

**CHARTER TOWNSHIP OF DELTA**  
**REPORT ON FINANCIAL STATEMENTS**  
**(with required supplementary and additional information)**  
**YEAR ENDED DECEMBER 31, 2009**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Charter Township of Delta (Township), we offer readers of the Charter Township of Delta's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Delta for the fiscal year ended December 31, 2009.

### FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$105.6 million dollars (net assets). Of this amount, \$34.5 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$776 thousand dollars.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$17.7 million, a decrease of \$400 thousand in comparison with the prior year. The decrease can be attributed to the early retirement of drain assessments, where the Township paid eight assessments ahead of their maturity schedule. Approximately \$12.1 million is available for spending.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$8.3 million, or 50 percent of total general fund expenditures.
- The Township's total long-term liabilities decreased \$669,110. The key factor in this decrease was the Township paying off eight drain assessments early.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary and additional information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, health and welfare, community and economic development, and culture and recreation. The business-type activities of the Township include water and sewer activity.

The government-wide financial statements include not only the Township itself (known as the *primary government*), but also the legally separate Economic Development Corporation (EDC) for which the Township is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The Township also has established the Brownfield Redevelopment Authority. Had there been activity or balances, it would also be reported as a discretely presented component unit.

The government-wide financial statements can be found on pages 2 through 4 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and paramedic fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund and major special revenue fund in the required supplementary information and for the other special revenue funds in the additional information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 5 through 8 of this report.

**Proprietary funds.** The Township maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer activity. The Township does not utilize an internal service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer funds, both of which are considered to be major funds of the Township.

The basic proprietary fund financial statements can be found on pages 9 through 13 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 43 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's progress in funding its obligation to provide pension benefits to its employees and the general and paramedic special revenue fund budgets. Required supplementary information can be found on page 45 through 49 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 51 through 85 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$105.6 million at the close of the most recent fiscal year.

## Charter Township of Delta's Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 27,380,395	\$ 28,172,190	\$ 21,326,647	\$ 22,194,712	\$ 48,707,042	\$ 50,366,902
Capital assets	29,242,000	28,934,282	64,358,354	66,211,690	93,600,354	95,145,972
Total assets	56,622,395	57,106,472	85,685,001	88,406,402	142,307,396	145,512,874
Long-term liabilities outstanding	9,075,134	9,718,818	15,516,542	16,779,145	24,591,676	26,497,963
Other liabilities	10,219,358	10,761,734	1,916,055	1,896,200	12,135,413	12,657,934
Total liabilities	19,294,492	20,480,552	17,432,597	18,675,345	36,727,089	39,155,897
Net assets:						
Invested in capital assets, net of related debt	20,402,817	19,369,309	48,123,714	48,751,159	68,526,531	68,120,468
Restricted	2,560,010	2,461,311	949	4,605,973	2,560,959	7,067,284
Unrestricted	14,365,076	14,795,300	20,127,741	16,373,925	34,492,817	31,169,225
Total net assets	\$ 37,327,903	\$ 36,625,920	\$ 68,252,404	\$ 69,731,057	\$ 105,580,307	\$ 106,356,977

By far the largest portion of the Township's net assets (65 percent) reflects its investment in capital assets (e.g., land, building, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net assets (2 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets (\$34.5 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

There was a decrease of \$4,605,024 in restricted assets reported in connection with the Township's business-type activities. Majority of the decrease is due to the elimination of the restrictions placed on the cost to replace infrastructure relating to federal funds received for sewer improvements in prior years. The restricted governmental fund net assets increased by \$98,699, which arose from increases in the amounts restricted by source of revenues such as special levies, as well as legal restrictions.

The government's net assets decreased by \$776 thousand during the current fiscal year. Majority of the decrease can be attributed to the degree in which the economic slow-down had a significant effect on the water and sewer funds.

**Governmental activities.** Governmental activities increased the Township’s net assets by \$701,983, thereby limiting the decline by 47 percent, while the business-type activities net assets decreased by \$1,478,653, which represents 100 percent of the decline in the net assets of the Township. Key elements of this decrease are as follows:

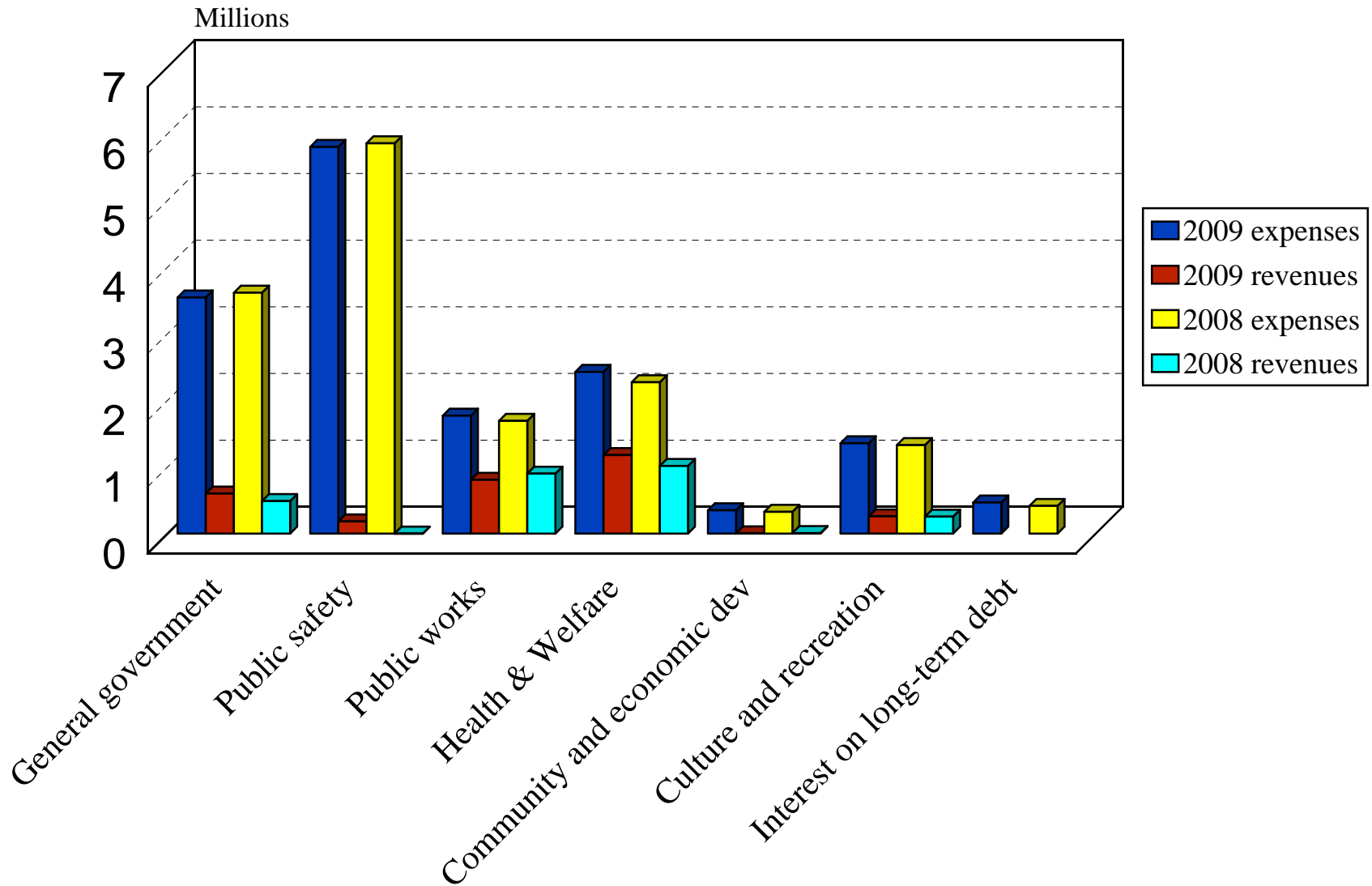
Charter Township of Delta’s Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,909,814	\$ 2,801,570	\$ 7,752,540	\$ 8,248,801	\$ 10,662,354	\$ 11,050,371
Operating grants and contributions	121,853	296,393	-	-	121,853	296,393
Capital grants and contributions	-	-	342,027	1,181,495	342,027	1,181,495
General revenues:						
Property taxes	9,150,073	9,893,713	-	-	9,150,073	9,893,713
Paramedic levy	1,406,882	1,380,867	-	-	1,406,882	1,380,867
State sources	1,959,032	2,227,131	-	-	1,959,032	2,227,131
Franchise fee-cable	420,374	403,488	-	-	420,374	403,488
Investment earnings	203,846	1,002,017	264,906	931,814	468,752	1,933,831
Other	242,834	277,851	-	-	242,834	277,851
Total revenue	16,414,708	18,283,030	8,359,473	10,362,110	24,774,181	28,645,140
Expenses:						
General government	3,542,925	3,615,341	-	-	3,542,925	3,615,341
Public safety	5,802,764	5,856,279	-	-	5,802,764	5,856,279
Public works	1,769,089	1,691,111	-	-	1,769,089	1,691,111
Health and welfare	2,426,355	2,271,518	-	-	2,426,355	2,271,518
Community and economic development	349,466	327,580	-	-	349,466	327,580
Culture and recreation	1,355,944	1,328,947	-	-	1,355,944	1,328,947
Interest on long-term debt	466,182	415,258	-	-	466,182	415,258
Water	-	-	4,637,435	4,494,255	4,637,435	4,494,255
Sewer	-	-	5,200,691	5,390,291	5,200,691	5,390,291
Total expenses	15,712,725	15,506,034	9,838,126	9,884,546	25,550,851	25,390,580
Increase (decrease) in net assets	701,983	2,776,996	(1,478,653)	477,564	(776,670)	3,254,560
Net assets, beginning of year	36,625,920	33,848,924	69,731,057	69,253,493	106,356,977	103,102,417
Net assets, end of year	\$ 37,327,903	\$ 36,625,920	\$ 68,252,404	\$ 69,731,057	\$ 105,580,307	\$ 106,356,977

