

# Washtenaw County Department of Public Works Projects

Year Ended  
December 31,  
2012

Financial  
Statements

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

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**INDEPENDENT AUDITORS' REPORT**

March 26, 2013

To the Washtenaw County Board of  
Public Works  
Ann Arbor, Michigan**Report on the Financial Statements**

We have audited the accompanying financial statements of the government activities, each major fund and the aggregate remaining fund information of the *Washtenaw County Department of Public Works Projects, a component unit of Washtenaw County*, as of and for the year ended December 31, 2012, which collectively comprise the Department's basic financial statements as listed in the table of contents, and the related notes to the basic financial statements.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, each major fund, and the aggregate remaining fund information of the Washtenaw County Department of Public Works Projects as of December 31, 2012, and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The combining fund financial statements and the supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Management's Discussion and Analysis

The Washtenaw County Department of Public Works Projects (DPW) presents this discussion and analysis of its financial performance as an overview of financial activities for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the DPW's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

- The *statement of net position* presents information on all of the DPW's assets, deferred outflows, liabilities and deferred inflows, with the net of these reported as net position.
- The *statement of activities* presents information showing how the DPW's net position changed during the most recent fiscal year.
- The *fund financial statements* tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the DPW's operations in more detail than the government-wide statements by providing information about Washtenaw County Public Works most significant funds.
- The *notes to the basic financial statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

### Financial Analysis

The net position of the DPW is summarized for the purpose of determining the overall fiscal position. As shown below, the net of the DPW's assets, deferred outflows, liabilities and deferred inflows was \$6,092,764 at the end of the fiscal year. This is primarily attributed to amounts remaining in debt service and capital projects funds. These assets are used to pay off debt and provide funds for which the project was established. Most of the current projects are either lake improvement or recycling projects. It should also be noted that the resources needed to repay debt must be provided from other local governments or special assessments established by the Board of Public Works.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Management's Discussion and Analysis

A comparative analysis of the data is presented below:

	Net Position	
	2012	2011
Assets:		
Current and other assets	\$ 6,229,859	\$ 6,759,037
Leases receivable	26,622,279	27,992,279
Total assets	32,852,138	34,751,316
Deferred outflows of resources -		
Deferred charge on refunding	267,616	300,807
Total assets and deferred outflows of resources	33,119,754	35,052,123
Liabilities:		
Long-term liabilities	26,761,170	28,125,835
Other liabilities	265,192	227,356
Total liabilities	27,026,362	28,353,191
Deferred inflows of resources -		
Deferred gain on refunding	628	707
Total liabilities and deferred inflows of resources	27,026,990	28,353,898
Net position:		
Restricted for debt service	32,269	19,688
Restricted for construction	6,060,495	6,678,537
Total net position	\$ 6,092,764	\$ 6,698,225

When comparing the current fiscal year to the previous, net position decreased by \$605,461. The major part of this decrease is comprised of the following:

- Program revenue consisting of special assessments, debt retirement and investment earnings decreased by \$4,780,053 from the prior year.
- A 59% increase of \$854,698 in expenses for public works and debt service.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Management's Discussion and Analysis

	Changes in Net Position	
	2012	2011
Revenues:		
Program revenue -		
Special assessments	\$ 1,704,709	\$ 6,483,333
General revenue -		
Investment earnings	4,964	6,393
Total revenues	<u>1,709,673</u>	<u>6,489,726</u>
Expenses:		
Public works	1,332,977	442,018
Interest on long-term debt	982,157	1,018,418
Total expenses	<u>2,315,134</u>	<u>1,460,436</u>
Change in net position	(605,461)	5,029,290
Net position, beginning of year, as restated	<u>6,698,225</u>	<u>1,668,935</u>
Net position, end of year	<u>\$ 6,092,764</u>	<u>\$ 6,698,225</u>

### Long-term Debt

At the end of the current fiscal year, the DPW had total bonded debt outstanding of \$26,622,279. This entire amount comprises debt backed by the full faith and credit of Washtenaw County.

	Outstanding Debt	
	2012	2011
DPW bond issues	<u>\$ 26,622,279</u>	<u>\$ 27,992,279</u>

Additional information on the DPW's long-term debt can be found in detail in the accompanying notes of this report.

### Economic Factors and Next Year's Budget

This financial discussion and analysis relates to the financial status of the DPW's debt and current projects. The DPW's operating budget is provided through the County General Fund, and is discussed in the Washtenaw County comprehensive annual financial report (CAFR).

DPW projects are governed through Public Act 185. The DPW is under the control of the Board of Public Works which is under the general control of the Board of Commissioners. In 2012, total project expenses and debt retirement were \$8,668,745. It is not possible to make more than a generalized prediction of what total expenditures will be. It is estimated that 2013 project expenses and debt retirement will be less than 2012 because a construction project has been completed.



# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Management's Discussion and Analysis

On August 18, 2010, the Washtenaw County Board of Public Works, and subsequently on October 26, 2010 the Washtenaw County Board of Commissioners, passed a resolution to initiate and establish a project to maintain and improve a resource recovery system (Western Washtenaw Recycling Authority). The Board of Commissioners, on September 21, 2011, passed a resolution approving a contract with the City of Chelsea, the townships of Dexter, Lima, Lyndon, and Manchester and the Western Washtenaw Recycling Authority for improvements to the material recovery facility, and authorized the sale of bonds to finance the project in November 2011. In 2011 the Board of Public Works confirmed special assessments for a 15-year bond and a five-year operating assessment. The second year of these assessments were placed on the December 2012 tax bills.

The facility expansion was expected to cost \$3,200,000 but as of December 31, 2012, expenditures in the amount of \$3,230,982 had already been made. Bonds for the expansion were issued in May 2012 and the first debt service payment was made in November 2012. Construction was substantially completed in September 2012 and the facility began processing materials using a single-stream method on September 17, 2012.

### Contacting Washtenaw County Public Works

This financial report is designed to provide a general overview of the DPW's finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Washtenaw County Department of Public Works Projects, 705 N. Zeeb Road, Ann Arbor, MI 48103.

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## BASIC FINANCIAL STATEMENTS

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Statement of Net Position

December 31, 2012

	Governmental Activities
<b>Assets</b>	
Cash and pooled investments	\$ 372,777
Special assessments receivable	5,583,159
Due from other governments	273,923
Leases receivable	<u>26,622,279</u>
<b>Total assets</b>	<b>32,852,138</b>
<b>Deferred outflows of resources</b>	
Deferred charge on refunding	<u>267,616</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>33,119,754</u></b>
<b>Liabilities</b>	
Accounts payable	88,387
Accrued interest payable	176,805
Long-term liabilities:	
Due within one year	1,850,000
Due in more than one year	<u>24,911,170</u>
<b>Total liabilities</b>	<b>27,026,362</b>
<b>Deferred inflows of resources</b>	
Deferred gain on refunding	<u>628</u>
<b>Total liabilities and deferred inflows of resources</b>	<b><u>27,026,990</u></b>
<b>Net position</b>	
Restricted for debt service	32,269
Restricted for construction	<u>6,060,495</u>
<b>Total net position</b>	<b><u>\$ 6,092,764</u></b>

The accompanying notes are an integral part of these financial statements.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Statement of Activities

For the Year Ended December 31, 2012

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities				
Public works	\$ 1,332,977	\$ -	\$ 1,704,709	\$ 371,732
Interest on long-term debt	982,157	-	-	(982,157)
<b>Total</b>	<b>\$ 2,315,134</b>	<b>\$ -</b>	<b>\$ 1,704,709</b>	<b>(610,425)</b>
General revenues				
Unrestricted investment earnings				4,964
Change in net position				(605,461)
Net position				
Beginning of year, as restated				6,698,225
End of year				<b>\$ 6,092,764</b>

The accompanying notes are an integral part of these financial statements.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Balance Sheet

Governmental Funds

December 31, 2012

	Debt Service Funds		
	Multi-Lake Sanitary Sewer System Phase II	WWRA Recycling Project	Northfield Township Sewer System
<b>Assets</b>			
Cash and pooled investments	\$ 65	\$ 30,784	\$ -
Special assessments receivable	-	3,832,455	-
Interfund receivable	-	-	-
Due from other governments	-	-	338
<b>Total assets</b>	<u>\$ 65</u>	<u>\$ 3,863,239</u>	<u>\$ 338</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Interfund payable	-	-	338
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>338</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	3,832,455	-
Unavailable revenue - due from other governments	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>3,832,455</u>	<u>-</u>
<b>Fund balances</b>			
Restricted for public works	<u>65</u>	<u>30,784</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 65</u>	<u>\$ 3,863,239</u>	<u>\$ 338</u>

The accompanying notes are an integral part of these financial statements.



Capital Projects Funds			
Western Washtenaw Recycling Project	Western Washtenaw Recycling Project Expansion	Nonmajor Governmental Funds	Total Governmental Funds
\$ 156,073	\$ 58,604	\$ 127,251	\$ 372,777
1,094,034	-	656,670	5,583,159
3,623	-	-	3,623
-	-	273,585	273,923
<u>\$ 1,253,730</u>	<u>\$ 58,604</u>	<u>\$ 1,057,506</u>	<u>\$ 6,233,482</u>
\$ -	\$ 58,387	\$ 30,000	\$ 88,387
-	-	3,285	3,623
-	58,387	33,285	92,010
1,094,034	-	656,670	5,583,159
-	-	270,252	270,252
<u>1,094,034</u>	<u>-</u>	<u>926,922</u>	<u>5,853,411</u>
159,696	217	97,299	288,061
<u>\$ 1,253,730</u>	<u>\$ 58,604</u>	<u>\$ 1,057,506</u>	<u>\$ 6,233,482</u>

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# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2012

