

**CHARTER TOWNSHIP OF DELTA**

**REPORT ON FINANCIAL STATEMENTS**  
**(with required supplementary information and**  
**additional supplementary information)**

**YEAR ENDED DECEMBER 31, 2014**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Charter Township of Delta  
State of Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Delta, State of Michigan as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Charter Township of Delta, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information - Additional Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Delta's basic financial statements. The additional supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The additional supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Maney Costeiran PC*

April 2, 2015

## 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, 2014.

### FINANCIAL HIGHLIGHTS

- The assets of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$106.4 million dollars (net position). Of this amount, \$29.9 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$765 thousand dollars.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$18.9 million, a decrease of \$1,169,583 in comparison with the prior year. The decrease can be attributed to prefunding the retiree health benefit plan.
- The Township's total outstanding debt decreased \$1.1 million.

### 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 supplementary 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 position* presents information on all of the Township's assets, liabilities, and deferred inflows of resources with the difference between the three reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 discreetly presented component unit.

The government-wide financial statements can be found on pages 23 through 25 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 various 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 three 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 fund. Budgetary comparison statements have been provided for the general fund and major special revenue fund in the required supplementary information to demonstrate compliance with budgets.

The basic governmental fund financial statements can be found on pages 26 through 28 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 30 through 34 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 35 and 36 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37 through 68 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 retirement benefits to its employees and the general and paramedic special revenue fund budgets. Required supplementary information can be found on page 70 through 74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on retirement benefits. Combining and individual fund statements and schedules can be found on pages 76 through 106 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities and deferred inflows of resources by \$106.4 million at the close of the most recent fiscal year.

Charter Township of Delta's Net Position

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 30,333,638	\$ 29,342,994	\$ 16,348,116	\$ 17,863,042	\$ 46,681,754	\$ 47,206,036
Capital assets	29,229,286	30,056,162	59,964,931	58,909,827	89,194,217	88,965,989
Total assets	<u>59,562,924</u>	<u>59,399,156</u>	<u>76,313,047</u>	<u>76,772,869</u>	<u>135,875,971</u>	<u>136,172,025</u>
Long-term liabilities outstanding	8,946,148	9,164,796	10,953,396	11,921,600	19,899,544	21,086,396
Other liabilities	781,937	864,755	781,318	715,078	1,563,255	1,579,833
Total liabilities	<u>9,728,085</u>	<u>10,029,551</u>	<u>11,734,714</u>	<u>12,636,678</u>	<u>21,462,799</u>	<u>22,666,229</u>
Deferred inflows of resources	8,063,101	7,920,281	-	-	8,063,101	7,920,281
Net position:						
Net investment in capital assets	21,229,479	21,847,667	49,357,304	47,353,522	70,586,783	69,201,189
Restricted	5,537,407	3,548,868	115,149	60,504	5,652,556	3,609,372
Unrestricted	15,004,852	16,052,789	15,105,880	16,722,165	30,110,732	32,774,954
Total net position	<u>\$ 41,771,738</u>	<u>\$ 41,449,324</u>	<u>\$ 64,578,333</u>	<u>\$ 64,136,191</u>	<u>\$ 106,350,071</u>	<u>\$ 105,585,515</u>

By far the largest portion of the Township's net position (66 percent) reflects its net 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 position (5 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$30.1 million) may be used to meet the government's ongoing obligations to citizens and creditors.

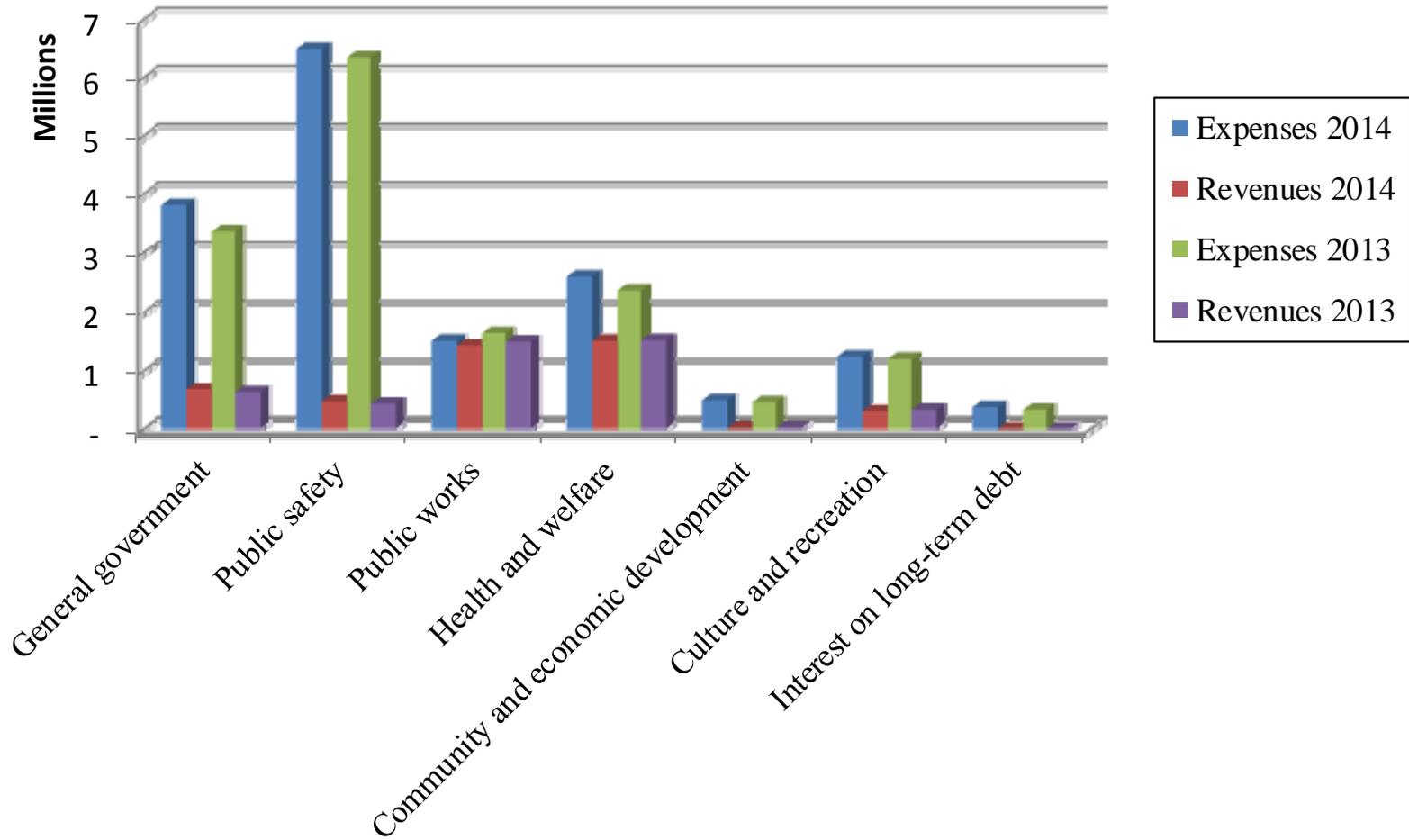
At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Governmental activities.** Governmental activities increased the Township's net position by \$322,414 while the business-type activities net position increased by \$442,142. Key elements of this increase are as follows:

Charter Township of Delta's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 4,239,953	\$ 4,349,495	\$ 9,536,841	\$ 9,414,042	\$ 13,776,794	\$ 13,763,537
Operating grants and contributions	92,819	161,258	-	-	92,819	161,258
Capital grants and contributions	-	-	205,900	147,040	205,900	147,040
General revenues:						
Property taxes	7,436,854	7,492,029	-	-	7,436,854	7,492,029
Paramedic levy	1,228,009	1,226,226	-	-	1,228,009	1,226,226
State sources	2,488,471	2,411,596	-	-	2,488,471	2,411,596
Franchise fee-cable	533,924	514,794	-	-	533,924	514,794
Investment earnings	405,214	(134,557)	318,938	(28,710)	724,152	(163,267)
Other	338,828	437,143	-	-	338,828	437,143
Total revenue	<u>16,764,072</u>	<u>16,457,984</u>	<u>10,061,679</u>	<u>9,532,372</u>	<u>26,825,751</u>	<u>25,990,356</u>
Expenses:						
General government	3,812,186	3,372,736	-	-	3,812,186	3,372,736
Public safety	6,472,510	6,331,905	-	-	6,472,510	6,331,905
Public works	1,496,157	1,621,801	-	-	1,496,157	1,621,801
Health and welfare	2,593,012	2,363,613	-	-	2,593,012	2,363,613
Community and economic development	473,986	443,907	-	-	473,986	443,907
Culture and recreation	1,232,426	1,194,345	-	-	1,232,426	1,194,345
Interest on long-term debt	361,381	315,739	-	-	361,381	315,739
Water	-	-	5,004,687	4,923,250	5,004,687	4,923,250
Sewer	-	-	4,614,850	5,331,633	4,614,850	5,331,633
Total expenses	<u>16,441,658</u>	<u>15,644,046</u>	<u>9,619,537</u>	<u>10,254,883</u>	<u>26,061,195</u>	<u>25,898,929</u>
Increase (decrease) in net position	322,414	813,938	442,142	(722,511)	764,556	91,427
Net position, beginning of year (as restated)	<u>41,449,324</u>	<u>40,635,386</u>	<u>64,136,191</u>	<u>64,858,702</u>	<u>105,585,515</u>	<u>105,494,088</u>
Net position, end of year	<u>\$ 41,771,738</u>	<u>\$ 41,449,324</u>	<u>\$ 64,578,333</u>	<u>\$ 64,136,191</u>	<u>\$ 106,350,071</u>	<u>\$ 105,585,515</u>

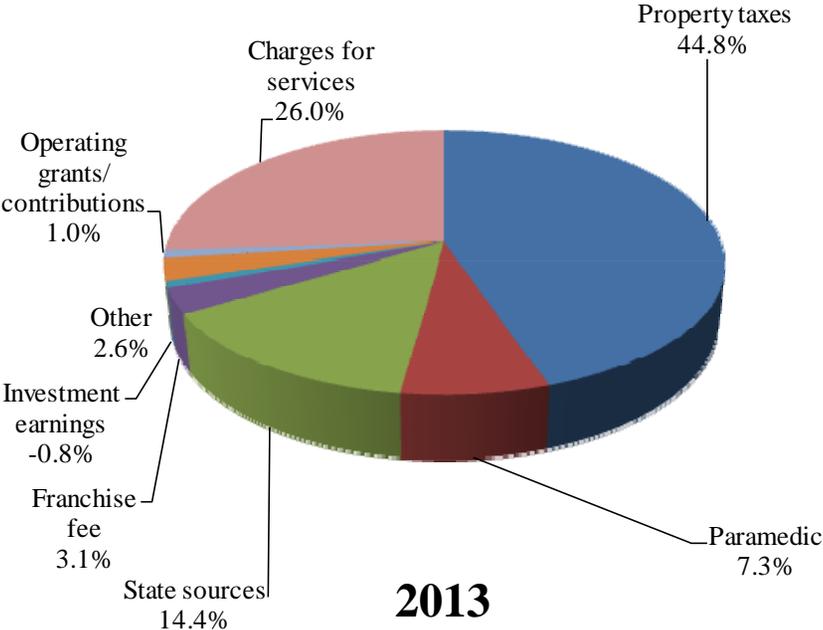
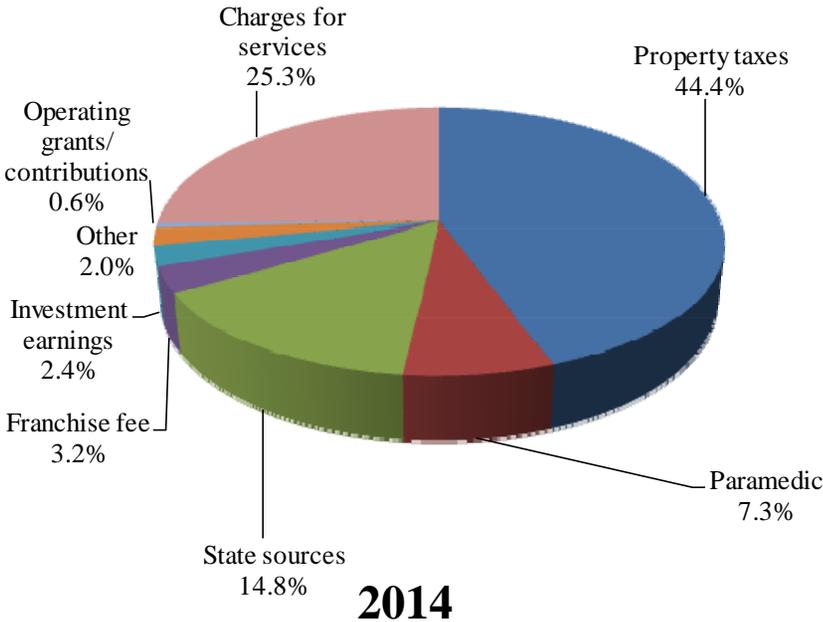
## Charter Township of Delta Expenses and Program Revenues - Governmental Activities December 31,



