

CHARTER TOWNSHIP OF DELHI

Holt, Michigan



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

YEAR ENDED DECEMBER 31, 2015

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, State of Michigan as of and for the year ended December 31, 2015, which collectively comprise the Township's basic financial statements as listed in the table of contents, and the related notes to the 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Charter Township of Delhi, State of Michigan as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information - Additional Supplementary Information

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

Other Information - Statistical Section

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Maney Costeiran PC

May 6, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Charter Township of Delhi, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2015.

Financial Highlights

Governmental-wide activity:

- The primary government assets of the Township exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$53,758,420 (*net position*). Of this amount, \$10,369,716 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's governmental activities net position increased by \$1,396,521.
- The Township's business-type activity net position increased by \$7,245.

Fund level activity:

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$7,609,558, an increase of \$701,865 in comparison with the prior year. Approximately 70% of this total amount, or \$5,338,828, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the General Fund was \$5,338,828 or 70% percent of total general fund expenditures and other financing uses.
- The primary government total bonded debt decreased by a net \$1,678,061 during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

The government wide financial statements include not only the Township itself (known as the *primary government*), but also two legally separate authorities - the Downtown Development Authority and the Brownfield Redevelopment Authority - for which the Township is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government wide financial statements can be found on pages 24 - 25 of this report.

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

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

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

The Township maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire Fund, and Police Fund, which are the Township's three major governmental funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 27 - 30 of this report.

Proprietary funds. There are two types of proprietary funds - enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government wide financial statements. The Township has an enterprise fund to account for its sanitary sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. The primary government of the Township does not use internal service funds at this time.

Proprietary funds provide the same type of information as the government wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 32 - 36 of this report.

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

The basic fiduciary fund financial statements can be found on pages 38 - 39 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 41 - 71 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and additional supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 79 - 102 of this report.

Government wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Delhi, assets exceeded liabilities and deferred inflows of resources by \$53,758,420 at the close of the most recent year.

By far the largest portion of the Township's net position (77 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment, and vehicles net of accumulated depreciation); less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Charter Township of Delhi's Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 13,477,950	\$ 13,234,335	\$ 5,689,391	\$ 5,378,335	\$ 19,167,341	\$ 18,612,670
Capital assets, net	16,034,979	15,563,204	47,493,851	49,234,776	63,528,830	64,797,980
Total assets	<u>29,512,929</u>	<u>28,797,539</u>	<u>53,183,242</u>	<u>54,613,111</u>	<u>82,696,171</u>	<u>83,410,650</u>
Current liabilities	598,608	835,116	540,638	671,719	1,139,246	1,506,835
Noncurrent liabilities	4,314,626	4,686,654	18,587,456	19,893,489	22,902,082	24,580,143
Total liabilities	<u>4,913,234</u>	<u>5,521,770</u>	<u>19,128,094</u>	<u>20,565,208</u>	<u>24,041,328</u>	<u>26,086,978</u>
Def. inflows of resources	<u>4,896,423</u>	<u>4,969,018</u>	<u>-</u>	<u>-</u>	<u>4,896,423</u>	<u>4,969,018</u>
Net position:						
Net investment in capital assets	12,271,559	11,382,486	28,906,395	29,341,287	41,177,954	40,723,773
Restricted	207,097	109,406	2,003,653	1,818,393	2,210,750	1,927,799
Unrestricted	<u>7,224,616</u>	<u>6,814,859</u>	<u>3,145,100</u>	<u>2,888,223</u>	<u>10,369,716</u>	<u>9,703,082</u>
Total Net Position	<u>\$ 19,703,272</u>	<u>\$ 18,306,751</u>	<u>\$ 34,055,148</u>	<u>\$ 34,047,903</u>	<u>\$ 53,758,420</u>	<u>\$ 52,354,654</u>

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

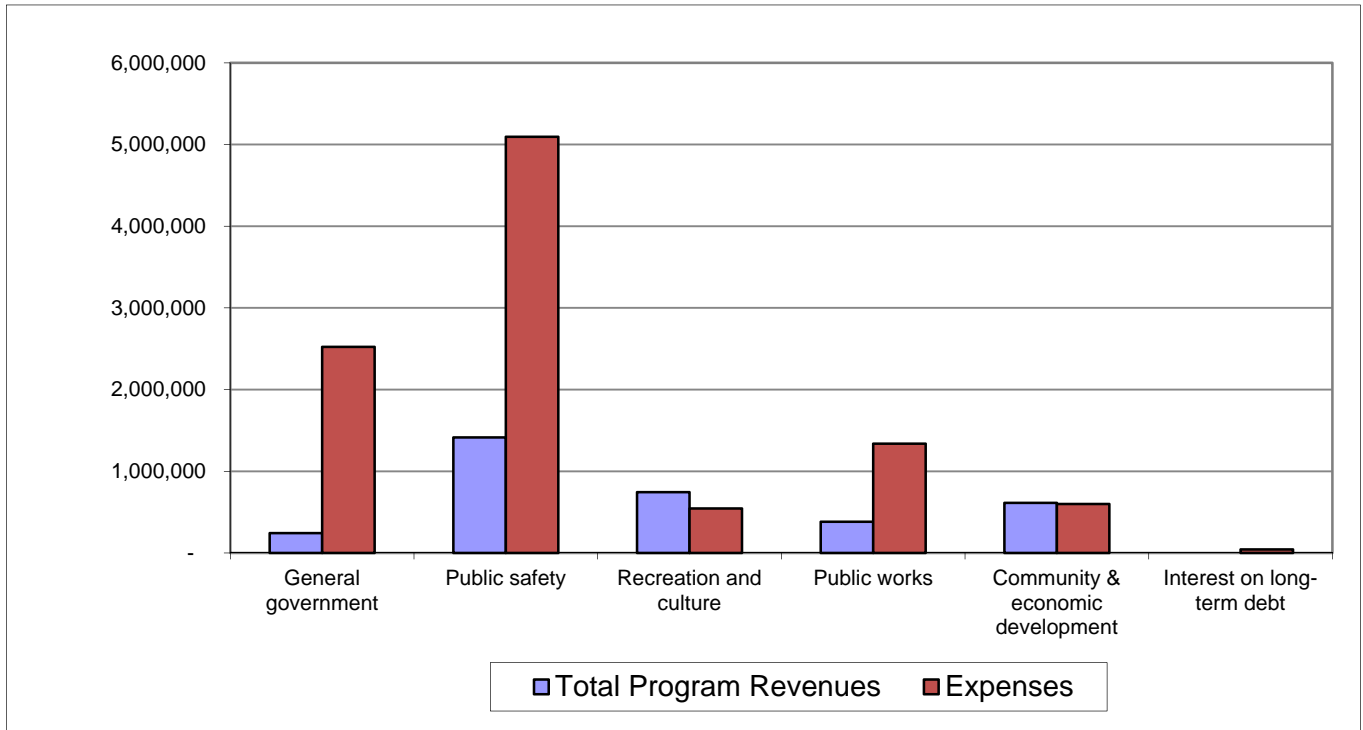
Primary government net position increased by \$1,403,766 during the current fiscal year. This was a combination of net position increasing by \$1,396,521 in Governmental Activities and increasing by \$7,245 in the Business-type Activities.

Charter Township of Delhi's Changes in Net Position

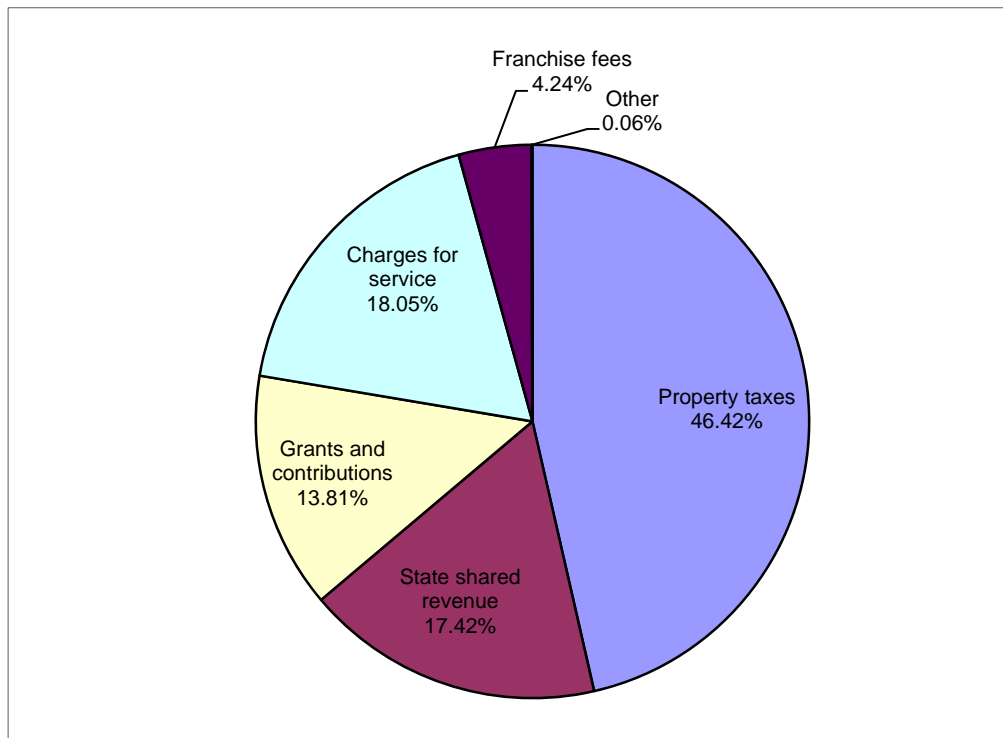
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue:						
Program revenues:						
Charges for services	\$ 2,105,647	\$ 2,114,182	\$ 6,080,205	\$ 5,898,351	\$ 8,185,852	\$ 8,012,533
Operating grants and contributions	471,146	656,031	606,298	420,011	1,077,444	1,076,042
Capital grants and contributions	704,259	2,003,455	-	64,800	704,259	2,068,255
General revenues:						
Property taxes	5,414,764	5,350,366	-	-	5,414,764	5,350,366
State shared revenue	2,031,646	2,026,020	-	-	2,031,646	2,026,020
Unrestricted grants and contributions	272,793	365,077	-	-	272,793	365,077
Franchise fees	494,517	472,391	-	-	494,517	472,391
Interest	7,102	5,721	8,478	9,604	15,580	15,325
Total revenues	11,501,874	12,993,243	6,694,981	6,392,766	18,196,855	19,386,009
Expenses:						
General government	2,522,117	2,640,347	-	-	2,522,117	2,640,347
Public safety	5,049,743	4,861,571	-	-	5,049,743	4,861,571
Public works	1,338,862	1,434,952	-	-	1,338,862	1,434,952
Recreation and culture	545,141	985,792	-	-	545,141	985,792
Interest on long-term debt	44,405	66,406	-	-	44,405	66,406
Sewer	-	-	6,694,003	6,167,726	6,694,003	6,167,726
Community & economic development	598,818	575,816	-	-	598,818	575,816
Total expenses	10,099,086	10,564,884	6,694,003	6,167,726	16,793,089	16,732,610
Increase (decrease) in net position before transfers	1,402,788	2,428,359	978	225,040	1,403,766	2,653,399
Transfers	(6,267)	(18,599)	6,267	18,599	-	-
Increase (decrease) in net position	1,396,521	2,409,760	7,245	243,639	1,403,766	2,653,399
Net position -beginning of year	18,306,751	15,896,991	34,047,903	33,804,264	52,354,654	49,701,255
Net position - end of year	\$ 19,703,272	\$ 18,306,751	\$ 34,055,148	\$ 34,047,903	\$ 53,758,420	\$ 52,354,654

Governmental activities. Governmental activities increased the Township's net position by \$1,396,521 during 2015. Compared to 2014, Governmental revenues decreased by \$1,447,269 mainly due to capital contributions and unrestricted grants. Governmental expenditures decreased by \$421,698 compared to 2014. The majority of the decrease was caused by a decrease in the recreation and culture expenses caused by a decrease in the Township building improvements, a decrease in the required part-time help and the reclassification of the Parks and Recreation Director's salary into administrative salaries. Most of the remainder of the decrease was in the General Government category, which was caused by the retirement of an IT Director and a decreased need for part-time help in various Township departments.

