

Charter Township of Flint

**Financial Report
with Supplemental Information
December 31, 2010**

Charter Township of Flint

Contents

Report Letter	1-2
Management's Discussion and Analysis	3-5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	6
Statement of Activities	7-8
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	9
Reconciliation of the Balance Sheet to the Statement of Net Assets	10
Statement of Revenue, Expenditures, and Changes in Fund Balances	11
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Proprietary Fund:	
Statement of Net Assets	13
Statement of Revenue, Expenses, and Changes in Net Assets	14
Statement of Cash Flows	15
Fiduciary Funds:	
Statement of Fiduciary Net Assets	16
Statement of Changes in Fiduciary Net Assets - Trust Funds	17
Notes to Financial Statements	18-41
Required Supplemental Information	42
Budgetary Comparison Schedule - General Fund	43
Budgetary Comparison Schedule - Major Special Revenue Funds	44-45
Note to Required Supplemental Information	46-47
Pension System Schedule of Funding Progress	48

Charter Township of Flint

Contents (Continued)

Other Supplemental Information	49
Nonmajor Governmental Funds:	
Combining Balance Sheet	50-51
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	52-53
Budgetary Comparison - Nonmajor Special Revenue Funds	54-56
Fiduciary Funds:	
Combining Statement of Net Assets	57
Combining Statement of Changes in Fiduciary Net Asset	58

Independent Auditor's Report

To the Honorable Members of the Township Board of the
Charter Township of Flint

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Flint as of and for the year ended December 31, 2010, which collectively comprise the Charter Township of Flint's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Flint's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Flint, as of December 31, 2010 and the respective changes in financial position and cash flows, where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, retirement system schedules of funding progress, and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Honorable Members of the Township Board of the
Charter Township of Flint

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Flint's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2011 on our consideration of the Charter Township of Flint's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plante & Moran, PLLC

May 6, 2011

Charter Township of Flint

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Flint's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2010. Please read it in conjunction with the Township's financial statements.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Charter Township of Flint as a whole and present a longer-term view of the Charter Township of Flint's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Charter Township of Flint's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Governmental and Business-type Activities

The following table shows, in a condensed format, the current year's net assets and changes in net assets, compared to the prior years:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Cash and investments	\$ 7,814,424	\$ 5,921,389	\$ 3,067,668	\$ 2,352,510	\$ 10,882,092	\$ 8,273,899
Current receivables	11,644,839	12,615,279	4,135,392	3,868,411	15,780,231	16,483,690
Prepaid items	99,244	145,451	-	1,285	99,244	146,736
Restricted cash	-	-	-	260,771	-	260,771
Net pension asset	1,444,854	584,648	-	-	1,444,854	584,648
Capital assets	17,199,688	18,500,738	2,502,501	3,494,668	19,702,189	21,995,406
Total assets	38,203,049	37,767,505	9,705,561	9,977,645	47,908,610	47,745,150
Current liabilities	978,384	485,536	1,858,217	1,800,223	2,836,601	2,285,759
Deferred revenue	9,105,107	10,585,734	528	1,532	9,105,635	10,587,266
Long-term liabilities	9,951,198	8,472,904	121,727	184,549	10,072,925	8,657,453
Total liabilities	20,034,689	19,544,174	1,980,472	1,986,304	22,015,161	21,530,478
Net assets:						
Invested in capital assets, net of related debt	14,199,479	15,424,663	2,502,501	3,390,736	16,701,980	18,815,399
Restricted	564,022	625,387	-	260,771	564,022	886,158
Unrestricted	3,404,859	2,173,281	5,222,588	4,339,834	8,627,447	6,513,115
Total net assets	<u>\$ 18,168,360</u>	<u>\$ 18,223,331</u>	<u>\$ 7,725,089</u>	<u>\$ 7,991,341</u>	<u>\$ 25,893,449</u>	<u>\$ 26,214,672</u>

Charter Township of Flint

Management's Discussion and Analysis (Continued)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue						
Program revenue:						
Charges for services	\$ 3,233,048	\$ 2,875,551	\$ 10,551,957	\$ 10,272,536	\$ 13,785,005	\$ 13,148,087
Operating grants	1,597,950	705,490	-	-	1,597,950	705,490
Capital grants	1,278,939	57,795	28,230	19,414	1,307,169	77,209
General revenue:						
Property taxes	6,896,464	6,947,472	76	196	6,896,540	6,947,668
State-shared revenue	2,150,206	2,170,058	-	-	2,150,206	2,170,058
Investment earnings	79,850	110,794	4,428	10,114	84,278	120,908
Other revenue	516,006	486,109	-	-	516,006	486,109
Total revenue	<u>15,752,463</u>	<u>13,353,269</u>	<u>10,584,691</u>	<u>10,302,260</u>	<u>26,337,154</u>	<u>23,655,529</u>
Program Expenses						
General government	3,356,750	3,291,634	-	-	3,356,750	3,291,634
Public safety	7,991,016	8,326,402	-	-	7,991,016	8,326,402
Public works	4,219,079	2,721,891	-	-	4,219,079	2,721,891
Community and economic development	32,092	1,421	-	-	32,092	1,421
Recreation and cultural	43,458	21,999	-	-	43,458	21,999
Sewer and water	-	-	10,850,943	10,659,214	10,850,943	10,659,214
Interest on long-term debt	165,039	262,595	-	-	165,039	262,595
Total expenses	<u>15,807,434</u>	<u>14,625,942</u>	<u>10,850,943</u>	<u>10,659,214</u>	<u>26,658,377</u>	<u>25,285,156</u>
Change in Net Assets	<u>\$ (54,971)</u>	<u>\$ (1,272,673)</u>	<u>\$ (266,252)</u>	<u>\$ (356,954)</u>	<u>\$ (321,223)</u>	<u>\$ (1,629,627)</u>

The governmental net assets decreased .3 percent from a year ago – decreasing from \$18,223,331 to \$18,223,331. Last year's net assets decreased by 6.5 percent.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations - increased by \$1,231,578 for governmental activities. The current level of unrestricted net assets for our governmental activities stands at \$3,404,859 or about 22 percent of expenditures.

The Township's business-type activities consist of the Sewer and Water Fund. The total net assets of business type activities decreased approximately \$266,000, or 3 percent. Last year's net assets decreased by 4 percent.

Unrestricted net assets of the business-type activities increased by \$882,754 or 20 percent.

Financial Analysis of the Township's Funds

As the Township completed the year, its General Fund reported a fund balance of \$3,922,275. This represents an increase of \$719,481 from the prior year. The Township's General Fund revenues excluding other financing sources were \$11.78 million. Property taxes were \$5.49 million or 47 percent of the total revenues. State revenue sharing made up \$2.25 million or 19 percent of total revenue.

The Township Board passed a 2010 General Fund budget anticipating a decrease of \$157,777 of fund balance. Ultimately, the change in fund balance was an increase of \$719,000. The Township's actual expenditures were \$486,000 less than the final amended budget.

Charter Township of Flint

Management's Discussion and Analysis (Continued)

Budgetary Highlights

Amended to Actual – General Fund revenues totaled \$11,734,000, \$479,000 more than the final amended budget. The largest difference between budget and actual revenue were more than anticipated charges for services (\$158,000), property taxes (\$127,000), and state shared revenue (\$128,000). These were offset by lower than anticipated investment income (\$44,000).

General Fund expenditures totaled \$11,571,000, \$598,000 less than the final amended budget. The largest difference between the budget and actual expenditures was a total positive variance of \$431,000 in public safety; police \$389,000, fire department \$27,000 and building and trade inspections \$15,000. General government expenditures totaled \$2,574,000, \$169,000 less than the final amended budget. Although all general government departments were under budget, insurance was the largest difference of \$49,000.