Fund balances - total governmental funds	\$ 288,061
<b>Adjustments</b>	
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Leases receivable are not <i>current financial resources</i> and therefore are not reported in the governmental funds.	26,622,279
Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	5,853,411
Bonds payable are not due and payable in the current period and therefore not reported in the governmental funds.	(26,622,279)
Discounts and premiums on bonds are reported as other financing sources and uses in the governmental funds, whereas they are capitalized and amortized for net position (netted against bonds payable).	
Premiums	(188,422)
Discounts	49,531
Deferred charges for bond refunding losses and gains are not recognized in the governmental funds, whereas they are capitalized and amortized for net position.	
Deferred loss on refunding	267,616
Deferred gain on refunding	(628)
Accrued interest payable on bonds is not recorded by governmental funds.	<u>(176,805)</u>
Net position of governmental activities	<u><u>\$ 6,092,764</u></u>

The accompanying notes are an integral part of these financial statements.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Statement of Activities and Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2012

	Debt Service Funds		
	Multi-Lake Sanitary Sewer System Phase II	WWRA Recycling Project	Northfield Township Sewer System
<b>Revenues</b>			
Special assessments	\$ -	\$ 283,081	\$ -
Intergovernmental	2,486,162	-	624,087
Investment income	63	54	2
<b>Total revenues</b>	<u>2,486,225</u>	<u>283,135</u>	<u>624,089</u>
<b>Expenditures</b>			
Public works	5,786	300	720
Debt service:			
Principal	2,320,000	-	505,000
Interest and fiscal charges	161,775	24,475	118,369
Bond issuance costs	-	-	-
<b>Total expenditures</b>	<u>2,487,561</u>	<u>24,775</u>	<u>624,089</u>
Revenues over (under) expenditures	<u>(1,336)</u>	<u>258,360</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Bond proceeds	-	-	-
Premium on bonds	-	-	-
Transfers in	-	-	-
Transfers out	-	(243,000)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(243,000)</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	(1,336)	15,360	-
Fund balances, beginning of year	<u>1,401</u>	<u>15,424</u>	<u>-</u>
Fund balances, end of year	<u>\$ 65</u>	<u>\$ 30,784</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.



Capital Projects Funds			
Western Washtenaw Recycling Project	Western Washtenaw Recycling Project Expansion	Nonmajor Governmental Funds	Total Governmental Funds
\$ 282,440	\$ -	\$ 80,664	\$ 646,185
-	-	1,711,301	4,821,550
758	3,269	818	4,964
<u>283,198</u>	<u>3,269</u>	<u>1,792,783</u>	<u>5,472,699</u>
900,000	2,692,098	158,604	3,757,508
-	-	1,045,000	3,870,000
-	-	661,149	965,768
-	75,469	-	75,469
<u>900,000</u>	<u>2,767,567</u>	<u>1,864,753</u>	<u>8,668,745</u>
<u>(616,802)</u>	<u>(2,764,298)</u>	<u>(71,970)</u>	<u>(3,196,046)</u>
-	2,500,000	-	2,500,000
-	21,515	-	21,515
-	243,000	14,339	257,339
-	-	(14,339)	(257,339)
<u>-</u>	<u>2,764,515</u>	<u>-</u>	<u>2,521,515</u>
(616,802)	217	(71,970)	(674,531)
<u>776,498</u>	<u>-</u>	<u>169,269</u>	<u>962,592</u>
<u>\$ 159,696</u>	<u>\$ 217</u>	<u>\$ 97,299</u>	<u>\$ 288,061</u>

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2012

Net changes in fund balances - total governmental funds	\$ (674,531)
<b>Adjustments</b>	
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Special assessment revenues that do not provide current financial resources are not reported as revenues in the funds, but are included in the statement of activities.	106,974
Bond proceeds provide current financial resources to governmental funds in the period period issued, but issuing bonds increases long-term liabilities in the statement of net position.	
Bond proceeds	(2,500,000)
Bond premium	(21,515)
Bond principal payments	3,870,000
Lease payments collected attributed to bond principal	(3,870,000)
Construction expenditures are recorded as expenditures in the funds, but increase leases receivable for net position.	2,500,000
Accrued interest expense on bonds and the amortization of bond premiums and discounts are not recorded by governmental funds but are reported under interest and fiscal charges for purposes of net position.	
Accrued interest expense	543
Amortization of discount on bonds	(5,834)
Amortization of premium on bonds	22,014
Amortization of deferred refunding loss	(33,191)
Amortization of deferred refunding gain	79
Change in net position of governmental activities	<u><u>\$ (605,461)</u></u>

The accompanying notes are an integral part of these financial statements.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Reporting Entity* - These financial statements represent the financial position and the changes in financial position of the public works projects managed and administered by the Washtenaw County Department of Public Works Projects (DPW). These projects are considered to be a discretely presented component unit of Washtenaw County (the “County” or “primary government”) and are an integral part of that reporting entity.

*Government-wide and Fund Financial Statements* - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements.

Major individual governmental funds are reported as separate columns in the fund financial statements.