Expenses and Program Revenues - Governmental Activities for the year ended December 31, 2015

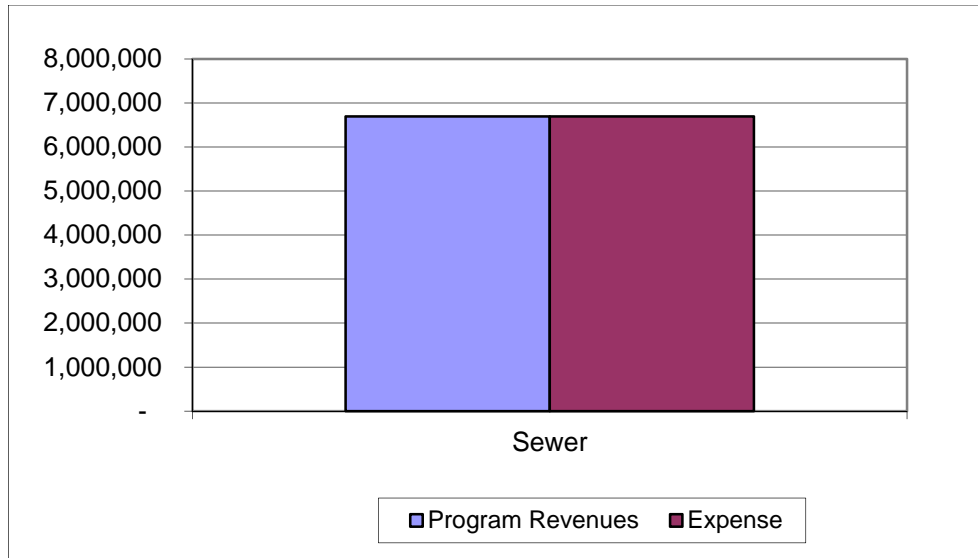


Revenues by Source - Governmental Activities for the year ended December 31, 2015



Business - type activities. Business - type activities increased the Township’s net position by \$7,245 during 2015, due to the increase in basic service charge and sewer usage fees.

Expenses and Program Revenues - Business - type Activities for the year ended December 31, 2015



Revenues by Source - Business type Activities

Almost 91% of business type activities revenue comes from charges for services related to sewer operations.

Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the Township’s governmental funds reported combined ending fund balances of \$7,609,558, an increase of \$701,865 in comparison with the prior year. Almost 70 percent of this total amount constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is not available for general spending because it has already been established as nonspendable, such as for prepaids, or is restricted/committed/assigned for specific activities.

The General Fund is the chief operating fund of the Township. At the end of the current year, unassigned fund balance of the general fund was \$5,338,828 while total fund balance was \$6,777,530. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 70 percent of total general fund expenditures and other financing uses while total fund balance is 89 percent of total general fund expenditures and other financing uses.

The fund balance in the Township's General Fund increased by \$613,539 during the current year. Overall, compared to 2014, expenditures, including transfers out, decreased \$456,191 and revenues and other financing sources increased by \$276,580. Key factors for this are:

- An increase in the ambulance fees charged and collected.
- An increase in building permits.
- A decrease in Public Works expenses.

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

Total net position of the Sewer Fund at the end of the year amounted to \$34,055,148; an increase for the year of \$7,245. Other factors concerning the finances of this fund have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

During the year there was a net decrease of \$807,450 (9%) in appropriations (including operating transfers out) between the original and final amended budget. Increases and decreases worth noting were:

- A decrease in Information Technology based on the retirement of the I.T Director
- A decrease in Parks based on the reclassification of salaries into an administrative category
- A decrease of \$88,020 in Debt Service
- A decrease of \$342,490 in Capital Outlay

Additionally, budgeted revenues (including other financing sources) increased by approximately \$85,520. Increases in some revenue line items were offset by decreases in others. Items worth noting are as follows.

- An increase of \$110,000 in ambulance fees.
- An increase of \$89,000 in Tax revenue.
- \$103,000 increase in building revenue.
- A decrease of \$272,000 in grants and revenue sharing.

Fire Fund and Police Fund

These two funds account for a voter approved millage, which partially covers the costs of providing fire and police services to the Township. These funds had total revenues of \$1,442,488 and \$1,100,615 respectively, and \$2,054,859 and \$2,527,210 in expenditures respectively. The Fire and Police Funds had restricted property tax revenues of \$1,043,985 and \$1,043,984 in each fund, respectively. Total revenues in these funds were not sufficient to fully fund fire and police operations, so therefore, the General Fund had to transfer \$647,539 and \$1,426,595 respectively into the Fire and Police funds to cover the remaining operating expenditures.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business type activities as of December 31, 2015, amounted to \$63,528,830 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings and improvements, park and recreation facilities, machinery and equipment and construction in progress. The total net decrease in the Township's investment in capital assets for the current fiscal year was \$1,269,150 (approximately 2%). The decrease is a result of depreciation expense exceeding net fixed asset investments.

Major capital asset disposals during the fiscal year included the following:

- Vehicles were disposed of in both fire and sewer funds
- Construction in process in the sewer fund for approximately \$183,000
- Disposal of machinery in both the general and sewer funds for approximately \$70,000

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

	Governmental Activities		Business Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land/Monuments	\$ 2,199,040	\$ 2,045,184	\$ 806,335	\$ 806,335	\$ 3,005,375	\$ 2,851,519
Easements	62,361	62,361	1,925	-	64,286	62,361
Infrastructure	432,533	521,126	30,687,680	31,950,215	31,120,213	32,471,341
Flowage rights	2,917,288	3,027,583	-	-	2,917,288	3,027,583
Buildings and improvements	4,236,983	4,429,244	14,482,277	15,546,975	18,719,260	19,976,219
Land improvements	5,560,219	4,452,842	315,812	311,614	5,876,031	4,764,456
Machinery and equipment	375,326	386,965	484,534	71,358	859,860	458,323
Furniture and office equipment	26,904	35,478	-	1,599	26,904	37,077
Computer equipment and programs	26,360	52	16,314	8,828	42,674	8,880
Vehicles	188,631	312,175	281,896	162,929	470,527	475,104
Construction in progress	9,334	290,194	417,078	374,923	426,412	665,117
Total	\$ 16,034,979	\$ 15,563,204	\$ 47,493,851	\$ 49,234,776	\$ 63,528,830	\$ 64,797,980

Additional information on the Township's capital assets can be found in Note 4 on pages 57 - 59 of this report.

Long - term debt. At the end of the current fiscal year, the primary government of the Township had total debt outstanding of \$22,902,082.

Delhi Charter Township's Outstanding Debt

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 1,466,341	\$ 1,627,134	\$ 4,442,456	\$ 4,938,489	\$ 5,908,797	\$ 6,565,623
Revenue bonds	-	-	14,145,000	14,955,000	14,145,000	14,955,000
Other long-term debt	2,848,285	3,059,520	-	-	2,848,285	3,059,520
Total	<u>\$ 4,314,626</u>	<u>\$ 4,686,654</u>	<u>\$ 18,587,456</u>	<u>\$ 19,893,489</u>	<u>\$ 22,902,082</u>	<u>\$ 24,580,143</u>

The Township’s total bonded debt decreased by a net of \$1,466,826, down to \$20,053,797 during 2015. Payments of \$1,466,826 were made that reduced the bonded debt.

The Township has an “AA” rating, upgraded by Standard & Poor’s in July 2014. This is one of the highest ratings and reflects a strong capacity to repay the debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state assessed value. The current debt limitation for the Township is \$76,789,658, which is significantly in excess of the Township’s and Downtown Development Authority’s outstanding general obligation debt of \$14,629,513.

Additional information on the Township’s long-term debt can be found in Note 6 on pages 61 - 66 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered in preparing the Township’s budget for the 2016 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2016 budget development.
- Contain health care costs by continuation of the Township’s high deductible health plan with the elimination of employer contributions to employees’ health savings accounts (H.S.A.) while encouraging employee contributions into their HSAs.
- Continue to pursue grant opportunities for capital purchases and infrastructure investments.
- Continue to assess staffing needs whenever a vacancy occurs, while continuing to cross train staff for organizational effectiveness & efficiency.
- Throughout its 25 year history the Downtown Development Authority has been able to support many improvements. Their revenue is declining, thus the Township will no longer receive its support and will need to absorb some of the operational expenditures. This will invariably result in future decreases in fund balance.
- As a result of the 2013 sewer rate study recommendation, rates were increased by 3% in 2016.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$5,338,828. The Township has projected expenditures to exceed revenues in 2016 by \$1,348,620. Our goal is to maintain a fund balance averaging between three and six months of operating expenditures.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Manager's Office, 2074 Aurelius Road, Holt, MI 48842.

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	<u>Primary government</u>			<u>Component units</u>	
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>
ASSETS:					
Cash and cash equivalents	\$ 5,969,530	\$ 1,827,504	\$ 7,797,034	\$ 2,357,214	\$ 268,356
Investments	1,413,633	225,516	1,639,149	-	-
Receivables	5,975,262	1,566,864	7,542,126	2,911,359	159,067
Prepays and other assets	119,525	65,854	185,379	2,149	-
Restricted assets:					
Cash and cash equivalents	-	1,340,278	1,340,278	-	-
Investments	-	663,375	663,375	-	-
Capital assets not being depreciated	2,270,735	1,225,338	3,496,073	4,394,674	-
Capital assets being depreciated, net	13,764,244	46,268,513	60,032,757	4,246,750	-
TOTAL ASSETS	<u>29,512,929</u>	<u>53,183,242</u>	<u>82,696,171</u>	<u>13,912,146</u>	<u>427,423</u>
LIABILITIES:					
Accounts payable and accrued expenses	526,602	520,582	1,047,184	2,273,563	42,337
Retainage payable	-	20,056	20,056	-	-
Unearned revenue	72,006	-	72,006	-	-
Long-term liabilities:					
Due within one year	486,373	1,342,682	1,829,055	689,744	-
Due in more than one year	3,828,253	17,244,774	21,073,027	5,527,804	-
TOTAL LIABILITIES	<u>4,913,234</u>	<u>19,128,094</u>	<u>24,041,328</u>	<u>8,491,111</u>	<u>42,337</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	4,896,423	-	4,896,423	1,183,333	159,067
NET POSITION:					
Net investment in capital assets	12,271,559	28,906,395	41,177,954	2,423,876	-
Restricted for fire equipment, training and apparatus	207,097	-	207,097	-	-
Restricted for debt service	-	441,956	441,956	-	-
Restricted for replacement	-	1,561,697	1,561,697	-	-
Unrestricted	7,224,616	3,145,100	10,369,716	1,813,826	226,019
TOTAL NET POSITION	<u>\$ 19,703,272</u>	<u>\$ 34,055,148</u>	<u>\$ 53,758,420</u>	<u>\$ 4,237,702</u>	<u>\$ 226,019</u>

The notes to financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Component units	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Total	Downtown Development Authority	Brownfield Redevelopment Authority
					Governmental activities	Business-type activities			
Primary government:									
Governmental activities:									
General government	\$ 2,522,117	\$ 126,180	\$ -	\$ -	\$ (2,395,937)	\$ -	\$ (2,395,937)	\$ -	\$ -
Public safety	5,049,743	915,315	455,134	44,100	(3,635,194)	-	(3,635,194)	-	-
Public works	1,338,862	382,656	-	-	(956,206)	-	(956,206)	-	-
Community and economic development	598,818	613,318	-	-	14,500	-	14,500	-	-
Recreation and culture	545,141	68,178	16,012	660,159	199,208	-	199,208	-	-
Interest on long-term debt	44,405	-	-	-	(44,405)	-	(44,405)	-	-
Total governmental activities	<u>10,099,086</u>	<u>2,105,647</u>	<u>471,146</u>	<u>704,259</u>	<u>(6,818,034)</u>	<u>-</u>	<u>(6,818,034)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	6,694,003	6,080,205	606,298	-	-	(7,500)	(7,500)	-	-
Total primary government	<u>\$ 16,793,089</u>	<u>\$ 8,185,852</u>	<u>\$ 1,077,444</u>	<u>\$ 704,259</u>	<u>(6,818,034)</u>	<u>(7,500)</u>	<u>(6,825,534)</u>	<u>-</u>	<u>-</u>
Component units:									
Brownfield redevelopment	\$ 166,505	\$ -	\$ -	\$ -	-	-	-	-	(166,505)
Downtown development	1,446,606	28,938	2,700	-	-	-	-	(1,414,968)	-
Total component units	<u>\$ 1,613,111</u>	<u>\$ 28,938</u>	<u>\$ 2,700</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,414,968)</u>	<u>(166,505)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					3,326,795	-	3,326,795	2,357,679	196,857
Property taxes, levied for fire					1,043,985	-	1,043,985	-	-
Property taxes, levied for police					1,043,984	-	1,043,984	-	-
State sources					2,031,646	-	2,031,646	-	-
Unrestricted grants and contributions					272,793	-	272,793	-	-
Franchise fees					494,517	-	494,517	-	-
Interest					7,102	8,478	15,580	7,481	-
Other					-	-	-	13,088	-
Transfers - internal activities					(6,267)	6,267	-	-	-
Total general revenues					<u>8,214,555</u>	<u>14,745</u>	<u>8,229,300</u>	<u>2,378,248</u>	<u>196,857</u>
Change in net position					1,396,521	7,245	1,403,766	963,280	30,352
Net position, beginning of year					18,306,751	34,047,903	52,354,654	3,274,422	195,667
Net position end of year					<u>\$ 19,703,272</u>	<u>\$ 34,055,148</u>	<u>\$ 53,758,420</u>	<u>\$ 4,237,702</u>	<u>\$ 226,019</u>

