCE:		
Reserved	$ -	$ 4,153
Unreserved:		
Designated	14,608	14,470
Undesignated	4,874,638	5,060,723
Total Fund Balance	$4,889,246	$5,079,346
Total Liabilities and Fund Balance	$6,805,678	$6,915,116

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Property taxes	$1,233,593	$1,144,629
Trailer park fees	6,427	7,852
Licenses and registrations	8,512	8,165
Inter-governmental	2,728,040	2,750,649
Charges for services	167,971	153,720
Parks and recreation programs	63,506	32,041
Interest and investment earnings	162,296	82,812
Grants and reimbursements	666,965	724,624
Miscellaneous	618,998	571,764
Total Revenues	$5,656,308	$5,476,256
EXPENDITURES:		
General Governmental:		
Township Board:		
Personnel services	$ 38,938	$ 39,013
Other services and charges	1,272	(227)
Total Township Board	$ 40,210	$ 38,786
Township Supervisor:		
Personnel services	$ 102,629	$ 99,987
Supplies	394	132
Other services and charges	1,025	735
Total Township Supervisor	$ 104,048	$ 100,854
Elections:		
Personnel services	$ 94,985	$ 126,303
Supplies	8,062	9,938
Other services and charges	12,057	15,322
Total Elections	$ 115,104	$ 151,563

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
EXPENDITURES: (Continued)		
General Governmental: (Continued)		
General Administrative:		
Personnel services	$1,151,151	$1,060,667
Supplies	-	(828)
Other services and charges	336,040	323,713
Capital outlay	14,900	-
Total General Administrative	$1,502,091	$1,383,552
Accounting:		
Personnel services	$ 259,112	$ 265,134
Supplies	3,716	8,548
Other services and charges	101	186
Total Accounting	$ 262,929	$ 273,868
Assessing:		
Personnel services	$ 404,777	$ 389,806
Supplies	17,374	5,165
Other services and charges	10,257	9,517
Total Assessing	$ 432,408	$ 404,488
Township Clerk:		
Personnel services	$ 216,847	$ 211,031
Supplies	6,895	2,829
Other services and charges	3,369	5,510
Total Township Clerk	$ 227,111	$ 219,370
Human Resource:		
Personnel services	$ 65,867	$ 14,805
Supplies	484	1,629
Other services and charges	569	683
Total Human Resource	$ 66,920	$ 17,117
Board of Review:		
Personnel services	$ 1,057	$ 1,155
Other services and charges	509	413
Total Board of Review	$ 1,566	$ 1,568

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
EXPENDITURES: (Continued)		
General Governmental: (Continued)		
Township Treasurer:		
Personnel services	$ 287,606	$ 274,260
Supplies	7,491	4,002
Other services and charges	12,910	17,413
Capital outlay	-	5,695
Total Township Treasurer	$ 308,007	$ 301,370
Township Halls and Grounds:		
Personnel services	$ 365,996	$ 397,348
Supplies	46,067	48,673
Other services and charges	423,617	407,068
Debt service:		
Principal	267,143	252,133
Interest	146,371	162,414
Capital outlay	138,673	99,488
Total Township Halls and Grounds	$1,387,867	$1,367,124
Anchor Bay Harbor Storm Sewer:		
Supplies	$ -	$ 221
Other services and charges	13,192	26,289
Total Anchor Bay Harbor Storm Sewer	$ 13,192	$ 26,510
Grant Writing:		
Personnel services	$ -	$ 15,814
Supplies	-	97
Other services and charges	-	(468)
Total Grant Writing	$ -	$ 15,443
Planning Commission:		
Personnel services	$ 17,039	$ 17,610
Supplies	507	393
Other services and charges	24,277	27,717
Total Planning Commission	$ 41,823	$ 45,720

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
EXPENDITURES: (Continued)		
General Governmental: (Continued)		
Zoning Board of Appeals:		
Personnel services	$ 8,095	$ 11,115
Supplies	376	476
Other services and charges	1,071	876
Total Zoning Board of Appeals	$ 9,542	$ 12,467
Planning and Zoning Administration:		
Personnel services	$ 221,763	$ 204,716
Supplies	3,132	1,248
Other services and charges	700	622
Total Planning and Zoning Administration	$ 225,595	$ 206,586
Community Development Block Grant:		
Other services and charges	$ 12,328	$ 28,968
Total General Governmental	$4,750,741	$4,595,354
Streets, Sidewalks and Drains:		
Road Care and Street Lighting:		
Other services and charges	$ 551,515	$ 582,115
Culture and Recreation:		
Youth Activity Center:		
Supplies	$ 570	$ 1,912
Other services and charges	18,235	12,924
Total Youth Activity Center	$ 18,805	$ 14,836
Parks and Recreation:		
Personnel services	$ 203,457	$ 191,541
Supplies	8,037	9,782
Other services and charges	44,211	40,269
Capital outlay	6,796	278,024
Total Parks and Recreation	$ 262,501	$ 519,616

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
EXPENDITURES: (Continued)		
Culture and Recreation: (Continued)		
Senior Citizens Center:		
Personnel services	$ 96,512	$ 93,723
Supplies	5,997	2,898
Other services and charges	123,485	106,388
Total Senior Citizens Center	$ 225,994	$ 203,009
Total Culture and Recreation	$ 507,300	$ 737,461
Total Expenditures	$5,809,556	$5,914,930
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	($ 153,248)	($ 438,674)
OTHER FINANCING SOURCES (USES):		
Transfer from other funds	$ 46,077	$ 183,958
Transfer to other funds	(82,929)	(284,690)
Total Other Financing Sources (Uses)	($ 36,852)	($ 100,732)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($ 190,100)	($ 539,406)
FUND BALANCE - JANUARY 1	5,079,346	5,618,752
FUND BALANCE - DECEMBER 31	$4,889,246	$5,079,346

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES
For The Years Ended December 31, 2005 and 2004

	2005	2004
PROPERTY TAXES:		
General operating millage	$1,233,593	$1,144,508
Penalties and interest	-	121
Total Property Taxes	$1,233,593	$1,144,629
TRAILER PARK FEES	$ 6,427	$ 7,852
LICENSES AND REGISTRATION	$ 8,512	$ 8,165
INTER-GOVERNMENTAL:		
State shared revenue	$2,728,040	$2,750,649
CHARGES FOR SERVICES:		
Zoning Board of Appeals	$ 13,110	$ 20,090
Platting and review fees	28,244	23,005
Rezoning fees	6,140	17,990
Street lighting	73,850	60,843
Industrial facility exemption fees	2,375	2,050
Summer tax roll preparation fees	44,252	29,742
Total Charges for Services	$ 167,971	$ 153,720
PARKS AND RECREATION PROGRAMS	$ 63,506	$ 32,041
INTEREST AND INVESTMENT EARNINGS (Including Fiduciary Funds)	$ 162,296	$ 82,812

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
GRANTS AND REIMBURSEMENTS:		
Inter-fund equipment and building charges	$ 333,865	$ 327,115
Community Development Block Grant	12,328	25,108
Other grants	89,249	168,457
Administration reimbursements	231,523	203,944
Total Grants and Reimbursements	$ 666,965	$ 724,624
MISCELLANEOUS:		
Franchise fees	$ 416,058	$ 385,273
Miscellaneous sales and receipts	175,790	148,205
Special assessments	22,032	34,679
Interest on special assessments	5,118	3,607
Total Miscellaneous	$ 618,998	$ 571,764
Total Revenues	$5,656,308	$5,476,256

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIRE DEPARTMENT SPECIAL REVENUE FUNDS
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$4,348,920	$3,836,281
Investments	815,250	1,029,159
Accrued interest receivable	36,849	13,600
Taxes receivable	2,477,273	2,366,200
Due from other funds	100,668	388,485
Other assets	-	4,208
Total Assets	$7,778,960	$7,637,933
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	$ 29,849	$ 22,919
Accrued compensation	56,342	59,343
Due to other funds	21,682	69,361
Deferred revenue	3,029,750	2,840,306
Total Liabilities	$3,137,623	$2,991,929
FUND BALANCE:		
Reserved	$ -	$ 4,208
Unreserved:		
Undesignated	4,641,337	4,641,796
Total Fund Balance	$4,641,337	$4,646,004
Total Liabilities and Fund Balance	$7,778,960	$7,637,933

