

46 Midwestern Municipalities Are Upgraded On Revised Criteria, Strong Financial Performance

WATERTOWN TOWNSHIP'S S&P RATING INCREASED FROM A+ TO AA+

SOURCE:

Standard & Poors
Ratings Direct
August 7, 2009

Watertown Charter Township (AA+)

The charter township is located in central Michigan in Clinton County just north of Lansing, the state capital. Its estimated population of 4,714 is 13% more than 2000 levels. The township's wealth levels are very strong, in our view; median household and per capita effective buying incomes are at 147% and 129%, respectively, of the national levels. Although growth in market value has slowed in recent years, we still consider it extremely strong at \$130,756 per capita. Due to conservative management, the township has maintained what we consider a strong financial position, as demonstrated by four consecutive years of significant general fund operating surpluses. At fiscal year-end 2008, the township's general fund reserves held \$3 million, equivalent to in our view a very strong 170% of expenditures. Management projects what we consider a modest surplus of \$50,000-\$100,000 for fiscal 2009 and estimates that fiscal 2010 will have a balanced budget. We consider the township's overall debt burden to be moderate at \$4,508 per capita and 3.4% of market value. We understand that the township has no plans to issue additional debt. We view the township's financial management as "good."