The notes to financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**CHARTER TOWNSHIP OF DELHI
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
ASSETS:					
Cash and cash equivalents	\$ 5,304,462	\$ 43,961	\$ 33,415	\$ 587,692	\$ 5,969,530
Investments	1,210,861	-	-	202,772	1,413,633
Receivables:					
Taxes	2,891,228	1,041,144	1,041,144	1,744	4,975,260
Special assessments	239,107	-	-	14,867	253,974
Other	235,419	15,379	3,721	37,969	292,488
Due from component unit	453,540	-	-	-	453,540
Prepays	64,550	54,975	-	-	119,525
TOTAL ASSETS	\$ 10,399,167	\$ 1,155,459	\$ 1,078,280	\$ 845,044	\$ 13,477,950
LIABILITIES:					
Accounts payable	\$ 439,373	\$ 7,985	\$ 5,565	\$ 15,154	\$ 468,077
Accrued liabilities	29,736	19,784	-	-	49,520
Unearned revenue	72,006	-	-	-	72,006
TOTAL LIABILITIES	541,115	27,769	5,565	15,154	589,603
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	2,750,993	1,072,715	1,072,715	-	4,896,423
Unavailable revenue - ambulance fees	90,420	-	-	-	90,420
Unavailable revenue - special assessments	239,109	-	-	14,867	253,976
Unavailable revenue - grant revenue	-	-	-	37,970	37,970
TOTAL DEFERRED INFLOWS OF RESOURCES	3,080,522	1,072,715	1,072,715	52,837	5,278,789
FUND BALANCES:					
Nonspendable:					
Prepays	64,550	54,975	-	-	119,525
Restricted:					
For fire equipment, training and apparatus	15,532	-	-	191,565	207,097
For capital projects	-	-	-	179,029	179,029
Committed:					
For water improvement	-	-	-	266,839	266,839
For disaster contingency fund	10,000	-	-	-	10,000
Assigned for subsequent year expenditures	1,348,620	-	-	139,620	1,488,240
Unassigned	5,338,828	-	-	-	5,338,828
TOTAL FUND BALANCES	6,777,530	54,975	-	777,053	7,609,558
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,399,167	\$ 1,155,459	\$ 1,078,280	\$ 845,044	\$ 13,477,950

The notes to financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR
GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

Total governmental fund balances \$ 7,609,558

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets not being depreciated	\$ 2,270,735	
Capital assets being depreciated, net	<u>13,764,244</u>	16,034,979

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by unavailable revenues in the government funds, and thus are not included in fund balance:

Unavailable revenue expected to be collected after March 1, 2015	382,366
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

General obligation debt	(3,948,138)
Bond discount, net of accumulated amortization	5,689
Compensated absences	(372,177)
Accrued interest	<u>(9,005)</u>

Net position of governmental activities	<u><u>\$ 19,703,272</u></u>
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CHARTER TOWNSHIP OF DELHI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2015

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
REVENUES:					
Taxes	\$2,978,812	\$1,043,985	\$1,043,984	\$ 347,983	\$ 5,414,764
Grants and revenue sharing	2,046,677	169,890	-	117,959	2,334,526
Intergovernmental	143,493	-	-	-	143,493
Licenses and permits	505,784	-	-	-	505,784
Charges for services	1,556,182	-	-	60,686	1,616,868
Franchise fees	494,517	-	-	-	494,517
Fines and forfeitures	22,616	-	56,631	-	79,247
Interest and rentals	24,466	-	-	833	25,299
Other	496,534	228,613	-	2,044	727,191
Total revenue	<u>8,269,081</u>	<u>1,442,488</u>	<u>1,100,615</u>	<u>529,505</u>	<u>11,341,689</u>
EXPENDITURES:					
Current:					
General government	2,225,673	-	-	-	2,225,673
Public safety	-	2,054,859	2,527,210	317,031	4,899,100
Public works	667,510	-	-	2,365	669,875
Community and economic development	604,369	-	-	-	604,369
Recreation and culture	707,045	-	-	-	707,045
Other	486,476	-	-	-	486,476
Debt service:					
Principal	303,736	-	-	61,605	365,341
Interest	29,053	-	-	15,462	44,515
Capital outlay	560,691	-	-	86,734	647,425
Total expenditures	<u>5,584,553</u>	<u>2,054,859</u>	<u>2,527,210</u>	<u>483,197</u>	<u>10,649,819</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>2,684,528</u>	<u>(612,371)</u>	<u>(1,426,595)</u>	<u>46,308</u>	<u>691,870</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from the sale of capital assets	3,145	-	-	6,850	9,995
Transfers in	-	647,539	1,426,595	-	2,074,134
Transfers out	(2,074,134)	-	-	-	(2,074,134)
Total other financing sources (uses)	<u>(2,070,989)</u>	<u>647,539</u>	<u>1,426,595</u>	<u>6,850</u>	<u>9,995</u>
Net change in fund balances	613,539	35,168	-	53,158	701,865
FUND BALANCES:					
Beginning of year	6,163,991	19,807	-	723,895	6,907,693
End of year	<u>\$6,777,530</u>	<u>\$ 54,975</u>	<u>\$ -</u>	<u>\$ 777,053</u>	<u>\$ 7,609,558</u>

The notes to financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

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

Net change in fund balances - total governmental funds	\$ 701,865
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	1,345,682
Depreciation expense	(873,907)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities):	
Reductions of principal on long-term debt	365,341
Amortization of bond discounts	(812)
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Accrued revenue beginning of the year - primarily special assessments due in the future	(532,435)
Accrued revenue end of the year - primarily special assessments due in the future	382,366
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable beginning of the year	9,927
Accrued interest payable end of the year	(9,005)
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences beginning of the year	379,676
Accrued compensated absences end of the year	(372,177)
Change in net position of governmental activities	\$ 1,396,521

The notes to financial statements are an integral part of this statement.

PROPRIETARY FUND

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 DECEMBER 31, 2015**

	Business-type activities- Enterprise fund
	<u>Sewer fund</u>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,827,504
Investments	225,516
Special assessments receivable	400,929
Other receivables	1,165,935
Prepays	<u>65,854</u>
TOTAL CURRENT ASSETS	<u>3,685,738</u>
NONCURRENT ASSETS:	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	441,956
Replacement cash and cash equivalents	898,322
Replacement investments	663,375
Property, plant and equipment not being depreciated	1,225,338
Property, plant and equipment net of accumulated depreciation	<u>46,268,513</u>
TOTAL NONCURRENT ASSETS	<u>49,497,504</u>
TOTAL ASSETS	<u>53,183,242</u>

The notes to financial statements are an integral part of this statement.

LIABILITIES AND NET POSITION	Business-type activities- Enterprise fund
	Sewer fund
CURRENT LIABILITIES:	
Accounts payable	\$ 241,357
Accrued liabilities	166,053
Interest payable	113,172
Retainage payable	20,056
Current portion of long-term debt	<u>1,342,682</u>
TOTAL CURRENT LIABILITIES	1,883,320
LONG-TERM LIABILITIES , net of current portion:	
Due in more than one year	<u>17,244,774</u>
TOTAL LIABILITIES	<u>19,128,094</u>
NET POSITION:	
Net investment in capital assets	28,906,395
Restricted for:	
Replacement	1,561,697
Debt service	441,956
Unrestricted	<u>3,145,100</u>
TOTAL NET POSITION	<u><u>\$ 34,055,148</u></u>

The notes to financial statements are
an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2015**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
OPERATING REVENUES:	
Charges for services	\$ 5,691,531
Permits and fees	228,630
State grant	543,905
Other operating revenue	<u>213,146</u>
Total operating revenues	<u>6,677,212</u>
OPERATING EXPENSES:	
Costs of sales and services	3,775,585
Depreciation	<u>2,470,310</u>
Total operating expenses	<u>6,245,895</u>
Operating income	<u>431,317</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest and rentals	19,575
Amortization of bond discount	(3,976)
Interest expense	<u>(439,671)</u>
Total non-operating revenues (expenses)	<u>(424,072)</u>
Change in net position	7,245
NET POSITION:	
Beginning of year	<u>34,047,903</u>
End of year	<u><u>\$ 34,055,148</u></u>

The notes to financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2015**

	<u>Business-type activities- Enterprise fund</u> <u>Sewer fund</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	
Cash flows from operating activities:	
Cash received from customers	\$ 6,817,544
Cash payments to suppliers for goods and services	(2,575,209)
Cash payments to employees for services	<u>(1,353,172)</u>
Net cash provided by operating activities	<u>2,889,163</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(743,475)
Interest payments	(445,827)
Principal payments	<u>(1,310,008)</u>
Net cash used by capital and related financing activities	<u>(2,499,310)</u>
Cash flows from investing activities:	
Proceeds from investments	1,127
Interest and rental earnings	<u>19,574</u>
Net cash provided by investing activities	<u>20,701</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	410,554
CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>2,757,228</u>
End of year	<u><u>\$ 3,167,782</u></u>
Statement of net assets classification of cash and cash equivalents:	
Cash and cash equivalents	\$ 1,827,504
Restricted cash and cash equivalents	<u>1,340,278</u>
	<u><u>\$ 3,167,782</u></u>

The notes to financial statements are
 an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS (Concluded)
 YEAR ENDED DECEMBER 31, 2015**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSE) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 431,317
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	2,470,310
Loss on disposal of capital assets	14,090
(Increase) decrease in assets:	
Special assessments receivable	54,868
Other receivables	85,464
Prepaid expenses	(41,961)
Increase (decrease) in liabilities:	
Accounts payable	(167,638)
Accrued expenses	22,657
Retainage payable	20,056
Total adjustments	<u>2,457,846</u>
Net cash provided by operating activities	<u><u>\$ 2,889,163</u></u>

The notes to financial statements are
 an integral part of this statement.

FIDUCIARY FUNDS

**CHARTER TOWNSHIP OF DELHI
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	Other post employment benefit trust fund	Private Purpose Trust	
	Retiree health benefits	Cemetery	Agency funds
ASSETS:			
Cash and cash equivalents	\$ -	\$ 70,768	\$ 16,460,987
Investments	2,289,096	-	-
Interest receivable	-	205	-
Taxes receivable	-	-	14,775,738
TOTAL ASSETS	2,289,096	70,973	31,236,725
LIABILITIES:			
Accounts payable	-	179	-
Due to other governments	-	-	30,932,050
Undistributed receipts	-	-	304,675
TOTAL LIABILITIES	-	179	31,236,725
NET POSITION:			
Restricted - funds held in trust	\$ 2,289,096	\$ 70,794	\$ -

The notes to financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2015**

	Other post employment benefit trust fund	Private Purpose Trust
	Retiree health benefits	Cemetery
ADDITIONS:		
Investment earnings - net	\$ (40,525)	\$ 205
Total additions	(40,525)	205
DEDUCTIONS:		
Cemetery perpetual care	-	4,814
Change in net position	(40,525)	(4,609)
NET POSITION:		
Beginning of year	2,329,621	75,403
End of year	\$ 2,289,096	\$ 70,794

The notes to financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government wide Financial Statements

The government wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary* government is reported separately from its legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The Charter Township of Delhi (Township) is incorporated under the provisions of Act 359, P.A. 1947 as amended (Charter Township Act) and is located in mid-Michigan. The Township is governed by the Charter Township of Delhi Board of Trustees (the “Board”), which has responsibility and control over all activities related to the Township. The Township provides the following services as authorized by its charter; public safety (police and fire), public improvements (sewers), planning and zoning, recreation and general administrative services.

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

Discretely Presented Component Units

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

The Downtown Development Authority of Charter Township of Delhi is organized pursuant Charter Township of Delhi Ordinance No. 80 and Act 197 of the Public Acts of 1975 of the State of Michigan, as amended. The primary purpose of the Authority is to provide for the ongoing maintenance, promotion, security and continued operation of the downtown district. A tax increment financing district was established to finance these activities. The members of the Board of Directors of the Authority are appointed by the Township Board. No separate audit report is issued for this Authority.

The Delhi Township Brownfield Redevelopment Authority is organized pursuant to Section 13(1) of the State of Michigan’s Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended by Public Act 145 of 2000). The primary purpose of the Authority is to clean up environmentally challenged properties in the Township and prepare them for desirable and productive re-uses. Tax increment financing will be used to finance these activities. The members of the Board of Directors of the Authority are appointed by the Township Board. No separate audit report is issued for this Authority.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Concluded)

The Downtown Development Authority and the Brownfield Redevelopment Authority are considered component units of Charter Township of Delhi because the Township appoints the Authorities' Board members and has the ability to significantly influence the operations of the Authorities.