# Charter Township of Delta

## Expenses and Program Revenues - Governmental Activities

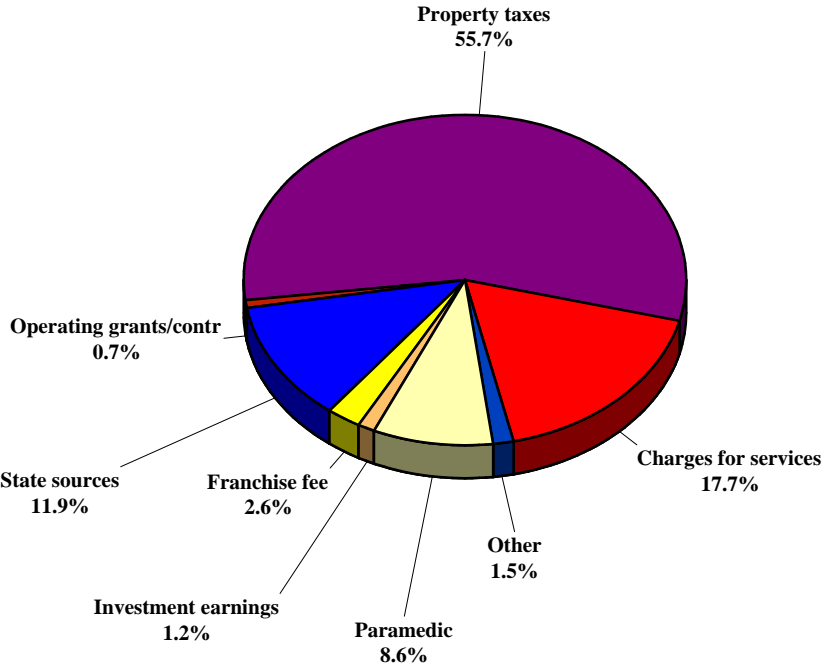
### December 31,



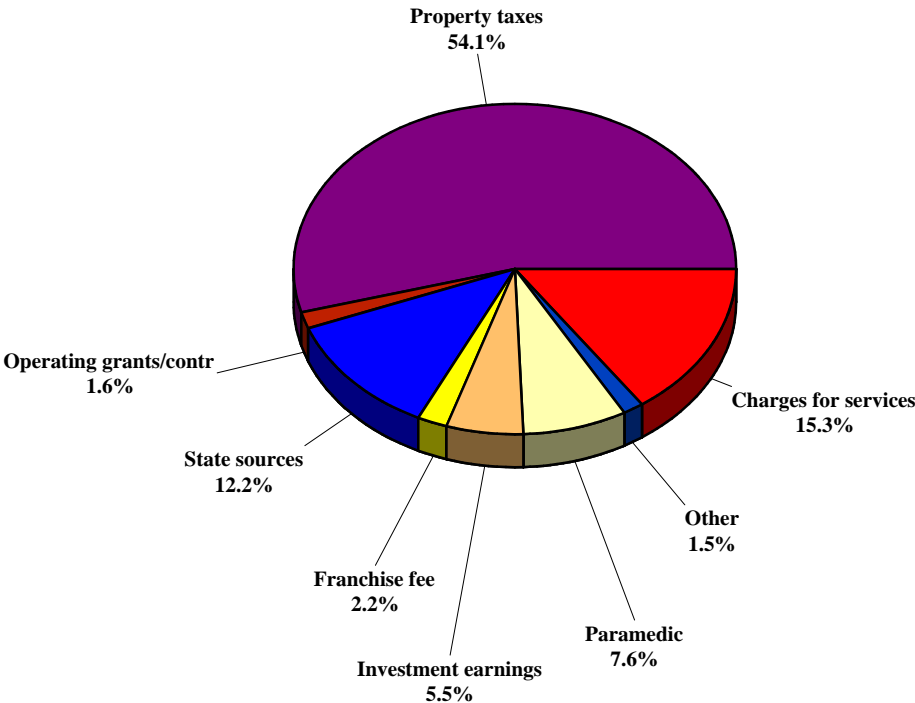
# Charter Township of Delta

## Revenues by Source - Governmental Activities

### December 31

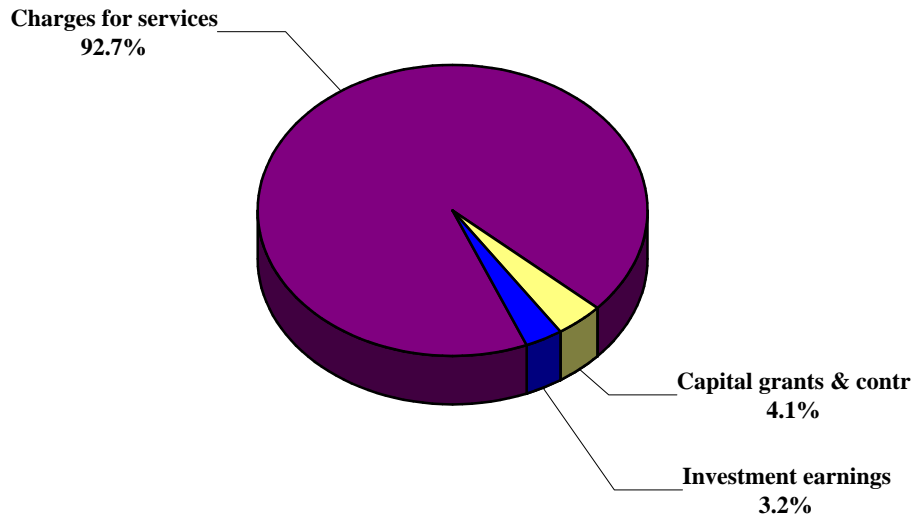


**2009**

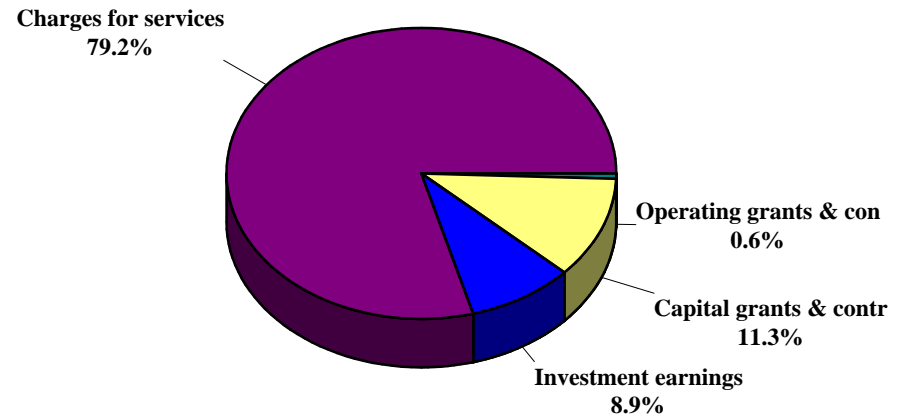


**2008**

**Charter Township of Delta  
Revenues by Source - Business-type Activities  
December 31**

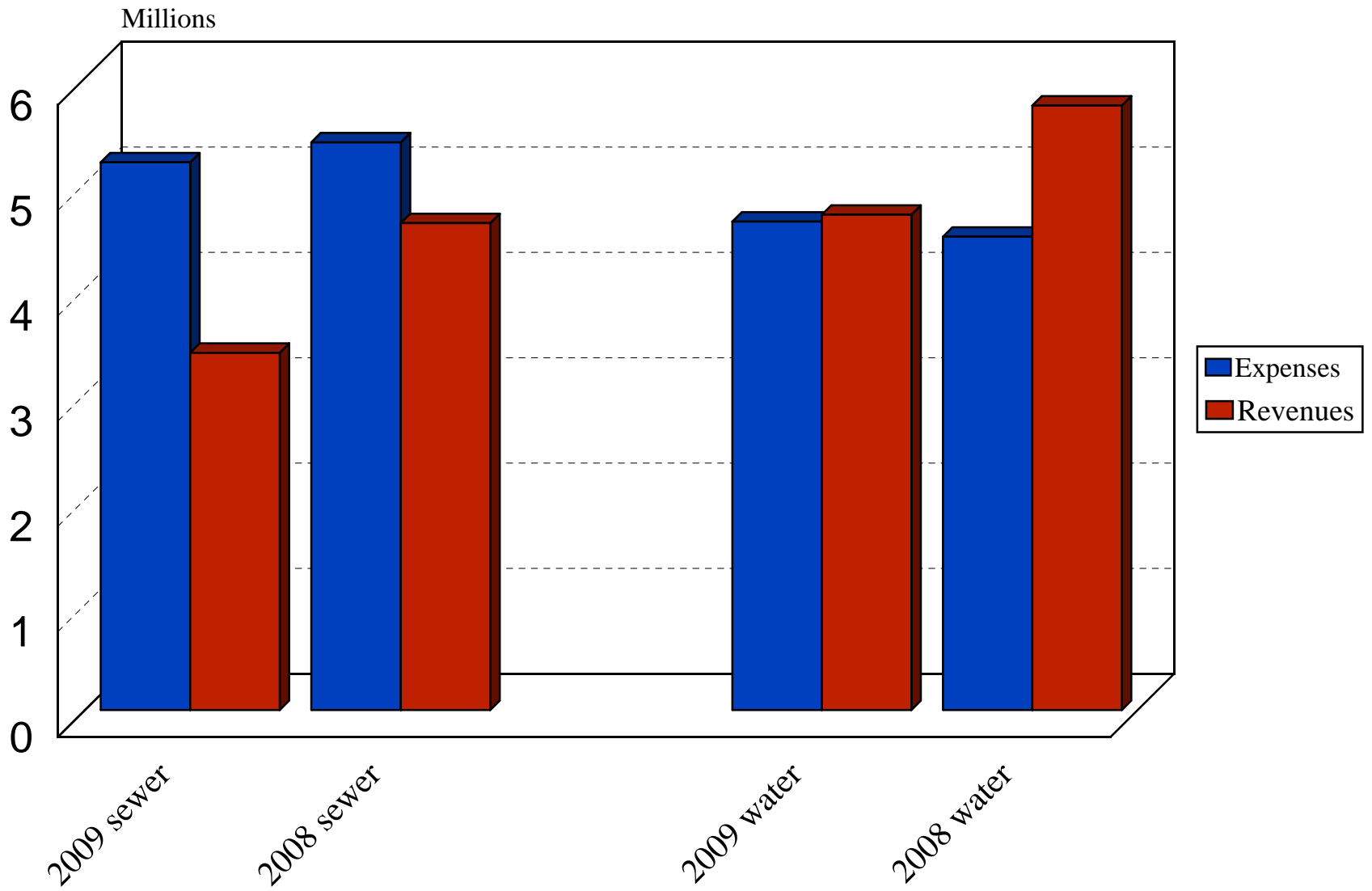


**2009**



**2008**

**Charter Township of Delta  
Expenses and Program Revenues - Business-type Activities  
December 31,**



- Property taxes decreased by \$743,640 (7 percent) during the year. Most of this decrease is due to not levying for the fire station bond payments. The bonds were paid off in 2008.
- Investment earnings for governmental activities decreased by \$798,171 (79 percent) during the year. Most of this decrease is due to falling interest rates and deteriorating market conditions.
- Overall government activities revenue is down \$1,868,322 from prior year. This decrease is due to the above mentioned events.
- Expenses for governmental activities went from \$15.5 million to \$15.7 million, an increase of \$200,000. Majority of the increase is due to inflation.

**Business-type activities.** Business-type activities decreased the Township's net assets by \$1,478,653. Key elements of this decrease are as follows.

- Less capital contributions due to slow-down in economic activity.
- Drop in charges for service due to decreased activity at the GM plant.
- Drop in investment earnings due to low interest rates and deteriorating market conditions.

#### Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balance of \$17.7 million, a decrease of \$400 thousand in comparison with the prior year. Approximately two-thirds of this total amount (\$12.1 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion although special revenue and capital projects funds generally are limited to types of expenditures. The remainder of fund balance is designated or reserved to indicate that it is not available for new spending because it has already been committed 1) to prepaid expenditures (\$98,859), 2) to pay debt service (\$31,129), 3) to generate income to pay for the perpetual care of the municipal cemetery (\$231,419), or 4) for a variety of other designated purposes (\$5,180,529).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$8.3 million, while total fund balance reached \$13.5 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 50 percent of total general fund expenditures, while total fund balance represents 81 percent of that same amount.

The fund balance of the Township's general fund decreased by \$182 thousand during the current fiscal year. The key factor in this increase are as follows:

- The Township paid off eight drain assessments ahead of their maturity schedule.

The debt service fund has a total fund balance of \$31,129, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$1,171. Revenue decreased by \$656,239, which can be attributed to the not levying property taxes for the payment of the fire station bonds. The expense decreased by \$813,513 which is mostly due to not paying the fire station bonds. The fire station bonds were paid off in prior year.

**Proprietary funds.** The Township's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets for the water and sewer funds at the end of the year amounted to \$20.1 million. The total decrease in net assets amounted to \$1,478,563. Other factors concerning the finances of this fund have already been addressed in the discussion of the Township's business-type activities.

#### General Fund Budgetary Highlights

The final amended budget increased appropriations by \$1,168,658, budgeted revenue decreased by \$110,000, while other financial sources increased \$312,450 from the original budget. The change in appropriations can be summarized as follows:

- \$28,370 decrease in general government activities
- \$32,223 decrease in public safety
- \$481,132 increase in public works activities
- \$23,973 decrease in health and welfare
- \$19,303 decrease in community and economic development
- \$11,872 decrease in culture and recreation
- \$803,267 increase in debt service

The main reason for the changes resulted from reallocating expenses across the different governmental activities, as well as the increase in flowage rights projects. During the year actual revenue was lower than the amended budgetary estimates. This arises primarily from less than expected return on investments and decrease in state shared revenue. In addition, actual expenses were lower than the amended budget due to tight budgetary control.

Capital Asset and Debt Administration

**Capital assets.** The Township’s investment in capital assets for its governmental and business type activities as of December 31, 2009, amounts to \$93.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, vehicles, park facilities, sidewalks, and other infrastructure. The total decrease in the Township’s investment in capital assets for the current fiscal year was 2 percent (a 1 percent decrease for governmental activities and a 3 percent decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Completing the construction of a new library building and placing it into service.

Charter Township of Delta’s Capital Assets  
(net of depreciation)

	Governmental activities		Business activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 5,655,383	\$ 5,655,383	\$ 1,250,579	\$ 1,238,479	\$ 6,905,962	\$ 6,893,862
Building and building equipment	13,177,606	13,508,022	7,605,786	8,685,815	20,783,392	22,193,837
Land improvements/sidewalks	2,023,840	1,974,085	9,831	15,232	2,033,671	1,989,317
Vehicles	398,397	266,979	-	-	398,397	266,979
Equipment	1,635,148	1,283,391	597,567	731,633	2,232,715	2,015,024
Usage rights	6,351,626	6,232,799	-	-	6,351,626	6,232,799
Sewer and water mains	-	-	54,894,591	55,540,531	54,894,591	55,540,531
Construction in process	-	13,623	-	-	-	13,623
	<u>\$ 29,242,000</u>	<u>\$28,934,282</u>	<u>\$ 64,358,354</u>	<u>\$66,211,690</u>	<u>\$93,600,354</u>	<u>\$ 95,145,972</u>

Additional information on the Township’s capital assets can be found in Note 4 on pages 28 through 30 of this report.

**Long-term debt.** At the end of the current fiscal year, the Township had total long-term debt outstanding of \$26.6 million. Of this amount, \$20.1 million comprises debt backed by the full faith and credit of the government. The amount of \$3.0 million of the Township’s debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The remaining \$3.7 million represents compensated absences earned but not used as of year end (\$1.3 million) and other long-term items (\$2.2 million).

Charter Township of Delta's Outstanding Debt  
General Obligation Bonds, Revenue Bonds and other Long-term Debt

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligations	\$ 7,200,000	\$ 7,300,000	\$ 12,900,000	\$ 13,930,000	\$ 20,100,000	\$21,230,000
Revenue bonds	-	-	3,025,000	3,200,000	3,025,000	3,200,000
Other long-term debt	1,767,278	2,397,754	428,638	455,433	2,195,916	2,853,187
Compensated absences	928,294	866,928	343,825	368,491	1,272,119	1,235,419
	<u>\$ 9,895,572</u>	<u>\$ 10,564,682</u>	<u>\$ 16,697,463</u>	<u>\$ 17,953,924</u>	<u>\$ 26,593,035</u>	<u>\$28,518,606</u>

The Township's total debt decreased by \$1.9 million (7 percent) during the current fiscal year. The key factor in this decrease was making the routine payments on debt, as well as paying off eight drain assessments early.

The Township was given an "AAA" rating from Standard & Poor's and Fitch for the general obligation debt due to the bonds being insured. If the bonds had not been insured the ratings would have been "AA-" and "AA+" respectively.

Additional information on the Township's long-term debt can be found in Note 6 on pages 31 through 35 of this report.

**Economic Factors and Next Year's Budgets and Rates**

Charter Township of Delta's goal is to continually look for the most efficient and effective methods to maintain and enhance the services that are provided to the public. The Township has a conservative and financially prudent budget for the fiscal year 2010 that also promotes and funds numerous project objectives that have been set by the Township's Strategic Plan.

The Township has deliberately made conservative estimates concerning state revenue sharing for fiscal year 2010 due to the budget constraints at the State level. It has also estimated investment earnings conservatively anticipating a continue decrease in interest rates.

**Requests for Information**

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Manager's Office, 7710 West Saginaw Highway, Lansing, MI 48917-9712

## **BASIC FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF DELTA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

	<u>Primary government</u>			<u>Component unit</u>
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	<u>Economic Development Corporation</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash	\$ 12,395,072	\$ 7,204,132	\$ 19,599,204	\$ 145,152
Investments	8,833,826	5,127,643	13,961,469	-
Receivables:				
Accounts	416,431	732,778	1,149,209	-
Taxes	5,160,545	-	5,160,545	-
Interest	65,084	57,892	122,976	-
Special assessment - current	-	67,818	67,818	-
Special assessment - interest	-	20,614	20,614	-
Other	-	105,662	105,662	-
Internal balances	19,465	(19,465)	-	-
Current portion of long-term receivable	-	22,698	22,698	-
Prepaid expenses	98,859	-	98,859	-
<b>TOTAL CURRENT ASSETS</b>	<u>26,989,282</u>	<u>13,319,772</u>	<u>40,309,054</u>	<u>145,152</u>
<b>NONCURRENT ASSETS:</b>				
Investments:				
Replacement account - designated	-	6,679,798	6,679,798	-
Deferred charges:				
Tap in charges - deferred	-	327,914	327,914	-
Unamortized bond issuance costs	79,077	367,875	446,952	-
Unamortized bond discount	49,018	-	49,018	-
Special assessments - deferred	-	246,560	246,560	-
Long-term receivable	-	384,575	384,575	-
Prepaid other postemployment benefits - restricted	263,018	153	263,171	-
<b>TOTAL NONCURRENT ASSETS</b>	<u>391,113</u>	<u>8,006,875</u>	<u>8,397,988</u>	<u>-</u>
<b>CAPITAL ASSETS:</b>				
Land	5,655,383	1,250,579	6,905,962	-
Other capital assets, net of accumulated depreciation	23,586,617	63,107,775	86,694,392	-
<b>TOTAL CAPITAL ASSETS</b>	<u>29,242,000</u>	<u>64,358,354</u>	<u>93,600,354</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>56,622,395</u>	<u>85,685,001</u>	<u>142,307,396</u>	<u>145,152</u>

See notes to financial statements.