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIRE DEPARTMENT SPECIAL REVENUE FUNDS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Property taxes	$2,826,561	$2,640,503
Interest and investment earnings	149,965	70,931
Miscellaneous	19,860	96,755
Total Revenues	$2,996,386	$2,808,189
EXPENDITURES:		
Personnel Services:		
Salaries and wages	$1,465,398	$1,440,490
Payroll taxes	105,267	102,056
Insurance	357,935	299,645
Pension	119,108	116,302
Total Personnel Services	$2,047,708	$1,958,493
Supplies:		
Office and operating	$ 29,837	$ 35,897
Uniforms	44,131	81,696
Total Supplies	$ 73,968	$ 117,593
Other Services and Charges:		
Contracted services	$ 34,158	$ 32,637
Professional services	4,439	6,640
Dues and memberships	1,840	2,905
Printing and publications	8,957	-
Telephone	11,753	13,080
Travel, conferences and training	13,804	17,268
Administration	35,286	33,817
Gas, oil and repairs	119,810	62,840
Insurance	132,029	113,333
Utilities	32,147	19,897
Building maintenance	17,535	15,156
Equipment maintenance	15,206	16,606
Dispatch service	58,107	55,872
Hydrant rental	83,230	81,760
Miscellaneous	37	3,569
Total Other Services and Charges	$ 568,338	$ 475,380

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIRE DEPARTMENT SPECIAL REVENUE FUNDS
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, CONTINUED
Years Ended December 31, 2005 and 2004

	2005	2004
EXPENDITURES: (Continued)		
Debt Service:		
Principal	$ 70,000	$ -
Interest	140,124	-
Total Debt Service	$ 210,124	$ -
Capital Outlay:		
Equipment and vehicles	$ -	$ 612,340
Building improvements	70,845	-
Total Capital Outlay	$ 70,845	$ 612,340
Total Expenditures	$2,970,983	$3,163,806
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 25,403	($ 355,617)
OTHER FINANCING SOURCES (USES):		
Transfer in	$ 61,431	$ 159,684
Transfers out	(91,501)	-
Total Other Financing Sources (Uses)	($ 30,070)	$ 159,684
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($ 4,667)	($ 195,933)
FUND BALANCE - JANUARY 1	4,646,004	4,841,937
FUND BALANCE - DECEMBER 31	$4,641,337	$4,646,004

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
POLICE DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$ 5,689,067	$ 5,440,939
Investments	33,869	33,267
Accrued interest receivable	58,345	22,788
Taxes receivable	6,113,485	5,724,574
Due from other governmental units	96,772	85,731
Due from other funds	-	6,211
Other assets	22,500	1,614
Total Assets	$12,014,038	$11,315,124
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	$ 152,123	$ 42,231
Accrued compensation	397,994	365,960
Accrued liabilities - Other	4,728	2,871
Due to other funds	170,432	62,271
Deferred revenue	7,584,923	6,977,088
Total Liabilities	$ 8,310,200	$ 7,450,421
FUND BALANCE:		
Reserved	$ 117,854	$ 77,081
Unreserved:		
Undesignated	3,585,984	3,787,622
Total Fund Balance	$ 3,703,838	$ 3,864,703
Total Liabilities and Fund Balance	$12,014,038	$11,315,124

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
POLICE DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Property tax	$6,976,728	$6,426,984
Fines	97,642	103,336
Interest and investment earnings	200,519	102,832
Grants	68,613	58,690
Miscellaneous	113,875	70,067
Liquor licenses	19,234	18,094
Dispatch revenue	208,491	199,840
Total Revenues	$7,685,102	$6,979,843
EXPENDITURES:		
Personnel Services:		
Salaries and wages	$3,619,489	$3,510,237
Payroll taxes	272,966	262,943
Insurance	816,399	739,447
Pension	317,357	314,184
Total Personnel Services	$5,026,211	$4,826,811
Supplies:		
Office and operating	$ 78,663	$ 149,971
Uniforms	49,021	84,091
Total Supplies	$ 127,684	$ 234,062
Other Services and Charges:		
Contracted services	$ 171,869	$ 179,469
Professional services	153,641	116,208
Dues and memberships	8,408	2,606
Telephone	40,193	44,535
Travel, conferences and training	33,216	93,085
Administration	79,587	76,160
Rent - Building and other	274,365	267,615
Printing and publications	13,344	-
Gas, oil and repairs	240,860	187,090
Insurance	105,978	81,891
Utilities	70,538	63,106
Building maintenance	28,674	28,749
Equipment maintenance	28,110	41,395
Miscellaneous	15,870	18,554
Total Other Services and Charges	$1,264,653	$1,200,463

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
POLICE DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
EXPENDITURES: (Continued)		
Capital Outlay:		
Equipment and vehicles	$ 756,427	$ 980,246
Building improvements	-	13,306
Total Capital Outlay	$ 756,427	$ 993,552
Dispatch Services:		
Personnel services	$ 669,300	$ 674,896
Other services and charges	1,692	1,143
Total Dispatch Services	$ 670,992	$ 676,039
Total Expenditures	$7,845,967	$7,930,927
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	($ 160,865)	($ 951,084)
FUND BALANCE - JANUARY 1	3,864,703	4,815,787
FUND BALANCE - DECEMBER 31	$3,703,838	$3,864,703

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BUILDING DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$1,605,079	$1,299,551
Accrued interest receivable	9,414	811
Due from other funds	51	-
Prepaid expenses	-	1,167
Total Assets	$1,614,544	$1,301,529
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	$ 10,684	$ 9,334
Accrued compensation	54,003	45,741
Due to other funds	18,913	16,062
Total Liabilities	$ 83,600	$ 71,137
FUND BALANCE:		
Reserved	$ -	$ 1,167
Unreserved:		
Undesignated	1,530,944	1,229,225
Total Fund Balance	$1,530,944	$1,230,392
Total Liabilities and Fund Balance	$1,614,544	$1,301,529

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BUILDING DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Permits and fees	$1,425,607	$1,641,471
Interest and investment earnings	32,592	7,744
Miscellaneous	34,093	67,419
Total Revenues	$1,492,292	$1,716,634
EXPENDITURES:		
Personnel Services:		
Salaries and wages	$ 681,718	$ 651,757
Payroll taxes	51,749	51,286
Insurance	170,334	138,247
Pension	60,460	60,836
Total Personnel Services	$ 964,261	$ 902,126
Supplies:		
Office and operating supplies	$ 13,985	$ 6,712
Other Services and Charges:		
Contracted services	$ 25,696	$ 31,509
Professional services	22,745	20,220
Dues and memberships	1,650	1,606
Travel, conferences and training	3,451	7,536
Rent - Building	33,800	33,800
Printing and publications	3,800	7,278
Computer usage and maintenance	7,500	7,571
Gas, oil and repairs	40,825	24,828
Insurance	27,920	31,574
Equipment maintenance	8,530	2,603
Miscellaneous	37,577	18,025
Total Other Services and Charges	$ 213,494	$ 186,550
Total Expenditures	$1,191,740	$1,095,388
EXCESS OF REVENUES OVER EXPENDITURES	$ 300,552	$ 621,246
FUND BALANCE - JANUARY 1	1,230,392	609,146
FUND BALANCE - DECEMBER 31	$1,530,944	$1,230,392

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
PARKS AND RECREATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$251,658	$215,693
Accrued interest receivable	800	239
Due from others	15	15
Total Assets	$252,473	$215,947
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	$ 5,321	$ 4,265
FUND BALANCE	247,152	211,682
Total Liabilities and Fund Balance	$252,473	$215,947

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
PARKS AND RECREATION SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Fund-raisers and donations:		
Youth Baseball and Softball	$ 38,067	$ 38,762
Basketball	26,858	25,652
Flag Football	17,261	15,674
Golf League	5,546	1,553
Miscellaneous	140,327	179,052
Interest earnings	5,040	1,772
Total Revenues	$233,099	$262,465
EXPENDITURES:		
Personnel Services:		
Salaries and wages	$ 25,044	$ 17,187
Payroll taxes	1,916	1,714
Total Personnel Services	$ 26,960	$ 18,901
Parks and Recreation:		
Youth Baseball and Softball	$ 28,287	$ 26,791
Basketball	18,875	19,585
Flag Football	13,501	13,126
Golf League	4,996	1,300
Miscellaneous	105,010	118,955
Total Parks and Recreation	$170,669	$179,757
Total Expenditures	$197,629	$198,658
EXCESS OF REVENUES OVER EXPENDITURES	$ 35,470	$ 63,807
OTHER FINANCING USES:		
Transfer to General Fund	-	(48,971)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	$ 35,470	$ 14,836
FUND BALANCE - JANUARY 1	211,682	196,846
FUND BALANCE - DECEMBER 31	$247,152	$211,682

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
LIBRARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$ 222,763	$ 178,202
Investments	952,485	946,192
Taxes receivable	866,882	828,016
Due from other governmental units	7,029	4,178
Due from other funds	-	1,069
Prepaid expenditures	4,743	6,219
Due from others	607	96
Total Assets	$2,054,509	$1,963,972
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	$ 8,130	$ 13,278
Deferred revenue	1,063,706	994,755
Total Liabilities	$1,071,836	$1,008,033
FUND BALANCE:		
Reserved	$ 12,109	$ 9,659
Unreserved:		
Designated	631,745	565,595
Undesignated	338,819	380,685
Total Fund Balance	$ 982,673	$ 955,939
Total Liabilities and Fund Balance	$2,054,509	$1,963,972