C. Basis of Presentation - Government wide Financial Statements

While separate government wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government wide financial statements.

As discussed earlier, the Township has two discretely presented component units. The Downtown Development Authority of the Charter Township of Delhi is considered to be a major component unit, while the Brownfield Redevelopment Authority is not, nevertheless they are shown in separate columns in the government wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements. Possible exceptions to this general rule are charges for services between the sewer fund and other functions of government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation - Fund Financial Statements

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

The government reports the following major governmental funds:

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

The *fire fund* is a special revenue fund established to provide for the safety of the citizens of the Township by reducing the impact of community emergencies through education, prevention and service.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *police fund* is a special revenue fund established to provide for the safety and welfare of the residents of the Township through a contract with the Ingham County Sheriff's Office.

The government reports the following major proprietary funds:

Sewer enterprise fund (Sewer Disposal System). This fund accounts for the activities of the Township's sewage disposal and sewage treatment systems that are financed primarily by user charges for those services.

Additionally, the government reports the following nonmajor fund types:

Special revenue funds - The *special revenue funds* account for revenue sources that are legally restricted for specific purpose (not including expendable trusts or major capital projects). The Township's nonmajor special revenue funds include the water improvement and the fire equipment, training and apparatus funds.

Capital projects fund - the *capital project fund* accounts for the receipt of debt proceeds for the construction of major capital projects.

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

Additionally, the government reports as fiduciary funds, the other post-employment benefit trust fund, the private purpose trust fund, and two agency funds.

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

The *private purpose trust fund* accounts for the principal received and related interest of the cemetery.

The *agency funds* are the tax collection fund and the trust and agency fund. The tax collection fund collects and distributes taxes to other governments and the trust and agency fund holds funds like escrows and retainage for others.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Concluded)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

F. Budgetary Information

1. Budgetary Basis of Accounting

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

The appropriate budget is prepared by fund and department. The Township's manager may make transfers of appropriations within a department not to exceed \$10,000. Amounts over \$10,000 requires approval of the board. Transfers of appropriations between departments are required to be reported to the Board at the next scheduled meeting. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Concluded)

1. Budgetary Basis of Accounting (Concluded)

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

The budget was amended during the year with supplemental appropriations. The budget was approved prior to December 31, 2015. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

G. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position or Fund Balance

1. Cash, Cash Equivalents and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents. Investments include instruments allowed by state statute subsequently described. Investments are carried at fair value.

The Township utilizes various pooled cash accounts for approximately 10 funds. The Township's pool cash consists of a common checking account.

The Township's pooled cash accounts are utilized by the General Fund, Special Revenue Funds, the Sewer Fund, Trust and Agency Funds, and the component unit funds. Each funds' portion of these pooled accounts is included in the cash and cash equivalent caption in the applicable balance sheet/statement of net position.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments (Concluded)

Investments are stated at fair value. Securities traded on a national or international exchange are value at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at cost.

2. Receivables and Payables

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

Accounts receivable in the proprietary funds do not have an allowance for uncollectibles. Delinquent amounts are ultimately added to the tax roll and become a lien on the property and as a consequence, no allowance is deemed necessary. No other significant allowances are deemed necessary.

3. Prepaids

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

4. Restricted Assets

Certain proceeds of enterprise funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, Michigan law, or township ordinance.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (sidewalks and usage rights), are reported in the applicable governmental or business-type activities columns in the government wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Concluded)

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

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

Assets	Years
Sewage mains, outfall lines and infrastructure	40
Buildings	40
Building improvements	20
Land improvements	15
Machinery and equipment	5 - 10
Computer equipment	3 - 10
Furniture and office equipment	10
Vehicles	5 - 7

6. Other Postemployment Benefit Costs

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

7. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Deferred Outflows/Inflows of Resources (Concluded)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Township has three types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. The Township reports unavailable revenues from property taxes, special assessments, grants and ambulance fees. These amounts are unavailable and recognized as an inflow of resources in the period that the amounts become available. On the statement of net position the Township reports unavailable revenues from property taxes. These amounts are property taxes levied for the next fiscal year.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies (Concluded)

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

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

In the general fund, the goal of the Township Board shall be to maintain a minimum unassigned fund balance of no less than 15% of General Fund expenditures. For purposes of this calculation, "expenditures" will be the annual budgeted expenditures amount less non-recurring capital expenditures. If unassigned fund balance levels fall below 15% of expenditures, the General Fund budget for the following year will be adjusted to restore fund balance to the 15% level.

11. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for certain individual funds in the additional supplementary information in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

12. Use of Estimates

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

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

The Township is permitted by state statute to levy taxes up to \$5.00 per \$1,000 of taxable valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. In 2015 the Township levied \$4.3094 per \$1,000 for general governmental purposes, \$1.5000 per \$1,000 for Police services, and \$1.5000 per \$1,000 for Fire and Emergency Medical Services and \$0.5000 per \$1,000 for fire equipment on the December 31, 2014 levy (recognized as revenue in 2015) for a total of \$7.8094 per \$1,000.

The Downtown Development and Brownfield Redevelopment Authorities, which are component units, also receive property tax revenue from the July 1 and December 1 tax levies. These tax revenues are recognized in the fiscal year following the July 1 and December 1 levy dates.

3. Compensated Absences

It is the Township's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from the Township. All vacation pay and partial sick leave is accrued when earned in the government wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences for the proprietary fund financial statements is included in accrued liabilities and is considered current since it is anticipated the accumulated paid time off will be used during the subsequent year.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

H. Revenues and Expenditures/Expenses (Concluded)

4. Long-term Obligations

In the government wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

5. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

As of December 31, 2015, the Township had the following investments.

Investment Type	Fair value	Weighted average maturity (years)	Standard & Poor's rating	%
Stifel Nicolaus Money Market	\$ 398	0.0027	AA+	0.0%
Federal National Mortgage Association	53,003	0.2430	AA+	1.2%
Financing Corp Cpn FICO Strips	54,937	0.3321	AA+	1.3%
Federal Nat'l Mtg Asn. Medium Term Nts	109,413	1.4715	AA+	2.6%
Comerica Securities - Riverview	122,375	3.7827	AA+	2.9%
Comerica Securities - Reeths Puffer	65,114	3.2859	AA2 - Moody	1.5%
Comerica Securities - Kalamazoo	124,463	2.3004	AA-	2.9%
Comerica Securities - Anchor Bay Schools	30,353	0.3294	AA-	0.7%
Comerica Securities - Whitmore Lake	121,010	3.2859	AA-	2.8%
MBIA Class Pooled Investments	202,772	0.0027	AAAm	4.7%
PNC Bank Money Market	276,774	0.0027	N/A	6.5%
First Merit Money Market	251,684	0.0027	N/A	5.9%
Dart Bank Money Market	1,374,770	0.0027	N/A	32.1%
Comerica Bank - CD	99,585	0.0621	N/A	2.3%
Dart Bank - CD	176,887	0.3375	N/A	4.1%
Dart Bank - CD	282,826	0.1890	N/A	6.6%
Dart Bank - CD	250,000	1.0341	N/A	5.8%
First Merit Bank - CD	100,200	0.0945	N/A	2.3%
Flagstar Bank - CD	203,661	0.7506	N/A	4.8%
Flagstar Bank - CD	100,608	0.7506	N/A	2.4%
Flagstar Bank - CD	70,768	1.0422	N/A	1.7%
Federated Cash - Money Market	413	0.0027	N/A	0.0%
Federal Nat'l Mtg Asn. Fixed Rate	104,505	1.7172	AA+	2.4%
Huntington-CD	100,000	0.6075	N/A	2.5%
Total fair value	\$ 4,276,519			100.0%
Portfolio weighted average maturity		0.9014		

1 day maturity equals 0.0027, one year equals 1.00

The Township voluntarily invests excess funds in pooled short-term investment funds which included money market funds. One of the pooled investment funds utilized by the Township is MBIA CLASS. MBIA CLASS is an external pooled investment fund of "qualified" investments for Michigan townships. MBIA CLASS is not regulated nor is it registered with the SEC. MBIA CLASS reports as of December 31, 2015 the fair value of the Township's investments is the same as the value of the pool shares.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2015, \$29,145,425 of the Township's bank balance of \$30,595,010 was exposed to custodial credit risk because it was uninsured. Certificate of deposits and money market accounts are included in the above totals. The book balance reported as deposits and cash on hand on the financial statements as of December 31, 2015 was \$26,318,492.

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Summary of deposit and investments balances. The following is a reconciliation of deposit and investment balances as of December 31, 2015.

Deposits (including deposits in transit at year end)	\$ 26,318,492
Investments	4,276,519
Cash on hand	2,150
	<u>\$ 30,597,161</u>
Cash and cash equivalents:	
Township wide - unrestricted	\$ 7,797,034
Township wide - restricted	1,340,278
Component units	2,625,570
Cemetery fund (a private purpose trust)	70,768
Agency funds (fiduciary funds)	16,460,987
Investments:	
Township wide - unrestricted	1,639,149
Township wide - restricted	663,375
	<u>\$ 30,597,161</u>

Other post employment benefits

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Concluded)

The System's investments are held with an insurance company administered trust fund. Following is a summary of the System's investments as of December 31, 2015:

	<u>Other post employment benefit trust fund</u>
Balanced funds	\$ 799,664
Stable value	<u>1,489,432</u>
	<u><u>\$ 2,289,096</u></u>

NOTE 3 - RECEIVABLES

Receivables at December 31, 2015 consist of the following:

Governmental Activities	Business-type Activities												
General	Service												
\$ 196,941	\$ 1,048,291												
Special assessment	General												
253,974	112,779												
Ambulance	Property taxes												
90,420	380,185												
Due from DDA	Special assessment												
453,540	20,744												
Property taxes	Other												
4,975,260	<u>4,865</u>												
Other													
<u>5,127</u>													
<u><u>\$ 5,975,262</u></u>	<u><u>\$ 1,566,864</u></u>												
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Downtown Development Authority</th> <th style="text-align: center; border-bottom: 1px solid black;">Brownfield Redevelopment Authority</th> </tr> </thead> <tbody> <tr> <td>Due from Township</td> <td>Due from Township</td> </tr> <tr> <td style="text-align: right;">\$ 2,910,809</td> <td style="text-align: right;">\$ 159,067</td> </tr> <tr> <td>General</td> <td></td> </tr> <tr> <td style="text-align: right;"><u>550</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td style="text-align: right;"><u><u>\$ 2,911,359</u></u></td> <td style="text-align: right;"><u><u>\$ 159,067</u></u></td> </tr> </tbody> </table>		Downtown Development Authority	Brownfield Redevelopment Authority	Due from Township	Due from Township	\$ 2,910,809	\$ 159,067	General		<u>550</u>	<u>-</u>	<u><u>\$ 2,911,359</u></u>	<u><u>\$ 159,067</u></u>
Downtown Development Authority	Brownfield Redevelopment Authority												
Due from Township	Due from Township												
\$ 2,910,809	\$ 159,067												
General													
<u>550</u>	<u>-</u>												
<u><u>\$ 2,911,359</u></u>	<u><u>\$ 159,067</u></u>												

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

NOTE 4 - CAPITAL ASSETS

The capital assets are as follows:

	Balance January 1, 2015	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2015
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,030,184	\$ 153,856	\$ -	\$ 2,184,040
Monuments	15,000	-	-	15,000
Easements	62,361	-	-	62,361
Construction in process	290,194	9,334	290,194	9,334
Total capital assets, not being depreciated	<u>2,397,739</u>	<u>163,190</u>	<u>290,194</u>	<u>2,270,735</u>
Capital assets, being depreciated:				
Buildings and improvements	7,785,159	-	-	7,785,159
Land improvements and sidewalks	6,172,108	1,351,249	-	7,523,357
Machinery and equipment	1,336,374	80,495	21,660	1,395,209
Furniture and office equipment	592,341	-	14,539	577,802
Flowage rights	3,443,600	-	-	3,443,600
Infrastructure (road improvements)	1,959,083	-	-	1,959,083
Computer equipment and programs	227,130	31,309	-	258,439
Vehicles	2,246,359	9,633	39,013	2,216,979
Total capital assets, being depreciated	<u>23,762,154</u>	<u>1,472,686</u>	<u>75,212</u>	<u>25,159,628</u>
Less accumulated depreciation for:				
Buildings and improvements	3,355,915	192,261	-	3,548,176
Land improvements and sidewalks	1,719,266	243,872	-	1,963,138
Machinery and equipment	949,409	92,134	21,660	1,019,883
Furniture and office equipment	556,863	8,574	14,539	550,898
Flowage rights	416,017	110,295	-	526,312
Infrastructure (road improvements)	1,437,957	88,593	-	1,526,550
Computer equipment and programs	227,078	5,001	-	232,079
Vehicles	1,934,184	133,177	39,013	2,028,348
Total accumulated depreciation	<u>10,596,689</u>	<u>873,907</u>	<u>75,212</u>	<u>11,395,384</u>
Total capital assets, being depreciated, net	<u>13,165,465</u>	<u>598,779</u>	<u>-</u>	<u>13,764,244</u>
Total	<u>\$ 15,563,204</u>	<u>\$ 761,969</u>	<u>\$ 290,194</u>	<u>\$ 16,034,979</u>