Capital Assets

At the end of 2010, the Township had invested \$15.6 million in capital assets, net of related debt. This amount complies with methods established by the Governmental Accounting Standards Board (GASB).

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

- Numerous street paving projects totaling \$318,000
- Disposals as result of reduction in capitalization threshold from \$500 to \$1,000

Additional information on the Township's capital assets can be found in Note 5 of this report.

Long-term Debt

At year end the Township had \$10.0 million in governmental long-term debt, including \$2,159,664 in special assessment debt. Included in long-term debt is the postemployment benefit obligation (OPEB). At year end \$2,332,949 and \$121,727 was the balance for OPEB liability for the governmental and business-type activities, respectively.

Economic Factors

- The unemployment rate for the Greater Flint Area (which borders Flint Township) was 14.4% for 2010. This compares to an unemployment rate of 14.4% for the previous year.

Contacting the Township's Financial Administration

This financial report is intended to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Charter Township of Flint's finances and to demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Clerk's Department, 1490 South Dye Road, Flint, Michigan 48532-4121.

Charter Township of Flint

Statement of Net Assets December 31, 2010

	Primary Government			Economic Development Corporation
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 7,583,931	\$ 2,567,668	\$ 10,151,599	\$ 1,816
Investments	230,493	500,000	730,493	-
Receivables:				
Property taxes receivable	4,974,677	528	4,975,205	-
Receivables from sales to customers on account	140,130	4,161,535	4,301,665	-
Accrued interest receivable	749	930	1,679	-
Due from other governmental units	4,058,148	-	4,058,148	-
Special assessments receivable	2,440,740	2,794	2,443,534	-
Internal balances (Note 6)	30,395	(30,395)	-	-
Prepaid expenses and other assets	99,244	-	99,244	-
Capital assets: (Note 5)				
Assets not subject to depreciation	1,737,155	-	1,737,155	-
Assets subject to depreciation	15,462,533	2,502,501	17,965,034	-
Net pension asset	1,444,854	-	1,444,854	-
Total assets	38,203,049	9,705,561	47,908,610	1,816
Liabilities				
Accounts payable	568,434	161,913	730,347	-
Due to other governmental units	104,096	1,665,932	1,770,028	-
Refundable deposits, bonds, etc.	16,243	18,585	34,828	-
Accrued liabilities and other	289,611	11,787	301,398	-
Unearned revenue (Note 4)	9,105,107	528	9,105,635	-
Noncurrent liabilities: (Note 7)				
Due within one year	742,090	-	742,090	-
Due in more than one year	9,209,108	121,727	9,330,835	-
Total liabilities	20,034,689	1,980,472	22,015,161	-
Net Assets				
Invested in capital assets - Net of related debt	14,199,479	2,502,501	16,701,980	-
Restricted for:				
Police	84,833	-	84,833	-
Other purposes	11,893	-	11,893	-
Garbage	11,515	-	11,515	-
Municipal Streets	455,781	-	455,781	-
Unrestricted	3,404,859	5,222,588	8,627,447	1,816
Total net assets	\$ 18,168,360	\$ 7,725,089	\$ 25,893,449	\$ 1,816

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Flint

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,356,750	\$ 1,009,596	\$ 1,735	\$ -
Public safety	7,991,016	611,189	1,554,732	30,669
Public works	4,219,079	1,612,263	2,501	1,222,320
Community and economic development	32,092	-	-	-
Recreation and culture	43,458	-	38,982	25,950
Interest on long-term debt	165,039	-	-	-
Total governmental activities	15,807,434	3,233,048	1,597,950	1,278,939
Business-type activities	10,850,943	10,551,957	-	28,230
Total primary government	<u>\$ 26,658,377</u>	<u>\$ 13,785,005</u>	<u>\$ 1,597,950</u>	<u>\$ 1,307,169</u>
Component units	<u>\$ 432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Total general revenues				
Change in Net Assets				
Net Assets - Beginning of year				
Net Assets - End of year				

Statement of Activities
Year Ended December 31, 2010

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,345,419)	\$ -	\$ (2,345,419)	\$ -
(5,794,426)	-	(5,794,426)	-
(1,381,995)	-	(1,381,995)	-
(32,092)	-	(32,092)	-
21,474	-	21,474	-
(165,039)	-	(165,039)	-
(9,697,497)	-	(9,697,497)	-
-	(270,756)	(270,756)	-
(9,697,497)	(270,756)	(9,968,253)	-
-	-	-	(432)
6,896,464	76	6,896,540	-
2,150,206	-	2,150,206	-
79,850	4,428	84,278	-
468,650	-	468,650	-
47,356	-	47,356	-
9,642,526	4,504	9,647,030	-
(54,971)	(266,252)	(321,223)	(432)
18,223,331	7,991,341	26,214,672	2,248
\$ 18,168,360	\$ 7,725,089	\$ 25,893,449	\$ 1,816

Charter Township of Flint

Governmental Funds Balance Sheet December 31, 2010

	General Fund	Municipal Street Fund	JAG Grant Fund	Nonmajor Funds	Total
Assets					
Cash and cash equivalents	\$ 4,815,509	\$ 518,296	\$ 1,637,148	\$ 612,978	\$ 7,583,931
Investments	104,497	-	-	125,996	230,493
Receivables:					
Property taxes receivable	3,957,296	407,154	-	610,227	4,974,677
Special assessments receivable	1,233,375	217,041	-	990,324	2,440,740
Receivables from sales to customers on account	140,130	-	-	-	140,130
Accrued interest receivable	749	-	-	-	749
Due from other governmental units	480,833	-	-	7,364	488,197
Due from other funds	41,175	-	-	116,431	157,606
Prepaid expenses and other assets	99,244	-	-	-	99,244
	<u>\$10,872,808</u>	<u>\$ 1,142,491</u>	<u>\$ 1,637,148</u>	<u>\$ 2,463,320</u>	<u>\$16,115,767</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 396,374	\$ 171,911	\$ -	\$ 149	\$ 568,434
Due to other governmental units	-	-	-	104,096	104,096
Due to other funds	104,096	14,802	949	7,364	127,211
Refundable deposits, bonds, etc.	16,243	-	-	-	16,243
Accrued liabilities and other	261,449	-	-	-	261,449
Deferred revenue	6,172,371	750,358	1,636,199	1,821,221	10,380,149
	<u>6,950,533</u>	<u>937,071</u>	<u>1,637,148</u>	<u>1,932,830</u>	<u>11,457,582</u>
Fund Balances					
Reserved for:					
Police	84,833	-	-	-	84,833
Garbage	11,515	-	-	-	11,515
Prepaid expenses	99,244	33,320	-	-	132,564
Other purposes	11,893	-	-	-	11,893
Unreserved, reported in:					
General Fund	3,714,790	-	-	-	3,714,790
Special Revenue Funds	-	172,100	-	251,880	423,980
Debt Service Funds	-	-	-	278,610	278,610
	<u>3,922,275</u>	<u>205,420</u>	<u>-</u>	<u>530,490</u>	<u>4,658,185</u>
Total liabilities and fund balances	<u>\$10,872,808</u>	<u>\$ 1,142,491</u>	<u>\$ 1,637,148</u>	<u>\$ 2,463,320</u>	<u>\$16,115,767</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Flint

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets Year Ended December 31, 2010

Fund Balance Reported in Governmental Funds	\$ 4,658,185
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	17,199,688
Long term amounts due from other governments are not available to pay for current period expenditures and, therefore, are deferred in the funds	3,569,951
Special assessment receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	1,236,060
Deferred property tax revenue collected after year end, such that the revenue is not available as of year end, and not recognized in the funds	38,982
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(7,380,303)
Accrued interest is not due and payable in the current period and is not reported in the funds	(28,162)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(237,946)
Other long-term assets, such as net pension assets are not available for current financial resources, and are not reported as fund assets	1,444,854
Other long-term liabilities, such as net other post employment benefit obligations, do not present a claim on current financial resources, and are not reported as fund liabilities	<u>(2,332,949)</u>
Net Assets of Governmental Activities	<u>\$ 18,168,360</u>