*Measurement Focus, Basis of Accounting and Financial Statement Presentation* - The government-wide financial information is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Intergovernmental revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The DPW reports the following major governmental funds:

Debt service funds:

- Multi-Lake Sanitary Sewer System Phase II
- WWRA Recycling Project
- Northfield Township Sewer System

Capital projects funds:

- Western Washtenaw Recycling Project
- Western Washtenaw Recycling Project Expansion

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Notes To Financial Statements

Additionally, the DPW reports the following fund types:

*Debt service funds* account for the accumulation of resources for, and the payment of, interest and principal on bonded debt.

*Capital projects funds* account for the use of resources, primarily bond proceeds, in constructing or acquiring capital assets, including buildings.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

*Receivables and Payables* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are, if any, referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Special assessments receivable are amounts due from benefiting parties (i.e., property owners). No allowance for uncollectibles is recorded because the special assessments represent a lien on the respective properties.

*Long-term Obligations* - In the government-wide financial statements, long-term debt is reported as a liability. Bond discounts and premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount.

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*Deferred Outflows* - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Notes To Financial Statements

*Deferred Inflows* - In addition to liabilities, the statement of net position and governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items that qualify for reporting in this category. One is the deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources; special assessments and amounts due from other governments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Fund Balance* - Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually require to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Directors. A formal resolution of the Board of Directors is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification used for a general fund.

When the DPW incurs an expenditure for purposes for which various fund balance classifications can be used, it is the DPW's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any.

## 2. CASH AND POOLED INVESTMENTS

At year-end, the carrying amount of the DPW's cash and pooled investments, which were deposited entirely in the County Treasurer's internal cash management pool, was \$372,777. Because it is infeasible to allocate risk to individual component units or pool participants, aggregate cash and investment categorizations are presented in the County's basic financial statements.

## 3. LEASES RECEIVABLE

The DPW has entered into various lease agreements with local governments to issue bonded debt and to manage the construction of water and sewer systems in those jurisdictions. These agreements generally terminate with the retirement of the related bond issues. Leases receivable are reported at an amount equal to the lesser of the actual bond-financed construction costs incurred to date or the outstanding bond principal. Annual lease payments under these agreements are equal to the related bond principal and interest due each year. At termination of a lease, title to the leased property is passed to the particular local governments.

The DPW's leases are classified as sales leases. As a result, leases receivable are recognized in the accompanying statement of position, whereas capital assets are not.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Notes To Financial Statements

All lease agreements provide for the lessees to use, operate and maintain the systems, at their own expense, subject to the terms and conditions of the agreements.

The current portion of leases receivable as of December 31, 2012 was \$1,850,000.

### 4. LONG-TERM DEBT

General obligation bonds are issued by the County to finance construction projects managed and administered by the DPW. These bonds are direct obligations, and pledge the full faith and credit, of the County and the associated municipalities and authorities. The bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year through April 1, 2028 and bear interest at varying rates from 1.625% to 5.000%. Detailed information regarding bonds currently outstanding and annual debt service requirements to maturity for each bond issue is presented in the Supplementary Information section of this report.

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

Year	Principal	Interest	Total
2013	\$ 1,850,000	\$ 840,597	\$ 2,690,597
2014	2,545,000	773,718	3,318,718
2015	2,545,000	697,153	3,242,153
2016	2,580,000	616,340	3,196,340
2017	2,405,000	536,511	2,941,511
2018-2022	8,757,279	1,691,031	10,448,310
2023-2027	5,730,000	419,675	6,149,675
2028-2032	210,000	1,706	211,706
	<u>\$ 26,622,279</u>	<u>\$ 5,576,731</u>	<u>\$ 32,199,010</u>

Long-term liability activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds payable	\$ 27,992,279	\$ 2,500,000	\$ (3,870,000)	\$ 26,622,279	\$ 1,850,000
Deferred amounts for:					
Issuance premiums	188,921	21,515	(22,014)	188,422	-
Issuance discounts	(55,365)	-	5,834	(49,531)	-
	<u>\$ 28,125,835</u>	<u>\$ 2,521,515</u>	<u>\$ (3,886,180)</u>	<u>\$ 26,761,170</u>	<u>\$ 1,850,000</u>



# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Notes To Financial Statements

### 5. PROJECT INFORMATION

Following is a brief description of significant matters regarding active capital projects:

#### *Western Washtenaw Recycling Project*

The County entered into a contract dated November 1, 1991 with the Villages of Chelsea and Manchester and the townships of Bridgewater, Manchester, Dexter, Lima, Lyndon and Sylvan (the “Municipalities”) and the Western Washtenaw Recycling Authority (the “Authority”) to acquire and construct a recycling collection system to serve the Municipalities. On September 1, 1996, an amendment to the original contract was executed between the County, the Municipalities and the Authority to continue the recycling collection and processing system (the “Recycling System”) to serve Western Washtenaw County.

The Recycling System is funded through special assessments levied under Public Act 185. By statute, such revenues and interest earned thereon may be used to pay for expansion and/or ongoing operating and maintenance expenditures. The County leases the Recycling System from the Authority and subleases it back to the Authority to operate, maintain and administer. Full ownership of the Recycling System will be transferred to the Authority upon termination of the contract.