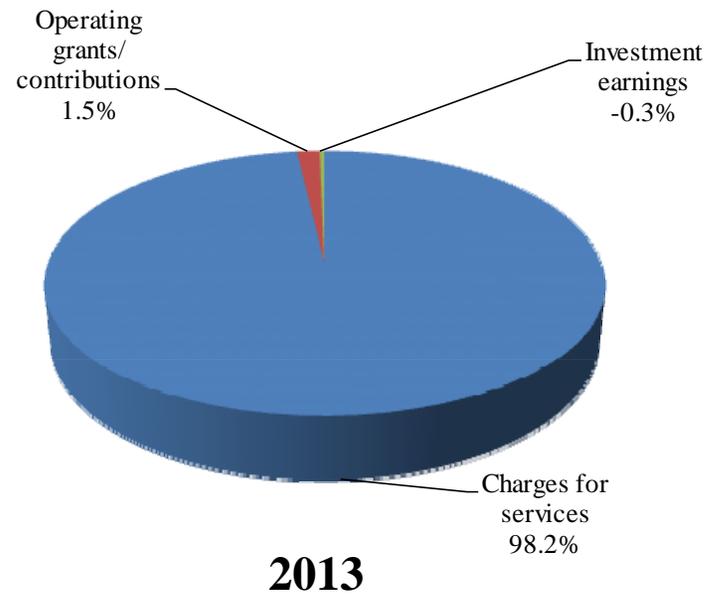
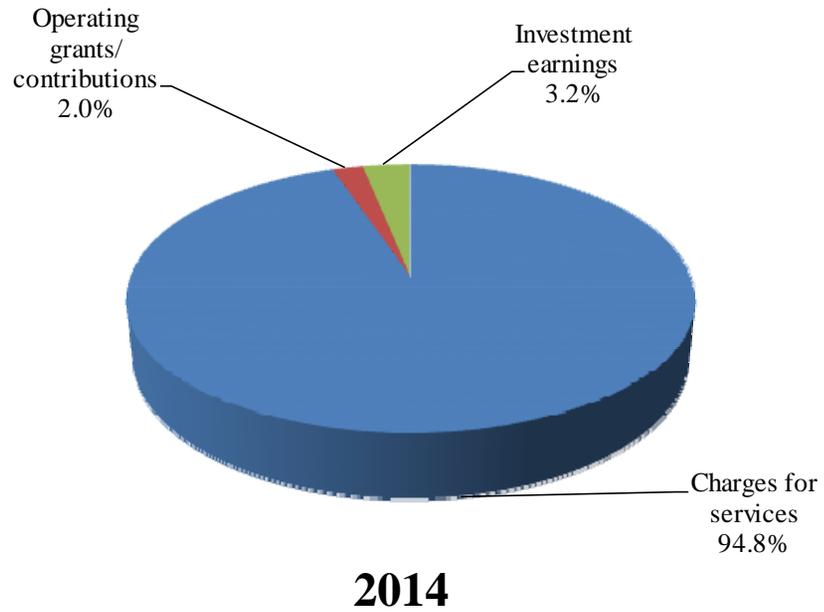
# Charter Township of Delta

## Revenues by Source - Governmental Activities

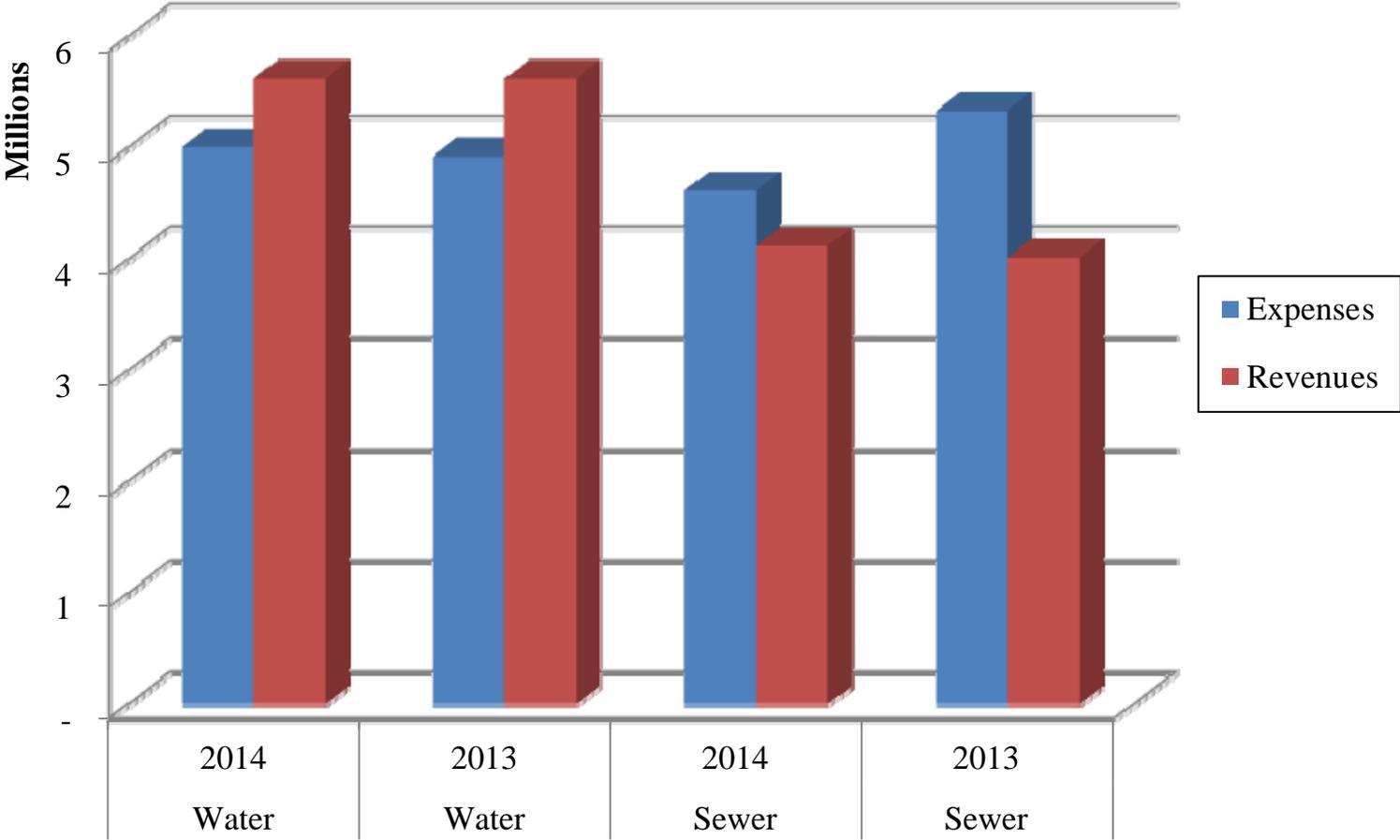
### December 31,



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



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



Changes in net position:

- Charges for services decreased by \$109,542 (3 percent) during the year. This decrease is due to a decrease in building permits.
- Investment earnings increased by \$539,771 (400 percent) during the year. This increase is due to the gain in the Township's long-term bond portfolio during 2014.
- Overall governmental activities revenue is up \$306,088 from prior year.
- Expenses for governmental activities went from \$15.65 million to \$16.44 million, an increase of \$800,000. Majority of the increase is due to cost inflation.

**Business-type activities.** Business-type activities increased the Township's net position by \$442,142. This increase can be attributed to higher return on investments.

#### 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, unassigned 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 \$18.9 million, a decrease of \$1,169,583 in comparison with the prior year. Approximately 44 percent of this total amount (\$8.2 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable (\$55,205), restricted (\$2,851,403), or assigned (\$7,751,734).

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$8.2 million, while total fund balance was \$14.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47 percent of total general fund expenditures, while total fund balance represents 82 percent of that same amount.

The fund balance of the Township's general fund decreased by \$955 thousand during the current fiscal year. The key factor in this decrease is as follows:

- The Township prefunded the other postemployment benefit trust fund.

**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 positions for the water and sewer funds at the end of the year amounted to \$15.1 million. The total increase in net position amounted to \$442,142. 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 \$2,340,000, budgeted revenue increased by \$200,000, while other financial sources remained consistent with the original budget. The change in appropriations can be summarized as follows:

- \$2,228,000 increase in general government – due to OPEB contributions and CATA agreement
- \$49,000 increase in public safety
- \$63,000 increase in public works

During the year actual revenue was higher than the amended budgetary estimates. This arises primarily from an increase in building permits, and interest 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, 2014, amounts to \$89.2 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 increase in the Township's investment in capital assets for the current fiscal year was 0.3 percent (a 0.9 percent decrease for governmental activities and a 1.2 percent increase for business-type activities).

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

	Governmental activities		Business activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,680,810	\$ 5,680,810	\$ 1,567,569	\$ 1,567,569	\$ 7,248,379	\$ 7,248,379
Building and building equipment	11,535,451	11,881,024	3,534,995	3,749,721	15,070,446	15,630,745
Land improvements/sidewalks	2,257,721	2,413,877	-	-	2,257,721	2,413,877
Vehicles	472,961	618,463	-	-	472,961	618,463
Equipment	1,671,216	1,457,114	312,114	364,106	1,983,330	1,821,220
Flowage rights	6,105,519	6,319,182	-	-	6,105,519	6,319,182
Streets and highways	1,505,608	1,685,691	-	-	1,505,608	1,685,691
Sewer and water mains	-	-	54,550,253	53,228,431	54,550,253	53,228,431
	<u>\$ 29,229,286</u>	<u>\$ 30,056,161</u>	<u>\$ 59,964,931</u>	<u>\$ 58,909,827</u>	<u>\$ 89,194,217</u>	<u>\$ 88,965,988</u>

Additional information on the Township's capital assets can be found in Note 3 of this report.

**Long-term debt.** At the end of the current fiscal year, the Township had total long-term debt outstanding of \$20.0 million. Of this amount, \$15.1 million comprises debt backed by the full faith and credit of the government. The amount of \$2.0 million of the Township's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The remaining \$2.9 million represents compensated absences earned but not used as of year end (\$1.3 million) and other long-term items (\$1.6 million).

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
General obligations	\$ 6,700,000	\$ 6,800,000	\$ 8,427,406	\$ 9,081,973	\$ 15,127,406	\$ 15,881,973
Revenue bonds	-	-	1,970,000	2,245,000	1,970,000	2,245,000
Other long-term debt	1,339,860	1,450,341	244,559	266,792	1,584,419	1,717,133
Compensated absences	946,341	914,455	345,769	359,808	1,292,110	1,274,263
	<u>\$ 8,986,201</u>	<u>\$ 9,164,796</u>	<u>\$ 10,987,734</u>	<u>\$ 11,953,573</u>	<u>\$ 19,973,935</u>	<u>\$ 21,118,369</u>

The Township's total debt decreased by \$1.1 million (5 percent) during the current fiscal year. This is attributable to the Township making the routine payments on debt.

The Township was given an "AAA" rating from Standard & Poor's and Fitch for the general obligation debt due to the bonds being insured.

Additional information on the Township's long-term debt can be found in Note 5 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 2015 that also promotes and funds numerous project objectives that have been set by the Township's strategic plan.