Charter Township of Flint

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2010

	General Fund	Municipal Street Fund	JAG Grant Fund	Non-Major Funds	Total
Revenue					
Property taxes	\$ 5,489,645	\$ 562,884	\$ -	\$ 843,935	\$ 6,896,464
Licenses and permits	283,743	-	-	-	283,743
Federal grants	41,524	-	1,161,947	298,916	1,502,387
State-shared revenue and grants	2,250,743	-	-	-	2,250,743
Charges for services	1,438,579	-	-	-	1,438,579
Fines and forfeitures	200,827	-	-	-	200,827
Investment income	56,267	13,632	8,640	1,311	79,850
Rental income	265,334	-	-	108,750	374,084
Other revenue:					
Special assessments	1,231,540	-	-	145,073	1,376,613
Local donations	-	73,813	-	-	73,813
Cable franchise fees	468,650	-	-	-	468,650
Other miscellaneous income	48,581	-	-	-	48,581
Total revenue	11,775,433	650,329	1,170,587	1,397,985	14,994,334
Expenditures - Current:					
General government	2,573,559	-	-	-	2,573,559
Public safety	7,006,387	-	1,170,587	313,794	8,490,768
Public works	1,646,120	1,675,941	-	26,323	3,348,384
Community and economic development	-	-	-	32,092	32,092
Recreation and culture	65,404	-	-	2,501	67,905
Debt Service:					
Principal	312,885	106,866	-	212,893	632,644
Interest on long-term debt	8,229	49,314	-	90,690	148,233
Total expenditures	11,612,584	1,832,121	1,170,587	678,293	15,293,585
Excess of Revenue Over (Under) Expenditures	162,849	(1,181,792)	-	719,692	(299,251)
Other Financing Sources (Uses)					
Face value of debt issue	-	1,420,000	-	-	1,420,000
Proceeds from sale of capital assets	2,095	-	-	-	2,095
Transfers in	554,537	-	-	125,996	680,533
Transfers out	-	(125,996)	-	(554,537)	(680,533)
Total other financing sources (uses)	556,632	1,294,004	-	(428,541)	1,422,095
Net Change in Fund Balances	719,481	112,212	-	291,151	1,122,844
Fund Balances - Beginning of year	3,202,794	93,208	-	239,339	3,535,341
Fund Balances - End of year	\$ 3,922,275	\$ 205,420	\$ -	\$ 530,490	\$ 4,658,185

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Flint

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ 1,122,844
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	594,112
Depreciation expense	(1,832,863)
Net book value of assets disposed of	(62,299)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	758,129
Issuance of debt provides financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets	(1,420,000)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	632,644
Increase in net pension asset is shown on the statement of net assets which reduces pension expense in the statement of activities	860,206
Increase in net other post employment benefit obligation	(713,382)
Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	22,444
Increase in accrued interest on long term debt	(16,806)
Change in Net Assets of Governmental Activities	<u><u>\$ (54,971)</u></u>

Charter Township of Flint

Proprietary Funds Statement of Net Assets December 31, 2010

	<u>Enterprise Fund</u> <u>Sewer and</u> <u>Water</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,567,668
Investments	500,000
Receivables:	
Property taxes receivable	528
Receivables from sales to customers on account	4,161,535
Accrued interest receivable	930
Total current assets	<u>7,230,661</u>
Noncurrent assets:	
Special assessment receivables - Greater than one year	2,794
Capital assets	<u>2,502,501</u>
Total noncurrent assets	<u>2,505,295</u>
Total assets	<u>9,735,956</u>
Liabilities	
Current liabilities:	
Accounts payable	161,913
Due to other governmental units	1,665,932
Due to other funds	30,395
Refundable deposits, bonds, etc.	18,585
Accrued liabilities and other	11,787
Deferred revenue	528
Total current liabilities	<u>1,889,140</u>
Noncurrent liabilities:	
Net other post employment benefit obligation	<u>121,727</u>
Total noncurrent liabilities	<u>121,727</u>
Total liabilities	<u>2,010,867</u>
Net Assets	
Invested in capital assets - Net of related debt	2,502,501
Unrestricted	<u>5,222,588</u>
Total net assets	<u><u>\$ 7,725,089</u></u>

Charter Township of Flint

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2010

	<u>Enterprise Fund</u> <u>Sewer and Water</u>
Operating Revenue	
Charges for services	\$ 10,285,054
Fines and penalties	266,653
Miscellaneous	250
	<hr/>
Total operating revenue	10,551,957
Operating Expenses	
Cost of water	4,837,310
Cost of sewage treatment	3,724,545
Supplies	786
Repairs	542,407
Personnel services	568,940
Contractual	48,128
Insurance	58,078
Other post employment benefit expense	41,108
Professional services	12,984
Miscellaneous	16,639
Depreciation	998,037
	<hr/>
Total operating expenses	10,848,962
Operating Loss	(297,005)
Nonoperating Revenue (Expenses)	
Property tax revenue	76
Investment income	4,428
Interest expense	(1,981)
	<hr/>
Loss - Before capital contributions	(294,482)
Capital contributions	28,230
	<hr/>
Change in Net Assets	(266,252)
Net Assets - Beginning of year	7,991,341
	<hr/>
Net Assets - End of year	<u>\$ 7,725,089</u>

Charter Township of Flint

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2010

	Enterprise Fund
	Sewer and Water
Cash Flow from Operating Activities	
Receipts from customers	\$ 10,254,428
Payments to suppliers	(9,534,807)
Payments to employees	(215,237)
Internal activity - Payments to other funds	13,924
	518,308
Cash Flows from Capital and Related Financing Activities	
Special assessment collections	44,200
Property taxes (restricted for capital or capital debt)	76
Purchase of capital assets	(5,872)
Principal and interest paid on capital debt	(105,909)
	(67,505)
Cash Flows from Investment Activities	
Interest received on investments	3,584
Purchase of investment securities	(95,832)
	(92,248)
Net Increase in Cash and Cash Equivalents	358,555
Cash and Cash Equivalents - Beginning of year	2,209,113
Cash and Cash Equivalents - End of year	\$ 2,567,668
Balance Sheet Classification of Cash and Cash Equivalents	
Cash and investments	\$ 3,067,668
Less amounts classified as investments	(500,000)
	\$ 2,567,668
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (297,005)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	998,037
Changes in assets and liabilities:	
Receivables	(297,035)
Prepaid and other assets	1,285
Due to other governments	57,458
Due to other funds	13,924
Accrued and other liabilities	536
Net post employment benefit obligation	41,108
	518,308
Net cash provided by operating activities	\$ 518,308

Charter Township of Flint

Fiduciary Funds Statement of Fiduciary Net Assets December 31, 2010

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 44,257	\$ 786,964
Mutual funds	4,357,132	-
Receivables	-	301,171
Accrued interest	5,380	-
	<u>4,406,769</u>	<u>\$ 1,088,135</u>
Liabilities		
Due to other governmental units	-	\$ 216,285
Undistributed taxes	-	570,193
Refundable deposits, bonds, etc.	-	165,822
Accrued liabilities and other	-	135,835
	<u>-</u>	<u>\$ 1,088,135</u>
Net Assets Held in Trust for Pension and Other Employee Benefits	<u>\$ 4,406,769</u>	

Charter Township of Flint

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets - Trust Funds

Year Ended December 31, 2010

Additions

Investment income:	
Interest and dividends	\$ 88,411
Net increase in fair value of investments	<u>395,556</u>
Net investment income	483,967
Contributions:	
Employer contributions	325,176
Employee contributions	<u>79,457</u>
Total contributions	<u>404,633</u>
Total additions	888,600

Deductions

Benefit payments	492,938
Administrative expenses	<u>7,421</u>
Total deductions	<u>500,359</u>

Net Increase in Net Assets Held in Trust 388,241

Net Assets Held in Trust for Pension and Other Employee Benefits - Beginning of year 4,018,528

Net Assets Held in Trust for Pension and Other Employee Benefits - End of year \$ 4,406,769

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note I - Summary of Significant Accounting Policies

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

Reporting Entity

The Charter Township of Flint was incorporated July 17, 1978, under the provisions of Act 90, P.A. 1976, as amended. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township (see discussion below for description).