On August 18, 2010, the Washtenaw County Board of Public Works, and subsequently on October 26, 2010 the Washtenaw County Board of Commissioners, passed a resolution to initiate and establish a project to maintain and improve a resource recovery system (Western Washtenaw Recycling Authority). The Board of Commissioners, on September 21, 2011, passed a resolution approving a contract with the City of Chelsea, the townships of Dexter, Lima, Lyndon, and Manchester and the Authority for improvements to the material recovery facility, and authorized the sale of bonds to finance the project in November 2011. In 2011 the Board of Public Works confirmed special assessments for a 15-year bond and a five-year operating assessment. The second year of these assessments were placed on the December 2012 tax bills.

The facility expansion was expected to cost \$3,200,000 but as of December 31, 2012, expenditures in the amount of \$3,230,982 had already been made. Bonds for the expansion were issued in May 2012 and the first debt service payment was made in November 2012. Construction was substantially completed in September 2012 and the facility began processing materials using a single-stream method on September 17, 2012.

#### *Sylvan Township Water and Wastewater Refunding*

The DPW previously entered into a lease agreement with Sylvan Township and recorded a lease receivable in the amount of the outstanding debt for which the Township is obligated to pay. The Township indicated that it would be unable to make its May 1, 2012 payment, therefore the County made the payment and the default provisions of the lease agreement were followed to address the issue. In July 2012, the County and the Township entered into a written agreement whereby the Township would make payment to the County for the debt service on the outstanding bonds and for the delinquent taxes that had been advanced to the Township in earlier years by the County Treasurer during the annual tax settlement process. The payment from the Township to the County would take place over a 20 year period and was contingent on the approval by Township voters of a 20 year millage in the amount of 4.40 mills. The millage was approved by the voters in the November 2012 election. The first year’s millage was levied on the December 1, 2012 tax bills sent out by the Township.

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## ■ Notes To Financial Statements

### *Multilakes Sanitary Sewer System Phase II Bond Redemption*

In August 2012 the Board of Public Works approved a request from Unadilla and Putnam townships to redeem a portion of the bonds for the Multilakes Phase II Sanitary Sewer System. The Washtenaw County Board of Commissioners subsequently approved the bond redemption in the amount of \$1,920,000 and the remaining debt will be paid off by the year 2020.

## 6. SUBSEQUENT EVENT

### *Western Washtenaw Recycling Authority Expansion Project*

On January 16, 2013, the Board of Public Works approved a request by the Western Washtenaw Recycling Authority to borrow \$175,000 in funds from the Washtenaw County Treasurer in order to replenish the Authority's reserve funds. The loan will be repaid within no more than three years and is expected to be repaid within one year through special assessments collected annually. Construction on the project is complete and the facility is currently functioning.

### *Lyndon-Sylvan Sanitary Sewer Expansion Project Bond Redemption/Refunding*

On February 20, 2013, the Board of Public Works and Board of Commissioners approved a request by Lyndon and Sylvan townships to redeem a portion of the 2004 series of bonds and to refund the remaining portion of those bonds. Lyndon Township has requested to pay off the remainder of its portion of the bond and Sylvan Township has requested to pay off \$325,000 of its remaining portion. After those have been paid the anticipated amount to be refunded is \$715,000. The bond sale is anticipated for the spring of 2013.

## 7. RESTATEMENT

The DPW adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, in the current year. As a result, the beginning net position of the governmental activities was decreased by \$475,565 to eliminate unamortized bond issuance costs, which no longer meet the definition of an asset and are now required to be recognized as an expense in the period incurred.



## COMBINING FINANCIAL STATEMENTS

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2012

	Debt Service	Capital Projects	Totals
<b>Assets</b>			
Cash and pooled investments	\$ 1,372	\$ 125,879	\$ 127,251
Special assessments receivable	-	656,670	656,670
Due from other governments	273,585	-	273,585
<b>Total assets</b>	<b>\$ 274,957</b>	<b>\$ 782,549</b>	<b>\$ 1,057,506</b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 30,000	\$ 30,000
Interfund payable	3,285	-	3,285
<b>Total liabilities</b>	<b>3,285</b>	<b>30,000</b>	<b>33,285</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - special assessments	-	656,670	656,670
Unavailable revenue - due from other governments	270,252	-	270,252
<b>Total deferred inflows of resources</b>	<b>270,252</b>	<b>656,670</b>	<b>926,922</b>
<b>Fund balances</b>			
Restricted for public works	1,420	95,879	97,299
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 274,957</b>	<b>\$ 782,549</b>	<b>\$ 1,057,506</b>