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 POSITION  
DECEMBER 31, 2014**

	<b>Primary government</b>			<b>Component unit</b>
	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>	<b>Economic Development Corporation</b>
<b>ASSETS:</b>				
Cash	\$ 9,659,698	\$ 2,232,218	\$ 11,891,916	\$ 106,916
Investments	13,160,027	6,223,617	19,383,644	-
Investments - replacement account	-	6,362,883	6,362,883	-
Receivables:				
Accounts	165,069	813,626	978,695	-
Taxes	4,504,207	-	4,504,207	-
Interest	47,366	30,476	77,842	-
Other	-	66,046	66,046	-
Internal balances	56,062	(56,062)	-	-
Prepaid items	55,205	-	55,205	-
Prepaid other postemployment benefits - restricted	2,686,004	115,149	2,801,153	-
Special assessments:				
Due within one year - interest	-	25,433	25,433	-
Due within one year	-	59,481	59,481	-
Due in more than one year	-	103,431	103,431	-
Note receivable:				
Due within one year	-	39,994	39,994	-
Due in more than one year	-	218,714	218,714	-
Deferred charges:				
Tap in charges - deferred	-	113,110	113,110	-
Capital assets not being depreciated:				
Land	5,680,810	1,567,569	7,248,379	-
Other capital assets, net of accumulated depreciation	23,548,476	58,397,362	81,945,838	-
<b>TOTAL ASSETS</b>	<b>59,562,924</b>	<b>76,313,047</b>	<b>135,875,971</b>	<b>106,916</b>

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental activities</b>	<b>Business-type activities</b>	<b>Total</b>	<b>Economic Development Corporation</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 210,375	\$ 502,750	\$ 713,125	\$ -
Customer deposits payable	126,638	76,022	202,660	-
Contract retainage payable	-	97,000	97,000	-
Accrued salaries and related items	304,248	-	304,248	-
Accrued interest	140,676	59,071	199,747	-
Unearned revenue	-	46,475	46,475	-
Noncurrent liabilities:				
Due within one year	837,366	1,156,453	1,993,819	-
Due in more than one year	8,108,782	9,796,943	17,905,725	-
<b>TOTAL LIABILITIES</b>	<b>9,728,085</b>	<b>11,734,714</b>	<b>21,462,799</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	8,063,101	-	8,063,101	-
<b>NET POSITION:</b>				
Net investment in capital assets	21,229,479	49,357,304	70,586,783	-
Restricted for perpetual care	284,701	-	284,701	-
Restricted for paramedic services	2,116,702	-	2,116,702	-
Restricted for budget stabilization	450,000	-	450,000	-
Restricted for other postemployment benefits	2,686,004	115,149	2,801,153	-
Unrestricted	15,004,852	15,105,880	30,110,732	106,916
<b>TOTAL NET POSITION</b>	<b>\$ 41,771,738</b>	<b>\$ 64,578,333</b>	<b>\$ 106,350,071</b>	<b>\$ 106,916</b>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2014**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Component unit Economic Development Corporation
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Total	
					Governmental activities	Business-type activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 3,812,186	\$ 596,430	\$ 61,964	\$ -	\$ (3,153,792)	\$ -	\$ (3,153,792)	\$ -
Public safety	6,472,510	424,516	30,855	-	(6,017,139)	-	(6,017,139)	-
Public works	1,496,157	1,416,022	-	-	(80,135)	-	(80,135)	-
Health and welfare	2,593,012	1,493,454	-	-	(1,099,558)	-	(1,099,558)	-
Community and economic development	473,986	14,950	-	-	(459,036)	-	(459,036)	-
Culture and recreation	1,232,426	294,581	-	-	(937,845)	-	(937,845)	-
Interest on long-term debt	361,381	-	-	-	(361,381)	-	(361,381)	-
Total governmental activities	<u>16,441,658</u>	<u>4,239,953</u>	<u>92,819</u>	<u>-</u>	<u>(12,108,886)</u>	<u>-</u>	<u>(12,108,886)</u>	<u>-</u>
Business-type activities:								
Water	5,004,687	5,420,111	-	205,900	-	621,324	621,324	-
Sewer	4,614,850	4,116,730	-	-	-	(498,120)	(498,120)	-
Total business activities	<u>9,619,537</u>	<u>9,536,841</u>	<u>-</u>	<u>205,900</u>	<u>-</u>	<u>123,204</u>	<u>123,204</u>	<u>-</u>
Total primary government	<u>\$ 26,061,195</u>	<u>\$ 13,776,794</u>	<u>\$ 92,819</u>	<u>\$ 205,900</u>	<u>-</u>	<u>-</u>	<u>(11,985,682)</u>	<u>-</u>
<b>Component unit:</b>								
Economic Development Corporation	\$ 9,936	\$ -	\$ -	\$ -	-	-	-	(9,936)
General revenues:								
Taxes:								
Property taxes, levied for general purposes					7,436,854	-	7,436,854	-
Paramedic levy					1,228,009	-	1,228,009	-
State sources					2,488,471	-	2,488,471	-
Franchise fee-cable					533,924	-	533,924	-
Investment earnings					405,214	318,938	724,152	1,888
Other					338,828	-	338,828	-
Total general revenues					<u>12,431,300</u>	<u>318,938</u>	<u>12,750,238</u>	<u>1,888</u>
Change in net position					322,414	442,142	764,556	(8,048)
Net position, beginning of year					41,449,324	64,136,191	105,585,515	114,964
Net position, end of year					<u>\$ 41,771,738</u>	<u>\$ 64,578,333</u>	<u>\$ 106,350,071</u>	<u>\$ 106,916</u>

See notes to financial statements.

**CHARTER TOWNSHIP OF DELTA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	<b>ASSETS</b>	<b>General</b>	<b>Paramedic fund (a special revenue fund)</b>	<b>Total nonmajor funds</b>	<b>Total governmental funds</b>
<b>ASSETS:</b>					
Cash		\$ 7,875,456	\$ 959,499	\$ 824,743	\$ 9,659,698
Investments		10,661,370	1,369,624	1,129,033	13,160,027
Receivables:					
Accounts		165,069	-	-	165,069
Taxes		3,248,815	1,255,392	-	4,504,207
Interest		38,628	4,790	3,948	47,366
Due from other funds		56,062	-	-	56,062
Prepaid items		55,205	-	-	55,205
<b>TOTAL ASSETS</b>		<b>\$ 22,100,605</b>	<b>\$ 3,589,305</b>	<b>\$ 1,957,724</b>	<b>\$ 27,647,634</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable		\$ 210,084	\$ 291	\$ -	\$ 210,375
Customer deposits payable		126,638	-	-	126,638
Accrued salaries and related items		304,248	-	-	304,248
<b>TOTAL LIABILITIES</b>		<b>640,970</b>	<b>291</b>	<b>-</b>	<b>641,261</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes		6,848,187	1,255,392	-	8,103,579
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepaid items		55,205	-	-	55,205
Restricted:					
Budget stabilization		450,000	-	-	450,000
Perpetual care fund		-	-	284,701	284,701
Paramedic fund		-	2,116,702	-	2,116,702
Assigned:					
Debt service		-	-	33,792	33,792
Capital projects		-	-	1,639,231	1,639,231
Compensated absences		946,341	-	-	946,341
Roads		1,000,000	-	-	1,000,000

See notes to financial statements.

	<u>General</u>	<u>Paramedic fund (a special revenue fund)</u>	<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
<b>FUND BALANCES (Concluded):</b>				
Assigned (Concluded):				
Retiree health insurance	\$ 100,000	\$ -	\$ -	\$ 100,000
Non-motorized transportation	500,000	-	-	500,000
Economic development	500,000	-	-	500,000
Capital improvements	2,400,000	-	-	2,400,000
County drains	200,000	-	-	200,000
Subsequent years' expenditures	215,450	216,920	-	432,370
Unassigned	8,244,452	-	-	8,244,452
<b>TOTAL FUND BALANCES</b>	<u>14,611,448</u>	<u>2,333,622</u>	<u>1,957,724</u>	<u>18,902,794</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 22,100,605</u>	<u>\$ 3,589,305</u>	<u>\$ 1,957,724</u>	<u>\$ 27,647,634</u>
<b>Total governmental fund balances</b>				\$ 18,902,794
Amounts reported for governmental activities in the statement of net position 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			\$ 49,551,852	
Less accumulated depreciation			<u>20,322,566</u>	
				29,229,286
Other postemployment benefits pre-payments which exceed the annual required contribution are recorded as prepaid				
				2,686,004
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:				
Delinquent personal property taxes receivable, less allowance for doubtful accounts				40,478
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				(6,659,947)
Other long-term debt				(1,339,860)
Compensated absences				(946,341)
Accrued interest				<u>(140,676)</u>
<b>Net position of governmental activities</b>				<u>\$ 41,771,738</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, 2014**

	<b>General</b>	<b>Paramedic fund (a special revenue fund)</b>	<b>Total nonmajor funds</b>	<b>Total governmental funds</b>
<b>REVENUES:</b>				
Local sources:				
Property taxes	\$ 7,432,288	\$ -	\$ -	\$ 7,432,288
Paramedic levy	-	1,228,009	-	1,228,009
Licenses and permits	1,443,185	-	-	1,443,185
Charges for services	2,215,500	-	-	2,215,500
Investment earnings	318,332	48,411	38,471	405,214
Rental income	68,727	-	391,550	460,277
Local contributions	390,038	-	-	390,038
Other	590,860	-	12,845	603,705
Total local sources	12,458,930	1,276,420	442,866	14,178,216
State shared revenue	2,488,471	-	-	2,488,471
State and Federal grants	92,819	-	-	92,819
Total revenues	15,040,220	1,276,420	442,866	16,759,506
<b>EXPENDITURES:</b>				
Current:				
General government	5,385,598	-	-	5,385,598
Public safety	6,530,654	-	-	6,530,654
Public works	1,178,579	-	-	1,178,579
Health and welfare	2,477,134	97,800	-	2,574,934
Community and economic development	421,485	-	-	421,485
Culture and recreation	1,261,125	-	-	1,261,125
Debt service:				
Principal repayment	110,481	-	100,000	210,481
Interest expense	73,933	-	292,300	366,233
Total expenditures	17,438,989	97,800	392,300	17,929,089
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,398,769)	1,178,620	50,566	(1,169,583)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,590,544	-	146,500	1,737,044
Transfers out	(146,500)	(1,118,254)	(472,290)	(1,737,044)
Total other financing sources (uses)	1,444,044	(1,118,254)	(325,790)	-
Net change in fund balances	(954,725)	60,366	(275,224)	(1,169,583)
<b>FUND BALANCES:</b>				
Beginning of year	15,566,173	2,273,256	2,232,948	20,072,377
End of year	\$ 14,611,448	\$ 2,333,622	\$ 1,957,724	\$ 18,902,794

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, 2014**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (1,169,583)</b>
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	(1,510,858)
Capital outlay	793,188
Realized loss on disposal of fixed assets	(109,205)
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)	
	2,130,859
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	147,321
Accrued interest payable end of the year	(140,676)
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	210,481
Amortization of bond discounts	(1,793)
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	(35,912)
Accrued revenue end of the year - primarily delinquent personal property taxes	40,478
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	914,455
Accrued compensated absences end of the year	(946,341)
<b>Change in net position of governmental activities</b>	<b>\$ 322,414</b>

**CHARTER TOWNSHIP OF DELTA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2014**

ASSETS	<u>Business-type activities-Enterprise funds</u>		
	<u>Sewer fund</u>	<u>Water fund</u>	<u>Total</u>
<b>CURRENT ASSETS:</b>			
Cash	\$ 1,943,510	\$ 288,708	\$ 2,232,218
Investments	2,765,488	3,458,129	6,223,617
Receivables:			
Accounts	411,030	402,596	813,626
Interest	18,383	12,093	30,476
Special assessment - current	19,076	40,405	59,481
Special assessment - interest	12,181	13,252	25,433
Other	41,939	24,107	66,046
Current portion of long-term receivable	-	39,994	39,994
<b>TOTAL CURRENT ASSETS</b>	<u>5,211,607</u>	<u>4,279,284</u>	<u>9,490,891</u>
<b>NONCURRENT ASSETS:</b>			
Investments - replacement account	4,228,976	2,133,907	6,362,883
Deferred charges:			
Tap in charges - deferred	68,901	44,209	113,110
Special assessment - deferred	2,929	100,502	103,431
Long-term receivable	-	218,714	218,714
Prepaid other postemployment benefits - restricted	83,777	31,372	115,149
Property, plant and equipment, net of accumulated depreciation	24,634,104	35,330,827	59,964,931
<b>TOTAL NONCURRENT ASSETS</b>	<u>29,018,687</u>	<u>37,859,531</u>	<u>66,878,218</u>
<b>TOTAL ASSETS</b>	<u>34,230,294</u>	<u>42,138,815</u>	<u>76,369,109</u>