Blended Component Units

The Charter Township of Flint Firefighters' Trust Fund - The Charter Township of Flint Firefighters' Trust Fund (the "Trust Fund") is made up of Township employees and elected officials. The Pension board approves investment policies. The Pension board provides services exclusively to Township employees (current and retired).

Charter Township of Flint Building Authority - The Charter Township of Flint Building Authority (the "Authority") governing board is made up of Township employees and Township residents. The Authority board provides services exclusively to the Township for the purpose of overseeing future construction projects.

Discretely Presented Component Unit

Charter Township of Flint Economic Development Corporation - The Charter Township of Flint Economic Development Corporation (the "Corporation") board is appointed by the Township. The Township approves the annual budget and provides employees and facilities to the Corporation.

All financial information of this component unit has been included in these financial statements. There are no separately issued financial statements.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note I - Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

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

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

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

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

Note I - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township reports the following major governmental funds:

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

The Municipal Street Fund accounts for revenue and expenditures for the purpose of street repairs and construction.

The JAG Grant Fund accounts for revenue and expenditures related to the JAG grant.

The Township reports the following major proprietary fund:

The Water and Sewer Fund is maintained for the operations of the water distribution system and sewage pumping and collection systems.

Additionally, the Township reports the following fiduciary activities:

The Pension Trust Fund accounts for the activities of the Fire Fighters' Trust Fund utilized to pay for Township fire fighter retirees. The fund accumulates resources for pension benefits financed by both employer and employee contributions.

The Postemployment Benefit Trust Fund accumulates resources for postemployment benefit payments for Township retired employees.

The Agency Fund accounts for assets held by the Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities, and do not involve the measurement of results of operations).

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Township's policy is to first apply restricted resources.

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

Property Tax Revenue

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

The Township's 2009 tax is levied and collectible on December 1, 2009 and is recognized as revenue in the year ended December 31, 2010, when the proceeds of the levy are budgeted and available for the financing of operations.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note I - Summary of Significant Accounting Policies (Continued)

The 2009 taxable valuation of the Township totaled \$1.143 billion. Taxes were levied as follows:

<u>Purpose</u>	<u>Millage Rate</u>	<u>Revenue</u>
General operating	4.6423	\$ 5,489,645
Police operating (10 years 2007-2016)	.500	562,528
Roads (10 years 2006-2015)	.500	562,884
Capital improvement (5 years 2006-2010)	.250	281,407
Total		<u>\$ 6,896,464</u>

Assets, Liabilities, and Net Assets or Equity

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

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. 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.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 1 - Summary of Significant Accounting Policies (Continued)

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Infrastructure	10 to 20 years
Water and sewer systems	18 to 40 years
Buildings and building improvements	30 years
Building improvements	7 to 20 years
Vehicles	2 to 15 years
Equipment and furniture	3 to 15 years
Computer equipment	5 to 10 years

Compensated Absences - It is the Township's policy to pay firefighters one-half of their unused sick days at the time of retirement. All other Township employees are paid for unused sick days on an annual basis. There is no liability for unpaid accumulated vacation since the Township does not have a policy to pay any amount when employees separate from service with the Township. The liability for sick time is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only for firefighter terminations as of the year end.

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

Pension and Other Post Employment Benefit Costs - The Township offers both pension and retiree health care 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 fund, 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 Flint

Notes to Financial Statements December 31, 2010

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall at January 1, 2010	\$ (482,212)
Current year permit revenue	75,046
Related expenses - Professional services	<u>210,746</u>
Current year shortfall	<u>(135,700)</u>
Cumulative surplus (shortfall) at December 31, 2010	<u>\$ (617,912)</u>

Fund Deficit - The Police Grants Fund reported a fund deficit at the end of the year of \$38,982 as a result of the fourth quarter reimbursement for the grant not being received within the 60 day period of availability and therefore, the revenue was deferred as required by GAAP.

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Pension Trust Fund and Retiree Health Care Trust Funds are authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated five banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Township's deposits and investment policies are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$9,286,030 of bank deposits (certificates of deposit, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 3 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments - Custodial credit risk 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 does not have a policy for custodial credit risk. At year end, \$2,786,972 of investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. At year end, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Mutual Fund - Fixed Income	\$ 1,583,064	4-12 years

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U. S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual fund - equities	\$ 2,713,860	3-4 stars	Morningstar
Repurchase agreements (sweeps)	2,742,715	Not rated	N/A
Mutual fund - equities	60,209	2-5 stars	Morningstar
Money market	44,257	4 stars	Morningstar

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 4 - Receivables and Deferred Revenue

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

	Governmental Funds		
	Unavailable	Unearned	Total
Property taxes	\$ -	\$ 7,871,732	\$ 7,871,732
Special assessments	1,236,060	1,233,375	2,469,435
Deferred grant revenue	38,982	-	38,982
Total	<u>\$ 1,275,042</u>	<u>\$ 9,105,107</u>	<u>\$ 10,380,149</u>

Note 5 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance January 1, 2010	Additions	Disposals	Balance December 31, 2010
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,738,479	\$ -	\$ (1,324)	\$ 1,737,155
Subtotal	1,738,479	-	(1,324)	1,737,155
Capital assets being depreciated:				
Infrastructure	23,601,216	318,346	-	23,919,562
Buildings and improvements	6,827,603	125,884	(2,500)	6,950,987
Machinery and equipment	3,889,060	52,052	(428,022)	3,513,090
Vehicles	2,678,058	97,830	(50,998)	2,724,890
Office furnishings	176,002	-	(79,308)	96,694
Subtotal	37,171,939	594,112	(560,828)	37,205,223
Accumulated depreciation:				
Infrastructure	13,347,313	1,149,377	-	14,496,690
Buildings and improvements	2,368,310	28,167	(700)	2,395,777
Machinery and equipment	3,127,778	428,382	(397,329)	3,158,831
Vehicles	1,459,328	226,937	(50,998)	1,635,267
Office furnishings	106,951	-	(50,826)	56,125
Subtotal	20,409,680	1,832,863	(499,853)	21,742,690
Net capital assets being depreciated	16,762,259	(1,238,751)	(60,975)	15,462,533
Net capital assets	<u>\$ 18,500,738</u>	<u>\$ (1,238,751)</u>	<u>\$ (62,299)</u>	<u>\$ 17,199,688</u>

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 5 - Capital Assets (Continued)

	Balance January 1, 2010	Additions	Disposals	Balance December 31, 2010
Proprietary Activities				
Capital assets being depreciated:				
Water and sewer lines	\$ 39,959,589	\$ -	\$ -	\$ 39,959,589
Office furnishings	166,043	5,870	-	171,913
Subtotal	40,125,632	5,870	-	40,131,502
Accumulated depreciation:				
Water and sewer lines	36,478,275	996,012	-	37,474,287
Office furnishings	152,689	2,025	-	154,714
Subtotal	36,630,964	998,037	-	37,629,001
Net capital assets being depreciated	3,494,668	(992,167)	-	2,502,501
Net capital assets	<u>\$ 3,494,668</u>	<u>\$ (992,167)</u>	<u>\$ -</u>	<u>\$ 2,502,501</u>

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

Governmental Activities:	
General government	\$ 318,657
Public safety	354,838
Public works	1,150,076
Recreation and culture	9,292
Total governmental activities	<u>\$ 1,832,863</u>
Business-type Activities:	
Water and Sewer	<u>\$ 998,037</u>

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Water and Sewer Fund	\$ 30,395
	JAG Grant Fund	949
	Municipal Street Fund	2,467
	Other governmental funds	7,364
	Total General Fund	41,175
Other governmental funds	General Fund	104,096
	Municipal Street Fund	12,335
	Total Other governmental funds	116,431
	Total	\$ 157,606

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are comprised of the following:

Fund Providing Resource	Fund Receiving Resource	Amount
Municipal Street Fund	Other governmental funds	\$ 125,996
Other governmental funds	General Fund	554,537

The transfer from the General Fund to the Police Special Millage Fund represents reimbursement to the General Fund for police expenditures. The transfer from the Municipal Streets Fund to the Road Debt Service Fund is bond proceeds remaining after expenses relating to the paving project were complete.