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
LIBRARY SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Property taxes	$ 986,214	$ 925,988
Fines	54,992	39,252
Interest and investment earnings	36,756	13,762
State aid	32,529	32,641
Miscellaneous	85,491	71,658
Total Revenues	$1,195,982	$1,083,301
EXPENDITURES:		
Personnel Services:		
Salaries and wages	$ 425,030	$ 447,421
Payroll taxes	34,276	34,456
Benefits	144,126	169,052
Total Personnel Services	$ 603,432	$ 650,929
Supplies:		
Office and operating supplies	$ 31,488	$ 31,492
Other Services and Charges:		
Contracted services	$ 112,857	$ 90,869
Professional services	15,319	10,154
Dues and memberships	5,592	11,415
Insurance	12,140	11,204
Utilities	28,719	18,572
Repair and maintenance	1,259	999
Miscellaneous	7,052	6,652
Rent expense	72,866	74,628
Total Other Services and Charges	$ 255,804	$ 224,493
Capital Outlay:		
Equipment, books and other media	$ 300,022	$ 113,605
Total Expenditures	$1,190,746	$1,020,519
EXCESS OF REVENUES OVER EXPENDITURES	$ 5,236	$ 62,782
OTHER FINANCING SOURCES:		
Transfer from General Fund	21,498	55,886
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	$ 26,734	$ 118,668
FUND BALANCE - JANUARY 1	955,939	837,271
FUND BALANCE - DECEMBER 31	$ 982,673	$ 955,939

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
LAGOON RESTORATION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$ -	$199,348
Accrued interest receivable	-	599
Total Assets	$ -	$199,947
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ -	$ -
FUND BALANCE	-	199,947
Total Liabilities and Fund Balance	$ -	$199,947

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
LAGOON RESTORATION SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Interest and other	$ 4,729	$ 2,360
EXPENDITURES:		
Purchased services	137	162
EXCESS REVENUES OVER EXPENDITURES	$ 4,592	$ 2,198
OTHER FINANCING USES:		
Operating transfers out	(204,539)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	($199,947)	$ 2,198
FUND BALANCE - JANUARY 1	199,947	197,749
FUND BALANCE - DECEMBER 31	$ -	$199,947

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
RECREATION LAND ACQUISITION SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

	2005	2004
ASSETS		
Cash and cash equivalents	$ 22,748	$ 22,136
Accrued interest receivable	287	161
Due from other funds	3,001	3,001
Total Assets	$ 26,036	$ 25,298
LIABILITIES AND FUND BALANCE		
LIABILITIES	$ -	$ -
FUND BALANCE	26,036	25,298
Total Liabilities and Fund Balance	$ 26,036	$ 25,298

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
RECREATION LAND ACQUISITION SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For The Years Ended December 31, 2005 and 2004

	2005	2004
REVENUES:		
Interest and other	$ 738	$ 320
EXPENDITURES	-	-
EXCESS OF REVENUES OVER EXPENDITURES	$ 738	$ 320
FUND BALANCE - JANUARY 1	25,298	24,978
FUND BALANCE - DECEMBER 31	$ 26,036	$ 25,298

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
DEBT SERVICE FUNDS (EXCLUDING WATER AND SEWER DISTRICTS)
COMBINING BALANCE SHEET
December 31, 2005
With Comparative Totals For December 31, 2004

	PAVING 104	PAVING 121 & 122	PAVING 133, 134 & 136	PAVING 138	PAVING 140 & 143	PAVING 142	PAVING 148	- TOTALS - 2005	2004
ASSETS									
Cash and cash equivalents	$ -	$ -	$171,997	$186,850	$116,803	$ 46,674	$ 262,221	$ 784,545	$ 841,174
Due from other funds	-	-	2,822	-	135	-	472	3,429	3,669
Unbilled special assessments	-	-	22,778	108,035	130,503	41,510	945,982	1,248,808	1,595,501
Total Assets	$ -	$ -	$197,597	$294,885	$247,441	$ 88,184	$1,208,675	$2,036,782	$2,440,344
LIABILITIES AND FUND BALANCES									
LIABILITIES:									
Due to other funds	$ -	$ -	$ 56,736	$ -	$ -	$ -	$ 1,540	$ 58,276	$ 74,091
Deferred revenue	-	-	22,778	108,035	130,503	41,510	945,982	1,248,808	1,595,501
Total Liabilities	$ -	$ -	$ 79,514	$108,035	$130,503	$ 41,510	$ 947,522	$1,307,084	$1,669,592
FUND BALANCES	-	-	118,083	186,850	116,938	46,674	261,153	729,698	770,752
Total Liabilities and Fund Balances	$ -	$ -	$197,597	$294,885	$247,441	$ 88,184	$1,208,675	$2,036,782	$2,440,344

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
DEBT SERVICE FUNDS (EXCLUDING WATER AND SEWER DISTRICTS)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2005
With Comparative Totals For The Year Ended December 31, 2004

	PAVING 104	PAVING 121 & 122	PAVING 133, 134 & 136	PAVING 138	PAVING 140 & 143	PAVING 142	PAVING 148	- TOTALS - 2005	2004
REVENUES:									
Special assessment - Collections	$ 2,289	$ 4,602	$ 24,812	$ 65,728	$ 25,322	$ 9,672	$216,747	$349,172	$425,615
Interest on special assessments	232	439	3,672	11,362	7,515	3,216	45,999	72,435	32,745
Total Revenues	$ 2,521	$ 5,041	$ 28,484	$ 77,090	$ 32,837	$ 12,888	$262,746	$421,607	$458,360
EXPENDITURES:									
Debt service:									
Principal	$ -	$ -	$ 57,000	$ 70,000	$ 40,000	$ 20,000	$150,000	$337,000	$356,000
Interest and fees	-	505	4,673	19,841	11,940	4,813	37,812	79,584	83,380
Total Expenditures	$ -	$ 505	$ 61,673	$ 89,841	$ 51,940	$ 24,813	$187,812	$416,584	$439,380
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 2,521	$ 4,536	($ 33,189)	($ 12,751)	($ 19,103)	($ 11,925)	$ 74,934	$ 5,023	$ 18,980
OTHER FINANCING SOURCES (USES):									
Transfers from other funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$134,949
Transfers to other funds	(7,460)	(38,617)	-	-	-	-	-	(46,077)	(110,315)
Total Other Financing Sources (Uses)	($ 7,460)	($ 38,617)	$ -	$ -	$ -	$ -	$ -	($ 46,077)	$ 24,634
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($ 4,939)	($ 34,081)	($ 33,189)	($ 12,751)	($ 19,103)	($ 11,925)	$ 74,934	($ 41,054)	$ 43,614
FUND BALANCES - JANUARY 1	4,939	34,081	151,272	199,601	136,041	58,599	186,219	770,752	727,138
FUND BALANCES - DECEMBER 31	$ -	$ -	$118,083	$186,850	$116,938	$ 46,674	$261,153	$729,698	$770,752

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
December 31, 2005
With Comparative Totals For December 31, 2004

	FIRE STATION #3	PAVING 140 & 143	PAVING 142	PAVING 146	PAVING 148	- TOTALS - 2005	2004
ASSETS							
Cash and cash equivalents	$ -	$103,620	$ 80,480	$ 621	$ 25,832	$210,553	$ 313,379
Investments	-	-	-	-	-	-	2,521,571
Due from other funds	-	-	-	30	-	30	3,105
Total Assets	$ -	$103,620	$ 80,480	$ 651	$ 25,832	$210,583	$2,838,055
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 216,235
Due to other funds	-	-	-	651	440	1,091	353,225
Total Liabilities	$ -	$ -	$ -	$ 651	$ 440	$ 1,091	$ 569,460
FUND BALANCES	-	103,620	80,480	-	25,392	209,492	2,268,595
Total Liabilities and Fund Balances	$ -	$103,620	$ 80,480	$ 651	$ 25,832	$210,583	$2,838,055

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2005
With Comparative Totals For The Year Ended December 31, 2004