<b>LIABILITIES AND NET POSITION</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	\$ 111,799	\$ 390,951	\$ 502,750
Customer deposits payable	68,392	7,630	76,022
Contract retainage payable	-	97,000	97,000
Accrued interest	-	59,071	59,071
Unearned revenue	-	46,475	46,475
Current portion of long-term liabilities	22,233	920,000	942,233
Current portion of compensated absences	178,469	35,751	214,220
Due to other funds	41,039	15,023	56,062
<b>TOTAL CURRENT LIABILITIES</b>	<b>421,932</b>	<b>1,571,901</b>	<b>1,993,833</b>
<b>LONG-TERM LIABILITIES, net of current portion:</b>			
Compensated absences	106,171	25,378	131,549
Bonds payable	-	9,450,000	9,450,000
Other long-term debt	222,326	-	222,326
Unamortized bond premiums (discount) - net	-	(6,932)	(6,932)
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>328,497</b>	<b>9,468,446</b>	<b>9,796,943</b>
<b>TOTAL LIABILITIES</b>	<b>750,429</b>	<b>11,040,347</b>	<b>11,790,776</b>
<b>NET POSITION:</b>			
Net investment in capital assets	24,389,545	24,967,759	49,357,304
Restricted for other postemployment benefits	83,777	31,372	115,149
Unrestricted	9,006,543	6,099,337	15,105,880
<b>TOTAL NET POSITION</b>	<b>\$ 33,479,865</b>	<b>\$ 31,098,468</b>	<b>\$ 64,578,333</b>

**CHARTER TOWNSHIP OF DELTA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 YEAR ENDED DECEMBER 31, 2014**

	<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	\$ 3,826,421	\$ 5,027,329	\$ 8,853,750
Capital charges	171,690	64,415	236,105
Hydrant rental	-	139,860	139,860
Forfeited discounts	46,319	60,780	107,099
Other services charges	-	103,662	103,662
Other	72,300	24,065	96,365
	<u>4,116,730</u>	<u>5,420,111</u>	<u>9,536,841</u>
Total operating revenues			
<b>OPERATING EXPENSES:</b>			
Costs of sales and services	3,535,919	3,656,954	7,192,873
Depreciation	1,063,466	1,018,129	2,081,595
	<u>4,599,385</u>	<u>4,675,083</u>	<u>9,274,468</u>
Total operating expenses			
Operating income (loss)	<u>(482,655)</u>	<u>745,028</u>	<u>262,373</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Contributions - infrastructure	-	205,900	205,900
Investment income - net	165,305	153,633	318,938
Interest and fiscal charges	(15,465)	(331,050)	(346,515)
Amortization of bond discount	-	(3,122)	(3,122)
Amortization of bond premium	-	4,568	4,568
	<u>149,840</u>	<u>29,929</u>	<u>179,769</u>
Total non-operating revenues (expenses) - net			
Change in net position	(332,815)	774,957	442,142
<b>NET POSITION, beginning of year</b>	<u>33,812,680</u>	<u>30,323,511</u>	<u>64,136,191</u>
<b>NET POSITION, end of year</b>	<u>\$ 33,479,865</u>	<u>\$ 31,098,468</u>	<u>\$ 64,578,333</u>

**CHARTER TOWNSHIP OF DELTA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2014**

	<b>Business-type activities-Enterprise funds</b>		
	<b>Sewer fund</b>	<b>Water fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 3,854,114	\$ 5,110,062	\$ 8,964,176
Capital charges	171,690	64,415	236,105
Hydrant rental	-	139,860	139,860
Forfeited discounts	46,319	60,780	107,099
Other services charges	-	103,662	103,662
Other	72,300	24,065	96,365
Payment to suppliers	(1,417,277)	(2,732,074)	(4,149,351)
Payment to employees	(2,234,733)	(783,573)	(3,018,306)
Payment for interfund services	416	270	686
Net cash provided in operating activities	<u>492,829</u>	<u>1,987,467</u>	<u>2,480,296</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Contributions	-	205,900	205,900
Main and tap in charges	34,198	17,610	51,808
Net cash provided by noncapital financing activities	<u>34,198</u>	<u>223,510</u>	<u>257,708</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Interest received from special assessments	10,299	16,188	26,487
Proceeds from special assessments	(1,641)	71,633	69,992
Proceeds from sale of fixed assets	-	9,313	9,313
Principal repayments on debt	(22,233)	(925,000)	(947,233)
Interest paid on bonds and land contract	(15,465)	(336,049)	(351,514)
Payments for capital acquisitions	(459,567)	(2,677,132)	(3,136,699)
Net cash used by capital and related financing activities	<u>(488,607)</u>	<u>(3,841,047)</u>	<u>(4,329,654)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received from investments	153,715	134,592	288,307
Purchase of investments	(291,499)	604,874	313,375
Net cash provided (used) by investing activities	<u>(137,784)</u>	<u>739,466</u>	<u>601,682</u>
<b>NET DECREASE IN CASH</b>	<u>(99,364)</u>	<u>(890,604)</u>	<u>(989,968)</u>
<b>CASH:</b>			
Beginning of year	<u>2,042,874</u>	<u>1,179,312</u>	<u>3,222,186</u>
End of year	<u>\$ 1,943,510</u>	<u>\$ 288,708</u>	<u>\$ 2,232,218</u>

**CHARTER TOWNSHIP OF DELTA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2014**

	<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)	\$ (482,655)	\$ 745,028	\$ 262,373
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,063,466	1,018,129	2,081,595
Gain on the sale of fixed assets	-	(9,313)	(9,313)
(Increase) decrease in assets:			
Receivables	27,693	82,733	110,426
Prepaid expenditures	(37,861)	(16,784)	(54,645)
Due to/from other funds - net	416	270	686
Increase (decrease) in liabilities:			
Accounts payable	(65,607)	157,734	92,127
Accrued compensated absences	(12,623)	(1,416)	(14,039)
Customer deposits	-	(360)	(360)
Contract retainage payable	-	5,380	5,380
Unearned revenue	-	6,066	6,066
Net cash provided by operating activities	<u>\$ 492,829</u>	<u>\$ 1,987,467</u>	<u>\$ 2,480,296</u>

**CHARTER TOWNSHIP OF DELTA  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014**

	<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	\$ -	\$ -	\$ 2,096,281
Investments	18,942,470	10,910,514	2,992,310
Taxes receivable - delinquent	-	-	552,793
Interest receivable	-	-	10,466
	<b>18,942,470</b>	<b>10,910,514</b>	<b>5,651,850</b>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES:</b>			
Undistributed tax collections:			
Current	-	-	5,099,057
Delinquent and other	-	-	552,793
	<b>-</b>	<b>-</b>	<b>5,651,850</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>5,651,850</b>
<b>NET POSITION:</b>			
Restricted for pension and other post employment benefits	<b>\$ 18,942,470</b>	<b>\$ 10,910,514</b>	<b>\$ -</b>

**CHARTER TOWNSHIP OF DELTA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2014**

	<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 - net	\$ 962,637	\$ 281,399
Contributions	746,523	2,453,848
Total additions	1,709,160	2,735,247
<b>DEDUCTIONS:</b>		
Distributions	1,739,244	-
Change in net position	(30,084)	2,735,247
<b>NET POSITION:</b>		
Beginning of year	18,972,554	8,175,267
End of year	\$ 18,942,470	\$ 10,910,514

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

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

**A. Description of Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *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.

**B. 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 is governed by the Charter Township of Delta Board of Trustees (the “Board”), which has responsibility and control over all activities related to the Township. 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)**

**C. Basis of Presentation - Government-wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As discussed earlier, the Township has one discretely presented component units. While the Economic Development Corporation of the Charter Township of Delta is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

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.

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the Township's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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.

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

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

**D. Basis of Presentation - Fund Financial Statements (Continued)**

Additionally, the government reports the following nonmajor fund types:

Capital project fund - The *capital project fund* accounts for the receipt of proceeds and transfers from the general fund for the purchase of fixed assets or construction of major capital projects. The Township's capital project fund includes the improvement revolving fund.

Debt service fund - The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt payable primarily from rent revenue from the Township Library. The Township's only current debt service fund relates to 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.

During the course of operations the Township has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

**D. Basis of Presentation - Fund Financial Statements (Concluded)**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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.

The governmental 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 Township considers revenues to be available if they are generally 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**E. Measurement Focus and Basis of Accounting (Concluded)**

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**F. Budgetary Information**

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

The appropriate budget is prepared by fund, function and department. The Township's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The Township does not utilize encumbrance accounting.

The budget was amended during the year with supplemental appropriations. The budget was approved prior to December 31, 2014. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

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

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

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**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 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 U.S. Treasury; 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.

**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 Items**

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.

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

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

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure (sidewalks, water and sewer lines 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.

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:

Assets	Years
Buildings	50
Building improvements	20
Land improvements/sidewalks	15 - 25
Sewer and water mains	50
Flowage rights	40
Streets and highways	15
Vehicles	5
Equipment	3 - 5

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

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

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**5. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Township has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has only one type of item that qualifies for reporting in this category. The Township reports unavailable revenues from one source: property taxes. These amounts are unavailable and recognized as an inflow of resources in the period that the amounts become available.

**6. Pension and Other Postemployment Benefit Costs**

The Township offers both pension and retiree healthcare benefits to retirees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and “adjustment to the ARC” on the beginning of year underpaid amount, if any.

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

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

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**7. Net position flow assumption**

Sometimes the Township will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**8. Fund balance flow assumptions**

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Township's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**9. Fund balance policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Township itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Township's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the Township that can, by adoption of a board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action remains in place until a similar action is taken (the adoption of another board action) to remove or revise the limitation.

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

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

**G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Concluded)**

**9. Fund balance policies (Concluded)**

Amounts in the assigned fund balance classification are intended to be used by the Township for specific purposes but do not meet the criteria to be classified as committed. The board of trustees has by resolution authorized the Township Manager and Finance Director to assign fund balance. The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment

In the general fund, the goal of the Township Board shall be to maintain a minimum unassigned fund balance of no less than 50% of General Fund expenditures. For purposes of this calculation, "expenditures" will be the annual budgeted expenditures amount less non-recurring capital expenditures. If unassigned fund balance levels fall below 50% of expenditures, the General Fund budget for the following year will be adjusted to restore fund balance to the 50% level.

The Township has a stabilization arrangement, under Michigan Public Act 30 of 1978. There are no requirements to add to the stabilization amount. The conditions under which stabilization amount may be spent are to cover general fund deficits, expenses related arising from natural disasters, and to prevent a reduction in the level of public services provided.

**10. 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, at certain times the amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**11. 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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Revenues and Expenditures/Expenses**

**1. Program revenues**

Amounts reported as *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) operating grants and contributions and 3) capital grants and contributions, including special assessments. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property taxes**

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 inflows of resources. Property tax receivables related to delinquent taxes are also unavailable unless collected within 60 days of year-end.

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 2014, 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.

**3. 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.

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

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

**H. Revenues and Expenditures/Expenses (Concluded)**

**4. 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 position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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.

**5. Proprietary funds operating and nonoperating revenues and expenses**

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.

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of December 31, 2014, 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	\$ 4,322,611	2.3242	AA+	16.8%
U.S. Agency Loans	14,475,977	3.6083	AA+	56.3%
U.S. Agencies - Corporate	662,212	4.9316	AA+	2.6%
Municipal bonds	3,020,734	3.9628	AA-	11.8%
Commercial Paper	1,738,009	0.1688	A+	6.8%
MI CLASS External Investment Pool	<u>1,484,563</u>	0.0027	AA+	<u>5.8%</u>
Total fair value	<u>\$ 25,704,106</u>			<u>100.0%</u>
Portfolio weighted average maturity		<u>3.0159</u>		

1 day maturity equals 0.0027, on year equals 1.00

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 MI CLASS. MI CLASS is an external pooled investment fund of “qualified” investments for Michigan townships. MI CLASS is not regulated nor is it registered with the SEC. MI CLASS reports as of December 31, 2014, 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.