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. County contractual agreements and installment purchase agreements are also general obligations of the government.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 7 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Building Authority Bonds - Series 2002	4.3 - 5%	2031	\$ 1,550,000	\$ -	\$ 35,000	\$ 1,515,000	\$ 40,000
State police post (Note 8)	n/a	2025	3,516,872	-	238,432	3,278,440	238,432
Capital lease - Copier	n/a	2013	18,750	-	5,362	13,388	5,860
Capital lease - Vehicle	n/a	2011	110,783	-	69,090	41,693	41,692
Road Assessment	n/a	2018	846,530	-	106,866	739,664	112,822
Special Assessment - Capital Road Bonds	2 - 4.25%	2020	-	1,420,000	-	1,420,000	120,000
Installment Loan - Pumper Trucks	3.03%	2013	550,012	-	177,894	372,118	183,284
Total bond and note obligations			6,592,947	1,420,000	632,644	7,380,303	742,090
Accumulated compensated absences	n/a	n/a	260,390	-	22,444	237,946	-
Net OPEB liability			1,619,567	713,382	-	2,332,949	-
Total governmental activities			\$ 8,472,904	\$ 2,133,382	\$ 655,088	\$ 9,951,198	\$ 742,090
Business-type Activities							
McCollum Drain contract	5.0 - 5.6%	April 1, 2010	\$ 13,930	\$ -	\$ 13,930	\$ -	\$ -
Flint Township Laterals - Series 1998 Contract	3.75 - 4.65	April 1, 2010	90,000	-	90,000	-	-
Total bonds payable			103,930	-	103,930	-	-
Net OPEB liability			80,619	41,108	-	121,727	-
Total business-type activities			\$ 184,549	\$ 41,108	\$ 103,930	\$ 121,727	\$ -

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

Year Ending June 30	Principal	Interest	Total
2011	\$ 742,090	\$ 192,410	\$ 934,500
2012	733,827	161,177	895,004
2013	559,457	142,736	702,193
2014	553,804	128,871	682,675
2015	564,434	114,266	678,700
2016-2020	2,173,551	376,340	2,549,891
2021-2025	1,423,140	216,360	1,639,500
2026-2030	510,000	109,750	619,750
2031	120,000	6,000	126,000
Total	\$ 7,380,303	\$ 1,447,910	\$ 8,828,213

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 8 - Contracts

Leases - The Township entered into an agreement with G&K Associates for the state police post building. The lease payable is included in noncurrent liabilities in the statement of net assets. No interest is being charged on the lease agreement. The future minimum lease payment for the lease is as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2011	\$ 238,432
2012	238,432
2013	238,432
2014	238,432
2015	238,432
2016-2020	1,043,140
2021-2025	1,043,140
Total	<u>\$ 3,278,440</u>

Sub - Lease - The Township has entered into a sub-lease agreement with the State of Michigan for the state police post building. The lease receivable is included in due from other governments in the statement of net assets. The future minimum lease payments are as follows:

<u>Years Ending December 31</u>	<u>Amount</u>
2011	\$ 253,334
2012	253,334
2013	253,334
2014	253,334
2015	253,334
2016-2020	1,160,640
2021-2025	1,142,640
Total	<u>\$ 3,569,950</u>

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 9 - No Commitment Debt

The Economic Develop Corporation of the Charter Township of Flint has issued limited obligation economic development revenue bonds. Since the bonds are payable solely from the net revenues derived from the project and the bonds are not a general obligation of the Corporation or the Township, the bonds have not been reflected in the financial statements of the Township. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. As of December 31, 2010 there is approximately \$14,000,000 no commitment debt outstanding.

Note 10 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for property, liability, wrongful acts, law enforcement, automobile, bond, crime, inland marine, boiler claims, and health care. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 11 - Fire Fighters' Pension Trust Defined Benefit Plan

Plan Description - The Fire Fighters' Pension Plan is a single-employer defined benefit pension plan that is administered by the Charter Township of Flint. The Fire Fighters' plan covers substantially all full time firefighters. The plan was established in accordance with the State of Michigan's Public Act 345 of 1937. The plan is administered by a five-member Board of Trustees comprised of two members of the Township's administration and three other Township employees. Investments of the plan are made through JP Morgan Chase Bank Trust Department. The plan provides that the employer/employees contribute amounts necessary to fund the actuarially determined benefits. At December 31, 2009 the date of the most recent actuarial report, membership consisted of 15 retirees and beneficiaries currently receiving benefits, no inactive vested members and 14 current active employees. The plan does not issue a separate financial report.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 8 percent of gross wages. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 31.35 percent of covered payroll.

Annual Pension Cost and Net Pension Asset

Annual required contribution	\$ 313,672
Interest on net pension obligation	(38,021)
Adjustment to annual required contribution	<u>72,372</u>
Annual pension cost (APC)	348,023
Contributions made	<u>320,176</u>
Decrease in net pension asset	(27,847)
Net pension asset - Beginning of year	<u>950,522</u>
Net pension asset - End of year	<u>\$ 922,675</u>

Annual Pension Cost - For the year ended December 30, 2010, the Township's annual pension cost of \$313,672 for the plan was equal to the Township's required and actual contribution.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 11 - Fire Fighters' Pension Trust Defined Benefit Plan (Continued)

Funded Status and Funding Progress - The funding status for the three most recent years is as follows:

	Actuarial Valuation as of December 31:		
	2009	2008	2007
Actuarial value of assets	\$ 4,291,101	\$ 4,076,685	\$ 4,037,110
Actuarial Accrued Liability (AAL)			
(entry age)	7,720,283	7,240,933	7,086,243
Unfunded AAL (UAAL)	3,429,182	3,164,248	3,049,133
Funded ratio	55.6 %	56.3 %	57.0 %
Covered payroll	1,086,506	996,212	1,001,071
UAAL as a percentage of covered payroll	315.6 %	317.6 %	304.6 %

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at December 31, 2009, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8.0 percent investment rate of return, (b) projected salary increases of 4.5 to 7.5 percent per year, and (c) 0 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 20 years.

Note 12 - Police Officer's Defined Benefit Pension Plan

Plan Description - The Township participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers patrol officers and the prior controller of the Township. The System provides retirement, disability and death benefits to plan members and their beneficiaries. At December 31, 2009, the date of the most recent actuarial report, membership consisted of 11 retirees and beneficiaries, 4 inactive vested members and 43 current active employees. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the System for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 7 percent for the Chief of Police, 12.31 percent for the patrol officers, and 10.81 percent for the police command officers of gross wages, respectively.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 12 - Police Officer's Defined Benefit Pension Plan (Continued)

Annual Pension Cost and Net Pension Asset

Annual required contribution	\$ 180,004
Interest on net pension obligation	(14,894)
Adjustment to annual required contribution	<u>28,350</u>
Annual pension cost (APC)	193,460
Contributions made	<u>289,856</u>
Increase in net pension asset	96,396
Net pension asset - Beginning of year	<u>372,350</u>
Net pension asset - End of year	<u><u>\$ 468,746</u></u>

For the year ended December 31, 2010, the Township's annual pension cost of \$180,004 for the plan was equal to the Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2008, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 to 12.9 percent per year, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 11 years.