	Primary Government			Component Unit
	Governmental activities	Business-type activities	Total	Economic Development Corporation
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 285,071	\$ 271,814	\$ 556,885	\$ 2,407
Accrued salaries and related items	160,287	-	160,287	-
Accrued interest	168,387	119,458	287,845	-
Customer deposits	48,297	94,985	143,282	-
Deferred revenue - taxes	8,736,878	-	8,736,878	-
Current portion of long-term obligations	218,277	1,221,795	1,440,072	-
Current portion of compensated absences	602,161	208,003	810,164	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,219,358</b>	<b>1,916,055</b>	<b>12,135,413</b>	<b>2,407</b>
<b>NONCURRENT LIABILITIES:</b>				
Noncurrent portion of long-term obligations:				
Accrued compensated absences	326,133	135,822	461,955	-
Other long-term debt	1,649,001	401,843	2,050,844	-
Unamortized bond premiums	-	248,877	248,877	-
Revenue bonds payable	-	2,850,000	2,850,000	-
General obligation debt	7,100,000	11,880,000	18,980,000	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>9,075,134</b>	<b>15,516,542</b>	<b>24,591,676</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>19,294,492</b>	<b>17,432,597</b>	<b>36,727,089</b>	<b>2,407</b>
<b>NET ASSETS:</b>				
Invested in capital assets net of related debt	20,402,817	48,123,714	68,526,531	-
Restricted for perpetual care	231,419	-	231,419	-
Restricted for paramedic services	2,065,573	-	2,065,573	-
Restricted for other postemployment benefits	263,018	949	263,967	-
Unrestricted	14,365,076	20,127,741	34,492,817	142,745
<b>TOTAL NET ASSETS</b>	<b>\$ 37,327,903</b>	<b>\$ 68,252,404</b>	<b>\$105,580,307</b>	<b>\$ 142,745</b>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets			Component unit
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Economic Development Corporation	
					Governmental activities	Business-type activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 3,542,925	\$ 528,716	\$ 72,206	\$ -	\$ (2,942,003)	\$ -	\$ (2,942,003)	\$ -
Public safety	5,802,764	132,894	49,647	-	(5,620,223)	-	(5,620,223)	-
Public works	1,769,089	807,056	-	-	(962,033)	-	(962,033)	-
Health and welfare	2,426,355	1,178,392	-	-	(1,247,963)	-	(1,247,963)	-
Community and economic development	349,466	5,125	-	-	(344,341)	-	(344,341)	-
Culture and recreation	1,355,944	257,631	-	-	(1,098,313)	-	(1,098,313)	-
Interest on long-term debt	466,182	-	-	-	(466,182)	-	(466,182)	-
Total governmental activities	<u>15,712,725</u>	<u>2,909,814</u>	<u>121,853</u>	<u>-</u>	<u>(12,681,058)</u>	<u>-</u>	<u>(12,681,058)</u>	<u>-</u>
Business-type activities:								
Water	4,637,435	4,397,308	-	305,287	-	65,160	65,160	-
Sewer	5,200,691	3,355,232	-	36,740	-	(1,808,719)	(1,808,719)	-
Total business activities	<u>9,838,126</u>	<u>7,752,540</u>	<u>-</u>	<u>342,027</u>	<u>-</u>	<u>(1,743,559)</u>	<u>(1,743,559)</u>	<u>-</u>
Total primary government	<u>\$25,550,851</u>	<u>\$ 10,662,354</u>	<u>\$ 121,853</u>	<u>\$ 342,027</u>	<u>-</u>	<u>-</u>	<u>(14,424,617)</u>	<u>-</u>
<b>Component unit:</b>								
Economic Development Corporation	<u>\$ 18,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,904)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes					9,150,073	-	9,150,073	-
Paramedic levy					1,406,882	-	1,406,882	-
State sources					1,959,032	-	1,959,032	-
Franchise fee-cable					420,374	-	420,374	-
Investment earnings					203,846	264,906	468,752	1,582
Other					242,834	-	242,834	-
Total general revenues					<u>13,383,041</u>	<u>264,906</u>	<u>13,647,947</u>	<u>1,582</u>
Change in net assets					701,983	(1,478,653)	(776,670)	(17,322)
Net assets, beginning of year					36,625,920	69,731,057	106,356,977	160,067
Net assets, end of year					<u>\$ 37,327,903</u>	<u>\$ 68,252,404</u>	<u>\$ 105,580,307</u>	<u>\$ 142,745</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<b>General</b>	<b>Paramedic fund (a special revenue fund)</b>	<b>Other governmental funds</b>	<b>Total governmental funds</b>
<b>ASSETS</b>				
<b>ASSETS:</b>				
Cash	\$ 9,911,650	\$ 1,201,050	\$ 1,282,372	\$ 12,395,072
Investments	7,080,091	858,252	895,483	8,833,826
Receivables:				
Accounts	416,431	-	-	416,431
Taxes	3,775,412	1,385,133	-	5,160,545
Interest	53,646	6,271	5,167	65,084
Due from other funds	19,465	-	-	19,465
Prepaid expenditures	98,859	-	-	98,859
	<u>\$ 21,355,554</u>	<u>\$ 3,450,706</u>	<u>\$ 2,183,022</u>	<u>\$ 26,989,282</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 285,071	\$ -	\$ -	\$ 285,071
Accrued salaries and related items	160,287	-	-	160,287
Customer deposits	48,297	-	-	48,297
Deferred revenue - taxes and contributions	7,386,388	1,385,133	-	8,771,521
	<u>7,880,043</u>	<u>1,385,133</u>	<u>-</u>	<u>9,265,176</u>
<b>FUND BALANCES:</b>				
Reserved for prepaid expenditures	98,859	-	-	98,859
Reserved for debt service	-	-	31,129	31,129
Reserved for perpetual care fund	-	-	231,419	231,419
Designated:				
Compensated absences	928,296	-	-	928,296
Roads	1,200,000	-	-	1,200,000
Retiree health insurance	1,500,000	-	-	1,500,000
Non-motorized transportation	300,000	-	-	300,000

	<u>General</u>	<u>Paramedic fund (a special revenue fund)</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
<b>FUND BALANCES (Concluded):</b>				
Designated (Concluded):				
Manufacturing Enhancement Fund	\$ 190,000	\$ -	\$ -	\$ 190,000
Capital improvements	1,000,000	-	-	1,000,000
Subsequent years' expenditures	-	62,233	-	62,233
Unreserved, undesignated reported in:				
General fund	8,258,356	-	-	8,258,356
Special revenue funds	-	2,003,340	1,920,474	3,923,814
	<u>13,475,511</u>	<u>2,065,573</u>	<u>2,183,022</u>	<u>17,724,106</u>
<b>TOTAL FUND BALANCES</b>	<u>13,475,511</u>	<u>2,065,573</u>	<u>2,183,022</u>	<u>17,724,106</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 21,355,554</u>	<u>\$ 3,450,706</u>	<u>\$ 2,183,022</u>	<u>\$ 26,989,282</u>
<b>Total governmental fund balances</b>				\$ 17,724,106
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:				
Cost of the capital assets			\$ 42,473,504	
Less accumulated depreciation			<u>13,231,504</u>	
				29,242,000
Other postemployment benefits pre-payments which exceed the annual required contribution are recorded as a prepaid				
				263,018
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds				
Delinquent personal property taxes receivable, less allowance for doubtful accounts				34,643
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:				
General obligation debt				(7,200,000)
Other long-term debt				(1,767,278)
Bond discount, net of amortization of \$4,782				49,018
Bond issuance cost, net of amortization of \$7,715				79,077
Compensated absences				(928,294)
Accrued interest				<u>(168,387)</u>
<b>Net assets of governmental activities</b>				<u>\$ 37,327,903</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Paramedic fund (a special revenue fund)</u>	<u>Other governmental funds</u>	<u>Total governmental funds</u>
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 9,142,853	\$ -	\$ -	\$ 9,142,853
Paramedic levy	-	1,406,883	-	1,406,883
Licenses and permits	736,692	-	-	736,692
Charges for services	1,846,050	-	-	1,846,050
Investment earnings	154,823	31,093	17,930	203,846
Rental income	37,728	-	412,050	449,778
Local contributions	31,100	-	-	31,100
Other	493,652	-	15,750	509,402
Total local sources	12,442,898	1,437,976	445,730	14,326,604
State shared revenue	1,959,032	-	-	1,959,032
State and Federal grants	121,853	-	-	121,853
Total revenues	14,523,783	1,437,976	445,730	16,407,489
<b>EXPENDITURES:</b>				
Current:				
General government	3,367,498	-	-	3,367,498
Public safety	6,128,278	-	-	6,128,278
Public works	1,936,678	-	-	1,936,678
Health and welfare	2,389,314	110,000	-	2,499,314
Community and economic development	343,938	-	-	343,938
Culture and recreation	1,350,152	-	-	1,350,152
Debt service:				
Principal repayment	942,926	-	100,000	1,042,926
Interest expense	139,118	-	312,375	451,493
Total expenditures	16,597,902	110,000	412,375	17,120,277
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,074,119)	1,327,976	33,355	(712,788)
<b>OTHER FINANCING SOURCES (USES):</b>				
Drain usage rights - Eaton County	312,450	-	-	312,450
Interfund transfers from other funds	1,861,190	-	281,500	2,142,690
Interfund transfers to other funds	(281,500)	(1,214,459)	(646,731)	(2,142,690)
Total other financing sources (uses)	1,892,140	(1,214,459)	(365,231)	312,450
Net change in fund balances	(181,979)	113,517	(331,876)	(400,338)
<b>FUND BALANCES:</b>				
Beginning of year	13,657,490	1,952,056	2,514,898	18,124,444
End of year	<u>\$ 13,475,511</u>	<u>\$ 2,065,573</u>	<u>\$ 2,183,022</u>	<u>\$ 17,724,106</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2009**

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

<b>Net change in fund balances - total governmental funds</b>	\$ (400,338)
Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(1,115,410)
Capital outlay	1,471,544
Realized loss on disposal of fixed assets	(48,416)
Excess contributions for other postemployment benefit payments exceeding the annual required contribution is an expenditure in the governmental funds, but not in the statement of activities (where it is an asset)	
	132,962
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable beginning of the year	158,384
Accrued interest payable end of the year	(168,387)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities)	
Repayment of principal on long-term debt	1,042,926
Amortization of bond discounts	(1,793)
Amortization of bond issuance cost	(2,893)
Drain assessments from Eaton County (long-term debt recorded as an other financing source at the fund level)	
	(312,450)
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Accrued revenue beginning of the year - primarily delinquent personal property taxes	(27,423)
Accrued revenue end of the year - primarily delinquent personal property taxes	34,643
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences beginning of the year	866,928
Accrued compensated absences end of the year	(928,294)
<b>Change in net assets of governmental activities</b>	<u><u>\$ 701,983</u></u>

**CHARTER TOWNSHIP OF DELTA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2009**

ASSETS	Business-type activities-Enterprise funds		
	Sewer fund	Water fund	Total
<b>CURRENT ASSETS:</b>			
Cash	\$ 3,798,151	\$ 3,405,981	\$ 7,204,132
Investments	2,699,944	2,427,699	5,127,643
Receivables:			
Accounts	383,838	348,940	732,778
Interest	33,949	23,943	57,892
Special assessment - current	23,228	44,590	67,818
Special assessment - interest	10,343	10,271	20,614
Other	48,072	57,590	105,662
Current portion of long-term receivable	-	22,698	22,698
<b>TOTAL CURRENT ASSETS</b>	<b>6,997,525</b>	<b>6,341,712</b>	<b>13,339,237</b>
<b>NONCURRENT ASSETS:</b>			
Investments:			
Replacement account - designated	4,650,713	2,029,085	6,679,798
Deferred charges:			
Tap in charges - deferred	201,793	126,121	327,914
Unamortized bond issuance cost	26,357	341,518	367,875
Special assessment - deferred	17,110	229,450	246,560
Long-term receivable	-	384,575	384,575
Prepaid (payable) other postemployment benefits - restricted	949	(796)	153
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,896,922</b>	<b>3,109,953</b>	<b>8,006,875</b>
<b>PROPERTY, PLANT AND EQUIPMENT,</b> net of accumulated depreciation	30,207,305	34,151,049	64,358,354
<b>TOTAL ASSETS</b>	<b>42,101,752</b>	<b>43,602,714</b>	<b>85,704,466</b>

<b>LIABILITIES AND NET ASSETS</b>	<b>Business-type activities-Enterprise funds</b>		
	<b>Sewer fund</b>	<b>Water fund</b>	<b>Total</b>
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 110,319	\$ 161,495	\$ 271,814
Accrued interest	12,693	106,765	119,458
Customer deposits	68,392	26,593	94,985
Current portion of long-term liabilities	227,695	994,100	1,221,795
Current portion of compensated absences	172,516	35,487	208,003
Due to other funds	13,258	6,207	19,465
<b>TOTAL CURRENT LIABILITIES</b>	<b>604,873</b>	<b>1,330,647</b>	<b>1,935,520</b>
<b>LONG-TERM LIABILITIES, net of current portion:</b>			
Compensated absences	107,501	28,321	135,822
Other long-term debt	401,843	-	401,843
Unamortized bond premiums	60,967	187,910	248,877
Revenue bonds payable	-	2,850,000	2,850,000
General obligation tax bonds	1,489,600	10,390,400	11,880,000
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>2,059,911</b>	<b>13,456,631</b>	<b>15,516,542</b>
<b>TOTAL LIABILITIES</b>	<b>2,664,784</b>	<b>14,787,278</b>	<b>17,452,062</b>
<b>NET ASSETS:</b>			
Invested in capital assets net of related debt	28,053,557	20,070,157	48,123,714
Restricted for other postemployment benefits	949	-	949
Unrestricted	11,382,462	8,745,279	20,127,741
<b>TOTAL NET ASSETS</b>	<b>\$39,436,968</b>	<b>\$28,815,436</b>	<b>\$68,252,404</b>

**CHARTER TOWNSHIP OF DELTA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 YEAR ENDED DECEMBER 31, 2009**

	<u>Business-type activities-Enterprise funds</u>		
	<u>Sewer fund</u>	<u>Water fund</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 3,260,572	\$ 3,937,742	\$ 7,198,314
Capital charges	67,345	63,460	130,805
Hydrant rental	-	133,560	133,560
Forfeited discounts	47,383	51,661	99,044
Other services charges	-	102,051	102,051
Other	3,092	22,005	25,097
	<u>3,378,392</u>	<u>4,310,479</u>	<u>7,688,871</u>
<b>OPERATING EXPENSES:</b>			
Costs of sales and services	3,207,290	3,030,815	6,238,105
Depreciation	1,904,619	937,826	2,842,445
	<u>5,111,909</u>	<u>3,968,641</u>	<u>9,080,550</u>
	<u>(1,733,517)</u>	<u>341,838</u>	<u>(1,391,679)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Contributions - infrastructure	36,740	305,287	342,027
Main charges	(23,160)	86,829	63,669
Investment income - net	131,972	132,934	264,906
Interest and fiscal charges	(93,727)	(657,945)	(751,672)
Amortization of bond issuance cost	(3,765)	(37,693)	(41,458)
Amortization of bond premium	8,710	26,844	35,554
	<u>56,770</u>	<u>(143,744)</u>	<u>(86,974)</u>
	<u>(1,676,747)</u>	<u>198,094</u>	<u>(1,478,653)</u>
<b>NET ASSETS, beginning of year</b>	<u>41,113,715</u>	<u>28,617,342</u>	<u>69,731,057</u>
<b>NET ASSETS, end of year</b>	<u>\$ 39,436,968</u>	<u>\$ 28,815,436</u>	<u>\$ 68,252,404</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009**

	<u>Business-type activities-Enterprise funds</u>		
	<u>Sewer fund</u>	<u>Water fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 3,236,996	\$ 3,908,692	\$ 7,145,688
Capital charges	67,345	63,460	130,805
Hydrant rental	-	133,560	133,560
Forfeited discounts	47,383	51,661	99,044
Other services charges	-	102,051	102,051
Other	3,092	22,005	25,097
Payment to suppliers	(1,218,858)	(2,185,039)	(3,403,897)
Payment to employees	(1,972,876)	(833,693)	(2,806,569)
Payment for interfund services	(49,902)	(21,581)	(71,483)
Net cash provided in operating activities	<u>113,180</u>	<u>1,241,116</u>	<u>1,354,296</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Contributions	36,740	305,287	342,027
Main and tap in charges	(5,512)	100,551	95,039
Net cash provided by noncapital financing activities	<u>31,228</u>	<u>405,838</u>	<u>437,066</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Interest received from special assessments	19,167	32,294	51,461
Proceeds (payments) from special assessments	21,313	32,325	53,638
Proceeds from sale of fixed assets	2,988	2,700	5,688
Principal repayments on debt	(230,145)	(1,001,650)	(1,231,795)
Interest paid on bonds and land contract	(94,829)	(664,119)	(758,948)
Payments for capital acquisitions	(173,456)	(815,653)	(989,109)
Net cash used by capital and related financing activities	<u>(454,962)</u>	<u>(2,414,103)</u>	<u>(2,869,065)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received from investments	122,851	111,573	234,424
Sale (purchase) of investments	426,098	(430,703)	(4,605)
Net cash provided by investing activities	<u>548,949</u>	<u>(319,130)</u>	<u>229,819</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>238,395</b>	<b>(1,086,279)</b>	<b>(847,884)</b>
<b>CASH:</b>			
Beginning of year	<u>3,559,756</u>	<u>4,492,260</u>	<u>8,052,016</u>
End of year	<u>\$ 3,798,151</u>	<u>\$ 3,405,981</u>	<u>\$ 7,204,132</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2009**