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

**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

**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, 2014, \$16,608,662 of the Township's bank balance of \$17,335,112 was exposed to custodial credit risk because it was uninsured and uncollateralized. Certificates of deposits and money market accounts are included in the above totals. The balance of \$17,129,844 is reported as deposits on the financial statements as of December 31, 2014.

**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.

The above amounts as previously reported in Note 2:

Deposits	\$ 17,129,844
Investments	25,704,106
	\$ 42,833,950

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

<b>Cash:</b>	
Township wide	\$ 11,891,916
Component unit - Economic Development Corporation	106,916
Tax collection fund (a fiduciary fund)	2,096,281
<b>Investments:</b>	
Township wide	19,383,644
Township wide - replacement account	6,362,883
Tax collection fund (a fiduciary fund)	2,992,310
	\$ 42,833,950



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

**NOTE 3 - CAPITAL ASSETS**

The capital assets are as follows:

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,680,810	\$ -	\$ -	\$ 5,680,810
Capital assets, being depreciated:				
Buildings and building equipment	18,028,667	66,110	165,414	17,929,363
Land improvements and sidewalks	5,937,732	74,794	-	6,012,526
Vehicles	1,588,576	22,631	-	1,611,207
Flowage rights	8,546,530	-	-	8,546,530
Streets and highways	4,034,775	43,531	-	4,078,306
Equipment	5,669,844	586,122	562,856	5,693,110
Total capital assets, being depreciated	43,806,124	793,188	728,270	43,871,042
Less accumulated depreciation for:				
Buildings and building equipment	6,147,643	330,634	84,365	6,393,912
Land improvements	3,523,855	230,950	-	3,754,805
Vehicles	970,113	168,133	-	1,138,246
Flowage rights	2,227,348	213,663	-	2,441,011
Streets and highways	2,349,084	223,614	-	2,572,698
Equipment	4,212,730	343,864	534,700	4,021,894
Total accumulated depreciation	19,430,773	1,510,858	619,065	20,322,566
Total capital assets, being depreciated, net	24,375,351	(717,670)	109,205	23,548,476
Total	\$ 30,056,161	\$ (717,670)	\$ 109,205	\$ 29,229,286

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

**NOTE 3 - CAPITAL ASSETS (Continued)**

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,567,569	\$ -	\$ -	\$ 1,567,569
Capital assets, being depreciated:				
Buildings and building equipment	29,202,696	-	-	29,202,696
Land improvements/sidewalks	59,085	-	-	59,085
Equipment	2,532,002	46,155	15,384	2,562,773
Sewer and water mains	84,451,006	3,090,544	-	87,541,550
Total capital assets, being depreciated	116,244,789	3,136,699	15,384	119,366,104
Less accumulated depreciation for:				
Buildings and building equipment	25,452,975	214,726	-	25,667,701
Land improvements/sidewalks	59,085	-	-	59,085
Equipment	2,167,896	98,147	15,384	2,250,659
Sewer and water mains	31,222,575	1,768,722	-	32,991,297
Total accumulated depreciation	58,902,531	2,081,595	15,384	60,968,742
Total capital assets, being depreciated, net	57,342,258	1,055,104	-	58,397,362
Total	\$ 58,909,827	\$ 1,055,104	\$ -	\$ 59,964,931

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

**NOTE 3 - CAPITAL ASSETS (Concluded)**

Depreciation expense was charged to functions/programs of the primary government at December 31, 2014 as follows:

Governmental activities:			
General government		\$	559,531
Public safety			464,239
Public works			437,277
Culture and recreation			49,811
Total depreciation expense - governmental activities		\$	<u>1,510,858</u>
Business type activities:			
Water		\$	1,018,129
Sewer			1,063,466
Total depreciation expense - business-type activities		\$	<u>2,081,595</u>

**NOTE 4 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

The composition of interfund balances as of December 31, 2014 is as follows:

Receivable fund	Amount	Payable fund	Amount
General fund	<u>\$ 56,062</u>	Water fund	\$ 15,023
		Sewer fund	41,039
			<u>\$ 56,062</u>

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

**NOTE 4 - 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	\$ -	\$ 146,500
Major special revenue	1,118,254	-
Nonmajor capital projects fund	469,000	-
Nonmajor perpetual care fund	3,290	-
	\$ 1,590,544	\$ 146,500

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 5 - 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 5 - 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%	\$ 6,659,947
Business-type activities	2.00% - 4.10%	8,400,000
		<u>\$ 15,059,947</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>
2015	\$ 100,000	\$ 287,550	\$ 650,000	\$ 250,675
2016	150,000	282,550	750,000	230,988
2017	150,000	276,550	750,000	209,863
2018	200,000	269,550	800,000	187,700
2019	200,000	261,550	800,000	164,358
2020 - 2024	1,000,000	1,184,500	4,100,000	430,775
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>\$ 6,700,000</u>	<u>\$ 4,198,725</u>	<u>\$ 8,400,000</u>	<u>\$ 1,485,634</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>
Water system improvement Water fund	3.00% - 3.25%	<u>\$ 1,970,000</u>

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

**NOTE 5 - 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>
2015	\$ 270,000	\$ 58,125
2016	310,000	50,025
2017	325,000	40,725
2018	340,000	32,475
2019	355,000	22,275
2020	370,000	11,625
	<u>\$ 1,970,000</u>	<u>\$ 215,250</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 flowage 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	4.25% - 5.25%	\$ 1,339,860
Business type activities	5.25%	<u>244,559</u>
		<u>\$ 1,584,419</u>

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

**NOTE 5 - LONG-TERM DEBT (Continued)**

Other Long-Term Debt (continued)

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

Year ending December 31	<u>Governmental activities general assessment</u>		<u>Business type activities general assessment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 110,481	\$ 68,288	\$ 22,233	\$ 12,839
2016	110,481	62,657	22,233	11,672
2017	110,481	57,143	22,233	10,533
2018	110,481	51,354	22,233	9,337
2019	110,481	41,390	22,233	6,730
2020 - 2024	552,410	143,977	111,163	23,361
2025 - 2029	199,645	29,297	22,231	1,173
2030 - 2031	35,400	2,708	-	-
	<u>\$ 1,339,860</u>	<u>\$ 456,814</u>	<u>\$ 244,559</u>	<u>\$ 75,645</u>

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

**NOTE 5 - LONG-TERM DEBT (Concluded)**

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 6,800,000	\$ -	\$ (100,000)	\$ 6,700,000	\$ 100,000
Bond discount	(41,846)	-	1,793	(40,053)	-
Total bonds payable	6,758,154	-	(98,207)	6,659,947	100,000
General assessment payable	1,450,341	-	(110,481)	1,339,860	110,481
Compensated absences	914,455	31,886	-	946,341	626,885
	<u>\$ 9,122,950</u>	<u>\$ 31,886</u>	<u>\$ (208,688)</u>	<u>\$ 8,946,148</u>	<u>\$ 837,366</u>
<b>Business-type activities:</b>					
Bonds payable:					
General obligation	\$ 9,050,000	\$ -	\$ (650,000)	\$ 8,400,000	\$ 650,000
Revenue bonds	2,245,000	-	(275,000)	1,970,000	270,000
Total bonds payable	11,295,000	-	(925,000)	10,370,000	920,000
Other long-term debt	266,792	-	(22,233)	244,559	22,233
Add/(deduct):					
Bond discount	(37,460)	-	3,122	(34,338)	
Bond premiums	31,973	-	(4,567)	27,406	-
	11,556,305	-	(948,678)	10,607,627	942,233
Compensated absences	359,808	-	14,039	345,769	214,220
	<u>\$ 11,916,113</u>	<u>\$ -</u>	<u>\$ (934,639)</u>	<u>\$ 10,953,396</u>	<u>\$ 1,156,453</u>

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

**NOTE 6 - 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 \$8,613,547 in 2014. The base salary amounted to \$4,700,616. The Township made the required contributions of \$587,577. 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 6 - 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, 2014 and 2013 was \$202,656 and \$194,460, respectively. The required contribution was determined as part of the December 31, 2013 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 annual pay increases of 4.5% (1% for calendar 2014, 2% for 2015, and 3% for 2016) plus a percentage based on an age-related scale to reflect merit, longevity and promotional pay increases. Benefits will not increase after retirement except that some participants will receive cost of living allowances. The actuarial value of the Plan's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 10 year period. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 25 years. The remaining amortization period will be reduced by one year in each of the next five years reaching 20 years on 2018.

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

**NOTE 6 - PENSION PLANS (Concluded)**

c. Trend Information

Year ending December 31,	Annual pension cost	Percentage of annual pension cost contributed	Net pension obligation
2012	\$ 186,823	100%	-
2013	194,460	100%	-
2014	202,656	100%	-

d. Plan Membership

As of December 31 the Plan membership consisted of:

	2014	2013
Active employees	36	34
Inactive vested members	4	3
Retirees and beneficiaries currently receiving benefits	14	13
	<u>54</u>	<u>50</u>

e. Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Plan was 69% funded. The actuarial accrued liability for benefits was \$13.2 million, and the actuarial value of assets was \$9.1 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.1 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$2.2 million, and the ratio of the UAAL to the covered payroll was 184%.

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

**NOTE 7 - 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, 2012.

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

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

*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.

*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 8.57 percent of annual covered payroll. The Township contributed \$349,264 for their portion of shared costs with retiree's premiums. At December 31, 2012, the date of the latest actuarial valuation, participants in the Plan consisted of:

Retirees and beneficiaries receiving benefits	37
Active employees	<u>120</u>
Total	<u><u>157</u></u>

*Funding progress.* For the year ended December 31, 2014 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of December 31, 2012. 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 24 years. Based on that valuation, the Township contributed \$2,799,844 in the year ended December 31, 2014 which represents 455.7% of the annual required contribution. The value of the Plan's assets at the end of December 31, 2014 was \$10,910,514.

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

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

Annual required contribution (recommended)	\$ 614,339
Amounts contributed:	
Payments of current expenses (ARC and retiree premiums)	<u>(2,799,844)</u>
Decrease in net OPEB obligation	(2,185,505)
OPEB obligation (prepayment):	
Beginning of year	<u>(615,648)</u>
End of year	<u><u>\$ (2,801,153)</u></u>

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,		
	2012	2013	2014
Annual OPEB costs	\$ 840,016	\$ 823,903	\$ 2,799,844
Percentage contributed	99.0%	135.8%	455.7%

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

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS (Concluded)**

The funding progress of the Plan as of the most recent valuation date of December 31, 2012, is as follows:

Actuarial accrued liability (AAL)	\$ 13,156,272
Actuarial value of plan assets - 12/31/2012	<u>6,558,140</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,598,132</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>49.8%</u>
Covered payroll (active plan members)	<u>\$ 7,074,701</u>
UAAL as a percentage of covered payroll	<u>93.3%</u>

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.

*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, 2012, 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 8 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after ten years. Both rates include a 3.0 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, 2012 was twenty four years.

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

**NOTE 8 - 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, 2014 and 2013, there was no outstanding value of the long-term financing bonds receivable and bonds payable incurred in the aforementioned manner.

**NOTE 9 - 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 2014 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.

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

**NOTE 10 - 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, 2014 building department revenues were \$839,992 and expenditures were \$767,945. As of December 31, 2014, the Township had not incurred all the expenditures relating to the building department revenues.