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

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance January 1, 2015	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2015
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 806,335	\$ -	\$ -	\$ 806,335
Easements	-	1,925	-	1,925
Construction in process	374,923	224,833	182,678	417,078
Total capital assets, not being depreciated	<u>1,181,258</u>	<u>226,758</u>	<u>182,678</u>	<u>1,225,338</u>
Capital assets, being depreciated:				
Sewage disposal plant and equipment	30,128,887	5,417	-	30,134,304
Sewer mains	50,569,557	-	-	50,569,557
Outfall lines	1,141,390	-	-	1,141,390
Land improvements	482,092	36,540	-	518,632
Furniture and office equipment	127,055	-	-	127,055
Computer equipment	326,274	11,159	22,921	314,512
Vehicles	1,025,377	183,445	217,548	991,274
Machinery and equipment	706,851	462,834	48,307	1,121,378
Maintenance facility	1,430,686	-	-	1,430,686
Total capital assets, being depreciated	<u>85,938,169</u>	<u>699,395</u>	<u>288,776</u>	<u>86,348,788</u>
Less accumulated depreciation for:				
Sewage disposal plant and equipment	15,548,317	1,034,172	-	16,582,489
Sewer mains	19,300,169	1,238,697	-	20,538,866
Outfall lines	460,563	23,838	-	484,401
Land improvements	170,478	32,342	-	202,820
Furniture and office equipment	125,456	1,599	-	127,055
Computer equipment	317,446	3,673	22,921	298,198
Vehicles	862,448	54,849	207,919	709,378
Machinery and equipment	635,493	45,197	43,846	636,844
Maintenance facility	464,281	35,943	-	500,224
Total accumulated depreciation	<u>37,884,651</u>	<u>2,470,310</u>	<u>274,686</u>	<u>40,080,275</u>
Total capital assets, being depreciated, net	<u>48,053,518</u>	<u>(1,770,915)</u>	<u>14,090</u>	<u>46,268,513</u>
Total	<u>\$ 49,234,776</u>	<u>\$ (1,544,157)</u>	<u>\$ 196,768</u>	<u>\$ 47,493,851</u>

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

NOTE 4 - CAPITAL ASSETS (Concluded)

	Balance January 1, 2015	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2015
Component unit:				
Downtown Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 4,649,523	\$ -	\$ 254,849	\$ 4,394,674
Total capital assets, not being depreciated	4,649,523	-	254,849	4,394,674
Capital assets, being depreciated:				
Buildings	1,051,920	-	-	1,051,920
Land improvements	6,385,361	-	-	6,385,361
Infrastructure (road improvements)	1,294,495	-	-	1,294,495
Machinery and equipment	101,699	5,310	-	107,009
Furniture and office equipment	76,020	-	-	76,020
Total capital assets, being depreciated	8,909,495	5,310	-	8,914,805
Less accumulated depreciation for:				
Buildings	269,612	26,519	-	296,131
Land improvements	2,632,679	335,260	-	2,967,939
Infrastructure (road improvements)	1,265,495	3,411	-	1,268,906
Machinery and equipment	51,931	7,128	-	59,059
Furniture and office equipment	76,020	-	-	76,020
Total accumulated depreciation	4,295,737	372,318	-	4,668,055
Total capital assets, being depreciated, net	4,613,758	(367,008)	-	4,246,750
Total	\$ 9,263,281	\$ (367,008)	\$ 254,849	\$ 8,641,424

Depreciation expense was charged to functions/programs of the primary government at December 31, 2015 as follows:

Governmental activities:	
General government	\$ 196,303
Public safety	141,191
Public works	198,888
Recreation and culture	337,525
Total governmental activities	\$ 873,907
Business type activities:	
Sewer	\$ 2,470,310
Component unit:	
Downtown Development Authority	\$ 372,318

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

NOTE 5 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The composition of interfund transfers for the year ended December 31, 2015 is as follows:

	Transfer in		
	Fire Fund	Police Fund	Total transfers out
Transfer out:			
General Fund	\$ 647,539	\$ 1,426,595	\$ 2,074,134

Transfers are used to move funds for purchase of capital outlay and to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

NOTE 6 - LONG-TERM DEBT

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 5 to 30 year serial bonds.

\$721,779, 2011 Refunding Bonds, due in annual installments of \$62,438 to \$74,925 through 2022, interest at 2.10% to 3.65%. The Township issued bonds totaling \$4,335,000 of which 16.65% (\$721,779) was for water improvement (governmental activities) and 83.35% (\$3,613,221) was for sanitary sewer (business type activities).	\$ 472,030
\$1,200,000, 2013 general obligation bonds to finance Township costs of constructing of a portion of a non-motorized pathway/trail, due in annual installments of \$100,000 to \$125,000 through 2024, interest at 2.09%. The Downtown Development Authority has pledged its revenue to the Township for the principal and interest payments.	1,000,000
Less: discount	(5,689)
	\$ 1,466,341

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

NOTE 6 - LONG-TERM DEBT (Continued)

Other Long-term Debt

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 2,336,148</u>	2033	Imputed at 4%

Installment Purchase Agreement

The Township has entered into an installment purchase agreement to purchase property. This obligation is summarized as follows:

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 133,500</u>	2019	3.49%

Capital lease

The government has entered into a lease agreement as lessee for financing the acquisition of a copier valued at \$9,480. The copier has a five year estimated useful life. This year, \$1,896 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 6,460</u>	2019	11.317%

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

NOTE 6 - LONG-TERM DEBT (Continued)

Enterprise Fund

General Obligation Bonds Payable:

\$1,585,000, 2014 Refunding Bonds (Sanitary Sewer general obligation bonds), for the purpose of refunding 2003 Sanitary Sewer general obligations bonds, due in annual installments of \$145,000 to \$180,000 through 2024, interest at 2.35%.	\$ 1,450,000
\$3,613,221, 2011 Refunding Bonds (Sanitary Sewer general obligation bonds), due in annual installments of \$312,592 to \$375,075 through 2022, interest at 2.10% to 3.65%. The Township issued one bond issue for \$4,335,000 of which 83.35% (\$3,613,221) was for sanitary sewer (business type activities) and 16.65% (\$721,779) was for water improvement (governmental activities).	2,362,972
\$1,000,000, 2008 DDA general obligation bonds, due in annual installments of \$60,120 to \$87,675 through 2024, interest at 4.00% to 4.125%. The Township issued one bond issue for \$9,980,000, of which \$1,000,000 was for sanitary sewer and \$8,980,000 was for downtown development (DDA component unit).	657,315
Less: discount	(27,831)
	\$ 4,442,456

State Revolving Loan Fund Revenue Bonds

\$9,850,000, 2007 Sanitary Sewer revenue bonds, draws to December 31, 2011 of \$9,850,000, interest payable at 1.625%. Interest payments due semi-annually. Principal payments ranging from \$470,000 to \$570,000 due annually through 2028.	\$ 6,755,000
\$8,400,000, 2010 Sanitary Sewer revenue bonds, draws to December 31, 2013, interest paid semi-annually at 2.5%. Principal payments ranging from \$355,000 to \$525,000 due annually through 2032.	7,390,000
	\$ 14,145,000

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

NOTE 6 - LONG-TERM DEBT (Continued)

Downtown Development Authority (Component Unit)

The long-term debt balance of the Downtown Development Authority consists of the following:

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in annual installments of \$80,000 to \$85,000 through 2018, interest at 4.15% to 4.50%.	\$ 245,000
\$8,980,000, 2008 DDA general obligation bonds, due in annual installments for \$539,880 to \$787,325 through 2024, interest at 4.00% to 4.125%. The Township issued one bond issue for \$9,980,000, of which \$1,000,000 was for sanitary sewer and \$8,980,000 was for downtown development (DDA component unit).	5,902,684
	\$ 6,147,684

Land Contract

\$225,000, Land contracts due in semi-annual installments of \$23,446, including interest, through 2016, interest at 6%.	\$ 44,864
\$125,000, Land contracts due in quarterly installments of \$6,250 through 2016, interest at 6%.	25,000
	\$ 69,864

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

NOTE 6 - LONG-TERM DEBT (Continued)

The following is a summary of changes in long-term debt during the year ended December 31, 2015:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,633,635	\$ -	\$ 161,605	\$ 1,472,030	\$ 162,438
General assessment payable	2,504,894	-	168,746	2,336,148	168,746
Discount	(6,501)	-	(812)	(5,689)	-
Installment purchase agreement	166,833	-	33,333	133,500	33,334
Capital lease	8,117	-	1,657	6,460	1,855
Compensated absences	379,676	-	7,499	372,177	120,000
	<u>\$ 4,686,654</u>	<u>\$ -</u>	<u>\$ 372,028</u>	<u>\$ 4,314,626</u>	<u>\$ 486,373</u>
Business-type activities:					
General obligation bonds	\$ 4,970,295	\$ -	\$ 500,008	\$ 4,470,287	\$ 517,682
Revenue bonds	14,955,000	-	810,000	14,145,000	825,000
Discount	(31,806)	-	(3,975)	(27,831)	-
	<u>\$ 19,893,489</u>	<u>\$ -</u>	<u>\$ 1,306,033</u>	<u>\$ 18,587,456</u>	<u>\$ 1,342,682</u>
Component unit:					
General obligation bonds	\$ 7,256,071	\$ -	\$ 1,108,387	\$ 6,147,684	\$ 619,880
Land contracts	137,152	-	67,288	69,864	69,864
	<u>\$ 7,393,223</u>	<u>\$ -</u>	<u>\$ 1,175,675</u>	<u>\$ 6,217,548</u>	<u>\$ 689,744</u>
	<u>\$ 31,973,366</u>	<u>\$ -</u>	<u>\$ 2,853,736</u>	<u>\$ 29,119,630</u>	<u>\$ 2,518,799</u>

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

NOTE 6 - LONG-TERM DEBT (Continued)

The annual requirements to amortize all long-term debt outstanding, exclusive of compensated absences as of December 31, 2015, are as follows:

Year ending December 31	Governmental activities		Business-type activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 366,373	\$ 151,655	\$ 1,342,682	\$ 420,277	\$ 689,744	\$ 252,068
2017	367,425	138,603	1,374,355	391,204	642,375	224,107
2018	369,337	125,286	1,396,197	360,427	678,868	198,093
2019	368,220	111,783	1,428,371	417,727	620,862	170,512
2020	337,843	98,803	1,473,548	293,498	652,355	145,678
2021-2025	1,422,530	306,339	6,490,134	936,342	2,933,344	307,287
2026-2030	585,573	97,742	4,070,000	336,944	-	-
2031-2033	130,837	10,199	1,040,000	26,125	-	-
	3,948,138	1,040,410	18,615,287	3,182,544	6,217,548	1,297,745
Discount	(5,689)	-	(27,831)	-	-	-
	<u>\$ 3,942,449</u>	<u>\$ 1,040,410</u>	<u>\$ 18,587,456</u>	<u>\$ 3,182,544</u>	<u>\$ 6,217,548</u>	<u>\$ 1,297,745</u>

Advance refunding

In prior years the Township defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net position. During the year ended December 31, 2015, \$4,510,000 of bonds outstanding from a prior advance refunding was considered defeased.

Debt service commitment

The Downtown Development Authority has commitments to pay debt on the 2013 capital improvement bonds. The debt issues are the obligations of the Township that the DDA has agreed through the action of its Board of Directors to repay as the principal and interest become due.

As of December 31, 2015, these commitments totaled \$1,109,725 and are payable through 2024, with \$120,900 due in the next year.

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

NOTE 7 - CONTRIBUTED CAPITAL

During the current year, the Township received a capital contribution for their governmental activities. This capital was used along with other Township resources to construct a trail system within the Township. The contribution amounted to \$660,159. Currently, accounting principles generally accepted in the United States of America calls for this capital contribution to be recorded as revenue at the governmental activities level.

NOTE 8 - PENSION PLANS

The Township provides pension benefits for all of its full-time employees through a defined contribution plan called the Defined Contribution Pension Plan for Governmental Employees. The Plan is administered by an outside party. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon completion of three months of service. The Township contributes an amount equal to 10% of the employee's base annual compensation.

The Township's contribution for each employee (and interest attributable to these contributions) is fully vested after two years' service. Township contributions and attributable interest forfeited by employees who leave employment prior to full vesting are used to reduce the Township's current period contribution requirements.

Plan provisions and contribution requirements are established and may be amended by the Township Board.