	FIRE STATION #3	PAVING 140 & 143	PAVING 142	PAVING 146	PAVING 148	- TOTALS - 2005	2004
REVENUES:							
Interest earned	$ 34,226	$ -	$ -	$ -	$ -	$ 34,226	$ 32,165
EXPENDITURES:							
Construction costs	$1,944,256	$ -	$ -	$ -	$102,475	$2,046,731	$2,540,520
Engineering costs	-	-	-	-	350	350	58,840
Legal and other expenses	137,749	-	-	-	-	137,749	165,590
Total Expenditures	$2,082,005	$ -	$ -	$ -	$102,825	$2,184,830	$2,764,950
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	($2,047,779)	$ -	$ -	$ -	($102,825)	($2,150,604)	($2,732,785)
OTHER FINANCING SOURCES (USES):							
Proceeds from the issuance of bonds	$ -	$ -	$ -	$ -	$ -	$ -	$1,475,000
Operating transfers in	91,501	-	-	-	-	91,501	69,120
Operating transfers (out)	-	-	-	-	-	-	(134,949)
Total Other Financing Sources (Uses)	$ 91,501	$ -	$ -	$ -	$ -	$ 91,501	$1,409,171
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	($1,956,278)	$ -	$ -	$ -	($102,825)	($2,059,103)	($1,323,614)
FUND BALANCES - JANUARY 1	1,956,278	103,620	80,480	-	128,217	2,268,595	3,592,209
FUND BALANCES - DECEMBER 31	$ -	$103,620	$ 80,480	$ -	$ 25,392	$ 209,492	$2,268,595

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

ASSETS	2005	2004
CURRENT ASSETS:		
Cash and cash equivalents	$10,044,781	$10,791,695
Investments	2,375,603	6,919,680
Accounts receivable	1,517,518	1,788,240
Interest receivable	100,983	62,990
Inventories	146,527	141,405
Due from other funds	134,742	226,001
Total Current Assets	$14,320,154	$19,930,011
RESTRICTED ASSETS:		
Cash and cash equivalents	$ 4,978,983	$ 4,854,877
Cash held by Macomb County	452,906	440,653
Due from other governmental units	90,758	90,758
Interest receivable	52,001	22,256
Special assessments	1,719	5,859
Due from other funds	56,601	73,683
Total Restricted Assets	$ 5,632,968	$ 5,488,086
PROPERTY, PLANT AND EQUIPMENT:		
Net of depreciation	$52,002,631	$43,979,456
OTHER ASSETS:		
Special assessments and capital charges	$ 77,272	$ 84,625
Total Assets	$72,033,025	$69,482,178

LIABILITIES AND FUND EQUITY	2005	2004
CURRENT LIABILITIES:		
Accounts payable	$ 1,227,233	$ 953,618
Accrued compensation	86,234	75,080
Due to other funds	-	3,075
Total Current Liabilities	$ 1,313,467	$ 1,031,773
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:		
Accrued interest	$ 77,164	$ 82,305
Bonds and assessments payable	410,604	410,604
Due to other funds	3,075	-
Total Current Liabilities Payable From Restricted Assets	$ 490,843	$ 492,909
LONG-TERM LIABILITIES:		
Bonds and assessments payable	$ 7,479,412	$ 7,890,016
Deferred revenue	1,726,196	2,033,989
Total Long-Term Liabilities	$ 9,205,608	$ 9,924,005
FUND EQUITY:		
Retained earnings:		
Reserved for debt service	$ 5,142,125	$ 4,995,177
Unreserved	55,880,982	53,038,314
Total Fund Equity	$61,023,107	$58,033,491
Total Liabilities and Fund Equity	$72,033,025	$69,482,178

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
For The Years Ended December 31, 2005 and 2004

	2005	2004
OPERATING REVENUES	$ 7,436,404	$ 7,344,488
OPERATING EXPENSES:		
Salaries, wages and fringe benefits	$ 1,798,576	$ 1,694,172
Supplies	355,744	633,748
Other services and charges	6,970,917	6,982,982
Total Operating Expenses	$ 9,125,237	$ 9,310,902
NET OPERATING INCOME (LOSS)	($ 1,688,833)	($ 1,966,414)
NON-OPERATING REVENUES:		
Capital income	$ 1,943,526	$ 1,951,576
Interest and investment earnings	580,375	307,200
Special assessments	4,139	17,687
Total Non-Operating Revenues	$ 2,528,040	$ 2,276,463
NON-OPERATING EXPENSES:		
Interest expense and paying agent fees	$ 322,479	$ 132,494
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	$ 516,728	$ 177,555
CONTRIBUTIONS FROM DEVELOPERS	2,268,349	3,717,341
TRANSFERS	204,539	(24,672)
INCREASE IN EQUITY	$ 2,989,616	$ 3,870,224
FUND EQUITY - JANUARY 1	58,033,491	54,163,267
FUND EQUITY - DECEMBER 31	$61,023,107	$58,033,491

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 7,615,739	$ 7,105,159
Payments to suppliers	(5,793,867)	(6,597,036)
Payments for employee services	(1,787,423)	(1,683,413)
Internal activity - Other funds	91,259	126,251
Other receipts (payments)	91,387	88,960
Net Cash Provided (Used) by Operating Activities	$ 217,095	($ 960,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers	$ 204,539	($ 24,672)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital revenue	$ 1,639,872	$ 2,288,656
Interest earned	1,719	2,040
Special assessments	11,493	(15,227)
Interest expense	(327,620)	(79,222)
Purchase of capital assets	(7,019,126)	(5,418,685)
Increase (decrease) in long-term debt	(410,604)	(265,234)
Change in restricted assets	(136,359)	360,424
Net Cash (Used) by Capital and Related Financing Activities	($ 6,240,625)	($ 3,127,248)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and investment earnings	$ 528,000	$ 299,499
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	($ 5,290,991)	($ 3,812,500)
CASH AND CASH EQUIVALENTS - JANUARY 1	17,711,375	21,523,875
CASH AND CASH EQUIVALENTS - DECEMBER 31	$12,420,384	$17,711,375

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	($ 1,688,833)	($ 1,966,414)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	1,264,300	1,132,793
(Increase) decrease in:		
Accounts receivable	270,722	(150,369)
Inventories	(5,122)	8,664
Due from other funds	91,259	123,176
Increase (decrease) in:		
Accounts payable	273,615	(121,763)
Accrued expenses	11,154	10,759
Due to other funds	-	3,075
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 217,095	($ 960,079)

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2005, developers constructed water and sewer lines with an estimated value of $2,268,349 and donated them to the Township's Water and Sewer Enterprise Fund.

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENT OF OPERATING REVENUES
For The Years Ended December 31, 2005 and 2004

	2005	2004
OPERATING REVENUES:		
Water:		
Project inspection	$ 95,656	$ 91,948
Water taps	369,230	348,433
Water sales	2,915,594	2,718,457
Penalties	63,768	54,104
Hydrant rental	83,387	81,760
Miscellaneous	50,828	184,469
Total Water	$3,578,463	$3,479,171
Sewer:		
Contractor's registration	$ 4,475	$ 1,902
Inspection fees	94,650	145,116
Project inspection	362,714	298,806
Sewer disposal revenues	3,311,123	3,327,494
Penalties	76,477	70,602
House rental	8,000	7,200
Miscellaneous	502	14,197
Total Sewer	$3,857,941	$3,865,317
Total Operating Revenues	$7,436,404	$7,344,488

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENT OF OPERATING EXPENSES
For The Years Ended December 31, 2005 and 2004

	2005	2004
OPERATING EXPENSES:		
Salaries, Wages and Fringe Benefits:		
Compensation:		
Supervision	$ 80,144	$ 77,062
Clerical	150,599	151,171
Operational	951,603	871,998
Overtime	71,732	100,178
Payroll taxes	94,728	96,979
Hospitalization	345,564	289,936
Life insurance	7,780	6,311
Pension plan	96,426	100,537
Total Salaries, Wages and Fringe Benefits	$1,798,576	$1,694,172
Supplies:		
Office	$ 14,961	$ 3,596
Operating	82,688	103,824
Uniforms	12,596	12,858
Materials:		
Water	226,202	505,362
Sewer	19,297	8,108
Total Supplies	$ 355,744	$ 633,748
Other Services and Charges:		
Contractual Services:		
Water	$ 170,284	$ 243,963
Sewer	45,126	192,613
Other	1,996	2,606
Administration	81,650	79,319
Auditing	20,450	21,608
Engineering	33,103	101,522
Legal	4,590	9,725
Dues and association fees	15,882	13,646
Dispatch services	5,811	5,588

(Continued)

Buss & Company, P.C.
Certified Public Accountants
Clinton Township, Michigan

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENT OF OPERATING EXPENSES, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
OPERATING EXPENSES: (Continued)		
Other Services and Charges: (Continued)		
Telephone	$ 16,216	$ 16,025
Truck expenses	90,813	80,071
Travel and meeting	710	1,161
Advertising and printing	20,881	9,417
Insurance	180,625	132,197
Utilities	43,744	15,854
Municipal pumping	34,880	24,458
Sewer disposal charges	2,247,320	2,225,879
Water purchases	2,481,907	2,393,202
Repairs and maintenance	177,177	249,196
Building and equipment rent	27,831	29,240
Miscellaneous	5,620	2,899
Depreciation expense:		
Building addition and improvements	3,246	3,246
Furniture and fixtures	2,056	174
Machinery and equipment	71,396	53,187
Automotive equipment	73,878	72,759
Water and sewer lines	1,113,725	1,003,427
Total Other Services and Charges	$6,970,917	$6,982,982
Total Operating Expenses	$9,125,237	$9,310,902