**NOTE 11 - 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 through 2037. Lease revenue is scheduled as follows:

Year ending December 31,		
2015	\$	387,550
2016		432,550
2017		426,550
2018		469,550
2019		461,550
2020 - 2024		2,184,500
2025 - 2029		2,254,075
2030 - 2034		2,081,150
2035 - 2037		1,601,250
		\$ 10,298,725

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

**NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

GASB statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued by the GASB in June 2012 and will be effective for the Township's 2015 fiscal year. The Statement requires governments that participate in defined benefit pension plans to report in their statement of net position a net pension liability. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. Statement 68 requires the Township to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the pension liabilities and expense.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2014**

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget</b>
<b>REVENUES:</b>				
Taxes	\$ 7,359,600	\$ 7,359,600	\$ 7,432,288	\$ 72,688
Licenses and permits	1,026,650	1,126,650	1,443,185	316,535
Charges for services	2,058,009	2,058,009	2,215,500	157,491
Investment income - net	123,750	198,750	318,332	119,582
Rental income	52,540	52,540	68,727	16,187
Local contributions	385,800	385,800	390,038	4,238
Other	525,175	525,175	590,860	65,685
State shared revenue	2,425,064	2,425,064	2,488,471	63,407
State and federal grants	28,000	53,000	92,819	39,819
Total revenues	<u>13,984,588</u>	<u>14,184,588</u>	<u>15,040,220</u>	<u>855,632</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Legislative - trustees	83,504	83,504	78,624	4,880
Manager	446,434	446,434	430,567	15,867
Assessing	483,250	538,250	535,326	2,924
Clerk	492,096	525,096	520,696	4,400
Treasurer	249,542	249,542	228,478	21,064
Computer	203,547	203,547	187,397	16,150
Township hall and grounds	395,410	395,410	385,574	9,836
General service administration	696,700	2,836,700	2,836,051	649
Cemetery	184,332	184,332	182,885	1,447
Total general government	<u>3,234,815</u>	<u>5,462,815</u>	<u>5,385,598</u>	<u>77,217</u>
Public safety:				
Law enforcement - police	3,066,625	3,066,625	3,064,810	1,815
Fire	2,737,889	2,737,889	2,727,273	10,616
Emergency operations center	29,100	29,100	28,770	330
Protective inspection	664,283	713,283	709,801	3,482
Total public safety	<u>6,497,897</u>	<u>6,546,897</u>	<u>6,530,654</u>	<u>16,243</u>

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2014**

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget</b>
<b>EXPENDITURES (Concluded):</b>				
Current:				
Public works:				
Department of public works	\$ 71,321	\$ 116,321	\$ 116,035	\$ 286
Drains	32,466	32,466	32,238	228
Streets and highways	330,500	330,500	193,116	137,384
Engineering	373,190	373,190	298,702	74,488
Street lighting	506,665	524,665	538,488	(13,823)
Total public works	1,314,142	1,377,142	1,178,579	198,563
Health and welfare:				
Paramedics	2,492,006	2,492,006	2,477,134	14,872
Community and economic development:				
Planning	386,451	386,451	331,484	54,967
Economic development	91,219	91,219	90,001	1,218
Total community and economic development	477,670	477,670	421,485	56,185
Culture and recreation:				
Parks and recreation	1,319,864	1,319,864	1,261,125	58,739
Debt service				
	184,414	184,414	184,414	-
Total expenditures	15,520,808	17,860,808	17,438,989	421,819
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,696,806	1,696,806	1,590,544	(106,262)
Transfers out	(146,500)	(146,500)	(146,500)	-
Total other financing sources (uses)	1,550,306	1,550,306	1,444,044	(106,262)
Net change in fund balances	\$ 14,086	\$ (2,125,914)	(954,725)	\$ 1,171,189
<b>FUND BALANCE:</b>				
Beginning of year			15,566,173	
End of year			\$ 14,611,448	

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
PARAMEDIC SPECIAL REVENUE FUND  
YEAR ENDED DECEMBER 31, 2014**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
<b>REVENUES:</b>				
Taxes and special assessments	\$ 1,228,494	\$ 1,228,494	\$ 1,228,009	\$ (485)
Investment income - net	24,000	24,000	48,411	24,411
Total revenues	<u>1,252,494</u>	<u>1,252,494</u>	<u>1,276,420</u>	<u>23,926</u>
<b>EXPENDITURES:</b>				
Current:				
Health and welfare	117,225	117,225	97,800	19,425
Excess of revenues over expenditures	1,135,269	1,135,269	1,178,620	43,351
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,227,006)	(1,227,006)	(1,118,254)	108,752
Net change in fund balance	<u>\$ (91,737)</u>	<u>\$ (91,737)</u>	60,366	<u>\$ 152,103</u>
<b>FUND BALANCE</b> , beginning of year			<u>2,273,256</u>	
<b>FUND BALANCE</b> , end of year			<u>\$2,333,622</u>	

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION PLAN FUNDING PROGRESS  
FOR THE UNION FIREFIGHTERS RETIREMENT PLAN  
YEAR ENDED DECEMBER 31, 2014**

The three year historical information required to be disclosed 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)
2011	\$ 8,079,235	\$ 11,974,698	\$ 3,895,463	67%	\$ 1,883,523	207%
2012	8,504,681	12,378,871	3,874,190	69%	2,102,374	184%
2013	9,104,752	13,183,970	4,079,218	69%	2,219,146	184%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, the latest actuarial valuation follows:

- A. The Actuarial Accrued Liability was determined as part of an actuarial valuation at December 31, 2013, the most recently filed actuarial valuation report.
- B. The report was based upon the Plan's actuarial assumptions described in Note 6. 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, 2013 valuation, the actuarial asset value was 106.18% of market value (\$8,574,505).
- C. The amortization method used is level percent of payroll ranging from 20-60 years. The payroll is assumed to increase 4.5% (1% for calendar year 2014, 2% for 2015, and 3% for 2016) a year for the purpose of determining the level percent contribution.

**CHARTER TOWNSHIP OF DELTA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE POSTRETIREMENT HEALTH CARE PLAN FUNDING PROGRESS  
YEAR ENDED DECEMBER 31, 2014**

The historical information required to be disclosed 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%
2009	4,124,502	11,436,918	7,312,416	36%	8,309,559	88%
2012	6,558,140	13,156,272	6,598,132	50%	7,074,701	93%

Schedule of employer contributions

Year ended December	Actual valuation date	Annual required contribution	Percentage contributed
2012	December 31, 2009	\$ 804,208	104.5%
2013	December 31, 2012	606,532	135.8%
2014	December 31, 2012	614,339	455.7%

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2012 the latest actuarial valuation follows:

Actuarial cost method	Individual entry age
Amortization method	Level percent open
Amortization period (perpetual)	24 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	3.0%
Valuation health care cost trend rate	8.0% in 2012, grading to 5.0% in 2020

**ADDITIONAL SUPPLEMENTARY INFORMATION**

**CHARTER TOWNSHIP OF DELTA  
GENERAL FUND  
BALANCE SHEETS  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>ASSETS:</b>		
Cash	\$ 7,875,456	\$ 8,580,204
Investments	10,661,370	10,728,168
Receivables:		
Accounts	165,069	208,182
Taxes	3,248,815	3,327,014
Interest	38,628	46,587
Due from other funds	56,062	55,376
Prepaid items	55,205	59,960
	<b>TOTAL ASSETS</b>	<b>\$ 23,005,491</b>
	<b>\$ 22,100,605</b>	<b>\$ 23,005,491</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 210,084	\$ 307,949
Customer deposits payable	126,638	139,134
Accrued salaries and related items	304,248	270,351
	<b>TOTAL LIABILITIES</b>	<b>717,434</b>
	<b>640,970</b>	<b>717,434</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unavailable revenue - property taxes	6,848,187	6,721,884
	<b>6,848,187</b>	<b>6,721,884</b>
<b>FUND BALANCE:</b>		
Nonspendable:		
Prepaid items	55,205	59,960
Restricted:		
Budget stabilization	450,000	450,000
Assigned:		
Compensated absences	946,341	914,456
Roads	1,000,000	1,000,000
Retiree health insurance	100,000	2,100,000
Non-motorized transportation	500,000	500,000
Economic development	500,000	500,000
Capital improvements	2,400,000	1,600,000
County drains	200,000	200,000
Subsequent years' expenditures	215,450	-
Unassigned	8,244,452	8,241,757
	<b>TOTAL FUND BALANCE</b>	<b>15,566,173</b>
	<b>14,611,448</b>	<b>15,566,173</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 22,100,605</b>	<b>\$ 23,005,491</b>

**CHARTER TOWNSHIP OF DELTA  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>REVENUES:</b>		
Taxes	\$ 7,432,288	\$ 7,486,855
Licenses and permits	1,443,185	1,556,665
Charges for services	2,215,500	2,178,877
Investment income - net	318,332	(107,648)
Rental income	68,727	68,409
Local contributions	390,038	419,976
Other	590,860	532,054
State shared revenue	2,488,471	2,411,596
State and federal grants	92,819	161,258
	15,040,220	14,708,042
Total revenues		
<b>EXPENDITURES:</b>		
Current:		
General government:		
Legislative - trustees	78,624	82,389
Manager	430,567	430,175
Assessing	535,326	450,944
Clerk	520,696	388,022
Treasurer	228,478	223,148
Computer	187,397	209,336
Township hall and grounds	385,574	381,058
General service administration	2,836,051	675,220
Cemetery	182,885	174,101
	5,385,598	3,014,393
Total general government		
Public safety:		
Law enforcement - police	3,064,810	2,990,427
Fire	2,727,273	2,307,766
Emergency operations center	28,770	11,103
Protective inspection	709,801	637,516
	6,530,654	5,946,812
Total public safety		

**CHARTER TOWNSHIP OF DELTA  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>EXPENDITURES (Concluded):</b>		
Current:		
Public works:		
Recycling	\$ 116,035	\$ 60,769
Drains	32,238	169,448
Streets and highways	193,116	660,974
Engineering	298,702	301,855
Street lighting	538,488	512,602
Total public works	1,178,579	1,705,648
Health and welfare:		
Paramedics	2,477,134	2,608,333
Community and economic development:		
Planning	331,484	295,803
Economic development	90,001	88,557
Total community and economic development	421,485	384,360
Culture and recreation:		
Parks and recreation	1,261,125	1,249,204
Debt service	184,414	166,900
Total expenditures	17,438,989	15,075,650
<b>OTHER FINANCING SOURCES (USES):</b>		
Drain assessments issued by Eaton County	-	128,567
Transfers in	1,590,544	1,199,107
Transfers out	(146,500)	(147,000)
Total other financing sources	1,444,044	1,180,674
Net change in fund balance	(954,725)	813,066
<b>FUND BALANCE:</b>		
Beginning of year	15,566,173	14,753,107
End of year	\$ 14,611,448	\$ 15,566,173

**CHARTER TOWNSHIP OF DELTA  
SCHEDULE OF GENERAL ASSESSMENT PAYABLE  
DECEMBER 31, 2014**

	<u>Carrier Creek</u>	<u>Watson &amp; Watson and Branches</u>	<u>Gettysburg</u>	<u>Burrell</u>	<u>Total</u>
2015	\$ 105,216	\$ 26,251	\$ 33,046	\$ 14,257	\$ 178,770
2016	101,715	25,400	32,143	13,880	173,138
2017	98,299	24,571	31,278	13,477	167,625
2018	94,711	23,700	30,338	13,086	161,835
2019	86,890	22,850	29,435	12,696	151,871
2020	87,708	22,000	28,532	12,314	150,554
2021	84,254	21,162	27,657	11,915	144,988
2022	80,705	20,300	26,727	11,525	139,257
2023	77,203	19,450	25,824	11,135	133,612
2024	73,702	18,600	24,922	10,749	127,973
2025	70,207	17,751	24,036	10,354	122,348
2026	-	-	23,116	9,964	33,080
2027	-	-	22,213	9,574	31,787
2028	-	-	21,311	-	21,311
2029	-	-	20,416	-	20,416
2030	-	-	19,505	-	19,505
2031	-	-	18,604	-	18,604
	<u>960,610</u>	<u>242,035</u>	<u>439,103</u>	<u>154,926</u>	<u>1,796,674</u>
Less interest	<u>226,932</u>	<u>56,138</u>	<u>138,202</u>	<u>35,542</u>	<u>456,814</u>
	<u>\$ 733,678</u>	<u>\$ 185,897</u>	<u>\$ 300,901</u>	<u>\$ 119,384</u>	<u>\$ 1,339,860</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 4.25% to 5.25%.