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2012

	Debt Service	Capital Projects	Totals
<b>Revenues</b>			
Special assessments	\$ -	\$ 80,664	\$ 80,664
Intergovernmental	1,711,301	-	1,711,301
Investment income (loss)	(115)	933	818
<b>Total revenues</b>	<b>1,711,186</b>	<b>81,597</b>	<b>1,792,783</b>
<b>Expenditures</b>			
Public works	6,480	152,124	158,604
Debt service:			
Principal	1,045,000	-	1,045,000
Interest and fiscal charges	661,149	-	661,149
<b>Total expenditures</b>	<b>1,712,629</b>	<b>152,124</b>	<b>1,864,753</b>
Revenues under expenditures	(1,443)	(70,527)	(71,970)
<b>Other financing sources (uses)</b>			
Transfers in	-	14,339	14,339
Transfers out	-	(14,339)	(14,339)
<b>Total other sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,443)</b>	<b>(70,527)</b>	<b>(71,970)</b>
Fund balances, beginning of year	2,863	166,406	169,269
<b>Fund balances, end of year</b>	<b>\$ 1,420</b>	<b>\$ 95,879</b>	<b>\$ 97,299</b>

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2012

	Salem Township Wastewater Disposal System	City of Saline Water System Improvements Segment 1	City of Saline Water System Improvements Segment 2	Salem Township Sewer Collection System
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ -	\$ -	\$ -
Due from other governments	178	363	315	330
<b>Total assets</b>	<u>\$ 178</u>	<u>\$ 363</u>	<u>\$ 315</u>	<u>\$ 330</u>
<b>Liabilities</b>				
Interfund payable	\$ 178	\$ 363	\$ 315	\$ 330
<b>Deferred inflows of resources</b>				
Unavailable revenue - due from other governments	-	-	-	-
<b>Fund balances</b>				
Restricted for public works	-	-	-	-
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 178</u>	<u>\$ 363</u>	<u>\$ 315</u>	<u>\$ 330</u>

Bridgewater Township Wastewater System	Multi-Lake Sewer System Phase III	Sylvan Township Water and Wastewater Refunding	Multi-Lake Sanitary Sewer System Refunding (Dexter Township) Series 2010	Lyndon/Sylvan Sewer System	Total
\$ - 412	\$ 46 -	\$ - 271,322	\$ - 665	\$ 1,326 -	\$ 1,372 273,585
<u>\$ 412</u>	<u>\$ 46</u>	<u>\$ 271,322</u>	<u>\$ 665</u>	<u>\$ 1,326</u>	<u>\$ 274,957</u>
\$ 412	\$ -	\$ 1,022	\$ 665	\$ -	3,285
-	-	270,252	-	-	270,252
-	46	48	-	1,326	1,420
<u>\$ 412</u>	<u>\$ 46</u>	<u>\$ 271,322</u>	<u>\$ 665</u>	<u>\$ 1,326</u>	<u>\$ 274,957</u>

WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For the Year Ended December 31, 2012

	Salem Township Wastewater Disposal System	City of Saline Water System Improvements Segment 1	City of Saline Water System Improvements Segment 2	Salem Township Sewer Collection System
Revenues				
Intergovernmental	\$ 135,569	\$ 89,722	\$ 74,776	\$ 80,873
Investment income (loss)	1	(2)	1	1
Total revenues	<u>135,570</u>	<u>89,720</u>	<u>74,777</u>	<u>80,874</u>
Expenditures				
Public works	720	720	720	720
Debt service:				
Principal	120,000	75,000	60,000	55,000
Interest and fiscal charges	14,850	14,000	14,057	25,154
Total expenditures	<u>135,570</u>	<u>89,720</u>	<u>74,777</u>	<u>80,874</u>
Revenues over (under) expenditures	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Bridgewater Township Wastewater System	Multi-Lake Sewer System Phase III	Sylvan Township Water and Wastewater Refunding	Multi-Lake Sanitary Sewer System Refunding (Dexter Township) Series 2010	Lyndon/Sylvan Sewer System	Total
\$ 94,138 1	\$ 209,725 2	\$ 351,962 (119)	\$ 352,503 (2)	\$ 322,033 2	\$ 1,711,301 (115)
94,139	209,727	351,843	352,501	322,035	1,711,186
720	720	720	720	720	6,480
65,000	160,000	-	285,000	225,000	1,045,000
28,419	49,725	351,075	66,781	97,088	661,149
94,139	210,445	351,795	352,501	322,808	1,712,629
-	(718)	48	-	(773)	(1,443)
-	764	-	-	2,099	2,863
\$ -	\$ 46	\$ 48	\$ -	\$ 1,326	\$ 1,420

# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2012

	North Lake Improvement Project	North Lake Culver Improvement Project	Joslin Lake Improvement Project	Whitmore Lake Improvement Project
<b>Assets</b>				
Cash and pooled investments	\$ 18,489	\$ 1,351	\$ 40,771	\$ -
Special assessments receivable	201,660	-	-	455,010
<b>Total assets</b>	<b>\$ 220,149</b>	<b>\$ 1,351</b>	<b>\$ 40,771</b>	<b>\$ 455,010</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
<b>Deferred inflows of resources</b>				
Unavailable revenue - special assessments	201,660	-	-	455,010
<b>Fund balances</b>				
Restricted for public works	18,489	1,351	40,771	-
<b>Total deferred inflows of resources and fund balances</b>	<b>\$ 220,149</b>	<b>\$ 1,351</b>	<b>\$ 40,771</b>	<b>\$ 455,010</b>