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BRANDENBURG MEMORIAL PARK ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
December 31, 2005 and 2004

ASSETS	2005	2004
CURRENT ASSETS:		
Cash and cash equivalents	$ 33,417	$ 80,512
Interest receivable	388	76
Due from other funds	-	686
Total Current Assets	$ 33,805	$ 81,274
PROPERTY, PLANT AND EQUIPMENT:		
Park - Net of depreciation	1,134,565	1,130,039
Total Assets	$1,168,370	$1,211,313
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 1,855	$ 2,117
Due to other funds	-	3,861
Total Current Liabilities	$ 1,855	$ 5,978
FUND EQUITY:		
Retained Earnings:		
Unreserved	1,166,515	1,205,335
Total Liabilities and Fund Equity	$1,168,370	$1,211,313

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BRANDENBURG MEMORIAL PARK ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
For The Years Ended December 31, 2005 and 2004

	2005	2004
OPERATING REVENUES:		
Season passes	$ 13,338	$ 9,966
Gate receipts	40,353	38,322
Pavilion rental	12,480	12,408
Miscellaneous	7,521	3,513
Total Operating Revenues	$ 73,692	$ 64,209
OPERATING EXPENSES:		
Personnel Services:		
Salaries and wages	$ 42,503	$ 42,580
Overtime	1,752	650
Payroll taxes	3,386	3,307
Total Personnel Services	$ 47,641	$ 46,537
Supplies:		
Operating	$ 6,567	$ 8,737
Other Services and Charges:		
Contracted services	$ -	$ 100
Telephone	2,101	2,435
Vehicle expenses	24	1,733
Insurance	2,769	2,005
Utilities	13,875	15,634
Repairs and maintenance	5,652	13,288
Equipment rent	2,190	1,920
Miscellaneous	87	186
Depreciation	32,899	31,770
Total Other Services and Charges	$ 59,597	$ 69,071
Total Operating Expenses	$ 113,805	$ 124,345
NET OPERATING INCOME (LOSS) (CARRIED FORWARD)	($ 40,113)	($ 60,136)

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BRANDENBURG MEMORIAL PARK ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY, CONTINUED
For The Years Ended December 31, 2005 and 2004

	2005	2004
NET OPERATING INCOME (LOSS) (BROUGHT FORWARD)	($ 40,113)	($ 60,136)
NON-OPERATING REVENUE:		
Interest earned	1,293	973
NET INCOME (LOSS)	($ 38,820)	($ 59,163)
FUND EQUITY - JANUARY 1	1,205,335	1,264,498
FUND EQUITY - DECEMBER 31	$1,166,515	$1,205,335

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BRANDENBURG MEMORIAL PARK ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
For The Years Ended December 31, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 73,692	$ 64,209
Payments to suppliers	(33,527)	(48,295)
Payments to employees	(47,641)	(46,537)
Internal activity - Payments to other funds	(3,175)	2,898
Net Cash (Used) by Operating Activities	($ 10,651)	($ 27,725)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(37,425)	(8,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned	981	938
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	($ 47,095)	($ 34,787)
CASH AND CASH EQUIVALENTS - JANUARY 1	80,512	115,299
CASH AND CASH EQUIVALENTS - DECEMBER 31	$ 33,417	$ 80,512
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	($ 40,113)	($ 60,136)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	32,899	31,770
(Increase) decrease in:		
Due from other funds	686	(686)
Increase (decrease) in:		
Accounts payable	(262)	(2,257)
Due to other funds	(3,861)	3,584
NET CASH (USED) BY OPERATING ACTIVITIES	($ 10,651)	($ 27,725)

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2005
With Comparative Totals For December 31, 2004

	PENSION TRUST FUND	- - AGENCY FUNDS - -		- - TOTALS - -	
	CHESTERFIELD TOWNSHIP PLAN	TAX COLLECTIONS FUND	OTHER AGENCY FUNDS	2005	2004
ASSETS:					
Cash and cash equivalents	$ -	$1,501,511	$1,369,559	$2,871,070	$2,379,287
Investments	4,418,589	-	-	4,418,589	4,308,416
Accrued interest	-	-	8,511	8,511	3,983
Due from other funds	-	-	-	-	62,598
Total Assets	$4,418,589	$1,501,511	$1,378,070	$7,298,170	$6,754,284
LIABILITIES:					
Bonds and deposits	$ -	$ -	$1,295,741	$1,295,741	$1,375,082
Due to other funds	-	-	-	-	62,598
Due to others	-	-	82,329	82,329	40,150
Due to other governmental units	-	1,501,511	-	1,501,511	1,567,773
Total Liabilities	$ -	$1,501,511	$1,378,070	$2,879,581	$3,045,603
NET ASSETS:					
Held in trust for employees' retirement benefits	$4,418,589	$ -	$ -	$4,418,589	$3,708,681

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
FIDUCIARY FUNDS
COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS -
CHESTERFIELD TOWNSHIP PENSION PLAN
For The Years Ended December 31, 2005 and 2004

	2005	2004
ADDITIONS:		
Contributions:		
Employer	$ 345,444	$ 514,055
Employee	91,516	124,027
Total Contributions	$ 436,960	$ 638,082
Investment earnings	338,676	432,554
Total Additions	$ 775,636	$1,070,636
DEDUCTIONS:		
Distributions to beneficiaries	$ 65,728	$4,753,431
Administration expenses	-	1,641
Total Deductions	$ 65,728	$4,755,072
NET INCREASE (DECREASE) FOR THE YEAR	$ 709,908	($3,684,436)
NET ASSETS - JANUARY 1	3,708,681	7,393,117
NET ASSETS - DECEMBER 31	$4,418,589	$3,708,681

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

STATISTICAL SECTION

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Table 1

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
TAX SUMMARY
2005 LEVY

	ADJUSTED TAX WARRANT	COMMERCIAL & INDUSTRIAL DEVELOPMENT EXEMPTIONS ADDITIONS	TOTAL ADJUSTED TAX SPREAD
SCHOOL DISTRICTS:			
Anchor Bay C-2	$ 8,844,771	$ 50,189	$ 8,894,960
L'Anse Creuse F-4	12,413,566	353,709	12,767,275
New Haven H-9	1,379,203	206,779	1,585,982
Total School Districts	$22,637,540	$ 610,677	$23,248,217
STATE EDUCATION TAX	$ 9,694,655	$ 270,245	$ 9,964,900
DNR	$ 27,025	$ -	$ 27,025
MACOMB COUNTY:			
Taxes including Intermediate District and Community College	$15,149,191	$ 226,373	$15,375,564
CHARTER TOWNSHIP OF CHESTERFIELD:			
Taxes - General (Operating)	$ 1,302,477	$ 19,460	$ 1,321,937
- Fire (Operating)	2,239,142	33,459	2,272,601
- Fire (Equipment)	746,004	11,145	757,149
- Police (Special Assessment)	7,506,700	78,223	7,584,923
- Library	1,044,599	15,607	1,060,206
Mandatory sewer - Debt service	9,905	-	9,905
Special assessments:			
Street lighting and weed cutting	93,013	-	93,013
Paving	44,510	-	44,510
Water and sewer districts	1,132	-	1,132
Water and sewer service	154,190	-	154,190
Excess roll	(1,140)	(160)	(1,300)
Total Charter Township of Chesterfield	$13,140,532	$ 157,734	$13,298,266
Grand Totals	$60,648,943	$1,265,029	$61,913,972

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
STATISTICAL TAX INFORMATION
December 31, 2005

POPULATION

37,405 Per 2000 Census

WATER AND SEWER INFORMATION

Water Customers to Date	14,253
Sewer Customers to Date	13,388

TAX INFORMATION

YEAR	ASSESSED VALUATION REAL PROPERTY	ASSESSED VALUATION PERSONAL PROPERTY	ASSESSED VALUATION TOTAL	COUNTY EQUALIZED VALUATION	STATE EQUALIZED VALUATION
1996	$ 608,767,724	$ 97,539,485	$ 706,307,209	$ 706,307,209	$ 706,307,209
1997	673,362,921	104,905,438	778,268,359	778,268,359	778,268,359
1998	769,640,054	116,654,686	886,294,740	886,294,740	886,294,740
1999	879,068,266	130,088,511	1,009,156,777	1,009,156,777	1,009,156,777
2000	984,950,317	136,540,929	1,121,491,246	1,121,491,246	1,121,491,246
2001	1,112,258,430	133,904,145	1,246,162,575	1,246,162,575	1,246,162,575
2002	1,230,395,463	133,044,776	1,363,440,239	1,363,440,239	1,363,440,239
2003	1,308,715,438	140,065,580	1,448,781,018	1,448,781,018	1,448,781,018
2004	1,413,346,603	137,992,954	1,551,339,557	1,551,339,557	1,551,339,557
2005	1,531,240,236	131,043,043	1,662,283,279	1,662,283,279	1,662,283,279