The Township's total payroll in 2015 was \$4,227,896. Contributions were calculated using the base salary amount of \$3,045,331. The Township made the required 10% contribution total \$304,533.

NOTE 9 - DEFERRED COMPENSATION PLANS

The Township offers two deferred compensation plans created in accordance with Internal Revenue Code Section 457; one designed for full-time employees, and the second available only to part-time employees. The plans permit employees to defer a portion of their salary until future years. For the Plan covering part-time employees, the Township contributes 3% of gross pay to the plan on behalf of all participating employees. The Township made contributions to the plans totaling \$4,024. The deferred compensation is only available to the employees upon retirement, termination, becoming permanently disabled, or death.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS

In addition to benefits described in Note 8 and 9, the Township provides both health and life insurance benefits for retired employees (the “Plan”). The Plan provides other post-employment benefits (OPEB) for all of its full time employees through a single-employer defined benefit plan. Based on the plan, the Township is required to have an actuarial calculation every three years. The information provided is the results of the most recent actuarial valuation with a measurement date of August 31, 2013.

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

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Township. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township’s share of costs ranges from 75% to 100% of the monthly premiums, based on years of service. The Township will provide 100% of life insurance. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The Township contributed \$116,465 for their portion of shared costs with retiree’s premiums. At August 31, 2013, the date of the latest actuarial valuation, participants in the Plan consisted of:

Retirees and beneficiaries receiving benefits	13
Active employees	<u>58</u>
Total	<u><u>71</u></u>

Funding progress. For the year ended December 31, 2015 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of August 31, 2013. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Based on that valuation, the Township contributed \$618,464 in the year ended December 31, 2015 which represents 100% of the annual required contribution. No amounts were contributed on behalf of the Downtown Development Authority. The value of the Plan’s assets at the end of December 31, 2015 was \$2,289,096.

Annual required contribution (recommended)	\$ 618,464
Amounts contributed:	
Payments of current expenses	<u>(618,464)</u>
Change in net OPEB obligation	-
OPEB obligation:	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Concluded)

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

Year ending December 31,	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2013	\$ 380,431	98.9%	\$ 9,809
2014	629,129	100.0%	-
2015	618,464	100.0%	-

The funding progress of the Plan as of the most recent valuation date of August 31, 2013, is as follows:

Actuarial accrued liability (AAL)	\$ 6,896,399
Actuarial value of plan assets - 8/31/2013	<u>1,402,990</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 5,493,409</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>20.3%</u>
Covered payroll (active plan members)	<u>\$ 4,227,000</u>
UAAL as a percentage of covered payroll	<u>130.0%</u>

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

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

In the August 31, 2013, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 7 percent investment rate of return and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 4 percent after ten years. Both rates include a 4 percent inflation assumption. The actuarial value of the assets was determined using the fair market value at the time of measurement. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at August 31, 2013 was twenty-seven years.

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Township and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township and its component units carry commercial insurance to cover any losses that may result from the above described activities. No settlements have incurred in excess of coverage in 2015 or any of the prior three years.

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by federal and state grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 12 - NATURE AND PURPOSE OF RESTRICTIONS OF NET POSITION

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

NOTE 13 - BUILDING DEPARTMENT

The Township records the results of building department operations in the general fund. In accordance with Michigan Public Act 245 of 1999, the Township is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function. For the year ended December 31, 2015, activity in the building department is as follows:

Building department deficit at January 1, 2015	<u>\$ (430,708)</u>
Revenues:	
Trade permits	<u>429,468</u>
Expenditures:	
Salaries and benefits	247,971
Supplies and other	<u>50,327</u>
	<u>298,298</u>
Building department deficit at December 31, 2015	<u><u>\$ (299,538)</u></u>

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

NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The government issued bonds and notes payable to finance certain improvements to its sewer system. Because the Sewer Fund, which accounts entirely for the government's sewer activities, is a segment and is reported as a major fund in the fund financial statements, segment disclosures herein are not required.

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENT

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, was issued by the GASB in February 2015 and will be effective for the Township's 2016 year end. The Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. The hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-back security. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued by the GASB in June 2015 and will be effective for the Township's 2018 year end. The Statement requires governments that participate in defined benefit other post-employment benefit (OPEB) plans to report in the statement of net position a net OPEB liability. The net OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. Statement 75 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net OPEB liability and expense for the cost-sharing plan. The Statement also will improve the comparability and consistency of how governments calculate the OPEB liabilities and expense.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENT (Concluded)

Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, was issued by the GASB in August 2015 and will be effective for the Township's 2016 year end. The Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements in the footnotes of the financial statements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatements recipients.
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

This Statement will improve the user's ability on how tax abatements affect the reporting unit's financial positions and results of operations, including their ability to raise resources in the future.

REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES:				
Taxes	\$ 2,888,050	\$ 2,977,100	\$ 2,978,812	\$ 1,712
Grants and revenue sharing	2,246,900	1,975,120	2,046,677	71,557
Intergovernmental	149,990	142,990	143,493	503
Licenses and permits	175,200	418,730	505,784	87,054
Charges for services	1,378,500	1,469,450	1,556,182	86,732
Franchise fees	452,500	478,250	494,517	16,267
Fines and forfeitures	18,000	22,000	22,616	616
Interest and rentals	21,190	21,190	24,466	3,276
Other	434,600	424,480	496,534	72,054
Total revenues	<u>7,764,930</u>	<u>7,929,310</u>	<u>8,269,081</u>	<u>339,771</u>
EXPENDITURES:				
Current:				
General government:				
Legislative - Board of Trustees	107,910	104,990	103,882	1,108
Manager	334,270	333,020	330,417	2,603
Accounting	140,380	140,840	133,457	7,383
Clerk	268,450	267,660	263,704	3,956
Information technology	343,840	260,150	207,648	52,502
Treasurer	259,210	256,730	248,533	8,197
Assessing	332,830	378,010	372,310	5,700
Elections	7,600	34,740	34,472	268
Building and grounds	456,840	431,620	426,497	5,123
Cemetery	141,040	109,560	104,753	4,807
Total general government	<u>2,392,370</u>	<u>2,317,320</u>	<u>2,225,673</u>	<u>91,647</u>

CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Concluded)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXPENDITURES (Concluded):				
Current (Concluded):				
Public works	\$ 725,340	\$ 701,050	\$ 667,510	\$ 33,540
Community and economic development	793,890	639,930	604,369	35,561
Recreation and culture:				
Parks administration	271,730	249,010	243,409	5,601
Parks	493,670	431,200	418,733	12,467
Recreation	60,780	62,230	44,903	17,327
Total recreation and culture	826,180	742,440	707,045	35,395
Other	417,620	509,540	486,476	23,064
Debt service:				
Principal	391,820	303,800	303,736	64
Interest	29,070	29,070	29,053	17
Total debt service	420,890	332,870	332,789	81
Capital outlay	945,820	603,330	560,691	42,639
Total expenditures	6,522,110	5,846,480	5,584,553	261,927
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	1,242,820	2,082,830	2,684,528	601,698
OTHER FINANCING SOURCES (USES):				
Proceeds from the sale of capital assets	82,000	3,140	3,145	5
Transfers in (out)	(2,318,070)	(2,186,250)	(2,074,134)	112,116
Total other financing sources (uses)	(2,236,070)	(2,183,110)	(2,070,989)	112,121
Net change in fund balance	(993,250)	(100,280)	613,539	713,819
FUND BALANCE:				
Beginning of year	6,163,991	6,163,991	6,163,991	-
End of year	<u>\$ 5,170,741</u>	<u>\$ 6,063,711</u>	<u>\$ 6,777,530</u>	<u>\$ 713,819</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2015**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES:				
Taxes	\$ 1,029,500	\$ 1,043,120	\$ 1,043,985	\$ 865
Grants and revenue sharing	55,000	174,490	169,890	(4,600)
Other	168,960	183,060	228,613	45,553
Total revenues	<u>1,253,460</u>	<u>1,400,670</u>	<u>1,442,488</u>	<u>41,818</u>
EXPENDITURES:				
Current:				
Public safety	2,162,230	2,158,110	2,054,859	103,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(908,770)</u>	<u>(757,440)</u>	<u>(612,371)</u>	<u>145,069</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	908,770	757,440	647,539	(109,901)
Net change in fund balance	-	-	35,168	35,168
FUND BALANCE:				
Beginning of year	<u>19,807</u>	<u>19,807</u>	<u>19,807</u>	<u>-</u>
End of year	<u>\$ 19,807</u>	<u>\$ 19,807</u>	<u>\$ 54,975</u>	<u>\$ 35,168</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2015**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,029,500	\$ 1,043,120	\$ 1,043,984	\$ 864
Fines and forfeitures	55,000	55,000	56,631	1,631
Total revenues	<u>1,084,500</u>	<u>1,098,120</u>	<u>1,100,615</u>	<u>2,495</u>
EXPENDITURES:				
Current:				
Public safety	2,493,800	2,529,050	2,527,210	1,840
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,409,300)</u>	<u>(1,430,930)</u>	<u>(1,426,595)</u>	<u>4,335</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,409,300	1,430,930	1,426,595	(4,335)
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH PLAN SCHEDULE OF FUNDING PROGRESS
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2015**

The historical information required to be disclosed, beginning as of March 31, 2008, is as follows:

	(1)	(2)	(3)	(4)	(5)	
Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL)	Unfunded AAL (UAAL) (2) - (1)	Funded ratio (1)/(2)	Annual covered payroll	UAAL as a % of payroll [(2)-(1)]/(5)
3/31/08	\$ -	\$ 3,627,845	\$ 3,627,845	0.0%	\$ 4,019,000	90.3%
8/31/10	532,747	3,647,677	3,114,930	14.6%	4,030,000	77.3%
8/31/13	1,402,990	6,896,399	5,493,409	20.3%	4,227,000	130.0%

Schedule of employer contributions:

Year ended	Actual valuation date	Annual required contribution	Actual contribution	Percentage contributed	Net OPEB obligation
12/31/2013	August 31, 2010	\$ 380,431	\$ 380,431	100.0%	\$ 9,809
12/31/2014	August 31, 2013	629,129	629,129	100.0%	-
12/31/2015	August 31, 2013	618,464	618,464	100.0%	-

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

Actuarial cost method	Individual entry age
Amortization method	Level dollar
Amortization period (perpetual)	27 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	4.0%
Valuation health care cost trend rate	9% in 2014, grading to 4.0% in 2023

ADDITIONAL SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015**

	Special revenue	Capital Projects	Total nonmajor governmental funds
ASSETS			
ASSETS:			
Cash and cash equivalents	\$ 408,662	\$ 179,030	\$ 587,692
Investments	202,772	-	202,772
Accounts receivable	-	37,969	37,969
Taxes receivable	1,744	-	1,744
Special assessments receivable	14,867	-	14,867
	TOTAL ASSETS	\$ 216,999	\$ 845,044
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 15,154	\$ -	\$ 15,154
	TOTAL LIABILITIES	-	15,154
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - special assessments	14,867	-	14,867
Unavailable revenue - grant revenue	-	37,970	37,970
	TOTAL DEFERRED INFLOWS OF RESOURCES	37,970	52,837
FUND BALANCES:			
Restricted:			
Fire equipment, training and apparatus	191,565	-	191,565
Capital projects	-	179,029	179,029
Committed:			
For water improvement	266,839	-	266,839
Assigned for subsequent year expenditures	139,620	-	139,620
	TOTAL FUND BALANCES	179,029	777,053
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 216,999	\$ 845,044

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015**

	<u>Special revenue</u>	<u>Capital Projects</u>	<u>Total nonmajor governmental funds</u>
REVENUES:			
Taxes	\$ 347,983	\$ -	\$ 347,983
Grants and revenue sharing	-	117,959	117,959
Charges for services	60,686	-	60,686
Interest and rentals	833	-	833
Other	2,044	-	2,044
Total revenues	<u>411,546</u>	<u>117,959</u>	<u>529,505</u>
EXPENDITURES:			
Current:			
Public safety	317,031	-	317,031
Public works	2,365	-	2,365
Debt service:			
Principal	61,605	-	61,605
Interest	15,462	-	15,462
Capital outlay	<u>21,544</u>	<u>65,190</u>	<u>86,734</u>
Total expenditures	<u>418,007</u>	<u>65,190</u>	<u>483,197</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>(6,461)</u>	<u>52,769</u>	<u>46,308</u>
OTHER FINANCING SOURCES:			
Proceeds from sale of capital assets	<u>6,850</u>	-	<u>6,850</u>
Net change in fund balances	389	52,769	53,158
FUND BALANCES:			
Beginning of year	<u>597,635</u>	<u>126,260</u>	<u>723,895</u>
End of year	<u>\$ 598,024</u>	<u>\$ 179,029</u>	<u>\$ 777,053</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2015	2014
ASSETS:				
Cash and cash equivalents	\$ 115,293	\$ 293,369	\$ 408,662	\$ 407,472
Investments	202,772	-	202,772	202,495
Taxes receivable	1,744	-	1,744	342,632
Special assessments receivable	14,867	-	14,867	7,603
TOTAL ASSETS	\$ 334,676	\$ 293,369	\$ 628,045	\$ 960,202
LIABILITIES:				
Accounts payable	-	\$ 15,154	\$ 15,154	\$ 7,279
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	-	-	-	347,685
Unavailable revenue - special assessments	14,867	-	14,867	7,603
TOTAL DEFERRED INFLOWS OF RESOURCES	14,867	-	14,867	355,288
FUND BALANCES:				
Restricted:				
Fire equipment, training and apparatus	-	191,565	191,565	88,831
Committed:				
For water improvement	266,839	-	266,839	277,224
Assigned for subsequent year expenditures	52,970	86,650	139,620	231,580
TOTAL FUND BALANCES	319,809	278,215	598,024	597,635
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 334,676	\$ 293,369	\$ 628,045	\$ 960,202