DPW Projects Revolving	Total
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\$ 65,268	\$ 125,879
-	656,670

<u>\$ 65,268</u>	<u>\$ 782,549</u>
------------------	-------------------

\$ 30,000	\$ 30,000
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-	656,670
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<u>35,268</u>	<u>95,879</u>
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<u>\$ 65,268</u>	<u>\$ 782,549</u>
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# WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended December 31, 2012

	North Lake Improvement Project	North Lake Culver Improvement Project	Joslin Lake Improvement Project	Whitmore Lake Improvement Project
<b>Revenues</b>				
Special assessments	\$ 52,440	\$ -	\$ 28,224	\$ -
Investment income	224	13	231	104
<b>Total revenues</b>	<u>52,664</u>	<u>13</u>	<u>28,455</u>	<u>104</u>
<b>Expenditures</b>				
Public works	<u>54,827</u>	<u>3,062</u>	<u>17,760</u>	<u>76,475</u>
<b>Revenues over (under) expenditures</b>	<u>(2,163)</u>	<u>(3,049)</u>	<u>10,695</u>	<u>(76,371)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	14,339
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,339</u>
<b>Net change in fund balances</b>	(2,163)	(3,049)	10,695	(62,032)
<b>Fund balances, beginning of year</b>	<u>20,652</u>	<u>4,400</u>	<u>30,076</u>	<u>62,032</u>
<b>Fund balances, end of year</b>	<u>\$ 18,489</u>	<u>\$ 1,351</u>	<u>\$ 40,771</u>	<u>\$ -</u>



DPW Projects Revolving	Total
\$ -	\$ 80,664
361	933
<hr/>	<hr/>
361	81,597
-	152,124
<hr/>	<hr/>
361	(70,527)
-	14,339
(14,339)	(14,339)
<hr/>	<hr/>
(14,339)	-
(13,978)	(70,527)
49,246	166,406
<hr/>	<hr/>
\$ 35,268	\$ 95,879
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## SUPPLEMENTARY INFORMATION

## WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

### Schedule of Additional Bond Information December 31, 2012

Project	Municipalities or Authorities	Date Issued	Amount Issued
(A) Salem Township Wastewater Disposal System - State Revolving Fund Program	Salem Township	09/18/96	\$ 2,136,315
(B) City of Saline Water System Improvements Project - Drinking Water Revolving Fund - Segment 1	City of Saline	07/02/98	1,375,000
(C) City of Saline Water System Improvements Project - Drinking Water Revolving Fund - Segment 2	City of Saline	06/24/99	1,197,279
(D) Multi-Lake Sanitary Sewer System Phase II	Multi-Lake Area Water and Sewer Authority	01/01/02	7,850,000
(E) Salem Township Sewer Collection System	Salem Township	06/01/02	1,090,000
(F) Bridgewater Township Wastewater System	Bridgewater Township	09/01/04	1,095,000
(G) Lyndon Township and Sylvan Township Sanitary Sewer Expansion	Lyndon Township and Sylvan Township	09/01/04	5,115,000
(H) Multi-Lake Wastewater Treatment Plant Upgrade Phase III	Multi-Lake Area Water and Sewer Authority	06/21/07	3,610,000
(I) Northfield Township Sanitary Sewer System and Wastewater Treatment Improvement Refunding	Northfield Township	09/12/07	4,965,000
(J) Sylvan Township Water and Sewer System Refunding	Sylvan Township	04/01/10	9,775,000
(K) Multi-Lake Sanitary Sewer System Refunding, Series 2010	Dexter Township	08/01/10	3,095,000
(L) Washtenaw County Refuse System No. 1 - Western Washtenaw County Recycling Project Bonds	City of Chelsea; Dexter, Lima, Lyndon and Manchester Townships	05/08/12	2,500,000



Interest Rates	Remaining Annual Installments	Redemption Beginning Date	Ending Date	Rate (% of par)
2.25%	\$100,000 to \$130,000 through 11/01/17	not applicable		
2.50%	\$75,000 to \$85,000 through 10/01/18	not applicable		
2.50%	\$60,000 to \$77,279 through 04/01/20	not applicable		
3.00% to 5.00%	\$164,000 to \$215,350 through 05/01/20	05/01/10 05/01/12	04/30/12 04/30/20	100.5% 100.0%
3.00% to 5.00%	\$55,000 through 05/01/21	05/01/10 05/01/12	04/30/12 04/30/21	100.5% 100.0%
3.00% to 5.00%	\$65,000 through 06/01/22	06/01/12	05/31/22	100.0%
2.50% to 4.375%	\$225,000 through 05/01/22	05/01/12 05/01/14	04/30/14 04/30/22	100.5% 100.0%
1.625%	\$160,000 to \$210,000 through 04/01/28	not applicable		
4.25%	\$400,000 to \$550,000 through 05/01/17	not applicable		
2.00% to 4.00%	\$625,000 to \$1,000,000 through 05/01/26	05/01/22	04/30/26	100.0%
2.000% to 3.125%	\$285,000 to \$355,000 through 05/01/20	05/01/15	04/30/20	100.0%
2.00% to 2.70%	\$140,000 to \$225,000 through 05/01/26	05/01/17	04/30/26	100.0%