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
STATISTICAL TAX INFORMATION, CONTINUED
December 31, 2005
TAX RATES

YEAR	TOWNSHIP GENERAL OPERATION	TOWNSHIP FIRE OPERATION	TOWNSHIP EQUIPMENT	TOWNSHIP POLICE S.A.	LIBRARY	COUNTY	SCHOOL HOMESTEAD	SCHOOL NON-HOMESTEAD	HOMESTEAD TOTAL
ANCHOR BAY NO. C-2									
1996	.8729	1.5000	.5000	2.5000	.7000	8.4450	13.0000	31.0000	27.5179
1997	.8717	1.4979	.4993	4.2500	.6990	8.4522	13.0000	31.0000	29.2701
1998	.8669	1.4897	.4966	4.5000	.6952	8.4111	13.0000	30.6904	29.4595
1999	.8541	1.4678	.4892	5.0000	.6849	8.3621	16.0000	34.0000	32.8581
2000	.8424	1.4478	.4825	5.0000	.6755	8.2895	16.0000	34.0000	32.7377
2001	.8208	1.4109	.4701	5.0000	.6583	8.4219	16.0000	34.0000	32.7820
2002	.8157	1.4021	.4672	5.0000	.6542	9.7018	16.0000	34.0000	34.0410
2003	.8157	1.4021	.4672	5.0000	.6542	9.5780	15.0000	32.8236	32.9172
2004	.8127	1.3970	.4655	5.0000	.6518	9.4778	16.0000	34.0000	33.8048
2005	.8061	1.3858	.4617	5.0000	.6465	9.3758	16.0000	34.0000	33.6759
NEW HAVEN NO. H-9									
1996	.8729	1.5000	.5000	2.5000	.7000	8.4450	6.5000	24.5000	21.0179
1997	.8717	1.4979	.4993	4.2500	.6990	8.4522	9.5800	27.5800	25.8501
1998	.8669	1.4897	.4966	4.5000	.6952	8.4111	9.4000	27.3496	25.8595
1999	.8541	1.4678	.4892	5.0000	.6849	8.3621	9.0000	26.8670	25.8581
2000	.8424	1.4478	.4825	5.0000	.6755	8.2895	8.3500	26.2170	25.0877
2001	.8208	1.4109	.4701	5.0000	.6583	8.4219	9.1500	26.6578	25.9320
2002	.8157	1.4021	.4672	5.0000	.6542	9.7018	12.3100	29.8178	30.3510
2003	.8157	1.4021	.4672	5.0000	.6542	9.5780	12.0000	29.5420	29.9172
2004	.8127	1.3970	.4655	5.0000	.6518	9.4778	13.0000	31.0000	30.8048
2005	.8061	1.3858	.4617	5.0000	.6465	9.3758	13.0000	30.9073	30.6759
L'ANSE CREUSE NO. F-4									
1996	.8729	1.5000	.5000	2.5000	.7000	8.4450	12.6900	30.6900	27.2079
1997	.8717	1.4979	.4993	4.2500	.6990	8.4522	12.3500	30.3500	28.6201
1998	.8669	1.4897	.4966	4.5000	.6952	8.4111	12.6900	30.6900	29.1495
1999	.8541	1.4678	.4892	5.0000	.6849	8.3621	12.6900	30.6900	29.5481
2000	.8424	1.4478	.4825	5.0000	.6755	8.2895	12.6900	30.6900	29.4277
2001	.8208	1.4109	.4701	5.0000	.6583	8.4219	12.1800	29.8974	28.9620
2002	.8157	1.4021	.4672	5.0000	.6542	9.7018	12.6900	30.6900	30.7310
2003	.8157	1.4021	.4672	5.0000	.6542	9.5780	11.6900	29.6900	29.6072
2004	.8127	1.3970	.4655	5.0000	.6518	9.4778	12.6900	30.6900	30.4948
2005	.8061	1.3858	.4617	5.0000	.6465	9.3758	13.0000	31.0000	30.6759

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
INTEREST EARNED - BY FUND
For The Year Ended December 31, 2005

	CERTIFICATES OF DEPOSIT AND SAVINGS ACCOUNTS	SPECIAL ASSESSMENTS	TOTAL
GENERAL FUND:			
Operating	$ 162,158	$ 5,118	$ 167,276
Parks and Recreation	138	-	138
Total General Fund	$ 162,296	$ 5,118	$ 167,414
SPECIAL REVENUE FUNDS:			
Fire Department Funds	$ 149,965	$ -	$ 149,965
Police Department	200,519	-	200,519
Building Department	32,592	-	32,592
Library	36,756	-	36,756
Parks and Recreation	5,040	-	5,040
Lagoon Restoration	4,729	-	4,729
Recreation Land Acquisition	738	-	738
Total Special Revenue Funds	$ 430,339	$ -	$ 430,339
DEBT SERVICE FUNDS:			
Paving District 104	$ -	$ 232	$ 232
Paving Districts 121 and 122	-	439	439
Paving Districts 133, 134 and 136	-	3,672	3,672
Paving District 138	-	11,362	11,362
Paving District 142	-	3,216	3,216
Paving District 140 and 143	-	7,515	7,515
Paving District 148	-	45,999	45,999
Total Debt Service Funds	$ -	$ 72,435	$ 72,435
CAPITAL PROJECT FUNDS:			
Fire Station #3	$ 34,226	$ -	$ 34,226

(Continued)

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
INTEREST EARNED - BY FUND, CONTINUED
For The Year Ended December 31, 2005

	CERTIFICATES OF DEPOSIT AND SAVINGS ACCOUNTS	SPECIAL ASSESSMENTS	TOTAL
ENTERPRISE FUNDS:			
Brandenburg Memorial Park	$ 1,293	$ -	$ 1,293
Water Supply and Sewage Disposal System:			
Receiving Fund	381,028	1,260	382,288
Contractual Obligation Fund	147,557	-	147,557
Debt Service Funds:			
Sewer Districts 127 and 129	-	35	35
Water District 128	-	221	221
Sewer District 132	-	254	254
Capital Project Funds:			
Sewer 21 Mile	36	-	36
D.P.W. Facility	34,647	-	34,647
County Act 342 Funds:			
Bond Redemption	9,323	-	9,323
Construction	6,014	-	6,014
Total Enterprise Funds	$ 579,898	$ 1,770	$ 581,668
Total All Funds	$1,206,759	$ 79,323	$1,286,082

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Table 4

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
INSURANCE IN FORCE
December 31, 2005

COMPANY	POLICY NUMBER	TYPE OF COVERAGE	AMOUNT OF COVERAGE	DEDUCTIBLE	TERM FROM	TERM TO	ANNUAL PREMIUM
Michigan Township Participating Plan	MTP191916				10/ 1/05	10/ 1/06	$525,415
		Property	$27,839,949	$ 250			
		Liability	5,000,000	10,000			
		Wrongful Acts	5,000,000	10,000			
		Automobile	5,000,000	1,000			
		Crime	10,000	-			
		Law Enforcement	5,000,000	10,000			
		Inland Marine	2,562,445	250			
		Boiler	2,000,000	250			
		Bond	100,000	-			
		Employee benefit liability	3,000,000	-			
Michigan Municipal Worker's Compensation Self Insurer's Fund	01-5003340	Workers Compensation	State law		7/ 1/05	6/30/06	149,400
Provident Insurance	DCC-5854633	Volunteer Firemen Program					
		Accident and Disability	Various		7/ 1/05	6/30/06	2,911

See accompanying notes to financial statements.