	<u>Business-type activities-Enterprise funds</u>		
	<u>Sewer fund</u>	<u>Water fund</u>	<u>Total</u>
<b>RECONCILIATION OF NET OPERATING REVENUES            (EXPENSE) TO NET CASH PROVIDED            (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (1,733,517)	\$ 341,838	\$ (1,391,679)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,904,619	937,826	2,842,445
Gain on the sale of fixed assets	(2,988)	(2,700)	(5,688)
(Increase) decrease in assets:			
Receivables	(23,576)	(29,050)	(52,626)
Prepaid expenditures	(211)	1,661	1,450
Due to/from other funds - net	(49,902)	(21,581)	(71,483)
Increase (decrease) in liabilities:			
Accounts payable	45,826	45,062	90,888
Accrued compensated absences	(27,071)	2,405	(24,666)
Customer deposits	-	8,798	8,798
Contract retainers payable	-	(43,143)	(43,143)
	<u>                  </u>	<u>                  </u>	<u>                  </u>
Net cash provided by operating activities	<u>\$ 113,180</u>	<u>\$ 1,241,116</u>	<u>\$ 1,354,296</u>

**CHARTER TOWNSHIP OF DELTA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
DECEMBER 31, 2009**

	<b>Pension trust fund</b>	<b>Other post employment benefit trust fund</b>	<b>Agency fund</b>
	<b>Employee retirement</b>	<b>Retiree health benefits</b>	<b>Tax collection fund</b>
<b>ASSETS</b>			
<b>ASSETS:</b>			
Cash	\$ -	\$ -	\$ 2,525,788
Investments	17,514,769	4,124,502	1,804,888
Taxes receivable - delinquent	-	-	472,789
Interest receivable	-	-	13,188
	<b>17,514,769</b>	<b>4,124,502</b>	<b>4,816,653</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES:</b>			
Undistributed tax collections:			
Current	-	-	4,331,212
Delinquent and other	-	-	485,441
	<b>-</b>	<b>-</b>	<b>4,816,653</b>
<b>NET ASSETS:</b>			
Held in trust for pension benefits and other purposes	<b>\$ 17,514,769</b>	<b>\$ 4,124,502</b>	<b>\$ -</b>

**CHARTER TOWNSHIP OF DELTA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
YEAR ENDED DECEMBER 31, 2009**

	<b>Pension trust fund</b>	<b>Other post employment benefit trust fund</b>
	<b>Employee retirement</b>	<b>Retiree health benefits</b>
<b>ADDITIONS:</b>		
Investment loss - net	\$ 2,601,961	\$ 552,728
Contributions	687,306	726,200
Total additions	3,289,267	1,278,928
<b>DEDUCTIONS:</b>		
Distributions	305,495	-
Change in net assets	2,983,772	1,278,928
<b>NET ASSETS:</b>		
Beginning of year	14,530,997	2,845,574
End of year	\$ 17,514,769	\$ 4,124,502

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Charter Township of Delta (Township) is incorporated under the provisions of Act 359, P.A. 1947 as amended (Charter Township Act) and is located in mid-Michigan. The Township provides the following services as authorized by its charter; public safety (police and fire), public improvements (streets, sewers, water system, lighting), planning and zoning, recreation and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

*Discretely Presented Component Units*

The following is a description of the discretely presented component units:

The Economic Development Corporation of the Charter Township of Delta (EDC) is excluded from the reporting entity - the EDC is a nonstock, nonprofit corporation. The primary purpose of the corporation is to encourage and assist commercial enterprises to locate and expand facilities and services in the Township and to its residents. The corporation is organized pursuant to the State of Michigan, Public Act 338 of 1974, as amended. Members of the Board of Directors of the corporation are appointed by the Township Board of Trustees. The Township Board has the ability to exercise oversight responsibility, specifically in the area of designation of management. The EDC is presented as a discretely presented component unit.

The Brownfield Redevelopment Authority was established in 2002. The Authority has no balances and no activity took place during the year. As a consequence, it is not reported in the financial statements.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 non-fiduciary 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*, which normally are 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 its 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 revenues*.

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 Basis of 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government'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 *paramedic fund* is a special revenue fund. It is utilized to account for the Township's ambulance service tax levy.

The government reports the following major proprietary funds:

The water and sewer funds are used to account for the results of operations that provide a service to citizens that are financed primarily by user charges for the provision of that service.

Additionally, the government reports the following nonmajor fund types:

Special revenue funds - The *special revenue funds* account for revenue sources that are legally restricted for specific purpose (not including expendable trusts or major capital projects). The Township's special revenue funds include the improvement revolving, and budget stabilization funds.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

Debt service fund - The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt payable from a property tax debt levy. The Township's only current debt service fund relates to the Central Fire Station and the Library building.

Permanent fund - The Township utilizes the Cemetery Perpetual Care fund to account for principal trust amounts received and related interest.

Additionally, the government reports as fiduciary funds, the employee retirement pension trust fund, post employment benefit trust fund and the tax collection fund (agency fund).

The *pension trust fund* accounts for the activities of the Money Purchase Retirement Plan, which accumulates resources for pension benefit payments to qualified employees.

The other *post employment benefit trust fund* accounts for the accumulated resources related to health benefit payments to qualified retirees.

The *agency fund* is utilized to account for the Township's collection of taxes for other governmental units.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 for water, sewer and engineering services between the water and sewer funds and other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues 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 revenues rather than as program revenues. Likewise, general revenues include all taxes.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation (Concluded)**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are charges to customers for sales and services. The funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Assets, Liabilities and Net Assets or Equity**

**1. Cash and Investments**

Cash includes amounts in petty cash and demand deposits. Investments include instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value.

State statutes authorized the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Township is also authorized to invest in U.S. government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

The Township's retirement system investments are held in trust by the investment fiduciary, ICMA Retirement Corporation. Michigan Compiled Laws, Section 38.1132, authorizes Delta Township's retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contract obligations of a specified nature, and real or personal property.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities and Net Assets or Equity (Concluded)**

**2. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” and are all current. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Accounts receivable in the proprietary funds do not have an allowance for uncollectibles. Delinquent amounts are ultimately added to the tax roll and become a lien on the property and as a consequence, no allowance is deemed necessary. An allowance is recorded related to delinquent personal property taxes amounting to fifty percent of the total. No other significant allowances are deemed necessary.

**3. Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. Restricted Assets**

Restricted assets relate to amounts restricted for capital improvements by granting agencies.

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure (sidewalks and usage rights), are reported in the applicable governmental or business-type activities columns 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvement are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**5. Capital Assets (Concluded)**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful live:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office equipment	5
Computer equipment	3

**6. Compensated Absences**

It is the Township's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from the Township. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**7. Long-term Obligations**

In the government-wide financial statements, and 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 straight-line method. 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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)**

**8. 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.

**9. Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented only for certain 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. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**NOTE 2 - LEGAL COMPLIANCE - BUDGETS**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

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

1. On or prior to September 1 of each year, a proposed budget is submitted to the Township Board for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 31 the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - LEGAL COMPLIANCE - BUDGETS (Concluded)**

6. Budgets for general and special revenue funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended by the Township Board during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

As of December 31, 2009, the Township had the following investments.

<u>Investment Type</u>	<u>Fair value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard &amp; Poor's Rating</u>	<u>%</u>
U.S. Treasury Notes	\$ 2,780,424	1.4332	AAA	13.1%
Commercial Paper	963,668	0.0795	A-1	4.5%
U.S. Agency Loans	12,506,899	3.9131	AAA	58.9%
U.S. Agencies:				
Mortgage Backed Securities	250,294	15.8494	AAA	1.2%
Corporate	604,857	3.6174	AA+	2.8%
Municipal bonds	1,300,916	4.7426	AA+	6.1%
MBIA External Investment Pool - CLASS	2,837,484	0.0027	AAA	13.4%
Total fair value	<u>\$ 21,244,542</u>			<u>100.0%</u>
Portfolio weighted average maturity		<u>3.0754</u>		

1 day maturity equals 0.0027, on year equals 1.00

## CHARTER TOWNSHIP OF DELTA NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

The Township voluntarily invests excess funds in pooled short term investment funds which included money market funds. One of the pooled investment funds utilized by the Township is MBIA. MBIA is an external pooled investment fund of “qualified” investments for Michigan townships. MBIA is not regulated nor is it registered with the SEC. MBIA reports as of December 31, 2009, the fair value of the Township’s investments is the same as the value of the pool shares.

**Interest rate risk.** In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Township’s cash requirements.

**Credit risk.** State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs).

**Concentration of credit risk.** The Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township’s investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

**Custodial credit risk - deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Township’s deposits may not be returned to it. As of December 31, 2009, \$22,547,241 of the Township’s bank balance of \$23,848,701 was exposed to custodial credit risk because it was uninsured. Certificate of deposits and money market accounts are included in the above totals. The balance of \$23,471,757 is reported as deposits on the financial statements as of December 31, 2009.

**Custodial credit risk - investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Township will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Township will do business.

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

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

The above amounts as previously reported in Note 3:

Deposits	\$ 23,471,757
Investments	21,244,542
	\$ 44,716,299
	\$ 44,716,299

The above amounts are reported in the financial statements as follows:

Cash:	
Township wide	\$ 19,599,204
Component unit - Economic Development Corporation	145,152
Tax collection fund (a fiduciary fund)	2,525,788
Investments:	
Township wide	13,961,469
Township wide designated	6,679,798
Tax collection fund (a fiduciary fund)	1,804,888
	\$ 44,716,299
	\$ 44,716,299

**Pension and post employment benefits**

The Charter Township of Delta’s Pension and Other Post Employment Benefit Trust Funds (the “trust funds” or the “System”) investments are maintained separately from the Township’s pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosure for the System’s deposits and investments are presented separately.

**Deposits** - The System does not maintain any checking or other demand/time deposit accounts.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - DEPOSITS AND INVESTMENTS (Concluded)**

**Investments** – The Michigan Public Employees Retirement Systems’ Investment Act, Public Act 314 of 1985, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The System has the responsibility and authority to oversee the investment portfolio. A professional investment manager is contracted to assist in managing the System’s assets. All investment decisions are subject to Michigan law and the investment policy established by the System.

The System’s investments are held with an insurance company administered trust fund. Following is a summary of the System’s investments as of December 31, 2009:

	Other post employment benefit trust fund	Pension Trust Fund
Balanced funds	\$ 4,124,502	\$ 3,547,522
U.S. Stock funds	-	6,432,969
Stable Value funds	-	5,951,375
Bond funds	-	1,280,246
International Stock funds	-	302,657
	\$ 4,124,502	\$ 17,514,769

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS**

The capital assets are as follows:

	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,655,383	\$ -	\$ -	\$ 5,655,383
Construction in process	13,623	-	13,623	-
Total capital assets, not being depreciated	<u>5,669,006</u>	<u>-</u>	<u>13,623</u>	<u>5,655,383</u>
Capital assets, being depreciated:				
Buildings and building equipment	18,012,025	-	-	18,012,025
Land improvements and sidewalks	4,478,363	224,914	-	4,703,277
Vehicles	911,006	222,355	71,223	1,062,138
Flowage rights	7,432,462	312,450	-	7,744,912
Equipment	4,732,433	711,825	148,489	5,295,769
Total capital assets, being depreciated	<u>35,566,289</u>	<u>1,471,544</u>	<u>219,712</u>	<u>36,818,121</u>
Less accumulated depreciation for:				
Buildings and building equipment	4,504,003	330,416	-	4,834,419
Land improvements	2,504,278	175,159	-	2,679,437
Vehicles	644,027	90,937	71,223	663,741
Flowage rights	1,199,663	193,623	-	1,393,286
Equipment	3,449,042	325,275	113,696	3,660,621
Total accumulated depreciation	<u>12,301,013</u>	<u>1,115,410</u>	<u>184,919</u>	<u>13,231,504</u>
Total capital assets, being depreciated, net	<u>23,265,276</u>	<u>356,134</u>	<u>34,793</u>	<u>23,586,617</u>
Total	<u>\$ 28,934,282</u>	<u>\$ 356,134</u>	<u>\$ 48,416</u>	<u>\$ 29,242,000</u>

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (Continued)**

	Balance December 31, 2008	Additions	Deletions	Balance December 31, 2009
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,238,479	\$ 12,100	\$ -	\$ 1,250,579
Capital assets, being depreciated:				
Buildings and building equipment	28,703,359	-	-	28,703,359
Land improvements/sidewalks	59,085	-	-	59,085
Equipment	2,465,763	46,872	28,678	2,483,957
Sewer and water mains	78,672,206	930,137	-	79,602,343
Total capital assets, being depreciated	109,900,413	977,009	28,678	110,848,744
Less accumulated depreciation for:				
Buildings and building equipment	20,017,544	1,080,029	-	21,097,573
Land improvements/sidewalks	43,853	5,401	-	49,254
Equipment	1,734,130	180,938	28,678	1,886,390
Sewer and water mains	23,131,675	1,576,077	-	24,707,752
Total accumulated depreciation	44,927,202	2,842,445	28,678	47,740,969
Total capital assets, being depreciated, net	64,973,211	(1,865,436)	-	63,107,775
Total	\$ 66,211,690	\$ (1,853,336)	\$ -	\$ 64,358,354

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - CAPITAL ASSETS (Concluded)**

Depreciation expense was charged to functions/programs of the primary government at December 31, 2009 as follows:

Governmental activities:		
General government		\$ 385,449
Public safety		258,152
Public works		367,405
Health and welfare		60,035
Culture and recreation		<u>44,369</u>
Total depreciation expense - governmental activities		<u><u>\$ 1,115,410</u></u>
Business type activities:		
Water		\$ 937,826
Sewer		<u>1,904,619</u>
Total depreciation expense - business-type activities		<u><u>\$ 2,842,445</u></u>

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

The composition of interfund balances as of December 31, 2009 is as follows:

<u>Receivable fund</u>		<u>Payable fund</u>	<u>Amount</u>
General fund	<u><u>\$ 19,465</u></u>	Water fund	\$ 6,207
		Sewer fund	<u>13,258</u>
			<u><u>\$ 19,465</u></u>

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS (Concluded)**

The outstanding balances between funds result mainly from the accrued payroll. The payroll is calculated in the general fund, and the other funds reimburse. The general fund expects to collect in the subsequent year.