**CHARTER TOWNSHIP OF DELTA  
PARAMEDIC FUND  
BALANCE SHEETS  
DECEMBER 31, 2014 AND 2013**

<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>		
Cash	\$ 959,499	\$ 1,007,687
Investments	1,369,624	1,260,139
Receivables:		
Taxes	1,255,392	1,234,309
Interest	<u>4,790</u>	<u>5,430</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,589,305</u>	<u>\$ 3,507,565</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts payable	<u>\$ 291</u>	<u>\$ -</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>		
Unavailable revenue - property taxes	<u>1,255,392</u>	<u>1,234,309</u>
<b>FUND BALANCE:</b>		
Assigned for subsequent years' expenditures	216,920	91,737
Restricted	<u>2,116,702</u>	<u>2,181,519</u>
<b>TOTAL FUND BALANCE</b>	<u>2,333,622</u>	<u>2,273,256</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>	<u>\$ 3,589,305</u>	<u>\$ 3,507,565</u>

**CHARTER TOWNSHIP OF DELTA  
PARAMEDIC FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>REVENUES:</b>		
Taxes and special assessments	\$ 1,228,009	\$ 1,226,226
Investment income - net	<u>48,411</u>	<u>(14,658)</u>
Total revenues	1,276,420	1,211,568
<b>EXPENDITURES:</b>		
Current:		
Health and welfare	<u>97,800</u>	<u>155,160</u>
Excess of revenues over expenditures	1,178,620	1,056,408
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers out	<u>(1,118,254)</u>	<u>(1,199,107)</u>
Net change in fund balance	60,366	(142,699)
<b>FUND BALANCE:</b>		
Beginning of year	<u>2,273,256</u>	<u>2,415,955</u>
End of year	<u><u>\$ 2,333,622</u></u>	<u><u>\$ 2,273,256</u></u>

## **Nonmajor Governmental Funds**

### **Capital Projects Fund**

Capital Projects 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.

### **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 Township Library.

### **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, 2014**

	<u>Capital project</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	\$ 673,907	\$ 33,792	\$ 117,044	\$ 824,743
Investments	961,960	-	167,073	1,129,033
Interest receivable	3,364	-	584	3,948
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u>\$ 1,639,231</u>	<u>\$ 33,792</u>	<u>\$ 284,701</u>	<u>\$ 1,957,724</u>
<b>FUND BALANCES</b>				
<b>FUND BALANCES:</b>				
Restricted	\$ -	\$ -	\$ 284,701	\$ 284,701
Assigned	1,639,231	33,792	-	1,673,023
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 1,639,231</u>	<u>\$ 33,792</u>	<u>\$ 284,701</u>	<u>\$ 1,957,724</u>

**CHARTER TOWNSHIP OF DELTA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2014**

	<u>Capital project</u>	<u>Debt service</u>	<u>Permanent fund Cemetery perpetual care fund</u>	<u>Total nonmajor governmental funds</u>
<b>REVENUES:</b>				
Local sources:				
Investment earnings - net	\$ 32,382	\$ 1,411	\$ 4,678	\$ 38,471
Rental income	-	391,550	-	391,550
Other	-	-	12,845	12,845
Total local sources	<u>32,382</u>	<u>392,961</u>	<u>17,523</u>	<u>442,866</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal repayment	-	100,000	-	100,000
Interest expense	-	292,300	-	292,300
Total expenditures	<u>-</u>	<u>392,300</u>	<u>-</u>	<u>392,300</u>
<b>EXCESS OF REVENUES (EXPENDITURES)</b>	32,382	661	17,523	50,566
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	146,500	-	-	146,500
Transfers out	<u>(469,000)</u>	<u>-</u>	<u>(3,290)</u>	<u>(472,290)</u>
Total other financing sources (uses)	<u>(322,500)</u>	<u>-</u>	<u>(3,290)</u>	<u>(325,790)</u>
Net change in fund balances	(290,118)	661	14,233	(275,224)
<b>FUND BALANCES:</b>				
Beginning of year	<u>1,929,349</u>	<u>33,131</u>	<u>270,468</u>	<u>2,232,948</u>
End of year	<u>\$ 1,639,231</u>	<u>\$ 33,792</u>	<u>\$ 284,701</u>	<u>\$ 1,957,724</u>

**CHARTER TOWNSHIP OF DELTA  
CAPITAL PROJECT FUND  
BALANCE SHEETS  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>ASSETS:</b>		
Cash	\$ 673,907	\$ 855,240
Investments	961,960	1,069,500
Interest receivable	3,364	4,609
<b>TOTAL ASSETS</b>	<b>\$ 1,639,231</b>	<b>\$ 1,929,349</b>
<b>FUND BALANCES</b>		
<b>FUND BALANCES:</b>		
Assigned	\$ 1,639,231	\$ 1,929,349

**CHARTER TOWNSHIP OF DELTA  
 CAPITAL PROJECT FUND  
 STATEMENTS OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>REVENUES:</b>		
Investment income - net	\$ 32,382	\$ (9,931)
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	146,500	147,000
Transfers out	(469,000)	-
Total other financing sources (uses)	(322,500)	147,000
Net change in fund balances	(290,118)	137,069
<b>FUND BALANCE:</b>		
Beginning of year	1,929,349	1,792,280
End of year	\$ 1,639,231	\$ 1,929,349

**CHARTER TOWNSHIP OF DELTA  
DEBT SERVICE FUND  
BALANCE SHEETS  
DECEMBER 31, 2014 AND 2013**

	<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
<b>ASSETS:</b>			
Cash		<u>\$ 33,792</u>	<u>\$ 33,131</u>
	<b>FUND BALANCE</b>		
<b>FUND BALANCE:</b>			
Assigned		<u>\$ 33,792</u>	<u>\$ 33,131</u>

**CHARTER TOWNSHIP OF DELTA  
DEBT SERVICE FUND  
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>REVENUE:</b>		
Rental income - Delta Township District Library	\$ 391,550	\$ 395,550
Investment income - net	1,411	(932)
Total revenue	392,961	394,618
<b>EXPENDITURES:</b>		
Principal payments on debt	100,000	100,000
Interest and fiscal charges	292,300	295,876
Total expenditures	392,300	395,876
Net change in fund balance	661	(1,258)
<b>FUND BALANCE:</b>		
Beginning of year	33,131	34,389
End of year	\$ 33,792	\$ 33,131

**CHARTER TOWNSHIP OF DELTA  
2007 GENERAL OBLIGATION LIMITED TAX LIBRARY DEBT  
SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2014**

Interest rate	Due April 1	Principal	Interest		Total payment requirements
			April 1	October 1	
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>\$ 6,700,000</u>	<u>\$ 2,171,750</u>	<u>\$ 2,026,975</u>	<u>\$ 10,898,725</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  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 1,943,510	\$ 2,042,874
Investments	2,765,488	2,544,671
Receivables:		
Customer accounts	411,030	438,723
Interest	18,383	20,942
Special assessment - current	19,076	15,978
Special assessment - interest	12,181	8,331
Other	41,939	41,709
	<b>5,211,607</b>	<b>5,113,228</b>
<b>TOTAL CURRENT ASSETS</b>		
<b>NONCURRENT ASSETS:</b>		
Investments - replacement account	4,228,976	4,158,294
Deferred charges:		
Tap in charges - deferred	68,901	103,099
Special assessment - deferred	2,929	4,616
Prepaid other postemployment benefits - restricted	83,777	45,916
Property, plant, and equipment, net of accumulated depreciation	24,634,104	25,238,003
	<b>29,018,687</b>	<b>29,549,928</b>
<b>TOTAL NONCURRENT ASSETS</b>		
<b>TOTAL ASSETS</b>	<b>34,230,294</b>	<b>34,663,156</b>

	<u>2014</u>	<u>2013</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 111,799	\$ 177,406
Customer deposits payable	68,392	68,392
Current portion of long-term liabilities	22,233	22,233
Current portion of compensated absences	178,469	186,151
Due to other funds	41,039	40,623
	<u>421,932</u>	<u>494,805</u>
<b>LONG-TERM LIABILITIES, net of current portion:</b>		
Compensated absences	106,171	111,112
Other long-term debt	222,326	244,559
	<u>328,497</u>	<u>355,671</u>
	<u>750,429</u>	<u>850,476</u>
<b>NET POSITION:</b>		
Net investment in capital assets	24,389,545	24,971,211
Restricted for other postemployment benefits	83,777	45,916
Unrestricted	9,006,543	8,795,553
	<u>\$ 33,479,865</u>	<u>\$ 33,812,680</u>

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 3,826,421	\$ 3,749,295
Capital charges	171,690	105,967
Forfeited discounts	46,319	44,806
Other	72,300	45,954
Total operating revenues	4,116,730	3,946,022
<b>OPERATING EXPENSES:</b>		
Costs of sales and services	3,535,919	3,478,805
Depreciation	1,063,466	1,913,209
Total operating expenses	4,599,385	5,392,014
Operating loss	(482,655)	(1,445,992)
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Contributions - infrastructure	-	28,530
Main charges	-	39,074
Investment income - net	165,305	(29,572)
Interest and fiscal charges	(15,465)	(17,376)
Amortization of bond premium	-	77,757
Total non-operating revenues - net	149,840	98,413
Net loss	(332,815)	(1,347,579)
<b>NET POSITION:</b>		
Beginning of year	33,812,680	35,160,259
End of year	\$ 33,479,865	\$ 33,812,680

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>INCREASE (DECREASE) IN CASH:</b>		
Cash flows from operating activities:		
Operating loss	\$ (482,655)	\$ (1,445,992)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,063,466	1,913,209
Gain on disposal of fixed assets	-	(6,290)
Receivables	27,693	(36,587)
Prepaid expenditures	(37,861)	(44,986)
Due to/from other funds - net	416	3,687
Accounts payable	(65,607)	(2,219)
Accrued compensated absences	(12,623)	7,006
Total adjustments	975,484	1,833,820
Net cash provided by operating activities	492,829	387,828
Cash flows from non-capital financing activities:		
Contributions	-	28,530
Main and tap in charges	34,198	61,005
Net cash provided by non-capital financing activities	34,198	89,535
Cash flows for capital and related financing activities:		
Principal repayments on debt	(22,233)	(1,077,342)
Net interest paid on bonds	(15,465)	(26,033)
Payments for capital acquisitions	(459,567)	(315,925)
Proceeds from special assessments	(1,641)	(258)
Interest received from special assessments	10,299	12,993
Proceeds from the sale of fixed assets	-	6,290
Net cash used by capital and related financing activities	(488,607)	(1,400,275)
Cash flows from investing activities:		
Interest received from investments	153,715	(36,423)
Proceeds (purchases) of investments	(291,499)	609,396
Net cash provided (used) by investing activities	(137,784)	572,973
<b>NET DECREASE IN CASH</b>	(99,364)	(349,939)
<b>CASH:</b>		
Beginning of year	2,042,874	2,392,813
End of year	\$ 1,943,510	\$ 2,042,874

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
SCHEDULES OF COSTS OF SALES AND SERVICES  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Salaries and wages	\$ 1,397,641	\$ 1,378,586
Payroll taxes	104,787	102,654
Employee fringe benefits	520,026	484,032
Pension expense	161,795	151,410
Office supplies	1,041	4,689
Chemicals	221,559	226,269
Supplies	34,973	31,973
Maintenance of plant	20,335	50,085
Maintenance of equipment	190,106	176,168
Accounting and auditing	149,442	152,364
Administrative fees	100,000	100,000
Contracted services	55,565	44,129
Engineering	5,167	7,969
Collection fees	608	631
Telephone	19,836	20,390
Transportation	39,297	30,724
Insurance	102,000	95,800
Utilities	393,823	403,571
Miscellaneous	17,918	17,361
	\$ 3,535,919	\$ 3,478,805

**CHARTER TOWNSHIP OF DELTA  
SEWER FUND  
SCHEDULE OF GENERAL ASSESSMENT PAYABLE  
DECEMBER 31, 2014**

<u>Year</u>	<u>Carrier Creek</u>
2015	\$ 35,072
2016	33,905
2017	32,766
2018	31,570
2019	28,963
2020	29,236
2021	28,085
2022	26,902
2023	25,734
2024	24,567
2025	<u>23,404</u>
	320,204
Less interest	<u>75,645</u>
	<u>\$ 244,559</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  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2014 AND 2013**