Table 5

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - COMBINED ALL DISTRICTS
December 31, 2005

	ORIGINAL ISSUE	- - RETIRED - - PREVIOUS YEARS	CURRENT YEAR	BALANCE OUTSTANDING 12/31/05
SPECIAL ASSESSMENT BONDS:				
Paving Districts 133, 134 and 136	$ 634,600	$ 520,600	$ 57,000	$ 57,000
Paving District 138	655,000	235,000	70,000	350,000
Paving District 142	150,000	35,000	20,000	95,000
Paving Districts 140 and 143	345,000	50,000	40,000	255,000
Paving District 148	1,475,000	100,000	150,000	1,225,000
Sewer District 132	200,400	164,400	18,000	18,000
Totals	$3,460,000	$1,105,000	$355,000	$2,000,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - BY DISTRICT
December 31, 2005

SPECIAL ASSESSMENT PAVING BONDS
DISTRICTS 133, 134 AND 136

Dated - February 1, 1997
Interest Payable - May 1 and November 1

BOND NUMBER	INTEREST RATE	MATURITY DATE MAY 1	AMOUNT MATURING ANNUALLY
10	5.20%	2006	$ 57,000
Total Bonds Payable			$ 57,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - BY DISTRICT
December 31, 2005

SPECIAL ASSESSMENT PAVING BONDS
DISTRICT 138

Dated - October 1, 2000
Interest Payable - May 1 and November 1

BOND NUMBER	INTEREST RATE	MATURITY DATE MAY 1	AMOUNT MATURING ANNUALLY
6	5.00%	2006	$ 70,000
7	5.05%	2007	70,000
8	5.10%	2008	70,000
9	5.15%	2009	70,000
10	5.20%	2010	70,000
Total Bonds Payable			$350,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - BY DISTRICT
December 31, 2005

SPECIAL ASSESSMENT PAVING BONDS
DISTRICT 142

Dated - November 1, 2001
Interest Payable - May 1 and November 1

BOND NUMBER	INTEREST RATE	MATURITY DATE MAY 1	AMOUNT MATURING ANNUALLY
5	4.25%	2006	$ 15,000
6	4.25%	2007	15,000
7	4.25%	2008	15,000
8	4.25%	2009	15,000
9	4.25%	2010	15,000
10	4.25%	2011	20,000
Total Bonds Payable			$ 95,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - BY DISTRICT
December 31, 2005

SPECIAL ASSESSMENT PAVING BONDS
DISTRICTS 140 AND 143

Dated - August 1, 2002
Interest Payable - February 1 and August 1

BOND NUMBER	INTEREST RATE	MATURITY DATE FEBRUARY 1	AMOUNT MATURING ANNUALLY
4	4.125%	2006	$ 35,000
5	4.125%	2007	40,000
6	4.125%	2008	35,000
7	4.250%	2009	35,000
8	4.250%	2010	40,000
9	4.400%	2011	35,000
10	4.500%	2012	35,000
Total Bonds Payable			$255,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - BY DISTRICT
December 31, 2005

SPECIAL ASSESSMENT PAVING BONDS
DISTRICT 148

Dated - January 1, 2004
Interest Payable - April 1 and October 1

BOND NUMBER	INTEREST RATE	MATURITY DATE OCTOBER 1	AMOUNT MATURING ANNUALLY
3	2.25%	2006	$ 150,000
4	2.25%	2007	150,000
5	2.40%	2008	150,000
6	2.65%	2009	150,000
7	2.90%	2010	150,000
8	3.15%	2011	150,000
9	3.38%	2012	150,000
10	3.50%	2013	175,000
Total Bonds Payable			$1,225,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
BONDS PAYABLE - BY DISTRICT
December 31, 2005

SPECIAL ASSESSMENT SEWER BONDS
DISTRICT 132

Dated - February 1, 1997
Interest Payable - May 1 and November 1

BOND NUMBER	INTEREST RATE	MATURITY DATE MAY 1	AMOUNT MATURING ANNUALLY
10	5.20%	2006	$ 18,000
Total Bonds Payable			$ 18,000

See accompanying notes to financial statements.

Table 7

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
COMBINED BOND INDEBTEDNESS
(BOND PRINCIPAL AND INTEREST)
December 31, 2005

SPECIAL ASSESSMENT BONDS

YEAR ENDED	PAVING BONDS	WATER & SEWER BONDS	TOTAL
2006	$ 395,333	$ 18,936	$ 414,269
2007	331,449	-	331,449
2008	317,460	-	317,460
2009	308,256	-	308,256
2010	303,481	-	303,481
2011	223,232	-	223,232
2012	196,100	-	196,100
2013	155,250	-	155,250
Totals	$2,230,561	$ 18,936	$2,249,497

See accompanying notes to financial statements.

Table 8

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
ASSESSMENTS PAYABLE - COMBINED ALL DISTRICTS
December 31, 2005

	ORIGINAL ASSESSMENTS	- - - - RETIRED - - - - PREVIOUS YEARS	CURRENT YEAR	BALANCE OUTSTANDING 12/31/05
PUBLIC ACT 342 ASSESSMENTS:				
Waste Water Disposal District - Extension Dated May 1, 1988	$1,829,274	$1,318,400	$164,800	$346,074

The above assessment schedule is the result of bonds sold under Public Act 342 (Chesterfield Portion) by the County of Macomb Drain Commission and are secured by the full faith and credit of the County. The Township in turn has pledged its full faith and credit to the County to guarantee repayment to the County.

See accompanying notes to financial statements.

Table 9

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
ASSESSMENTS PAYABLE - BY DISTRICT
December 31, 2005

MACOMB COUNTY WASTE WATER DISPOSAL DISTRICT ASSESSMENTS
(CHESTERFIELD SECTION) P.A. 342 - EXTENSION

Dated - May 1, 1988
Interest Payable - October 1 and April 1

MATURITY DATE OCTOBER 1	INTEREST RATE	AMOUNT MATURING ANNUALLY
2006	7%	$164,800
2007	7%	181,274
Total Assessments Payable		$346,074

See accompanying notes to financial statements.

Table 10

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
ASSESSMENT INDEBTEDNESS - PUBLIC ACT 342
(ASSESSMENT PRINCIPAL AND INTEREST)
December 31, 2005

WASTE WATER DISPOSAL DISTRICT

EXTENSION $1,829,274 ISSUE

YEAR ENDED 12/31	AMOUNT
2006	$186,224
2007	190,338
Total	$376,562

See accompanying notes to financial statements.

Table 11

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT
December 31, 2005

Municipal Building	$ 159,328
Municipal Water Line	12,688
Municipal Bridge	11,215
Police Building	2,025,000
Water and Sewer Improvements	1,227,442
D.P.W. Building	6,298,500
Fire Station #3	3,391,500
Total Other Debt	$13,125,673

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

MUNICIPAL BUILDING

Dated - November 20, 1991
Interest and Principal Payable - May 15 and November 15

PAYMENT NUMBER	INTEREST RATE	YEAR	AMOUNT MATURING ANNUALLY
28-29	6.15%	2006	$159,328
Total			$159,328

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

MUNICIPAL WATER LINE

Dated - November 20, 1991
Interest and Principal Payable - May 15 and November 15

PAYMENT NUMBER	INTEREST RATE	YEAR	AMOUNT MATURING ANNUALLY
28	6.15%	2006	$ 12,688
Total			$ 12,688

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

MUNICIPAL BRIDGE

Dated - November 20, 1991
Interest and Principal Payable - May 15 and November 15

PAYMENT NUMBER	INTEREST RATE	YEAR	AMOUNT MATURING ANNUALLY
28	6.15%	2006	$ 11,215
Total			$ 11,215

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

POLICE BUILDING

Dated - February 10, 2000
Interest and Principal Payable - August 1 and February 1

PAYMENT NUMBER	INTEREST RATE	YEAR	AMOUNT MATURING ANNUALLY
12-13	6.00%	2006	$ 155,000
14-15	6.00%	2007	155,000
16-17	6.10%	2008	165,000
18-19	6.10%	2009	175,000
20-21	6.10%	2010	175,000
22-23	6.25%	2011	200,000
24-25	6.25%	2012	225,000
26-27	6.25%	2013	250,000
28-29	6.25%	2014	250,000
30	6.25%	2015	275,000
Total			$2,025,000

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

WATER AND SEWER IMPROVEMENTS

Dated - September 28, 1995
Interest Payable - April 1 and October 1

PAYMENT NUMBER	INTEREST RATE	PRINCIPAL DUE DATE APRIL 1	AMOUNT MATURING ANNUALLY
10	2.25%	2006	$ 97,804
11	2.25%	2007	102,694
12	2.25%	2008	102,694
13	2.25%	2009	107,585
14	2.25%	2010	107,585
15	2.25%	2011	112,475
16	2.25%	2012	112,475
17	2.25%	2013	117,365
18	2.25%	2014	122,255
19	2.25%	2015	122,255
20	2.25%	2016	122,255
Total			$1,227,442

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

D.P.W. BUILDING

Dated December 1, 2003
Interest Payable - April 1 and October 1

PAYMENT NUMBER	INTEREST RATE	PRINCIPAL DUE DATE APRIL 1	AMOUNT MATURING ANNUALLY
2	5.250%	2006	$ 130,000
3	5.250%	2007	130,000
4	5.250%	2008	130,000
5	5.250%	2009	195,000
6	3.250%	2010	195,000
7	3.500%	2011	260,000
8	3.750%	2012	325,000
9	4.000%	2013	325,000
10	3.550%	2014	390,000
11	3.650%	2015	390,000
12	3.800%	2016	390,000
13	3.900%	2017	390,000
14	4.000%	2018	390,000
15	4.000%	2019	455,000
16	4.100%	2020	520,000
17	4.200%	2021	552,500
18	4.300%	2022	585,000
19	4.375%	2023	546,000
Total			$6,298,500

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
OTHER DEBT - BY COMPONENT
December 31, 2005

FIRE STATION #3

Dated - December 1, 2003
Interest Payable - April 1 and October 1

PAYMENT NUMBER	INTEREST RATE	PRINCIPAL DUE DATE APRIL 1	AMOUNT MATURING ANNUALLY
2	5.250%	2006	$ 70,000
3	5.250%	2007	70,000
4	5.250%	2008	70,000
5	5.250%	2009	105,000
6	3.250%	2010	105,000
7	3.500%	2011	140,000
8	3.750%	2012	175,000
9	4.000%	2013	175,000
10	3.550%	2014	210,000
11	3.650%	2015	210,000
12	3.800%	2016	210,000
13	3.900%	2017	210,000
14	4.000%	2018	210,000
15	4.000%	2019	245,000
16	4.100%	2020	280,000
17	4.200%	2021	297,500
18	4.300%	2022	315,000
19	4.375%	2023	294,000
Total			$3,391,500

See accompanying notes to financial statements.