Interfund transfers:

	Transfer in	
Transfer out:	General fund	Nonmajor special revenue
General fund	\$ -	\$ 281,500
Major special revenue	1,214,459	-
Nonmajor special revenue	644,500	-
Cemetery perpetual care fund	2,231	-
	\$ 1,861,190	\$ 281,500

Transfers are used to 1) move revenues from the fund with collection authorization to the general fund for reimbursement of expenses incurred on behalf of the paramedic fund, 2) move funds for purchase of capital outlay, 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

**NOTE 6 - LONG-TERM DEBT**

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$30,075,000.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Continued)**

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are issued as 15-year, 20-year, or 30 year serial bonds with differing amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest rates</u>	<u>Amount</u>
Governmental activities	4.00% - 4.50%	\$ 7,200,000
Business-type activities	3.25% - 5.00%	12,900,000
		<u>\$ 20,100,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year ending December 31</u>	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 100,000	\$ 307,800	\$ 1,020,000	\$ 526,426
2011	100,000	303,612	1,170,000	486,388
2012	100,000	299,550	1,170,000	441,940
2013	100,000	295,550	1,265,000	389,365
2014	100,000	291,550	1,330,000	327,925
2015 - 2019	800,000	1,377,750	3,995,000	883,953
2020 - 2024	1,000,000	1,184,500	2,400,000	360,775
2025 - 2029	1,300,000	954,075	550,000	11,275
2030 - 2034	2,100,000	581,150	-	-
2035 - 2037	1,500,000	101,250	-	-
	<u>\$ 7,200,000</u>	<u>\$5,696,787</u>	<u>\$ 12,900,000</u>	<u>\$ 3,428,047</u>

Revenue Bonds

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest rates</u>	<u>Amount</u>
Wastewater treatment Water fund	5.10% - 6.00%	<u>\$ 3,025,000</u>

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Continued)**

Revenue bond debt service requirements to maturity are as follows:

<u>Year ending December 31</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 175,000	\$ 172,225
2011	200,000	163,000
2012	200,000	152,351
2013	200,000	141,500
2014	250,000	130,501
2015 - 2019	1,600,000	415,250
2020	400,000	23,438
	<u>\$ 3,025,000</u>	<u>\$ 1,198,265</u>

Other Long-Term Debt

The government is assessed for drains at large by Eaton County. The assessment covers the Township's share of installation and usage rights for the drains. General assessment outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest rate</u>	<u>Amount</u>
Governmental activities	4.90% - 7.02%	\$ 1,767,278
Business type activities	5.25%	<u>428,638</u>
		<u>\$ 2,195,916</u>

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Continued)**

Installment notes and general assessment debt service requirements are as follows:

Year ending December 31	Governmental activities general assessment		Business type activities general assessment	
	Principal	Interest	Principal	Interest
2010	\$ 118,277	\$ 90,905	\$ 26,795	\$ 22,737
2011	117,461	86,222	26,795	21,101
2012	117,461	80,095	26,795	19,694
2013	117,053	74,004	26,795	18,288
2014	117,053	67,863	26,795	16,881
2015 - 2019	546,504	251,786	133,975	63,303
2020 - 2024	485,171	113,815	133,975	28,135
2025 - 2029	148,298	14,967	26,713	1,406
	\$ 1,767,278	\$ 779,657	\$ 428,638	\$ 191,545

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - LONG-TERM DEBT (Concluded)**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 7,300,000	\$ -	\$ 100,000	\$ 7,200,000	\$ 100,000
Other long-term debt	2,397,754	312,450	942,926	1,767,278	118,277
Compensated absences	866,928	61,366	-	928,294	602,161
	<u>\$ 10,564,682</u>	<u>\$ 373,816</u>	<u>\$ 1,042,926</u>	<u>\$ 9,895,572</u>	<u>\$ 820,438</u>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation	\$ 13,930,000	\$ -	\$ 1,030,000	\$ 12,900,000	\$ 1,020,000
Revenue bonds	3,200,000	-	175,000	3,025,000	175,000
Other long-term debt	455,433	-	26,795	428,638	26,795
Add:					
Bond premiums	284,431	-	35,554	248,877	-
	17,869,864	-	1,267,349	16,602,515	1,221,795
Compensated absences	368,491	-	24,666	343,825	208,003
	<u>\$ 18,238,355</u>	<u>\$ -</u>	<u>\$ 1,292,015</u>	<u>\$ 16,946,340</u>	<u>\$ 1,429,798</u>

**NOTE 7 - PROPERTY TAX REVENUE**

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, community college and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Property taxes levied for the ensuing year's revenue are included in taxes receivable and deferred revenue. Property tax receivables related to delinquent taxes are also deferred unless collected within 60 days of year-end.

**CHARTER TOWNSHIP OF DELTA**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - PROPERTY TAX REVENUE (Concluded)**

The Township is permitted by state statute to levy taxes up to \$5.00 per \$1,000 of taxable valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. In addition, the residents of the Township have approved an additional \$1.00 per \$1,000 specifically for the operation of the paramedic operations. In 2009, the Township levied \$4.9287 per \$1,000 for general governmental purposes and \$0.9896 per \$1,000 for the paramedic operation for a total of \$5.9183 per \$1,000.

**NOTE 8 - PENSION PLANS**

*Money Purchase Retirement Plan*

The Charter Township of Delta has a Money Purchase Retirement Plan which was established on January 1, 1971. This defined contribution plan covers all full time employees and elected officials who have attained the age of eighteen years. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus results of investments transactions. The Plan assets are invested by ICMA Retirement Corporation who is the trustee of the Plan. The Township acts as a public plan sponsor for the retirement plan. Partial vesting occurs after three years of service at 20% and increases 20% per year until full vesting occurs at seven years of service. The Township contributes 12.5% of the employees' base annual compensation, based on the contribution provisions set up in the plan and trust agreement. The Township's total payroll was \$8,309,559 in 2009. The base salary amounted to \$5,498,448. The Township made the required contributions of \$687,306. No significant employee contributions were made. Plan provisions and contribution requirements are established and may be amended by the Township.

*Deferred Compensation Plan*

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all Township employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The Plan assets are held in trust for the exclusive benefit of participating employees and are not assessable by the government or its creditors.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION PLANS (Continued)**

Defined Benefit Plan

Plan Description. On July 1, 1994, the Township and its firefighters union elected to place the union firefighters into the Municipal Employees Retirement System (MERS) which is an agent multiple-employer public employee retirement system (PERS). The MERS was organized pursuant to Act No. 427, Public Acts of 1984, as amended, and the Constitution of the State of Michigan. The Township has no administrative responsibility for the plan. The Municipal Retirement System issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing Municipal Employee Retirement Systems of Michigan, Lansing, Michigan 48917 or calling (517) 622 - 4401.

Funding Policy. The Plan provides for vesting of benefits after 10 years of credited service. Participants may elect normal retirement at age 60 with 10 or more years of service. The Plan also provides for early retirement at age 55 with 15 or more years of service, and at age 50 with 25 or more years of service. Election of early retirement is subject to reduction of benefits as outlined below.

Participants of the firefighters union are entitled to a retirement benefit equal to the credited service at the time of membership termination multiplied by 1% to 2.5% of the member's final average compensation (F.A.C.) up to a maximum of 80% of F.A.C. subject to certain limitations. The retirement allowance is reduced 1/2% of 1% for each complete month that retirement precedes the age at which full normal retirement benefits are available. The Plan provides that the employer/employees contribute amounts necessary to fund the actuarially determined benefits. The Township makes employer contributions in accordance with funding requirements determined by MERS' actuary, until such time as the contributions exceed 9% of covered payroll whereon the Township is directed to make withholdings from salaries and wages of eligible employees and forward these to MERS. The MERS' actuary uses the entry age normal actuarial cost method.

The Township's pension cost for fiscal years ending December 31, 2009 and 2008 was \$159,636 and \$157,008, respectively. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method.

The significant actuarial assumptions to be used to compute the actuarial accrued liabilities are as follows: (1) the entry age normal actuarial cost method of valuation was used in determining age and service benefit liabilities and normal cost; (2) an 8% rate of return on investment of present and future assets was used based on estimated long-term yield considering (a) the nature and mix of current and expected investments; and (b) the basis used to value those assets; (3) projected salary increases are based on 4.5% raises for merit, seniority, and inflation rate allowances. Benefits will not increase after retirement except that some participants will receive cost of living allowances. Unfunded accrued liabilities are amortized over a 28 year period reduced by one year until it reaches 20.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 - PENSION PLANS (Concluded)**

c. Trend Information

Year ending December 31,	Annual pension cost	Percentage of annual pension cost contributed	Net pension obligation
2007	\$ 151,956	100%	-
2008	157,008	100%	-
2009	159,636	100%	-

d. Plan Membership

As of December 31 the Plan membership consisted of:

	2009	2008
Active employees	33	33
Inactive vested members	2	2
Retirees and beneficiaries currently receiving benefits	9	9
	<u>44</u>	<u>44</u>

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits and deferred compensation plan described in Note 8, the Township also sponsors a retiree health care plan (the "Plan"). The Plan provides other post employment benefits (OPEB) for all of its full time employees through a single-employer defined benefit plan. Based on the plan, the Township is required to have an actuarial calculation every three years. The information provided is the results of the most recent actuarial valuation with a measurement date of December 31, 2006.

*Plan Description.* The purpose of the Plan is to provide health care benefits to all employees who retire from the Township with a minimum ten years of service based on the schedule of shared participation rates. The Plan is maintained as a trust fund in the Charter Township of Delta's financial statements. The Township Board of Trustees has the authority to establish and amend benefit provisions.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Funding Policy.* The contribution requirements of plan members and the Township are established and may be amended by the Township. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township's share of costs ranges from 25% for those employees with ten years of service to 100% for those with 25 years of service. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The current rate is 10.26 percent of annual covered payroll. The Township contributed \$133,589 for their portion of shared costs with retiree's premiums. At December 31, 2006, the date of the latest actuarial valuation, participants in the Plan consisted of:

Retirees and beneficiaries receiving benefits	23
Active employees	<u>119</u>
Total	<u><u>142</u></u>

*Funding progress.* For the year ended December 31, 2009 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of December 31, 2006. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Based on that valuation, the Township contributed \$840,939 in the year ended December 31, 2009 which represents 115.2% of the annual required contribution. An additional \$24,000 was contributed on behalf of the Delta Township District Library. This is an additional 2.7% of the annual required contribution. The value of the plan's assets at the end of December 31, 2009 was \$4,124,502.

Actuarial accrued liability (AAL)	\$ 9,351,483
Actuarial value of plan assets - 12/31/2006	<u>2,096,771</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 7,254,712</u></u>
Funded ratio (actuarial value of plan assets/AAL)	<u><u>22.4%</u></u>
Covered payroll (active plan members)	<u><u>\$ 7,849,803</u></u>
UAAL as a percentage of covered payroll	<u><u>92.4%</u></u>
Amounts reported on Charter Township of Delta	\$ 263,171
Amounts reported on Delta Township District Library	<u>312</u>
	<u><u>\$ 263,483</u></u>

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and the preceding two years is as follows:

	Fiscal year ending December 31,		
	2007	2008	2009
Annual OPEB costs	\$ 366,737	\$ 833,483	\$ 864,939
Percentage contributed:			
Charter Township of Delta	37.2%	115.4%	115.2%
Delta Township District Library	17.4%	3.4%	2.7%
Total contributions	54.6%	118.8%	117.9%

Note: The Charter Township of Delta implemented GASB 45 reporting standards for the 2008 fiscal year.

The funding progress of the plan as of the most recent valuation date of December 31, 2006, is as follows:

Actuarial accrued liability (AAL)	\$ 9,351,483
Actuarial value of plan assets - 12/31/2006	2,096,771
Unfunded actuarial accrued liability (UAAL)	\$ 7,254,712
Funded ratio (actuarial value of plan assets/AAL)	22.4%
Covered payroll (active plan members)	\$ 7,849,803
UAAL as a percentage of covered payroll	92.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Concluded)**

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2006, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 8 percent investment rate of return and an annual healthcare cost trend rate of 12 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after ten years. Both rates include a 4.5 percent inflation assumption. The actuarial value of the assets was determined using the fair market value at the time of measurement. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2006 was thirty years.

**NOTE 10 - LIMITED OBLIGATION BONDS - ECONOMIC DEVELOPMENT CORPORATION**

The Corporation acts as a liaison between companies seeking financing and financial institutions in an effort to further the economic development of the Township. In performing this function, the corporation becomes a party in the financing agreements. The resulting debt of the developer is serviced directly by the financial institution. Under the bond agreements, the liability of the corporation upon the default of the debtor, is limited to the underlying value of the property. Under these arrangements, the corporation has no additional responsibility of repayment.

At December 31, 2009 and 2008, there was no outstanding value of the long-term financing bonds receivable and bonds payable incurred in the aforementioned manner.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The Township and its component unit are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township and its component unit carry commercial insurance to cover any losses that may result from the above described activities. No settlements have incurred in excess of coverage in 2009 or any of the prior three years.

There are various claims and legal actions pending against the Township, many of which are either partially or fully covered by insurance. The Township is defending against these actions. In the opinion of Township management, the ultimate amount of loss, if any, resulting from these claims and legal actions will not be material to the financial position of the Township.

**NOTE 12 - NATURE AND PURPOSE OF RESERVATIONS AND DESIGNATIONS OF FUND BALANCE**

Reservations in the enterprise fund represent amounts set aside for debt retirement and capital improvement. The amount of the reservation is based on the excess of restricted investments over related liabilities.

Designations in the general fund exist for compensated absences, roads, retiree health insurance, non-motorized transportation, manufacturing enhancement fund, and capital improvements.

**NOTE 13 - BUILDING DEPARTMENT**

The Township records the results of building department operations in the general fund. In accordance with Michigan Public Act 245 of 1999, the Township is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function. For the year ended December 31, 2009 building department revenues were \$251,526 and expenditures were \$834,506.