Three-year trend information

	Fiscal Year Ended December 31:		
	2010	2009	2008
Annual pension cost (APC)	\$ 180,004	\$ 191,595	\$ 189,835
Percentage of APC contributed	161.0 %	140.6 %	136.0 %
Net pension asset (obligation)	\$ 282,885	\$ 173,033	\$ 95,300

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 12 - Police Officer's Defined Benefit Pension Plan (Continued)

	Actuarial Valuation as of December 31:		
	2009	2008	2007
Actuarial value of assets	\$ 13,974,863	\$ 13,095,809	\$ 12,194,987
Actuarial Accrued Liability (AAL)			
(entry age)	18,672,444	16,644,202	15,388,799
Unfunded AAL (UAAL)	4,697,581	3,548,393	3,193,812
Funded ratio	74.8 %	78.7 %	79.2 %
Covered payroll	\$ 2,813,269	\$ 2,820,999	\$ 2,642,965
UAAL as a percentage of covered payroll	167.0 %	125.8 %	120.8 %

Note 13 - Full-Time Clerical/Non-Union Defined Benefit Pension Plan

Plan Description - The Township participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers clerical/full-time and some non-union employees of the Township. The System provides retirement, disability and death benefits to plan members and their beneficiaries. At December 31, 2009, the date of the most recent actuarial report, membership consisted of 1 retiree and beneficiaries, 1 inactive vested members and 22 current active employees. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Township's competitive bargaining units and requires a contribution from the employees of 6.56 percent. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 5.64 percent. As per the collective bargaining agreement, the Township contributed 6.56 percent.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 13 - Full-Time Clerical/Non-Union Defined Benefit Pension Plan (Continued)

Annual Pension Cost and Net Pension Asset

Annual required contribution	\$ 48,014
Interest on net pension obligation	(1,879)
Adjustment to annual required contribution	<u>3,252</u>
Annual pension cost (APC)	49,387
Contributions made	<u>55,847</u>
Increase in net pension asset	6,460
Net pension asset - Beginning of year	<u>46,973</u>
Net pension asset - End of year	<u>\$ 53,433</u>

Annual pension cost - For the year ended December 31, 2010, the Township's annual pension cost of \$48,014 for the plan was equal to the Township's required and actual contribution.

Actuarial Methods and Assumptions - The annual required contribution was determined as part of an actuarial valuation at December 31, 2008, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 to 12.9 percent per year, and (c) 0 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 27 years.

	Actuarial Valuation as of December 31:		
	2009	2008	2007
Actuarial value of assets	\$ 2,332,894	\$ 2,098,552	\$ 1,896,484
Actuarial accrued liability (entry age)	2,262,258	2,235,889	2,019,551
Unfunded AAL	(70,636)	137,347	123,067
Funded ratio	103 %	94 %	94 %
Covered payroll	\$ 835,182	\$ 863,449	\$ 768,727
UAA as a percentage of covered payroll	- %	16 %	16 %

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 14 - Defined Contribution Pension Plan

All other employees not described in a previous plan changed to a defined contribution plan administered through Michigan Municipal Employees Retirement System (MERS). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

	Elected Officials and Non-Union Employees	Police Communication Operators
Employee contribution percentage	5 %	- %
Employer contribution percentage	10	5
Vesting	Immediate	20% per year over 5 years
Employee contributions for 12/31/10	\$ 33,592	\$ -
Employer contribution for 12/31/10	46,323	7,686
Covered payroll	463,224	153,729
Total payroll	5,290,553	5,290,553

Note 15 - Other Postemployment Benefits

Plan description - The Township provides retiree health care benefits to eligible employees and their spouses. Currently, the plan has 110 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

This is a single employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the employer.

Funding Policy - Retiree health care costs are recognized when paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. In the current year, the Township paid postemployment health care premiums of \$436,449 plus it contributed \$5,000 into a prefunded Retiree Health Care Fund.

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 15 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended December 31, 2010 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of January 1, 2008. 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 costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,227,960
Interest on the prior year's net OPEB obligation	68,011
Less adjustment to the annual required contribution	<u>(100,112)</u>
Annual OPEB cost	1,195,859
Amounts contributed:	
Payments of current premiums	(436,449)
Advance funding	<u>(5,000)</u>
Increase in net OPEB obligation	754,410
OPEB obligation - beginning of year	<u>1,700,266</u>
OPEB obligation - end of year	<u><u>\$ 2,454,676</u></u>

The schedule of employer contributions and the net OPEB obligation for the current and previous two years is:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
12/31/08	1/1/08	\$ 1,148,360	29.3	\$ 811,658
12/31/09	1/1/08	1,194,842	24.9	1,700,266
12/31/10	1/1/08	1,227,960	35.9	2,454,676

The funding progress of the plan is:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
1/1/08	\$ 25,000	\$ 13,806,492	\$ 13,781,492	0.2

Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 15 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions - 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. The schedule of funding progress, shown above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2008, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included an 8 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 3 percent initially. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010, was 28 years.

Note 16 - Commitment

The Township entered into a contract with a vendor to provide waste management services effective January 1, 2011 and expires December 31, 2014. The following amount is to be paid to the vendor per the current contract based on the 2011 home count of 9,693, which is a decrease of 31 homes from the previous year. The current annual mobile home collection fee is \$99,294.

2011	\$ 1,175,217
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Charter Township of Flint

Notes to Financial Statements December 31, 2010

Note 17 - Upcoming Accounting Pronouncements

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved will be replaced with five new classifications: nonspendable, restricted, committed, assigned and unassigned. The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The Township will implement Statement No. 54 beginning with the fiscal year ended December 31, 2011.

Note 18 - Correction of an Error

An error was discovered in the 2006 financial statements related to the first year the net pension asset was required to be recorded on the government-wide statements, whereby the net pension asset was incorrectly calculated based on use of a net pension obligation from 2003 when there was a net pension asset in 2003 that carried forward to the 2006 calculated balance. Correction of the error resulted in an increase in the reported change in net assets of \$785,197.