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2015
(with comparative totals for the year ended December 31, 2015)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2015	2014
REVENUES:				
Taxes	\$ -	\$ 347,983	\$ 347,983	\$ 343,639
Charges for services	60,686	-	60,686	64,650
Interest and rentals	277	556	833	448
Other	1,744	300	2,044	78,767
Total revenues	62,707	348,839	411,546	487,504
EXPENDITURES:				
Current:				
Public safety	-	317,031	317,031	329,720
Public works	2,365	-	2,365	2,807
Debt service:				
Principal	61,605	-	61,605	60,773
Interest	15,462	-	15,462	16,434
Capital outlay	-	21,544	21,544	46,759
Total expenditures	79,432	338,575	418,007	456,493
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	(16,725)	10,264	(6,461)	31,011
OTHER FINANCING SOURCES:				
Proceeds from sale of capital assets	-	6,850	6,850	-
Net change in fund balances	(16,725)	17,114	389	31,011
FUND BALANCES:				
Beginning of year	336,534	261,101	597,635	566,624
End of year	\$ 319,809	\$ 278,215	\$ 598,024	\$ 597,635

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**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2015**

	<u>Water Improvement Fund</u>			<u>Fire Equipment, Training and Apparatus Fund</u>		
	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 347,760	\$ 347,983	\$ 223
Charges for services	58,600	60,686	2,086	-	-	-
Interest and rentals	200	277	77	500	556	56
Other	980	1,744	764	300	300	-
	<u>59,780</u>	<u>62,707</u>	<u>2,927</u>	<u>348,560</u>	<u>348,839</u>	<u>279</u>
Total revenues						
EXPENDITURES:						
Current:						
Public safety	-	-	-	332,910	317,031	15,879
Public works	2,900	2,365	535	-	-	-
Debt service:						
Principal	61,610	61,605	5	-	-	-
Interest	15,480	15,462	18	-	-	-
Capital outlay	-	-	-	196,300	21,544	174,756
	<u>79,990</u>	<u>79,432</u>	<u>558</u>	<u>529,210</u>	<u>338,575</u>	<u>190,635</u>
Total expenditures						

	<u>Water Improvement Fund</u>			<u>Fire Equipment, Training and Apparatus Fund</u>		
	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (20,210)</u>	<u>\$ (16,725)</u>	<u>\$ 3,485</u>	<u>\$ (180,650)</u>	<u>\$ 10,264</u>	<u>\$ 190,914</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,850</u>	<u>6,850</u>	<u>-</u>
Net change in fund balances	<u>(20,210)</u>	<u>(16,725)</u>	<u>3,485</u>	<u>(173,800)</u>	<u>17,114</u>	<u>190,914</u>
FUND BALANCES:						
Beginning of year	<u>336,534</u>	<u>336,534</u>	<u>-</u>	<u>261,101</u>	<u>261,101</u>	<u>-</u>
End of year	<u><u>\$ 316,324</u></u>	<u><u>\$ 319,809</u></u>	<u><u>\$ 3,485</u></u>	<u><u>\$ 87,301</u></u>	<u><u>\$ 278,215</u></u>	<u><u>\$ 190,914</u></u>

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2015
(with comparative totals for December 31, 2014)

	Trust and Agency	Tax collection fund	Totals	
			2015	2014
ASSETS:				
Cash and cash equivalents	\$ 44,624	\$ 16,416,363	\$ 16,460,987	\$ 16,161,935
Taxes receivable	260,051	14,515,687	14,775,738	14,291,079
TOTAL ASSETS	\$ 304,675	\$ 30,932,050	\$ 31,236,725	\$ 30,453,014
LIABILITIES:				
Due to other governments	\$ -	\$ 30,932,050	\$ 30,932,050	30,033,184
Undistributed receipts	304,675	-	304,675	419,830
TOTAL LIABILITIES	\$ 304,675	\$ 30,932,050	\$ 31,236,725	\$ 30,453,014

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2015

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Trust and Agency				
Assets:				
Cash and cash equivalents	\$ 60,294	\$ 2,050,970	\$ 2,066,640	\$ 44,624
Taxes receivable	359,536	163,584	263,069	260,051
	<u>\$ 419,830</u>	<u>\$ 2,214,554</u>	<u>\$ 2,329,709</u>	<u>\$ 304,675</u>
Liabilities:				
Undistributed receipts	\$ 419,830	\$ 980,421	\$ 1,095,576	\$ 304,675
Current Tax				
Assets:				
Cash and cash equivalents	\$ 16,101,641	\$ 39,121,274	\$ 38,806,552	\$ 16,416,363
Taxes receivable	13,931,543	40,575,870	39,991,726	14,515,687
	<u>\$ 30,033,184</u>	<u>\$ 79,697,144</u>	<u>\$ 78,798,278</u>	<u>\$ 30,932,050</u>
Liabilities:				
Due to other governments	\$ 30,033,184	\$ 45,266,555	\$ 44,367,689	\$ 30,932,050
Totals				
Assets:				
Cash and cash equivalents	\$ 16,161,935	\$ 41,172,244	\$ 40,873,192	\$ 16,460,987
Taxes receivable	14,291,079	40,739,454	40,254,795	14,775,738
	<u>\$ 30,453,014</u>	<u>\$ 81,911,698</u>	<u>\$ 81,127,987</u>	<u>\$ 31,236,725</u>
Liabilities:				
Undistributed receipts	\$ 419,830	\$ 980,421	\$ 1,095,576	\$ 304,675
Due to other governments	30,033,184	45,266,555	44,367,689	30,932,050
	<u>\$ 30,453,014</u>	<u>\$ 46,246,976</u>	<u>\$ 45,463,265</u>	<u>\$ 31,236,725</u>

**CHARTER TOWNSHIP OF DELHI
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	<u>Governmental fund balance sheet</u>				
	<u>Brownfield Redevelopment</u>	<u>Local site remediation fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of net position</u>
ASSETS:					
Cash and cash equivalents	\$ -	\$ 268,356	\$ 268,356	\$ -	\$ 268,356
Taxes receivable	-	159,067	159,067	-	159,067
Total assets	<u>\$ -</u>	<u>\$ 427,423</u>	<u>\$ 427,423</u>	-	<u>427,423</u>
LIABILITIES:					
Accounts payable	\$ -	\$ 42,337	\$ 42,337	-	42,337
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	-	159,067	159,067	-	159,067
FUND BALANCES:					
Unassigned	-	51,170	51,170	(51,170)	-
Restricted	-	174,849	174,849	(174,849)	-
Total fund balances	<u>-</u>	<u>226,019</u>	<u>226,019</u>	<u>(226,019)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 427,423</u>	<u>\$ 427,423</u>		
NET POSITION:					
Unrestricted				226,019	226,019
Total net position				<u>\$ 226,019</u>	<u>\$ 226,019</u>

**CHARTER TOWNSHIP OF DELHI
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

	Governmental funds revenues, expenditures and changes in fund balances				Statement of activities
	Brownfield Redevelopment	Local site remediation fund	Total	Adjustments	
REVENUES:					
Property taxes	\$ 6,886	\$ 189,971	\$ 196,857	\$ -	\$ 196,857
EXPENDITURES/EXPENSES:					
Community and economic development	17,756	148,749	166,505	-	166,505
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,870)	41,222	30,352	-	30,352
OTHER FINANCING SOURCES (USES):					
Transfers out	(9,948)	-	(9,948)	-	(9,948)
Transfers in	-	9,948	9,948	-	9,948
Total other financing sources (uses)	(9,948)	9,948	-	-	-
Changes in fund balances / net position	(20,818)	51,170	30,352	-	30,352
FUND BALANCES/NET POSITION:					
Beginning of year	20,818	174,849	195,667	-	195,667
End of year	\$ -	\$ 226,019	\$ 226,019	\$ -	\$ 226,019

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2015**

	<u>Governmental funds balance sheet</u>					
	<u>Downtown Development General Operating</u>	<u>2008 Bond Debt Retirement</u>	<u>2010 Refunding Bonds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS:						
Cash and cash equivalents	\$ 2,357,214	\$ -	\$ -	\$ 2,357,214	\$ -	\$ 2,357,214
Taxes receivable	2,910,809	-	-	2,910,809	-	2,910,809
Other receivables	550	-	-	550	-	550
Prepays	2,149	-	-	2,149	-	2,149
Capital assets not being depreciated	-	-	-	-	4,394,674	4,394,674
Capital assets being depreciated, net	-	-	-	-	4,246,750	4,246,750
TOTAL ASSETS	<u>\$ 5,270,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,270,722</u>	<u>8,641,424</u>	<u>13,912,146</u>
LIABILITIES:						
Accounts payable	\$ 9,956	\$ -	\$ -	\$ 9,956	-	9,956
Accrued liabilities	3,348	-	-	3,348	-	3,348
Interest payable	-	-	-	-	41,544	41,544
Due to other governments	1,765,178	-	-	1,765,178	-	1,765,178
Due to primary government	453,537	-	-	453,537	-	453,537
Long-term liabilities:						
Due within one year	-	-	-	-	689,744	689,744
Due in more than one year	-	-	-	-	5,527,804	5,527,804
TOTAL LIABILITIES	<u>2,232,019</u>	<u>-</u>	<u>-</u>	<u>2,232,019</u>	<u>6,259,092</u>	<u>8,491,111</u>

Governmental funds balance sheet

	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Net Position
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	\$ 1,183,333	\$ -	\$ -	\$ 1,183,333	\$ -	\$ 1,183,333
FUND BALANCES:						
Nonspendable:						
Prepays	2,149	-	-	2,149	(2,149)	-
Unassigned	1,853,221	-	-	1,853,221	(1,853,221)	-
TOTAL FUND BALANCES	1,855,370	-	-	1,855,370	(1,855,370)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,270,722	\$ -	\$ -	\$ 5,270,722		
NET POSITION:						
Net investment in capital assets					2,423,876	2,423,876
Unrestricted					1,813,826	1,813,826
Total net position					\$ 4,237,702	\$ 4,237,702

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015**

	Governmental funds revenues, expenditures and changes in fund balances					
	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Activities
REVENUES:						
Property taxes	\$ 2,357,679	\$ -	\$ -	\$ 2,357,679	\$ -	\$ 2,357,679
Grants	2,700	-	-	2,700	-	2,700
Other	13,088	-	-	13,088	-	13,088
Interest and rentals	36,419	-	-	36,419	-	36,419
Total revenues	2,409,886	-	-	2,409,886	-	2,409,886
EXPENDITURES/EXPENSES:						
Current:						
Community and economic development	466,104	-	-	466,104	372,318	838,422
Debt service:						
Principal	142,288	508,387	525,000	1,175,675	(1,175,675)	-
Interest	21,200	257,871	5,381	284,452	4,544	288,996
Capital outlay	69,649	-	-	69,649	(5,310)	64,339
Loss on disposal of property	-	-	-	-	254,849	254,849
Total expenditures/expenses	699,241	766,258	530,381	1,995,880	(549,274)	1,446,606
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	1,710,645	(766,258)	(530,381)	414,006	549,274	963,280

**Governmental funds revenues, expenditures
and changes in fund balances**

	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES):						
Transfers in	\$ -	\$ 766,258	\$ 530,381	\$ 1,296,639	\$ (1,296,639)	\$ -
Transfers out	(1,296,639)	-	-	(1,296,639)	1,296,639	-
Total other financing sources (uses)	(1,296,639)	766,258	530,381	-	-	-
Net change in fund balances/net position	414,006	-	-	414,006	549,274	963,280
FUND BALANCES/NET POSITION:						
Beginning of year	1,441,364	-	-	1,441,364	1,833,058	3,274,422
End of year	<u>\$ 1,855,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,855,370</u>	<u>\$ 2,382,332</u>	<u>\$ 4,237,702</u>