**NOTE 14 - USE OF ESTIMATES**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**CHARTER TOWNSHIP OF DELTA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 - LIBRARY CONSTRUCTION**

The Township has issued general obligation bonds totaling \$7,300,000 for the purpose of constructing a building to be utilized by the Delta Township District Library as a library. In April 2007, the Township and the Library entered into a thirty-five year operating lease with lease payments corresponding to the payment terms of the aforementioned bonds plus \$1 a year during the remainder of the lease term. The bonds are scheduled to be paid thru 2037. Lease revenue is scheduled as follows:

Year ending December 31,	
2010	\$ 407,800
2011	403,612
2012	399,550
2013	395,550
2014	391,550
2015 and thereafter	<u>10,898,725</u>
	<u><u>\$ 12,896,787</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2009**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
<b>REVENUES:</b>				
Taxes	\$ 8,770,100	\$ 8,770,100	\$ 9,142,853	\$ 372,753
Licenses and permits	858,600	858,600	736,692	(121,908)
Charges for services	1,837,151	1,837,151	1,846,050	8,899
Investment income - net	450,000	450,000	154,823	(295,177)
Rental income	43,500	43,500	37,728	(5,772)
Local contributions	18,500	18,500	31,100	12,600
Other	462,104	462,104	493,652	31,548
State shared revenue	2,232,879	2,122,879	1,959,032	(163,847)
State and federal grants	28,000	28,000	121,853	93,853
Total revenues	<u>14,700,834</u>	<u>14,590,834</u>	<u>14,523,783</u>	<u>(67,051)</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Legislative - trustees	83,182	83,182	76,959	6,223
Manager	479,611	473,815	403,845	69,970
Assessing	422,497	418,155	406,619	11,536
Clerk	426,041	420,157	419,469	688
Treasurer	314,351	306,887	234,041	72,846
Computer	221,532	220,168	219,658	510
Township hall and grounds	505,554	503,719	442,823	60,896
General service administration	904,053	904,053	889,187	14,866
Cemetery	291,805	290,120	274,897	15,223
Total general government	<u>3,648,626</u>	<u>3,620,256</u>	<u>3,367,498</u>	<u>252,758</u>
Public safety:				
Law enforcement - police	2,896,920	2,896,920	2,871,439	25,481
Fire	2,757,313	2,735,925	2,414,587	321,338
Emergency operations center	13,100	13,100	7,746	5,354
Protective inspection	894,301	883,466	834,506	48,960
Total public safety	<u>6,561,634</u>	<u>6,529,411</u>	<u>6,128,278</u>	<u>401,133</u>

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2009**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
<b>EXPENDITURES (Concluded):</b>				
Current:				
Public works:				
Department of public works	\$ 99,267	\$ 99,267	\$ 84,413	\$ 14,854
Drains	7,000	334,191	331,269	2,922
Streets and highways	311,000	474,200	444,065	30,135
Engineering	765,545	756,286	633,702	122,584
Street lighting	443,500	443,500	443,229	271
Total public works	<u>1,626,312</u>	<u>2,107,444</u>	<u>1,936,678</u>	<u>170,766</u>
Health and welfare:				
Paramedics	<u>2,527,044</u>	<u>2,503,071</u>	<u>2,389,314</u>	<u>113,757</u>
Community and economic development:				
Planning	367,169	347,866	316,622	31,244
Economic development	<u>64,913</u>	<u>64,913</u>	<u>27,316</u>	<u>37,597</u>
Total community and economic development	<u>432,082</u>	<u>412,779</u>	<u>343,938</u>	<u>68,841</u>
Culture and recreation:				
Parks and recreation	<u>1,481,903</u>	<u>1,470,031</u>	<u>1,350,152</u>	<u>119,879</u>
Debt service				
	<u>278,777</u>	<u>1,082,044</u>	<u>1,082,044</u>	<u>-</u>
Total expenditures	<u>16,556,378</u>	<u>17,725,036</u>	<u>16,597,902</u>	<u>1,127,134</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Drain assessments issued by Eaton County	-	312,450	312,450	-
Interfund transfers in	2,137,044	2,137,044	1,861,190	(275,854)
Interfund transfers out	<u>(281,500)</u>	<u>(281,500)</u>	<u>(281,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,855,544</u>	<u>2,167,994</u>	<u>1,892,140</u>	<u>(275,854)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (966,208)</u>	<u>(181,979)</u>	<u>\$ 784,229</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>13,657,490</u>	
End of year			<u>\$ 13,475,511</u>	

**CHARTER TOWNSHIP OF DELTA  
BUDGETARY COMPARISON SCHEDULE  
PARAMEDIC SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2009**

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget- positive (negative)</b>
<b>REVENUES:</b>				
Taxes and special assessments	\$ 1,423,507	\$ 1,423,507	\$ 1,406,883	\$ (16,624)
Investment income - net	50,000	50,000	31,093	(18,907)
Total revenues	1,473,507	1,473,507	1,437,976	(35,531)
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	120,000	120,000	110,000	(10,000)
Excess of revenues over expenditures	1,353,507	1,353,507	1,327,976	(25,531)
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers out	(1,472,044)	(1,472,044)	(1,214,459)	257,585
Net change in fund balance	\$ (118,537)	\$ (118,537)	113,517	\$ 232,054
<b>FUND BALANCE</b> , beginning of year			1,952,056	
<b>FUND BALANCE</b> , end of year			\$ 2,065,573	

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION PLAN FUNDING PROGRESS  
FOR THE UNION FIREFIGHTERS RETIREMENT PLAN  
YEAR ENDED DECEMBER 31, 2009**

The six year historical information required to be disclosed, beginning as of December 31, 2003, is as follows:

Actuarial valuation date	(1) Actuarial value of assets	(2) Actuarial accrued liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded ratio (1) / (2)	(5) Annual covered payroll	(6) UAAL as a % of payroll [(2) - (1)] / (5)
2003	\$ 4,688,962	\$ 6,166,076	\$ 1,477,114	76%	\$ 1,470,816	100%
2004	5,004,212	6,844,052	1,839,840	73%	1,526,633	121%
2005	5,421,137	7,403,436	1,982,299	73%	1,614,096	123%
2006	5,947,528	8,019,928	2,072,400	74%	1,688,465	123%
2007	6,495,198	8,440,750	1,945,552	77%	1,744,522	112%
2008	6,852,975	9,286,619	2,433,644	74%	1,773,725	137%

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

- A. The Actuarial Accrued Liability was determined as part of an actuarial valuation at December 31, 2008, the most recently filed actuarial valuation report.
- B. The report was based upon the Plan's actuarial assumptions described in Note 8. The asset valuation method assumes the funds earn the expected rate of return (8%), and includes an adjustment to reflect market value. For the December 31, 2008 valuation, the actuarial asset value was 139.15% of market value (\$4,924,947).
- C. The amortization method used is level percent of payroll ranging from 20-60 years. The payroll is assumed to increase 4.5% a year for the purpose of determining the level percent contribution.

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEUDLE OF THE POSTRETIREMENT HEALTH CARE PLAN FUNDING PROGRESS  
YEAR ENDED DECEMBER 31, 2009**

The historical information required to be disclosed, beginning as of December 31, 2006, is as follows:

Actuarial valuation date	(1) Actuarial value of assets	(2) Actuarial accrued liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded ratio (1) / (2)	(5) Annual covered payroll	(6) UAAL as a % of payroll [(2) - (1)] / (5)
2006	\$ 2,096,771	\$ 9,351,483	\$ 7,254,712	22%	\$ 7,849,803	92%

Schedule of employer contributions

Year ended December	Actual valuation date	Annual required contribution	Percentage contributed
2007	December 31, 2006	\$ 671,465	54.6%
2008	December 31, 2006	701,681	118.8%
2009	December 31, 2006	733,257	117.9%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2006 the latest actuarial valuation follows:

Actuarial cost method	Indiviudal entry age
Amortization method	Level percent open
Amortization period (perpetual)	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Valuation health care cost trend rate	12% in 2007, grading to 4.5% in 2016

**ADDITIONAL INFORMATION**

**CHARTER TOWNSHIP OF DELTA  
GENERAL FUND  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
<b>ASSETS:</b>		
Cash	\$ 9,911,650	\$ 9,073,861
Investments	7,080,091	8,128,847
Receivables:		
Accounts	416,431	577,448
Taxes	3,775,412	4,017,350
Interest	53,646	69,696
Due from other funds	19,465	90,948
Prepaid expenditures	98,859	76,076
	\$ 21,355,554	\$ 22,034,226
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 285,071	\$ 265,663
Accrued salaries and related items	160,287	419,174
Customer deposits	48,297	164,484
Deferred revenue	7,386,388	7,527,415
	7,880,043	8,376,736
<b>FUND BALANCE:</b>		
Reserved for prepaid expenditures	98,859	76,076
Designated:		
Compensated absences	928,296	866,928
Roads	1,200,000	1,200,000
Retiree health insurance	1,500,000	1,500,000
Non-motorized transportation	300,000	300,000
MEF	190,000	190,000
Capital improvements	1,000,000	1,000,000
Unreserved - undesignated	8,258,356	8,524,486
	13,475,511	13,657,490
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$ 21,355,554	\$ 22,034,226

**CHARTER TOWNSHIP OF DELTA  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>REVENUES:</b>		
Taxes	\$ 9,142,853	\$ 9,138,391
Licenses and permits	736,692	829,359
Charges for services	1,846,050	1,780,862
Investment income - net	154,823	764,321
Rental income	37,728	35,742
Local contributions	31,100	13,750
Other	493,652	493,884
State shared revenue	1,959,032	2,227,131
State and federal grants	121,853	150,627
	14,523,783	15,434,067
Total revenues		
<b>EXPENDITURES:</b>		
Current:		
General government:		
Legislative - trustees	76,959	78,836
Manager	403,845	414,122
Assessing	406,619	366,085
Clerk	419,469	595,921
Treasurer	234,041	277,773
Computer	219,658	207,271
Township hall and grounds	442,823	403,670
General service administration	889,187	838,824
Cemetery	274,897	229,949
	3,367,498	3,412,451
Total general government		
Public safety:		
Law enforcement - police	2,871,439	2,801,770
Fire	2,414,587	2,059,636
Emergency operations center	7,746	48,315
Protective inspection	834,506	833,400
	6,128,278	5,743,121
Total public safety		

**CHARTER TOWNSHIP OF DELTA  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>EXPENDITURES (Concluded):</b>		
Current:		
Public works:		
Recycling	\$ 84,413	\$ 77,783
Drains	331,269	365,570
Streets and highways	444,065	367,817
Engineering	633,702	622,736
Street lighting	443,229	436,301
Total public works	1,936,678	1,870,207
Health and welfare:		
Paramedics	2,389,314	2,111,964
Community and economic development:		
Planning	316,622	322,965
Economic development	27,316	597
Total community and economic development	343,938	323,562
Culture and recreation:		
Parks and recreation	1,350,152	1,341,509
Debt service	1,082,044	310,060
Total expenditures	16,597,902	15,112,874
<b>OTHER FINANCING SOURCES (USES):</b>		
Drain assessments issued by Eaton County	312,450	360,750
Interfund transfers from other funds	1,861,190	1,154,704
Interfund transfers to other funds	(281,500)	(611,500)
Total other financing sources (uses)	1,892,140	903,954
Net change in fund balance	(181,979)	1,225,147
<b>FUND BALANCE:</b>		
Beginning of year	13,657,490	12,432,343
End of year	\$ 13,475,511	\$ 13,657,490

**CHARTER TOWNSHIP OF DELTA  
SCHEDULE OF GENERAL ASSESSMENT PAYABLE  
DECEMBER 31, 2009**

	<b>Carrier Creek</b>	<b>Watson</b>	<b>Forest Glen</b>	<b>Willow Woods</b>	<b>Sherwood Forest</b>	<b>Total</b>
2010	\$ 148,595	\$ 23,767	\$ 21,344	\$ 11,098	\$ 4,380	\$ 209,184
2011	143,688	23,000	20,799	9,815	6,380	203,682
2012	139,468	22,233	20,255	9,391	6,209	197,556
2013	135,248	21,467	19,737	8,560	6,045	191,057
2014	131,028	20,700	19,167	8,155	5,865	184,915
2015	126,808	19,933	18,623	-	5,694	171,058
2016	122,587	19,167	18,079	-	5,522	165,355
2017	118,367	18,400	17,555	-	5,357	159,679
2018	114,147	17,633	16,991	-	5,179	153,950
2019	109,927	16,867	16,447	-	5,008	148,249
2020	105,706	16,100	15,903	-	4,836	142,545
2021	101,486	-	15,372	-	4,669	121,527
2022	97,266	-	14,815	-	4,493	116,574
2023	93,046	-	14,271	-	4,321	111,638
2024	88,826	-	13,727	-	4,150	106,703
2025	84,605	-	13,190	-	3,980	101,775
2026	-	-	12,639	-	3,806	16,445
2027	-	-	12,095	-	3,635	15,730
2028	-	-	11,551	-	3,463	15,014
2029	-	-	11,008	-	3,292	14,300
	<u>1,860,798</u>	<u>219,267</u>	<u>323,568</u>	<u>47,019</u>	<u>96,284</u>	<u>2,546,936</u>
Less interest	<u>574,636</u>	<u>50,601</u>	<u>114,318</u>	<u>6,219</u>	<u>33,884</u>	<u>779,658</u>
	<u>\$ 1,286,162</u>	<u>\$ 168,666</u>	<u>\$ 209,250</u>	<u>\$ 40,800</u>	<u>\$ 62,400</u>	<u>\$ 1,767,278</u>

Note: Drains at large consists of drains installed by Eaton County Drain Commission in which the State of Michigan, homeowner, Delta Township, and the Eaton County Drain Commission share the cost of installment. Delta Township is assessed yearly for their share of the cost plus interest on the outstanding balance. Interest rates charged to the different projects range from 4.90% to 5.05%.

**CHARTER TOWNSHIP OF DELTA  
PARAMEDIC FUND  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008**

<b>ASSETS</b>	<u>2009</u>	<u>2008</u>
<b>ASSETS:</b>		
Cash	\$ 1,201,050	\$ 1,025,437
Investments	858,252	919,023
Receivables:		
Taxes	1,385,133	1,407,275
Interest	<u>6,271</u>	<u>7,596</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,450,706</u></u>	<u><u>\$ 3,359,331</u></u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Deferred revenue	<u>\$ 1,385,133</u>	<u>\$ 1,407,275</u>
<b>FUND BALANCE:</b>		
Designated for subsequent years' expenditures	62,233	118,537
Unreserved, undesignated	<u>2,003,340</u>	<u>1,833,519</u>
<b>TOTAL FUND BALANCE</b>	<u>2,065,573</u>	<u>1,952,056</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 3,450,706</u></u>	<u><u>\$ 3,359,331</u></u>

**CHARTER TOWNSHIP OF DELTA  
PARAMEDIC FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES:</b>		
Taxes and special assessments	\$ 1,406,883	\$ 1,380,867
Investment income - net	<u>31,093</u>	<u>111,751</u>
 Total revenues	 1,437,976	 1,492,618
<b>EXPENDITURES:</b>		
Current:		
Health and welfare	<u>110,000</u>	<u>103,200</u>
 Excess of revenues over expenditures	 1,327,976	 1,389,418
<b>OTHER FINANCING SOURCES (USES):</b>		
Interfund transfers out	<u>(1,214,459)</u>	<u>(1,100,485)</u>
 Net change in fund balance	 113,517	 288,933
<b>FUND BALANCE:</b>		
Beginning of year	<u>1,952,056</u>	<u>1,663,123</u>
 End of year	 <u><u>\$ 2,065,573</u></u>	 <u><u>\$ 1,952,056</u></u>

**CHARTER TOWNSHIP OF DELTA  
CAPITAL PROJECTS FUND  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
<b>ASSETS:</b>		
Interest receivable	\$ -	\$ 3
Restricted cash - capital outlay	-	472
Restricted investments - capital outlay	-	423
 <b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 898</b>
<b>LIABILITIES</b>		
<b>LIABILITIES:</b>		
Retainage payable	\$ -	\$ 898

**CHARTER TOWNSHIP OF DELTA  
 CAPITAL PROJECTS FUND  
 STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>REVENUES:</b>		
Contributions from other governmental units	\$ -	\$ 145,766
Investment income - net	-	52,694
	-	198,460
<b>EXPENDITURES:</b>		
Capital outlay	-	3,195,343
	-	(2,996,883)
<b>FUND BALANCE (DEFICIT):</b>		
Beginning of year	-	2,996,883
	-	-
End of year	\$ -	\$ -

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes.

Improvement Revolving Fund - The general fund transfers amounts annually to the fund which may only be utilized for capital improvements. This fund is utilized pursuant to Michigan law.

Budget Stabilization Fund - This fund is established to maintain funds the Township may need in times of budget short fall. This fund is established and limited pursuant to Michigan law.

### **Debt Service Fund**

Debt Service Fund - The Township maintains a debt service fund to account for resources accumulated and payments made related to debt related to the Central Fire Station.