Required Supplemental Information

Charter Township of Flint

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,362,820	\$ 5,362,820	\$ 5,489,645	\$ 126,825
Licenses and permits	275,650	275,650	283,743	8,093
Federal grants	46,038	46,038	41,524	(4,514)
State-shared revenue and grants	2,122,700	2,122,700	2,250,743	128,043
Charges for services	1,280,303	1,280,303	1,438,579	158,276
Fines and forfeitures	117,300	117,300	200,827	83,527
Investment income	100,000	100,000	56,267	(43,733)
Rental income	265,334	265,334	265,334	-
Other revenue:				
Special assessments	1,236,734	1,236,734	1,231,540	(5,194)
Cable franchise fees	400,000	400,000	468,650	68,650
Other miscellaneous income	48,410	48,410	48,581	171
Total revenue	11,255,289	11,255,289	11,775,433	520,144
Expenditures - Current				
General government:				
Township Board	78,613	78,613	77,616	997
Supervisor's office	123,511	123,511	122,294	1,217
Controller's office	209,900	209,900	206,264	3,636
Treasurer	302,782	302,782	283,661	19,121
Assessing	334,722	334,722	302,432	32,290
Board of review and appeals	9,770	9,770	5,612	4,158
Clerk	170,905	170,905	155,472	15,433
Elections	170,370	170,370	134,113	36,257
Buildings and grounds	220,678	236,842	236,405	437
Insurance and other functions	1,090,728	1,090,728	1,041,788	48,940
Planning commission	9,249	9,249	5,155	4,094
Civil service	4,781	4,781	2,747	2,034
Total general government	2,726,009	2,742,173	2,573,559	168,614
Public safety:				
Police	5,004,758	5,004,758	4,656,987	347,771
Fire department	2,039,718	2,046,748	2,020,184	26,564
Building department and trade inspections	344,587	344,587	329,216	15,371
Total public safety	7,389,063	7,396,093	7,006,387	389,706
Public works	1,598,000	1,652,500	1,646,120	6,380
Recreation and culture	23,050	57,445	65,404	(7,959)
Debt Service:				
Principal	312,885	312,885	312,885	-
Interest on long-term debt	8,229	8,229	8,229	-
Total expenditures	12,057,236	12,169,325	11,612,584	556,741
Excess of Revenue Over (Under) Expenditures	(801,947)	(914,036)	162,849	1,076,885
Other Financing Sources				
Sale of capital assets	90,000	90,000	2,095	(87,905)
Transfers in	554,170	554,170	554,537	367
Total other financing sources	644,170	644,170	556,632	(87,538)
Net Change in Fund Balance	(157,777)	(269,866)	719,481	989,347
Fund Balance - Beginning of year	3,202,794	3,202,794	3,202,794	-
Fund Balance - End of year	<u>\$ 3,045,017</u>	<u>\$ 2,932,928</u>	<u>\$ 3,922,275</u>	<u>\$ 989,347</u>

Charter Township of Flint

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds - Municipal Street Fund Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 554,700	\$ 554,700	\$ 562,884	\$ 8,184
Investment income	5,500	5,500	13,632	8,132
Other revenue:				
Local donations	107,000	107,000	73,813	(33,187)
Total revenue	667,200	667,200	650,329	(16,871)
Expenditures - Current				
Public works	475,987	475,987	1,675,941	(1,199,954)
Debt service	142,000	142,000	156,180	(14,180)
Total expenditures	617,987	617,987	1,832,121	(1,214,134)
Excess of Revenue Over (Under) Expenditures	49,213	49,213	(1,181,792)	(1,231,005)
Other Financing Sources (Uses)				
Face value of debt issue	-	-	1,420,000	1,420,000
Transfers out	-	-	(125,996)	(125,996)
Net Change in Fund Balance	49,213	49,213	112,212	62,999
Fund Balance (deficit) - Beginning of year	93,208	93,208	93,208	-
Fund Balance (deficit) - End of year	<u>\$ 142,421</u>	<u>\$ 142,421</u>	<u>\$ 205,420</u>	<u>\$ 62,999</u>

Charter Township of Flint

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds - JAG Grant Fund Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Federal grants	\$ -	\$ -	\$ 1,161,947	\$ 1,161,947
Investment income	1,000	1,000	8,640	7,640
Other revenue:				
Total revenue	1,000	1,000	1,170,587	1,169,587
Expenditures - Current				
Public safety	2,484,115	2,484,115	1,170,587	1,313,528
Total expenditures	2,484,115	2,484,115	1,170,587	1,313,528
Net Change in Fund Balance	(2,483,115)	(2,483,115)	-	2,483,115
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	\$ (2,483,115)	\$ (2,483,115)	\$ -	\$ 2,483,115

Charter Township of Flint

Note to Required Supplemental Information Year Ended December 31, 2010

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end. Prior to January 1, the budget is legally enacted on a departmental (activity) basis through passage of a resolution for all budgeted funds. The Supervisor or designee is authorized to transfer budgeted amounts within departmental appropriation accounts, however, any revisions that alter the total expenditures of any department must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Charter Township of Flint

Note to Required Supplemental Information (Continued) Year Ended December 31, 2010

The following is a comparison of budget on a project (grant) length basis and actual expenditures for the Community Development Fund for the year ended December 31, 2010.

	Revised Project (Grant) Length Budget	Project Funds Expended During 2010	Total Project Funds Expended Through 12-31-10	Unexpended Balance at 12-31-10
Special Revenue Fund Type:				
Community Development Fund:				
Public safety project 2008	\$ 155,350	\$ 28,849	\$ 155,350	\$ -
Public works project 2008	166,172	26,323	127,085	39,087
Recreation and cultural project 2008	4,000	-	4,000	-
Public safety project 2010	7,450	6,450	6,450	1,000
Recreation and cultural project 2010	9,812	2,501	2,501	7,311
Total Community Development	<u>\$ 342,784</u>	<u>\$ 64,123</u>	<u>\$ 295,386</u>	<u>\$ 47,398</u>

Charter Township of Flint

Required Supplemental Information Pension System Schedule of Funding Progress Year Ended December 31, 2010

The schedule of funding progress for the Firefighter's pension plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/03	\$ 3,123,648	\$ 5,704,006	\$ 2,580,358	54.8	\$ 691,434	373.2
12/31/04	3,209,627	6,317,924	3,108,297	50.8	912,917	340.5
12/31/05	3,366,575	6,572,273	3,205,698	51.2	949,968	337.5
12/31/06	3,721,093	6,876,518	3,155,425	54.1	1,000,057	315.5
12/31/07	4,037,110	7,086,243	3,049,133	57.0	1,001,071	304.6
12/31/08	4,076,685	7,240,933	3,164,248	56.3	996,212	317.6
12/31/09	4,291,101	7,720,283	3,429,182	55.6	1,086,506	315.6

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/04	12/31/03	\$ 225,131	162.1
12/31/05	12/31/04	272,688	135.8
12/31/06	12/31/05	302,188	129.2
12/31/07	12/31/06	302,223	132.8
12/31/08	12/31/07	291,496	132.8
12/31/09	12/31/08	337,360	125.6
12/31/10	12/31/09	313,672	102.1

* The required contribution is expressed to the Township as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2009, the latest actuarial valuation, follows:

Amortization method	Entry age, closed
Amortization period (perpetual)	20 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5% - 7.5%
*Includes inflation at	4.5%
Cost of living adjustments	None

Other Supplemental Information

Charter Township of Flint

	Special Revenue Funds					
	Community Development	Public Improvement	Building Authority	Fire Safety Equipment	Police Special Millage	Police Grants Fund
Assets						
Cash and investments	\$ -	\$ -	\$ 16,711	\$ 323,851	\$ 117,903	\$ -
Receivables:						
Property taxes receivable	-	-	-	203,538	406,689	-
Special assessments receivable	-	-	-	-	-	-
Due from other governmental units	7,364	-	-	-	-	-
Due from other funds	-	-	-	-	-	104,096
Total assets	<u>\$ 7,364</u>	<u>\$ -</u>	<u>\$ 16,711</u>	<u>\$ 527,389</u>	<u>\$ 524,592</u>	<u>\$ 104,096</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 149	\$ -	\$ -
Due to other governmental units	-	-	-	-	-	104,096
Due to other funds	7,364	-	-	-	-	-
Deferred revenue	-	-	-	259,351	518,330	38,982
Total liabilities	7,364	-	-	259,500	518,330	143,078
Fund Balances						
Unreserved, reported in:						
Special Revenue Funds:						
Undesignated	-	-	16,711	267,889	6,262	(38,982)
Debt Service Funds:						
Undesignated	-	-	-	-	-	-
Total fund balances	-	-	16,711	267,889	6,262	(38,982)
Total liabilities and fund balances	<u>\$ 7,364</u>	<u>\$ -</u>	<u>\$ 16,711</u>	<u>\$ 527,389</u>	<u>\$ 524,592</u>	<u>\$ 104,096</u>