## WASHTENAW COUNTY DEPARTMENT OF PUBLIC WORKS PROJECTS

### Schedule of Bond Maturities December 31, 2012

	Project	2013	2014	2015	2016
(A)	Salem Township Wastewater System	\$ 132,150	\$ 134,394	\$ 131,581	\$ 133,713
(B)	City of Saline Water System Improvements-Segment 1	87,125	90,250	88,250	86,250
(C)	City of Saline Water System Improvements-Segment 2	72,556	71,056	74,494	72,869
(D)	Multi-Lake Sewer System Phase II	217,520	210,320	202,960	195,400
(E)	Salem Township Sewer Collection System	77,509	75,034	72,504	69,918
(F)	Bridgewater Township Wastewater System	90,878	88,481	86,003	83,444
(G)	Lyndon/Sylvan Township Sanitary Sewer Expansion	313,144	304,144	295,144	286,144
(H)	Multi-Lake Wastewater Treatment Plant Upgrade Phase III	212,085	209,403	211,681	213,878
(I)	Northfield Township Refunding	591,794	614,800	586,956	583,794
(J)	Sylvan Township Water and Sewer System Refunding	350,725	969,475	940,600	913,975
(K)	Multi-Lake Sanitary Sewer System Refunding, Series 2010	351,031	355,131	353,700	356,725
(L)	Western Washtenaw Recycling Project	194,080	196,230	198,280	200,230
		<u>\$ 2,690,597</u>	<u>\$ 3,318,718</u>	<u>\$ 3,242,153</u>	<u>\$ 3,196,340</u>

	2017	2018	2019	2020	2021	2022	2023	2024
\$	101,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	89,250	87,125	-	-	-	-	-	-
	71,244	74,557	72,807	78,245	-	-	-	-
	187,800	180,000	172,000	164,000	-	-	-	-
	67,278	64,598	61,875	59,125	56,375	-	-	-
	80,811	78,130	75,400	72,597	69,712	66,625	-	-
	277,144	268,003	258,722	249,300	239,681	229,922	-	-
	211,035	213,150	210,225	212,259	209,253	211,206	213,078	209,909
	408,500	-	-	-	-	-	-	-
	886,125	955,375	916,838	882,100	939,200	899,800	1,056,800	1,059,200
	359,119	360,450	340,969	360,547	-	-	-	-
	202,080	203,830	210,430	211,880	213,091	218,908	219,304	224,289
\$	<u>2,941,511</u>	<u>2,485,218</u>	<u>2,319,266</u>	<u>2,290,053</u>	<u>1,727,312</u>	<u>1,626,461</u>	<u>1,489,182</u>	<u>1,493,398</u>

continued...

**Schedule of Bond Maturities**  
December 31, 2012

	Project	2025	2026	2027	2028
(A)	Salem Township Wastewater System	\$ -	\$ -	\$ -	\$ -
(B)	City of Saline Water System Improvements-Segment 1	-	-	-	-
(C)	City of Saline Water System Improvements-Segment 2	-	-	-	-
(D)	Multi-Lake Sewer System Phase II	-	-	-	-
(E)	Salem Township Sewer Collection System	-	-	-	-
(F)	Bridgewater Township Wastewater System	-	-	-	-
(G)	Lyndon/Sylvan Township Sanitary Sewer Expansion	-	-	-	-
(H)	Multi-Lake Wastewater Treatment Plant Upgrade Phase III	211,700	213,410	210,078	211,706
(I)	Northfield Township Refunding	-	-	-	-
(J)	Sylvan Township Water and Sewer System Refunding	1,060,000	1,020,000	-	-
(K)	Multi-Lake Sanitary Sewer System Refunding, Series 2010	-	-	-	-
(L)	Western Washtenaw Recycling Project	223,870	228,037	-	-
		<u>\$ 1,495,570</u>	<u>\$ 1,461,447</u>	<u>\$ 210,078</u>	<u>\$ 211,706</u>

Principal and Interest	Representing Interest	Obligation At 12/31/12
\$ 632,963	\$ 32,963	\$ 600,000
528,250	43,250	485,000
587,828	55,549	532,279
1,530,000	250,000	1,280,000
604,216	109,216	495,000
792,081	142,081	650,000
2,721,348	471,348	2,250,000
3,384,056	404,056	2,980,000
2,785,844	260,844	2,525,000
12,850,213	3,075,213	9,775,000
2,837,672	287,672	2,550,000
2,944,539	444,539	2,500,000
<u>\$ 32,199,010</u>	<u>\$ 5,576,731</u>	<u>\$ 26,622,279</u>

concluded

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