### **Permanent Fund**

Cemetery Perpetual Care Fund - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

**CHARTER TOWNSHIP OF DELTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009**

	<u>Special revenue</u>	<u>Debt service</u>	<u>Permanent fund Cemetery perpetual care fund</u>	<u>Total nonmajor governmental funds</u>
<b>ASSETS</b>				
<b>ASSETS:</b>				
Cash	\$ 1,116,682	\$ 31,129	\$ 134,561	\$ 1,282,372
Investments	799,328	-	96,155	895,483
Interest receivable	4,464	-	703	5,167
<b>TOTAL ASSETS</b>	<u>\$ 1,920,474</u>	<u>\$ 31,129</u>	<u>\$ 231,419</u>	<u>\$ 2,183,022</u>
<b>FUND BALANCES</b>				
<b>FUND BALANCES:</b>				
Reserved for debt service	\$ -	\$ 31,129	\$ -	\$ 31,129
Reserved for perpetual care	-	-	231,419	231,419
Unreserved, undesignated	1,920,474	-	-	1,920,474
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,920,474</u>	<u>\$ 31,129</u>	<u>\$ 231,419</u>	<u>\$ 2,183,022</u>

**CHARTER TOWNSHIP OF DELTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2009**

	Special revenue	Debt service	Permanent fund Cemetery perpetual care fund	Total nonmajor governmental funds
<b>REVENUES:</b>				
Local sources:				
Investment earnings	\$ 14,203	\$ 1,496	\$ 2,231	\$ 17,930
Rental income	-	412,050	-	412,050
Other	-	-	15,750	15,750
	14,203	413,546	17,981	445,730
<b>EXPENDITURES:</b>				
Debt service:				
Principal repayment	-	100,000	-	100,000
Interest expense	-	312,375	-	312,375
	-	412,375	-	412,375
<b>EXCESS OF REVENUES (EXPENDITURES)</b>	<b>14,203</b>	<b>1,171</b>	<b>17,981</b>	<b>33,355</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers from other funds	281,500	-	-	281,500
Interfund transfers to other funds	(644,500)	-	(2,231)	(646,731)
	(363,000)	-	(2,231)	(365,231)
<b>Net change in fund balances</b>	<b>(348,797)</b>	<b>1,171</b>	<b>15,750</b>	<b>(331,876)</b>
<b>FUND BALANCES:</b>				
Beginning of year	2,269,271	29,958	215,669	2,514,898
End of year	\$ 1,920,474	\$ 31,129	\$ 231,419	\$ 2,183,022

**CHARTER TOWNSHIP OF DELTA  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2009  
(with comparative totals for December 31, 2008)**

<b>ASSETS</b>	<b>Improvement revolving fund</b>	<b>Budget stabilization fund</b>	<b>Totals</b>	
			<b>2009</b>	<b>2008</b>
Cash	\$ 855,024	\$ 261,658	\$ 1,116,682	\$ 1,192,073
Investments	610,986	188,342	799,328	906,589
Interest receivable	4,464	-	4,464	7,079
Restricted investments	-	-	-	163,530
<b>TOTAL ASSETS</b>	<b>\$ 1,470,474</b>	<b>\$ 450,000</b>	<b>\$ 1,920,474</b>	<b>\$ 2,269,271</b>
<b>FUND BALANCES</b>				
<b>FUND BALANCES:</b>				
Designated for subsequent years' expenditures	\$ -	\$ -	\$ -	\$ 358,000
Unreserved, undesignated	1,470,474	450,000	1,920,474	1,911,271
	<b>\$ 1,470,474</b>	<b>\$ 450,000</b>	<b>\$ 1,920,474</b>	<b>\$ 2,269,271</b>

**CHARTER TOWNSHIP OF DELTA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2009  
(with comparative totals for the year ended December 31, 2008)**

	<b>Improvement revolving fund</b>	<b>Budget stabilization fund</b>	<b>Totals</b>	
			<b>2009</b>	<b>2008</b>
<b>REVENUES:</b>				
Investment income - net	\$ 14,203	\$ -	\$ 14,203	\$ 59,295
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers from other funds	281,500	-	281,500	611,500
Interfund transfers to other funds	(644,500)	-	(644,500)	(45,188)
Total other financing sources (uses)	(363,000)	-	(363,000)	566,312
Net change in fund balances	(348,797)	-	(348,797)	625,607
<b>FUND BALANCES:</b>				
Beginning of year	1,819,271	450,000	2,269,271	1,643,664
End of year	\$ 1,470,474	\$ 450,000	\$ 1,920,474	\$ 2,269,271

**CHARTER TOWNSHIP OF DELTA  
BUDGETARY COMPARISON SCHEDULE  
IMPROVEMENT REVOLVING SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2009**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
<b>REVENUES:</b>				
Investment income - net	\$ 20,000	\$ 20,000	\$ 14,203	\$ (5,797)
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund transfers in	281,500	281,500	281,500	-
Interfund transfers out	(659,500)	(659,500)	(644,500)	15,000
Total other financing sources (uses)	<u>(378,000)</u>	<u>(378,000)</u>	<u>(363,000)</u>	<u>15,000</u>
Net change in fund balance	<u><u>\$(358,000)</u></u>	<u><u>\$(358,000)</u></u>	<u>(348,797)</u>	<u><u>\$ 9,203</u></u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,819,271</u>	
End of year			<u><u>\$1,470,474</u></u>	

**CHARTER TOWNSHIP OF DELTA  
DEBT SERVICE FUND  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008**

	<b>ASSETS</b>	<u>2009</u>	<u>2008</u>
<b>ASSETS:</b>			
Cash		<u>\$ 31,129</u>	<u>\$ 29,958</u>
	<b>FUND BALANCE</b>		
<b>FUND BALANCE:</b>			
Reserved for debt service		<u>\$ 31,129</u>	<u>\$ 29,958</u>

**CHARTER TOWNSHIP OF DELTA  
DEBT SERVICE FUND  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUE:</b>		
Taxes	\$ -	\$ 750,686
Rental income - Delta Township District Library	412,050	314,175
Investment income - net	<u>1,496</u>	<u>4,924</u>
 Total revenue	 <u>413,546</u>	 <u>1,069,785</u>
<b>EXPENDITURES:</b>		
Principal payments on debt	100,000	900,000
Interest and fiscal charges	<u>312,375</u>	<u>325,888</u>
 Total expenditures	 <u>412,375</u>	 <u>1,225,888</u>
 Net change in fund balance	 1,171	 (156,103)
<b>FUND BALANCE:</b>		
Beginning of year	<u>29,958</u>	<u>186,061</u>
 End of year	 <u>\$ 31,129</u>	 <u>\$ 29,958</u>

**CHARTER TOWNSHIP OF DELTA**  
**2007 GENERAL OBLIGATION LIMITED TAX LIBRARY DEBT**  
**SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS**  
**DECEMBER 31, 2009**

<u>Interest rate</u>	<u>Due April 1</u>	<u>Principal</u>	<u>Interest</u>		<u>Total payment requirements</u>
			<u>April 1</u>	<u>October 1</u>	
4.250%	2010	\$ 100,000	\$ 154,963	\$ 152,837	\$ 407,800
4.125%	2011	100,000	152,837	150,775	403,612
4.000%	2012	100,000	150,775	148,775	399,550
4.000%	2013	100,000	148,775	146,775	395,550
4.000%	2014	100,000	146,775	144,775	391,550
4.000%	2015	100,000	144,775	142,775	387,550
4.000%	2016	150,000	142,775	139,775	432,550
4.000%	2017	150,000	139,775	136,775	426,550
4.000%	2018	200,000	136,775	132,775	469,550
4.000%	2019	200,000	132,775	128,775	461,550
4.100%	2020	200,000	128,775	124,675	453,450
4.125%	2021	200,000	124,675	120,550	445,225
4.125%	2022	200,000	120,550	116,425	436,975
4.200%	2023	200,000	116,425	112,225	428,650
4.250%	2024	200,000	112,225	107,975	420,200
4.250%	2025	200,000	107,975	103,725	411,700
4.250%	2026	200,000	103,725	99,475	403,200
4.250%	2027	300,000	99,475	93,100	492,575
4.300%	2028	300,000	93,100	86,650	479,750
4.300%	2029	300,000	86,650	80,200	466,850
4.300%	2030	400,000	80,200	71,600	551,800
4.300%	2031	400,000	71,600	63,000	534,600
4.500%	2032	400,000	63,000	54,000	517,000
4.500%	2033	400,000	54,000	45,000	499,000
4.500%	2034	500,000	45,000	33,750	578,750
4.500%	2035	500,000	33,750	22,500	556,250
4.500%	2036	500,000	22,500	11,250	533,750
4.500%	2037	500,000	11,250		511,250
		<u>\$ 7,200,000</u>	<u>\$ 2,925,875</u>	<u>\$ 2,770,912</u>	<u>\$ 12,896,787</u>

NOTE: General obligation debt bonds dated May 1, 2007 were issued to provide funds for the construction of the library building under the provisions of Public Act 94. Original debt of \$7,300,000.

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 3,798,151	\$ 3,559,756
Investments	2,699,944	3,172,385
Receivables:		
Customer accounts	383,838	360,262
Interest	33,949	44,284
Special assessment - current	23,228	28,426
Special assessment - interest	10,343	10,054
Other	48,072	61,960
	<b>6,997,525</b>	<b>7,237,127</b>
<b>NONCURRENT ASSETS:</b>		
Investments:		
Replacement account	4,650,713	4,604,370
Deferred charges:		
Tap in charges - deferred	201,793	219,441
Unamortized bond issuance costs	26,357	30,122
Special assessment - deferred	17,110	19,337
Prepaid other postemployment benefits - restricted	949	738
	<b>4,896,922</b>	<b>4,874,008</b>
<b>PROPERTY, PLANT, AND EQUIPMENT, net of accumulated depreciation</b>	<b>30,207,305</b>	<b>31,938,468</b>
<b>TOTAL ASSETS</b>	<b>\$ 42,101,752</b>	<b>\$ 44,049,603</b>

<b>LIABILITIES AND NET ASSETS</b>	<u>2009</u>	<u>2008</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 110,319	\$ 64,494
Accrued interest	12,693	13,795
Customer deposits	68,392	68,392
Current portion of long-term liabilities	227,695	230,145
Current portion of compensated absences	172,516	192,878
Due to other funds	13,258	63,160
	<u>604,873</u>	<u>632,864</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>LONG-TERM LIABILITIES, net of current portion:</b>		
Compensated absences	107,501	114,210
Other long-term debt	401,843	428,721
Unamortized bond premiums	60,967	69,677
General obligation bonds payable	1,489,600	1,690,417
	<u>2,059,911</u>	<u>2,303,025</u>
<b>TOTAL LONG-TERM LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>		
	<u>2,664,784</u>	<u>2,935,889</u>
<b>NET ASSETS:</b>		
Invested in capital assets net of related debt	28,053,557	29,549,630
Restricted for other postemployment benefits	949	738
Unrestricted	11,382,462	11,563,347
	<u>39,436,968</u>	<u>41,113,715</u>
<b>TOTAL NET ASSETS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u><u>\$ 42,101,752</u></u>	<u><u>\$ 44,049,604</u></u>

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 3,260,572	\$ 3,608,161
Capital charges	67,345	41,511
Forfeited discounts	47,383	42,254
Other	<u>3,092</u>	<u>3,757</u>
 Total operating revenues	 <u>3,378,392</u>	 <u>3,695,683</u>
<b>OPERATING EXPENSES:</b>		
Costs of sales and services	3,207,290	3,389,100
Depreciation	<u>1,904,619</u>	<u>1,907,033</u>
 Total operating expenses	 <u>5,111,909</u>	 <u>5,296,133</u>
 Operating loss	 <u>(1,733,517)</u>	 <u>(1,600,450)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Contributions-infrastructure	36,740	400,301
Main charges	(23,160)	19,280
Investment income - net	131,972	507,349
Interest and fiscal charges	(93,727)	(99,103)
Amortization of bond issuance cost	(3,765)	(3,765)
Amortization of bond premium	<u>8,710</u>	<u>8,710</u>
 Total non-operating revenues - net	 <u>56,770</u>	 <u>832,772</u>
 Net loss	 <u>(1,676,747)</u>	 <u>(767,678)</u>
<b>NET ASSETS:</b>		
Beginning of year	<u>41,113,715</u>	<u>41,881,393</u>
 End of year	 <u>\$ 39,436,968</u>	 <u>\$ 41,113,715</u>

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>INCREASE (DECREASE) IN CASH:</b>		
Cash flows from operating activities:		
Operating loss	\$ (1,733,517)	\$ (1,600,450)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,904,619	1,907,033
Gain on disposal of fixed assets	(2,988)	(3,362)
Receivables	(23,576)	(360,262)
Prepaid expenditures	(211)	(738)
Due to/from other funds - net	(49,902)	4,584
Accounts payable	45,826	(86,870)
Accrued compensated absences	(27,071)	8,846
Total adjustments	1,846,697	1,469,231
Net cash provided by operating activities	113,180	(131,219)
Cash flows from non-capital financing activities:		
Contributions	36,740	400,301
Main and tap in charges	(5,512)	46,576
Net cash provided by non-capital financing activities	31,228	446,877
Cash flows for capital and related financing activities:		
Principal repayments on debt	(230,145)	(205,645)
Net interest paid on bonds	(94,829)	(99,997)
Payments for capital acquisitions	(173,456)	(929,527)
Proceeds from special assessments	21,313	(4,953)
Interest received from special assessments	19,167	22,039
Proceeds from the sale of fixed assets	2,988	3,362
Net cash used by capital and related financing activities	(454,962)	(1,214,721)
Cash flows from investing activities:		
Interest received from investments	122,851	506,249
Purchase/proceeds of investments	426,098	2,184,393
Net cash provided by investing activities	548,949	2,690,642
<b>NET INCREASE IN CASH</b>	238,395	1,791,579
<b>CASH:</b>		
Beginning of year	3,559,756	1,768,177
End of year	\$ 3,798,151	\$ 3,559,756

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
SCHEDULES OF COSTS OF SALES AND SERVICES  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Salaries and wages	\$ 1,282,111	\$ 1,337,919
Payroll taxes	100,586	100,246
Employee fringe benefits	410,941	410,849
Pension expense	151,956	144,206
Office supplies	12,801	9,569
Chemicals	280,166	247,357
Supplies	32,116	37,152
Maintenance of plant	40,209	37,514
Maintenance of equipment	161,520	183,046
Accounting and auditing	143,382	144,666
Administrative fees	100,000	100,000
Contracted services	41,919	42,048
Engineering	11,225	73,050
Collection fees	577	621
Telephone	12,859	12,183
Legal fees	-	162
Transportation	23,841	46,981
Insurance	94,040	189,101
Utilities	292,492	264,491
Miscellaneous	14,549	7,939
	<u>\$ 3,207,290</u>	<u>\$ 3,389,100</u>

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND  
AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2009**

Delta Township Bonds  
General Obligation Limited Tax Bonds

Year	Interest rate	Principal due May 1	Interest May 1	Interest November 1	Total	Total principal and interest requirements
2010	3.500 %	\$ 200,900	\$ 38,079	\$ 34,563	\$ 72,642	\$ 273,542
2011	3.750 %	225,400	34,563	30,337	64,900	290,300
2012	3.875 %	225,400	30,337	25,970	56,307	281,707
2013	5.000 %	248,675	25,970	19,753	45,723	294,398
2014	5.000 %	252,350	19,753	13,444	33,197	285,547
2015	5.000 %	268,275	13,444	6,738	20,182	288,457
2016	5.000 %	269,500	6,738	-	6,738	276,238
		<u>\$ 1,690,500</u>	<u>\$ 168,884</u>	<u>\$ 130,805</u>	<u>\$ 299,689</u>	<u>\$ 1,990,189</u>

NOTE: The general obligation limited tax bonds were issued by the Charter Township of Delta on April 24, 2003 for the purpose of construction of sewer projects. Original amount was \$2,762,375.