Table 13

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

CHARTER TOWNSHIP OF CHESTERFIELD
County of Macomb, Michigan
COMBINED OTHER INDEBTEDNESS
MUNICIPAL BUILDING AND RELATED
(NOTE PRINCIPAL AND INTEREST)
December 31, 2005

YEAR ENDED 12/31	MUNICIPAL BUILDING	WATER LINE	BRIDGE	POLICE BUILDING	WATER/SEWER IMPROVEMENT	D.P.W. BUILDING	FIRE STATION #3	TOTAL
2006	$167,591	$ 13,335	$ 11,796	$ 275,365	$ 124,321	$ 383,403	$ 206,448	$ 1,182,259
2007	-	-	-	266,065	126,956	376,578	202,773	972,372
2008	-	-	-	266,383	124,645	369,753	199,098	959,879
2009	-	-	-	266,012	127,170	426,221	229,504	1,048,907
2010	-	-	-	255,338	124,749	417,934	225,041	1,023,062
2011	-	-	-	268,750	127,164	475,215	255,885	1,127,014
2012	-	-	-	280,469	124,633	529,571	285,154	1,219,827
2013	-	-	-	290,625	126,938	516,978	278,373	1,212,914
2014	-	-	-	275,000	129,132	568,555	306,145	1,278,832
2015	-	-	-	283,594	126,381	554,515	298,585	1,263,075
2016	-	-	-	-	123,631	539,988	290,763	954,382
2017	-	-	-	-	-	524,973	282,678	807,651
2018	-	-	-	-	-	509,568	274,383	783,951
2019	-	-	-	-	-	557,668	300,283	857,951
2020	-	-	-	-	-	602,908	324,643	927,551
2021	-	-	-	-	-	613,145	330,155	943,300
2022	-	-	-	-	-	621,465	334,635	956,100
2023	-	-	-	-	-	557,944	300,431	858,375
Totals	$167,591	$ 13,335	$ 11,796	$2,727,601	$1,385,720	$9,146,382	$4,924,977	$18,377,402

See accompanying notes to financial statements.

BUSS & COMPANY, P.C.

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Randy A. Carlier, C.P.A.

MEMBERS
The American Institute of Certified Public Accountants

The Michigan Association of Certified Public Accountants

May 9, 2006

Board of Trustees
Charter Township of Chesterfield
County of Macomb, Michigan

Re: Supplemental System and Internal Control Comments and Recommendations in conjunction with audit for the year ended December 31, 2005

Honorable Members:

We have audited the financial statements of Charter Township of Chesterfield, County of Macomb, Michigan for the year ended December 31, 2005 and issued our report dated May 9, 2006. Included within the purview of the audit is the requirement under Public Act 2, P.A. of 1968, as amended, that we review internal controls and procedures and report on the results of comments and recommendations made during the preceding year. Internal control comments are made encompassing the concept that the cost of any internal control system should not be greater than the benefits obtained. The accomplishment of comments that are of a legal compliance versus internal control nature are not covered by the same cost concept, but are governed solely by legal requirements.

In planning and performing our audit of the financial statements of Charter Township of Chesterfield, for the year ended December 31, 2005, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

PRIOR YEAR COMMENTS

As we indicated in our prior year report, various recommendations were made to improve internal reporting. Management has made significant progress in many areas.

PRIOR YEAR COMMENTS
(Continued)

In the prior year, we recommended that management develop procedures to improve the supporting documentation for cash disbursements and include appropriate reviews and approvals. Our testing indicated that procedures had been developed that significantly improved the supporting documentation for cash disbursements and items were being reviewed and approved more appropriately.

The number of items misclassified was reduced significantly and our testing did not identify any items that had been paid improperly. Management should continue the established procedures relating to cash disbursements.

The Township oversees building construction, in accordance with the States Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township is permitted to charge fees for these services which bear a reasonable relationship to the cost of operating the enforcing agency. The Township accounts for these revenues and expenditures in the Building Department Special Revenue Fund.

A summary of the fund's activity follows:

	2003	2004	2005
Fund Balance - Beginning	$ 531,602	$ 609,146	$1,230,392
Revenues	$1,310,726	$1,716,634	$1,492,292
Expenditures	1,233,182	1,095,388	1,191,740
Excess	$ 77,544	$ 621,246	$ 300,552
Fund Balance - Ending	$ 609,146	$1,230,392	$1,530,944

Management should continue to monitor the fees being charged for services being provided, as well as the indirect expenditures being allocated to the fund to ensure the fees bear a reasonable relationship to the related costs of operating the enforcing agency.

PRIOR YEAR COMMENTS
(Continued)

The Township Police Department from time to time obtains funds through drug forfeitures. The funds continue to be accounted for in a separate bank account within the Police Department Fund. The State of Michigan has established requirements for certain drug forfeiture funds to be accounted for in a separate Special Revenue Fund to ensure they are expended properly. The Township should review the requirements to determine if they are in compliance.

The Township's Water and Sewer Department continued to make improvements in the Water Supply and Sewage Disposal System to keep up with the Township's increasing population. During the past several years water and sewer rates charged to consumers have increased proportionately to increases received by the Township from the City of Detroit. A summary of operating activity follows:

	2003	2004	2005
Operating Revenues	$7,018,848	$7,344,488	$7,436,404
Operating Expenses	8,158,749	9,310,902	9,125,237
Net Operating Income (Loss)	($1,139,901)	($1,966,414)	($1,688,833)
Depreciation	685,158	1,132,793	1,264,300
Operating Income (Loss) Excluding Depreciation	($ 454,743)	($ 833,621)	($ 424,533)

Management should continue to monitor billing rates based on the results of operations, as well as consumption rates charged by the City of Detroit.

Management within the Water and Sewer Department made certain policy changes that resulted in improving the collection of accounts receivable in a timely manner. Management should continue to monitor these policies to measure their effectiveness.

CURRENT YEAR COMMENTS

The Governmental Accounting Standards Board (GASB) has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. These new rules will only impact the individual fund based financial statements to the extent municipalities choose to fund this cost in advance. Therefore, the manner in which retiree health care benefits are budgeted will not change, unless you begin funding the benefits. The Township has obtained the assistance of an actuary to evaluate the impact of this pronouncement. The Township has begun to fund this obligation during 2006.

This report is intended solely for the information and use of the Board of Trustees, management and others within the administration of Charter Township of Chesterfield. This restriction is not intended to limit distribution of this report, which upon acceptance by the Board of Trustees, is a matter of public record.

In closing, the foregoing is intended as a summary of current year accomplishments and an indication of areas to be reviewed in the upcoming year. We would like to commend the Township Trustees, officials and staff personnel for the time devoted and the enthusiastic attitude displayed in the accomplishment of Township goals.

Yours truly,

BUSS & COMPANY, P.C.

Buss & Company, P.C.

Certified Public Accountants

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BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

May 9, 2006

Board of Trustees
Charter Township of Chesterfield
County of Macomb, Michigan

We have audited the financial statements of Charter Township of Chesterfield, County of Macomb, Michigan as of and for the year ended December 31, 2005, and have issued our report thereon dated May 9, 2006, which was qualified because we did not audit financial data regarding Public Act 342 funds which were included in the financial statements. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Charter Township of Chesterfield's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Charter Township of Chesterfield's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

BUSS & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CLINTON TOWNSHIP, MICHIGAN

Compliance and Other Matters (Continued)

We noted certain matters that we reported to management of Charter Township of Chesterfield, in a separate letter dated May 9, 2006.

This report is intended for the information and use of management and others within the organization, the Board of Trustees of the Township and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BUSS & COMPANY, P.C.

Buss & Company, P.C.

Certified Public Accountants

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