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010**

<u>Debt Service Funds</u>		Total
<u>Building Authority Debt</u>	<u>Road Debt Service</u>	<u>Nonmajor Governmental Funds</u>
\$ 6,433	\$ 274,076	\$ 738,974
-	-	610,227
-	990,324	990,324
-	-	7,364
-	12,335	116,431
<u>\$ 6,433</u>	<u>\$ 1,276,735</u>	<u>\$ 2,463,320</u>
\$ -	\$ -	\$ 149
-	-	104,096
-	-	7,364
-	1,004,558	1,821,221
-	1,004,558	1,932,830
-	-	251,880
<u>6,433</u>	<u>272,177</u>	<u>278,610</u>
<u>6,433</u>	<u>272,177</u>	<u>530,490</u>
<u>\$ 6,433</u>	<u>\$ 1,276,735</u>	<u>\$ 2,463,320</u>

Charter Township of Flint

	Special Revenue Funds					
	Community Development	Public Improvement	Building Authority	Fire Safety Equipment	Police Special Millage	Police Grants Fund
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ 281,407	\$ 562,528	\$ -
Federal grants	64,123	-	-	-	-	234,793
Investment income	-	-	13	176	-	-
Rental income	-	-	-	-	-	-
Other revenue - special assessments	-	-	-	-	-	-
Total revenue	64,123	-	13	281,583	562,528	234,793
Expenditures - Current:						
Public safety	35,299	-	-	2,624	2,096	273,775
Public works	26,323	-	-	-	-	-
Community and economic development	-	-	32,092	-	-	-
Recreation and culture	2,501	-	-	-	-	-
Debt Service:						
Principal	-	-	-	177,893	-	-
Interest on long-term debt	-	-	-	16,665	-	-
Total expenditures	64,123	-	32,092	197,182	2,096	273,775
Excess of Revenue Over (Under) Expenditures	-	-	(32,079)	84,401	560,432	(38,982)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(367)	-	-	(554,170)	-
Total other financing sources (uses)	-	(367)	-	-	(554,170)	-
Net Change in Fund Balances	-	(367)	(32,079)	84,401	6,262	(38,982)
Fund Balances - Beginning of year	-	367	48,790	183,488	-	-
Fund Balances - End of year	\$ -	\$ -	\$ 16,711	\$ 267,889	\$ 6,262	\$ (38,982)

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2010

Debt Service Funds		Total
Building Authority Debt	Road Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ 843,935
-	-	298,916
14	1,108	1,311
108,750	-	108,750
-	145,073	145,073
<u>108,764</u>	<u>146,181</u>	<u>1,397,985</u>
-	-	313,794
-	-	26,323
-	-	32,092
-	-	2,501
35,000	-	212,893
74,025	-	90,690
<u>109,025</u>	<u>-</u>	<u>678,293</u>
(261)	146,181	719,692
-	125,996	125,996
-	-	(554,537)
<u>-</u>	<u>125,996</u>	<u>(428,541)</u>
(261)	272,177	291,151
6,694	-	239,339
<u>\$ 6,433</u>	<u>\$ 272,177</u>	<u>\$ 530,490</u>

Charter Township of Flint

Other Supplemental Information Nonmajor Governmental Fund - Building Authority Budgetary Comparison Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ 85	\$ 85	\$ 13	\$ (72)
Expenditures - Current				
Community and economic development	1,421	1,421	32,092	(30,671)
Net Change in Fund Balance	(1,336)	(1,336)	(32,079)	(30,743)
Fund Balance - Beginning of year	48,790	48,790	48,790	-
Fund Balance - End of year	<u>\$ 47,454</u>	<u>\$ 47,454</u>	<u>\$ 16,711</u>	<u>\$ (30,743)</u>

Charter Township of Flint

Other Supplemental Information Nonmajor Governmental Fund - Fire Safety Equipment Budgetary Comparison Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 277,500	\$ 277,500	\$ 281,407	\$ 3,907
Investment income	1,000	1,000	176	(824)
Total revenue	278,500	278,500	281,583	3,083
Expenditures - Current				
Public safety:				
Fire department	134,800	134,800	2,624	132,176
Debt Service:				
Principal	177,893	177,893	177,893	-
Interest on long-term debt	16,665	16,665	16,665	-
Total expenditures	329,358	329,358	197,182	132,176
Net Change in Fund Balance	(50,858)	(50,858)	84,401	135,259
Fund Balance - Beginning of year	183,488	183,488	183,488	-
Fund Balance - End of year	<u>\$ 132,630</u>	<u>\$ 132,630</u>	<u>\$ 267,889</u>	<u>\$ 135,259</u>

Charter Township of Flint

Other Supplemental Information Nonmajor Governmental Fund - Police Special Millage Budgetary Comparison Year Ended December 31, 2010

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 556,070	\$ 556,070	\$ 562,528	\$ 6,458
Investment income	1,800	1,800	-	(1,800)
Total revenue	557,870	557,870	562,528	4,658
Expenditures - Current				
Public safety	2,000	2,000	2,096	(96)
Transfers out	(554,170)	(554,170)	(554,170)	-
Net Change in Fund Balance	1,700	1,700	6,262	4,562
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	\$ 1,700	\$ 1,700	\$ 6,262	\$ 4,562

Charter Township of Flint

Other Supplemental Information Combining Statement of Net Assets Fiduciary Funds December 31, 2010

	Pension and Other Employee Benefit Trust Funds			Agency Funds		
	Firefighters' Pension Trust Fund	Retiree Health Care Trust Fund	Total Pension and Other Employee Benefit Trust Funds	General Agency	Tax Collection	Total Agency Funds
Assets						
Cash and cash equivalents	\$ 44,257	\$ -	\$ 44,257	\$ 277,883	\$ 509,081	\$ 786,964
Investments:						
Mutual Funds	4,296,924	60,208	4,357,132	-	-	-
Receivables	-	-	-	301,171	-	301,171
Accrued interest	5,380	-	5,380	-	-	-
Total assets	<u>4,346,561</u>	<u>60,208</u>	<u>4,406,769</u>	<u>\$ 579,054</u>	<u>\$ 509,081</u>	<u>\$ 1,088,135</u>
Liabilities						
Due to other governmental units	-	-	-	\$ 216,285	\$ -	\$ 216,285
Undistributed taxes	-	-	-	61,191	509,002	570,193
Refundable deposits, bonds, etc.	-	-	-	165,822	-	165,822
Accrued liabilities and other	-	-	-	135,756	79	135,835
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 579,054</u>	<u>\$ 509,081</u>	<u>\$ 1,088,135</u>
Net Assets Held in Trust for Pension and Postemployment Benefits	<u>\$ 4,346,561</u>	<u>\$ 60,208</u>	<u>\$ 4,406,769</u>			

Charter Township of Flint

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Asset Fiduciary Funds Year Ended December 31, 2010

	Firefighters' Pension Trust Fund	Retiree Health Care Trust fund	Total
Additions			
Investment income:			
Interest and dividends	\$ 88,411	\$ -	\$ 88,411
Net increase in fair value of investments	<u>388,996</u>	<u>6,560</u>	<u>395,556</u>
Net investment income	477,407	6,560	483,967
Contributions:			
Employer contributions	320,176	5,000	325,176
Employee contributions	<u>79,457</u>	<u>-</u>	<u>79,457</u>
Net contributions	<u>399,633</u>	<u>5,000</u>	<u>404,633</u>
Total additions	877,040	11,560	888,600
Deductions			
Benefit payments	492,938	-	492,938
Administrative expenses	<u>7,183</u>	<u>238</u>	<u>7,421</u>
Total deductions	<u>500,121</u>	<u>238</u>	<u>500,359</u>
Net Increase in Net Assets Held in Trust	376,919	11,322	388,241
Net Assets Held in Trust for Pension and Postemployment Benefits - Beginning of year	<u>3,969,642</u>	<u>48,886</u>	<u>4,018,528</u>
Net Assets Held in Trust for Pension and Postemployment Benefits - End of year	<u>\$ 4,346,561</u>	<u>\$ 60,208</u>	<u>\$ 4,406,769</u>