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
SCHEDULE OF GENERAL ASSESSMENT PAYABLE  
DECEMBER 31, 2009**

		<u>Carrier Creek</u>
2010	\$	49,532
2011		47,896
2012		46,489
2013		45,083
2014		43,676
2015		42,269
2016		40,862
2017		39,456
2018		38,049
2019		36,642
2020		35,235
2021		33,829
2022		32,422
2023		31,015
2024		29,609
2025		<u>28,119</u>
		620,183
Less interest		<u>191,545</u>
		<u>\$ 428,638</u>

NOTE: Drains at large consists of drains installed by Eaton County Drain Commission in which the State of Michigan, homeowners, Delta Township, and the Eaton County Drain Commission share the cost of installment. Delta Township is assessed yearly for their share of the cost plus interest on the outstanding balance. The interest rate charged to the Sewer Fund's share of the Carrier Creek project is 5.25%.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
BALANCE SHEETS  
DECEMBER 31, 2009 AND 2008**

<b>ASSETS</b>	<u>2009</u>	<u>2008</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 3,405,981	\$ 4,492,260
Investments	2,427,699	2,017,215
Receivables:		
Customer accounts	348,940	322,830
Interest	23,943	33,275
Special assessment - current	44,590	52,917
Special assessment - interest	10,271	11,872
Other	57,590	34,651
Current portion of long-term receivable	<u>22,698</u>	<u>19,999</u>
<b>TOTAL CURRENT ASSETS</b>	<u>6,341,712</u>	<u>6,985,019</u>
<b>NONCURRENT ASSETS:</b>		
Investments:		
Replacement account	2,029,085	2,008,866
Deferred charges:		
Water tap charges - deferred	126,121	139,843
Unamortized bond issuance costs	341,518	379,211
Special assessments - deferred	229,450	253,448
Long-term receivable	384,575	407,273
Prepaid (payable) other postemployment benefits - restricted	<u>(796)</u>	<u>865</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>3,109,953</u>	<u>3,189,506</u>
<b>PROPERTY, PLANT AND EQUIPMENT,</b>		
less accumulated depreciation	<u>34,151,049</u>	<u>34,273,222</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 43,602,714</u></u>	<u><u>\$ 44,447,747</u></u>

<b>LIABILITIES AND NET ASSETS</b>	<u>2009</u>	<u>2008</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 161,495	\$ 116,433
Accrued interest	106,765	112,939
Customer deposits	26,593	17,795
Current portion of long-term liabilities	994,100	1,001,650
Current portion of compensated absences	35,487	34,537
Contract retainers payable	-	43,143
Due to other funds	6,207	27,788
	<u>1,330,647</u>	<u>1,354,285</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>LONG-TERM LIABILITIES, net of current portion:</b>		
Compensated absences	28,321	26,866
Unamortized bond premiums	187,910	214,754
Revenue bonds payable	2,850,000	3,025,000
General obligation bonds payable	10,390,400	11,209,500
	<u>13,456,631</u>	<u>14,476,120</u>
<b>TOTAL LONG-TERM LIABILITIES</b>		
	<u>14,787,278</u>	<u>15,830,405</u>
<b>TOTAL LIABILITIES</b>		
<b>NET ASSETS:</b>		
Invested in capital assets net of related debt	20,070,157	19,201,529
Restricted for other postemployment benefits	-	865
Unreserved	8,745,279	9,414,948
	<u>28,815,436</u>	<u>28,617,342</u>
<b>TOTAL NET ASSETS</b>		
	<u>\$ 43,602,714</u>	<u>\$ 44,447,747</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 3,937,742	\$ 4,175,904
Capital charges	63,460	46,760
Hydrant rental	133,560	133,840
Forfeited discounts	51,661	49,397
Other service charges	102,051	74,449
Other	<u>22,005</u>	<u>23,145</u>
 Total operating revenues	 <u>4,310,479</u>	 <u>4,503,495</u>
<b>OPERATING EXPENSES:</b>		
Costs of sales and services	3,030,815	2,857,022
Depreciation	<u>937,826</u>	<u>934,508</u>
 Total operating expenses	 <u>3,968,641</u>	 <u>3,791,530</u>
 Operating income	 <u>341,838</u>	 <u>711,965</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Contributions - infrastructure	305,287	781,194
Main charges	86,829	30,343
Investment income - net	132,934	424,465
Interest and fiscal charges	(657,945)	(691,876)
Amortization of bond issuance cost	(37,693)	(37,693)
Amortization of bond premium	<u>26,844</u>	<u>26,844</u>
 Total non-operating revenues - net	 <u>(143,744)</u>	 <u>533,277</u>
 Net income	 198,094	 1,245,242
<b>NET ASSETS:</b>		
Beginning of year	<u>28,617,342</u>	<u>27,372,100</u>
 End of year	 <u>\$ 28,815,436</u>	 <u>\$ 28,617,342</u>

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
<b>INCREASE (DECREASE) IN CASH:</b>		
Cash flows from operating activities:		
Operating income	\$ 341,838	\$ 711,965
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	937,826	934,508
Gain on disposal of fixed assets	(2,700)	-
Receivables	(29,050)	408,116
Prepaid expenditures	1,661	(865)
Due to/from other funds - net	(21,581)	5,679
Accounts payable	45,062	(9,001)
Accrued compensated absences	2,405	8,308
Customer deposits	8,798	(7,119)
Contract retainers payable	(43,143)	(49,627)
Total adjustments	899,278	1,289,999
Net cash provided by operating activities	1,241,116	2,001,964
Cash flows from non-capital financing activities:		
Contributions	305,287	781,194
Main and tap in charges	100,551	33,674
Net cash provided by non-capital financing activities	405,838	814,868
Cash flows from capital and related financing activities:		
Principal repayments on debt	(1,001,650)	(851,150)
Net interest paid on bonds	(664,119)	(696,856)
Payments for capital acquisitions	(815,653)	(1,333,209)
Proceeds from special assessments	32,325	53,936
Interest received from special assessments	32,294	36,509
Proceeds from sale of fixed assets	2,700	-
Net cash used by capital and related financing activities	(2,414,103)	(2,790,770)
Cash flows from investing activities:		
Interest received from investments	111,573	400,719
Proceeds (purchase) of investments	(430,703)	2,116,454
Net cash provided (used) by investing activities	(319,130)	2,517,173
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(1,086,279)</b>	<b>2,543,235</b>
<b>CASH:</b>		
Beginning of year	4,492,260	1,949,025
End of year	\$ 3,405,981	\$ 4,492,260

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULES OF COSTS OF SALES AND SERVICES  
YEARS ENDED DECEMBER 31, 2009 AND 2008**

	2009	2008
Salaries and wages	\$ 542,822	\$ 527,897
Payroll taxes	41,649	39,213
Employee fringe benefits	193,948	192,117
Pension expense	59,340	55,694
Office supplies	8,535	7,435
Supplies	109,826	74,648
Water purchases	1,278,616	1,264,356
Maintenance of plant	82,628	98,661
Maintenance of equipment	196,693	77,032
Transportation	24,231	27,539
Administrative	100,000	100,000
Accounting and auditing	143,382	144,666
Contracted services	82,125	75,728
Engineering	47,817	31,660
Collection fees	144	153
Rentals	-	168
Legal fees	-	162
Telephone	13,117	13,696
Insurance	32,650	52,687
Utilities	55,231	54,340
Printing	181	582
Miscellaneous	17,880	18,588
	\$ 3,030,815	\$ 2,857,022

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2009**

Michigan Municipal Bond Authority  
Water Supply System Revenue Bonds - 2000A

Interest rate	Due November 1	Principal	Interest		Total payment requirements
			May 1	November 1	
5.40	2010	\$ 100,000	\$ 40,656	\$ 40,657	\$ 181,313
5.45	2011	100,000	37,956	37,956	175,912
5.55	2012	100,000	35,231	35,232	170,463
5.60	2013	100,000	32,456	32,456	164,912
5.70	2014	125,000	29,656	29,657	184,313
5.75	2015	125,000	26,094	26,094	177,188
6.00	2016	125,000	22,500	22,500	170,000
6.00	2017	150,000	18,750	18,750	187,500
6.00	2018	150,000	14,250	14,250	178,500
6.00	2019	150,000	9,750	9,750	169,500
6.00	2020	175,000	5,250	5,250	185,500
		<u>\$ 1,400,000</u>	<u>\$ 272,549</u>	<u>\$ 272,552</u>	<u>\$ 1,945,101</u>

NOTE: Revenue bonds dated May 17, 2000 were issued to provide acquisition and construction of improvements and extensions to the Township's water supply systems under the provisions of Public Act 94. Original debt of \$2,000,000.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2009**

Michigan Municipal Bond Authority  
Water Supply System Revenue Bonds - 2000B

Interest rate	Due November 1	Principal	Interest		Total payment requirements
			May 1	November 1	
5.10	2010	\$ 75,000	\$ 45,456	\$ 45,456	\$ 165,912
5.20	2011	100,000	43,544	43,544	187,088
5.30	2012	100,000	40,944	40,944	181,888
5.40	2013	100,000	38,294	38,294	176,588
5.45	2014	125,000	35,594	35,594	196,188
5.50	2015	125,000	32,187	32,187	189,374
5.75	2016	175,000	28,750	28,750	232,500
5.75	2017	175,000	23,719	23,719	222,438
5.75	2018	200,000	18,687	18,687	237,374
5.75	2019	225,000	12,938	12,938	250,876
5.75	2020	225,000	6,469	6,469	237,938
		<u>\$ 1,625,000</u>	<u>\$ 326,582</u>	<u>\$ 326,582</u>	<u>\$ 2,278,164</u>

NOTE: Revenue bonds dated November 28, 2000 were issued to provide acquisition and construction of improvements and extensions to the Township's water supply system under the provisions of Public Act 94. Original debt of \$2,000,000.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND  
AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2009**

Charter Township of Delta Bonds  
General Obligation Limited Tax Bonds

Year	Interest rate	Principal due May 1	Interest May 1	Interest November 1	Total	Total principal and interest requirements
2010	3.500 %	\$ 619,100	\$ 117,346	\$ 106,512	\$ 223,858	\$ 842,958
2011	3.750 %	694,600	106,512	93,488	200,000	894,600
2012	3.875 %	694,600	93,488	80,030	173,518	868,118
2013	5.000 %	766,325	80,030	60,872	140,902	907,227
2014	5.000 %	777,650	60,872	41,431	102,303	879,953
2015	5.000 %	826,725	41,431	20,763	62,194	888,919
2016	5.000 %	830,500	20,763	-	20,763	851,263
		<u>\$ 5,209,500</u>	<u>\$ 520,442</u>	<u>\$ 403,096</u>	<u>\$ 923,538</u>	<u>\$ 6,133,038</u>

NOTE: The general obligation limited tax bonds were issued by Charter Township of Delta on April 24, 2003 for the purpose of refinancing the bonds Eaton County issued on behalf of the Township. The excess proceeds, after refinancing, was used for water construction projects. Original amount was \$8,512,625.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND  
AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2009**

Charter Township of Delta Bonds  
General Obligation Limited Tax Bonds

Year	Interest rate	Principal due May 1	Interest May 1	Interest November 1	Total	Total principal and interest requirements
2010	3.750 %	\$ 200,000	\$ 116,838	\$ 113,088	\$ 229,926	\$ 429,926
2011	3.750 %	250,000	113,088	108,400	221,488	471,488
2012	3.750 %	250,000	108,400	103,715	212,115	462,115
2013	3.750 %	250,000	103,715	99,025	202,740	452,740
2014	3.750 %	300,000	99,025	93,400	192,425	492,425
2015	3.750 %	300,000	93,400	87,775	181,175	481,175
2016	3.750 %	350,000	87,775	81,213	168,988	518,988
2017	3.750 %	350,000	81,213	74,650	155,863	505,863
2018	3.800 %	400,000	74,650	67,050	141,700	541,700
2019	3.875 %	400,000	67,050	59,300	126,350	526,350
2020	3.900 %	450,000	59,300	50,525	109,825	559,825
2021	4.000 %	450,000	50,525	41,525	92,050	542,050
2022	4.000 %	500,000	41,525	31,525	73,050	573,050
2023	4.000 %	500,000	31,525	21,525	53,050	553,050
2024	4.100 %	500,000	21,525	11,275	32,800	532,800
2025	4.100 %	550,000	11,275	-	11,275	561,275
		<u>\$ 6,000,000</u>	<u>\$ 1,160,829</u>	<u>\$ 1,043,991</u>	<u>\$ 2,204,820</u>	<u>\$ 8,204,820</u>

NOTE: The general obligation limited tax bonds were issued by Charter Township of Delta on March 1, 2006 for the purpose of paying the cost of acquiring and constructing, various capital improvements to the Township's water supply system. Original amount was \$6,500,000.

**CHARTER TOWNSHIP OF DELTA  
FIDUCIARY FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2009  
(with comparative totals for December 31, 2008)**

	<u>Pension trust fund</u>	<u>Other post employment benefit trust fund</u>	<u>Agency fund</u>	<u>Totals</u>	
<b>ASSETS</b>	<u>Employee retirement</u>	<u>Retiree health benefits</u>	<u>Tax collection fund</u>	<u>2009</u>	<u>2008</u>
<b>ASSETS:</b>					
Cash	\$ -	\$ -	\$ 2,525,788	\$ 2,525,788	\$ 2,098,775
Investments	17,514,769	4,124,502	1,804,888	23,444,159	19,257,548
Taxes receivable - delinquent	-	-	472,789	472,789	394,546
Interest receivable	-	-	13,188	13,188	15,546
<b>TOTAL ASSETS</b>	<u>\$ 17,514,769</u>	<u>\$ 4,124,502</u>	<u>\$ 4,816,653</u>	<u>\$ 26,455,924</u>	<u>\$ 21,766,415</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Undistributed tax collections:					
Current	\$ -	\$ -	\$ 4,331,212	\$ 4,331,212	\$ 3,990,674
Delinquent and other	-	-	485,441	485,441	399,170
<b>TOTAL LIABILITIES</b>	-	-	4,816,653	4,816,653	4,389,844
<b>FUND BALANCES:</b>					
Reserved for retirement benefits	17,514,769	4,124,502	-	21,639,271	17,376,571
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 17,514,769</u>	<u>\$ 4,124,502</u>	<u>\$ 4,816,653</u>	<u>\$ 26,455,924</u>	<u>\$ 21,766,415</u>

**CHARTER TOWNSHIP OF DELTA  
AGENCY FUND  
TAX COLLECTION FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
<b>ASSETS</b>				
Cash	\$ 2,098,775	\$ 427,013	\$ -	\$ 2,525,788
Investments	1,880,977	72,352,062	72,428,151	1,804,888
Taxes receivable delinquent	394,546	203,302	125,059	472,789
Interest receivable	15,546	-	2,358	13,188
<b>TOTAL ASSETS</b>	<b>\$ 4,389,844</b>	<b>\$72,982,377</b>	<b>\$72,555,568</b>	<b>\$ 4,816,653</b>
<b>LIABILITIES</b>				
Undistributed tax collections:				
Current	\$ 3,990,674	\$72,744,668	\$72,404,130	\$ 4,331,212
Delinquent and other	399,170	237,709	151,438	485,441
<b>TOTAL LIABILITIES</b>	<b>\$ 4,389,844</b>	<b>\$72,982,377</b>	<b>\$72,555,568</b>	<b>\$ 4,816,653</b>