<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 288,708	\$ 1,179,312
Investments	3,458,129	4,098,668
Receivables:		
Customer accounts	402,596	447,943
Interest	12,093	17,662
Special assessment - current	40,405	46,472
Special assessment - interest	13,252	4,830
Other	24,107	22,664
Current portion of long-term receivable	<u>39,994</u>	<u>38,829</u>
<b>TOTAL CURRENT ASSETS</b>	<u>4,279,284</u>	<u>5,856,380</u>
<b>NONCURRENT ASSETS:</b>		
Investments - replacement account	2,133,907	2,098,242
Deferred charges:		
Water tap charges - deferred	44,209	61,819
Special assessments - deferred	100,502	166,068
Long-term receivable	218,714	258,708
Prepaid other postemployment benefits - restricted	31,372	14,588
Property, plant and equipment, less accumulated depreciation	<u>35,330,827</u>	<u>33,671,824</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>37,859,531</u>	<u>36,271,249</u>
<b>TOTAL ASSETS</b>	<u>42,138,815</u>	<u>42,127,629</u>

<b>LIABILITIES AND NET POSITION</b>	<u>2014</u>	<u>2013</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 390,951	\$ 233,217
Customer deposits payable	7,630	7,990
Contract retainage payable	97,000	91,620
Accrued interest	59,071	64,071
Unearned revenue	46,475	40,409
Current portion of long-term liabilities	920,000	925,000
Current portion of compensated absences	35,751	36,132
Due to other funds	15,023	14,753
	<u>1,571,901</u>	<u>1,413,192</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>LONG-TERM LIABILITIES</b> , net of current portion:		
Compensated absences	25,378	26,413
Bonds payable	9,450,000	10,370,000
Unamortized bond premiums (discount) - net	(6,932)	(5,487)
	<u>9,468,446</u>	<u>10,390,926</u>
<b>TOTAL LONG-TERM LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>	<u>11,040,347</u>	<u>11,804,118</u>
<b>NET POSITION:</b>		
Net investment in capital assets	24,967,759	22,382,311
Restricted for other postemployment benefits	31,372	14,588
Unrestricted	6,099,337	7,926,612
	<u>\$ 31,098,468</u>	<u>\$ 30,323,511</u>
<b>TOTAL NET POSITION</b>		
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 42,138,815</u>	<u>\$ 42,127,629</u>

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 5,027,329	\$ 4,945,651
Capital charges	64,415	137,775
Hydrant rental	139,860	137,970
Forfeited discounts	60,780	58,171
Other service charges	103,662	94,930
Other	24,065	17,896
Total operating revenues	5,420,111	5,392,393
<b>OPERATING EXPENSES:</b>		
Costs of sales and services	3,656,954	3,636,831
Depreciation	1,018,129	960,612
Total operating expenses	4,675,083	4,597,443
Operating income	745,028	794,950
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Contributions - infrastructure	205,900	118,510
Main charges	-	36,553
Investment income - net	153,633	862
Interest and fiscal charges	(331,050)	(364,916)
Bond issuance costs	-	(50,200)
Amortization of bond discount	(3,122)	(22,636)
Amortization of bond premium	4,568	111,945
Total non-operating revenues (expenses) - net	29,929	(169,882)
Net income	774,957	625,068
<b>NET POSITION:</b>		
Beginning of year	30,323,511	29,698,443
End of year	\$ 31,098,468	\$ 30,323,511

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>INCREASE (DECREASE) IN CASH:</b>		
Cash flows from operating activities:		
Operating income	\$ 745,028	\$ 794,950
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,018,129	960,612
Gain on disposal of fixed assets	(9,313)	-
Receivables	82,733	(41,285)
Prepaid expenditures	(16,784)	(13,558)
Due to/from other funds - net	270	3,852
Accounts payable	157,734	(10,323)
Accrued compensated absences	(1,416)	1,528
Customer deposits	(360)	270
Contract retainage payable	5,380	91,620
Unearned revenue	6,066	14,812
Total adjustments	1,242,439	1,007,528
Net cash provided by operating activities	1,987,467	1,802,478
Cash flows from non-capital financing activities:		
Contributions	205,900	118,510
Main and tap in charges	17,610	53,021
Net cash provided by non-capital financing activities	223,510	171,531
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	-	4,000,000
Principal repayments on debt	(925,000)	(3,681,200)
Net interest paid on bonds	(336,049)	(374,306)
Payments for bond issuance costs	-	(50,200)
Payments for capital acquisitions	(2,677,132)	(2,392,701)
Proceeds from special assessments	71,633	(77,124)
Interest received from special assessments	16,188	15,012
Proceeds from sale of fixed assets	9,313	-
Net cash used by capital and related financing activities	(3,841,047)	(2,560,519)
Cash flows from investing activities:		
Interest received from investments	134,592	(9,878)
Purchase of investments	604,874	(760,783)
Net cash provided (used) by investing activities	739,466	(770,661)
<b>NET DECREASE IN CASH</b>	(890,604)	(1,357,171)
<b>CASH:</b>		
Beginning of year	1,179,312	2,536,483
End of year	\$ 288,708	\$ 1,179,312

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULES OF COSTS OF SALES AND SERVICES  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Salaries and wages	\$ 506,320	\$ 470,083
Payroll taxes	37,306	34,269
Employee fringe benefits	158,163	153,668
Pension expense	63,584	46,231
Office supplies	2,629	7,750
Supplies	96,606	77,236
Water purchases	2,182,483	2,215,259
Maintenance of plant	31,674	94,550
Maintenance of equipment	101,227	49,271
Transportation	32,014	31,280
Administrative	100,000	100,000
Accounting and auditing	149,442	152,364
Contracted services	28,272	36,552
Engineering	6,956	20,857
Telephone	13,429	14,251
Insurance	35,000	32,900
Utilities	91,811	80,161
Printing	232	104
Miscellaneous	19,806	20,045
	\$ 3,656,954	\$ 3,636,831

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2014**

Michigan Municipal Bond Authority  
Water Supply System Revenue Bonds - 2012A

Interest rate	Due November 1	Principal	Interest		Total payment requirements
			May 1	November 1	
3.00%	2015	\$ 135,000	\$ 12,150	\$ 12,150	\$ 159,300
3.00%	2016	130,000	10,125	10,125	150,250
3.00%	2017	150,000	8,175	8,175	166,350
3.00%	2018	145,000	6,675	6,675	158,350
3.00%	2019	140,000	4,500	4,500	149,000
3.00%	2020	160,000	2,400	2,400	164,800
		<u>\$ 860,000</u>	<u>\$ 44,025</u>	<u>\$ 44,025</u>	<u>\$ 948,050</u>

NOTE: The above bonds dated August 8, 2012 were issued for the purpose of refunding the 2000A Water Supply System Revenue Bonds which provided for the acquisition and construction of improvements and extensions to the Township's water supply system under the provisions of Public Act 94. The amount of the original bond issue was \$1,130,000.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF BOND AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2014**

Michigan Municipal Bond Authority  
Water Supply System Revenue Bonds - 2012B

Interest rate	Due November 1	Principal	Interest		Total payment requirements
			May 1	November 1	
3.00%	2015	\$ 135,000	\$ 16,912	\$ 16,913	\$ 168,825
3.00%	2016	180,000	14,887	14,888	209,775
3.00%	2017	175,000	12,187	12,188	199,375
3.00%	2018	195,000	9,562	9,563	214,125
3.00%	2019	215,000	6,637	6,638	228,275
3.25%	2020	210,000	3,412	3,413	216,825
		<u>\$ 1,110,000</u>	<u>\$ 63,597</u>	<u>\$ 63,603</u>	<u>\$ 1,237,200</u>

NOTE: The above bonds dated August 8, 2012 were issued for the purpose of refunding the 2000B Water Supply System Revenue Bonds which provided for the acquisition and construction of improvements and extensions to the Township's water supply system under the provisions of Public Act 94. The amount of the original bond issue was \$1,390,000.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND  
AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2014**

Charter Township of Delta Bonds  
General Obligation Limited Tax Bonds

Year	Interest rate	Principal due May 1	Interest April 1	Interest October 1	Total	Total principal and interest requirements
2015	2.000 %	\$ 350,000	\$ 36,500	\$ 33,000	\$ 69,500	\$ 419,500
2016	2.000 %	400,000	33,000	29,000	62,000	462,000
2017	2.000 %	400,000	29,000	25,000	54,000	454,000
2018	2.000 %	400,000	25,000	21,000	46,000	446,000
2019	2.000 %	400,000	21,000	17,000	38,000	438,000
2020	2.000 %	400,000	17,000	13,000	30,000	430,000
2021	2.000 %	400,000	13,000	9,000	22,000	422,000
2022	2.000 %	450,000	9,000	4,500	13,500	463,500
2023	2.000 %	450,000	4,500	-	4,500	454,500
		<u>\$ 3,650,000</u>	<u>\$ 188,000</u>	<u>\$ 151,500</u>	<u>\$ 339,500</u>	<u>\$ 3,989,500</u>

NOTE: The general obligation limited tax bonds were issued by Charter Township of Delta on July 10, 2013 for the purpose of replacing water mains throughout the Township. Original amount was \$4,000,000.

**CHARTER TOWNSHIP OF DELTA  
WATER FUND  
SCHEDULE OF GENERAL OBLIGATION LIMITED TAX BOND  
AND INTEREST PAYMENT REQUIREMENTS  
DECEMBER 31, 2014**

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
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	3.750 %	400,000	74,650	67,050	141,700	541,700
2019	3.800 %	400,000	67,050	59,300	126,350	526,350
2020	3.875 %	450,000	59,300	50,525	109,825	559,825
2021	3.900 %	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	4.000 %	500,000	21,525	11,275	32,800	532,800
2025	4.100 %	550,000	11,275	-	11,275	561,275
		<u>\$ 4,750,000</u>	<u>\$ 619,763</u>	<u>\$ 526,363</u>	<u>\$ 1,146,126</u>	<u>\$ 5,896,126</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, 2014  
(with comparative totals for December 31, 2013)**

	<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>2014</u>	<u>2013</u>
<b>ASSETS:</b>					
Cash	\$ -	\$ -	\$ 2,096,281	\$ 2,096,281	\$ 1,903,424
Investments	18,942,470	10,910,514	2,992,310	32,845,294	29,528,104
Taxes receivable - delinquent	-	-	552,793	552,793	484,544
Interest receivable	-	-	10,466	10,466	10,258
<b>TOTAL ASSETS</b>	<u>\$ 18,942,470</u>	<u>\$ 10,910,514</u>	<u>\$ 5,651,850</u>	<u>\$ 35,504,834</u>	<u>\$ 31,926,330</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Undistributed tax collections:					
Current	\$ -	\$ -	\$ 5,099,057	\$ 5,099,057	\$ 4,293,685
Delinquent and other	-	-	552,793	552,793	484,824
<b>TOTAL LIABILITIES</b>	-	-	5,651,850	5,651,850	4,778,509
<b>FUND BALANCES:</b>					
Restricted for pension and other post employment benefits	18,942,470	10,910,514	-	29,852,984	27,147,821
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 18,942,470</u>	<u>\$ 10,910,514</u>	<u>\$ 5,651,850</u>	<u>\$ 35,504,834</u>	<u>\$ 31,926,330</u>

**CHARTER TOWNSHIP OF DELTA  
AGENCY FUND  
TAX COLLECTION FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED DECEMBER 31, 2014**

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
<b>ASSETS</b>				
Cash	\$ 1,903,424	\$ 192,857	\$ -	\$ 2,096,281
Investments	2,380,283	73,602,247	72,990,220	2,992,310
Taxes receivable delinquent	484,544	235,258	167,009	552,793
Interest receivable	10,258	208	-	10,466
<b>TOTAL ASSETS</b>	<b>\$ 4,778,509</b>	<b>\$ 74,030,570</b>	<b>\$ 73,157,229</b>	<b>\$ 5,651,850</b>
<b>LIABILITIES</b>				
Undistributed tax collections:				
Current	\$ 4,293,685	\$ 73,778,519	\$ 72,973,147	\$ 5,099,057
Delinquent and other	484,824	252,051	184,082	552,793
<b>TOTAL LIABILITIES</b>	<b>\$ 4,778,509</b>	<b>\$ 74,030,570</b>	<b>\$ 73,157,229</b>	<b>\$ 5,651,850</b>