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
BALANCE SHEETS
DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS:		
Cash and cash equivalents	\$ 5,304,462	\$ 5,447,748
Investments	1,210,861	786,718
Receivables:		
Taxes	2,891,228	2,808,227
Special assessments	239,107	286,313
Other	235,419	196,231
Due from component unit	453,540	289,568
Due from other funds	-	13,795
Prepays	64,550	29,712
	\$ 10,399,167	\$ 9,858,312
LIABILITIES:		
Accounts payable	\$ 439,373	\$ 738,158
Accrued liabilities	29,736	22,377
Unearned revenue	72,006	29,660
	541,115	790,195
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	2,750,993	2,535,223
Unavailable revenue - ambulance fees	90,420	82,590
Unavailable revenue - special assessments	239,109	286,313
	3,080,522	2,904,126
FUND BALANCE:		
Nonspendable:		
Prepays	64,550	29,712
Restricted:		
For fire equipment, training and apparatus	15,532	20,575
Committed:		
Disaster contingency fund	10,000	10,000
Assigned for subsequent year expenditures	1,348,620	993,250
Unassigned	5,338,828	5,110,454
	6,777,530	6,163,991
	\$ 10,399,167	\$ 9,858,312
	\$ 10,399,167	\$ 9,858,312

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
REVENUES:		
Taxes	\$ 2,978,812	\$ 2,945,124
Grants and revenue sharing	2,046,677	2,103,750
Intergovernmental	143,493	159,610
Licenses and permits	505,784	304,387
Charges for services	1,556,182	1,424,024
Franchise fees	494,517	472,391
Fines and forfeitures	22,616	25,082
Interest and rentals	24,466	22,940
Other	496,534	528,858
	8,269,081	7,986,166
Total revenues		
EXPENDITURES:		
Current:		
General government:		
Legislative - Board of Trustees	103,882	103,129
Manager	330,417	324,667
Accounting	133,457	126,072
Clerk	263,704	238,205
Information technology	207,648	254,776
Treasurer	248,533	243,531
Assessing	372,310	335,062
Elections	34,472	44,499
Building and grounds	426,497	412,600
Cemetery	104,753	105,441
	2,225,673	2,187,982
Total general government		

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Concluded)
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
EXPENDITURES (Concluded):		
Current (Concluded):		
Public works	\$ 667,510	\$ 1,250,756
Community and economic development	604,369	574,711
Recreation and culture	707,045	761,143
Other	486,476	559,533
Debt service	332,789	349,286
Capital outlay	560,691	533,856
Total expenditures	5,584,553	6,217,267
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,684,528	1,768,899
OTHER FINANCING SOURCES (USES):		
Proceeds from the sale of capital assets	3,145	9,480
Transfers out	(2,074,134)	(1,897,611)
Total other financing sources (uses)	(2,070,989)	(1,888,131)
Net change in fund balance	613,539	(119,232)
FUND BALANCE:		
Beginning of year	6,163,991	6,283,223
End of year	\$ 6,777,530	\$ 6,163,991

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**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,827,504	\$ 1,600,491
Investments	225,516	228,362
Special assessments receivable	400,929	455,797
Other receivables	1,165,935	1,251,399
Prepays	65,854	23,893
TOTAL CURRENT ASSETS	3,685,738	3,559,942
NONCURRENT ASSETS:		
Restricted cash, cash equivalents and investments:		
Debt service cash and cash equivalents	441,956	463,846
Replacement cash and cash equivalents	898,322	692,891
Replacement investments	663,375	661,656
Property, plant and equipment not being depreciated	1,225,338	1,181,258
Property, plant and equipment net of accumulated depreciation	46,268,513	48,053,518
TOTAL NONCURRENT ASSETS	49,497,504	51,053,169
TOTAL ASSETS	53,183,242	54,613,111

LIABILITIES AND NET POSITION	<u>2015</u>	<u>2014</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 241,357	\$ 408,995
Accrued liabilities	166,053	143,396
Interest payable	113,172	119,328
Retainage payable	20,056	-
Current portion of long-term debt	<u>1,342,682</u>	<u>1,263,336</u>
TOTAL CURRENT LIABILITIES	1,883,320	1,935,055
LONG-TERM LIABILITIES , net of current portion:		
Due in more than one year	<u>17,244,774</u>	<u>18,630,153</u>
TOTAL LIABILITIES	<u>19,128,094</u>	<u>20,565,208</u>
NET POSITION:		
Net investment in capital assets	28,906,395	29,341,287
Restricted for:		
Replacement	1,561,697	1,354,547
Debt service	441,956	463,846
Unrestricted	<u>3,145,100</u>	<u>2,888,223</u>
TOTAL NET POSITION	<u><u>\$ 34,055,148</u></u>	<u><u>\$ 34,047,903</u></u>

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
OPERATING REVENUES:		
Charges for services	\$ 5,691,531	\$ 5,504,030
Permits and fees	228,630	312,727
State grant	543,905	420,011
Other operating revenue	213,146	89,096
Total operating revenues	6,677,212	6,325,864
OPERATING EXPENSES:		
Costs of sales and services	3,775,585	3,429,147
Depreciation	2,470,310	2,250,529
Total operating expenses	6,245,895	5,679,676
Operating gain (loss)	431,317	646,188
NON-OPERATING REVENUES (EXPENSES):		
Interest and rentals	19,575	20,701
Amortization of bond discount	(3,976)	(18,033)
Interest expense	(439,671)	(470,017)
Total non-operating revenues (expenses)	(424,072)	(467,349)
Net income (loss) before capital contributions and transfers	7,245	178,839
CAPITAL CONTRIBUTIONS	-	64,800
Change in net position	7,245	243,639
NET POSITION:		
Beginning of year	34,047,903	33,804,264
End of year	\$ 34,055,148	\$ 34,047,903

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash flows from operating activities:		
Cash received from customers	\$ 6,817,544	\$ 6,007,923
Cash payments to suppliers for goods and services	(2,575,209)	(1,806,422)
Cash payments to employees for services	(1,353,172)	(1,460,762)
Net cash provided by operating activities	2,889,163	2,740,739
Cash flows from capital and related financing activities:		
Purchase of capital assets	(743,475)	(558,492)
Proceeds from bonds	-	1,822,003
Interest payments	(445,827)	(486,586)
Principal payments	(1,310,008)	(2,818,336)
Net cash used by capital and related financing activities	(2,499,310)	(2,041,411)
Cash flows from investing activities:		
Proceeds (purchases) from maturities of investments	1,127	(4,306)
Interest and rental earnings	19,574	20,701
Net cash provided by investing activities	20,701	16,395
NET INCREASE IN CASH AND CASH EQUIVALENTS	410,554	715,723
CASH AND CASH EQUIVALENTS:		
Beginning of year	2,757,228	2,041,505
End of year	\$ 3,167,782	\$ 2,757,228
Statement of net position classification of cash and cash equivalents:		
Cash and cash equivalents	\$ 1,827,504	\$ 1,600,491
Restricted cash and cash equivalents	1,340,278	1,156,737
	\$ 3,167,782	\$ 2,757,228

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015	2014
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating gain (loss)	\$ 431,317	\$ 646,188
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	2,470,310	2,250,529
Loss on disposal of capital assets	14,090	2,401
(Increase) decrease in assets:		
Special assessments receivable	54,868	(33,213)
Other receivables	85,464	(284,728)
Prepaid expenses	(41,961)	17,283
Increase (decrease) in liabilities:		
Accounts payable	(167,638)	283,171
Accrued expenses	22,657	(46,881)
Retainage payable	20,056	(94,011)
Total adjustments	2,457,846	2,094,551
Net cash provided by operating activities	\$ 2,889,163	\$ 2,740,739

**STATISTICAL SECTION
(UNAUDITED)**

CHARTER TOWNSHIP OF DELHI
DESCRIPTION OF STATISTICAL SECTION

This part of Delhi Township’s financial statements presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township’s overall financial health.

The statistical section is organized into the following main categories:

Financial Trends

These schedules contain trend information to help the reader understand how the Township’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Township’s most significant local revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the Township’s current levels of outstanding debt, and the Township’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Township’s financial report relates to the services the Township provides.

Sources: Unless otherwise noted, the information in these schedules is derived from the Report on the Financial Statements for the relevant year.

**CHARTER TOWNSHIP OF DELHI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Schedule 1
Unaudited

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012*	2013	2014	2015
Governmental activities										
Net Investment in capital assets	\$ 4,180,266	\$ 4,298,842	\$ 5,141,128	\$ 8,580,733	\$ 9,359,465	\$ 9,506,445	\$ 9,338,276	\$ 9,240,592	\$ 11,382,486	\$ 12,271,559
Restricted	1,586,782	1,845,176	82,188	59,126	5,624	321,446	360,521	221,139	109,406	207,097
Unrestricted	3,404,342	3,388,481	4,039,122	2,655,541	2,590,604	4,046,689	5,495,044	6,435,260	6,814,859	7,224,616
Total governmental activities net assets	\$ 9,171,390	\$ 9,532,499	\$ 9,262,438	\$ 11,295,400	\$ 11,955,693	\$ 13,874,580	\$ 15,193,841	\$ 15,896,991	\$ 18,306,751	\$ 19,703,272
Business-type activities										
Net Investment in capital assets	\$ 30,873,207	\$ 32,052,918	\$ 33,175,333	\$ 32,927,591	\$ 32,029,945	\$ 31,909,548	\$ 30,925,575	\$ 29,992,625	\$ 29,341,287	\$ 28,906,395
Restricted	3,244,209	3,439,345	2,618,428	2,841,822	2,001,776	2,131,149	1,986,773	1,607,237	1,818,393	2,003,653
Unrestricted	4,322,440	3,376,243	2,799,900	1,824,266	2,459,230	1,526,359	1,567,896	2,204,402	2,888,223	3,145,100
Total business-type activities net assets	\$ 38,439,856	\$ 38,868,506	\$ 38,593,661	\$ 37,593,679	\$ 36,490,951	\$ 35,567,056	\$ 34,480,244	\$ 33,804,264	\$ 34,047,903	\$ 34,055,148
Primary government										
Net Investment in capital assets	\$ 35,053,473	\$ 36,351,760	\$ 38,316,461	\$ 41,508,324	\$ 41,389,410	\$ 41,415,993	\$ 40,263,851	\$ 39,233,217	\$ 40,723,773	\$ 41,177,954
Restricted	4,830,991	5,284,521	2,700,616	2,900,948	2,007,400	2,452,595	2,347,294	1,828,376	1,927,799	2,210,750
Unrestricted	7,726,782	6,764,724	6,839,022	4,479,807	5,049,834	5,573,048	7,062,940	8,639,662	9,703,082	10,369,716
Total primary government net assets	\$ 47,611,246	\$ 48,401,005	\$ 47,856,099	\$ 48,889,079	\$ 48,446,644	\$ 49,441,636	\$ 49,674,085	\$ 49,701,255	\$ 52,354,654	\$ 53,758,420

* The Governmental beginning net position was decreased by \$7,422 and the Business-type beginning net position was reduced by \$37,145 due to implementation of GASB 65, which removed bond issuance costs from the amortization schedules.

**CHARTER TOWNSHIP OF DELHI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Schedule 2
Unaudited

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General governmental	\$ 1,984,846	\$ 2,310,105	\$ 2,327,244	\$ 2,162,616	\$ 2,286,907	\$ 2,087,161	\$ 2,219,150	\$ 2,146,777	\$ 2,640,347	\$ 2,522,117
Public Safety	3,890,919	4,083,262	4,346,453	4,503,054	4,309,039	4,430,295	4,667,246	4,733,732	4,861,571	5,049,743
Public Works	488,254	467,234	797,885	1,214,437	633,727	702,533	816,169	1,028,423	1,434,952	1,338,862
Community development	-	-	-	-	652,920	613,856	557,885	604,597	575,816	598,818
Recreation & culture	770,980	823,026	847,934	918,737	952,510	935,756	944,672	916,303	985,792	545,141
Other governmental activities	237,858	16,410	-	-	-	-	-	-	-	-
Interest on long-term debt	115,218	103,955	91,009	76,276	60,120	44,561	27,004	44,517	66,406	44,405
Total governmental activities	7,488,075	7,803,992	8,410,525	8,875,120	8,895,223	8,814,162	9,232,126	9,474,349	10,564,884	10,099,086
Business-type activities:										
Sewer	5,423,789	5,493,927	5,700,904	6,114,406	6,209,025	6,161,026	6,346,950	5,987,572	6,167,726	6,694,003
Community Development	599,503	698,192	686,645	661,871	-	-	-	-	-	-
Total business-type activities	6,023,292	6,192,119	6,387,549	6,776,277	6,209,025	6,161,026	6,346,950	5,987,572	6,167,726	6,694,003
Total primary government expenses	\$ 13,511,367	\$ 13,996,111	\$ 14,798,074	\$ 15,651,397	\$ 15,104,248	\$ 14,975,188	\$ 15,579,076	\$ 15,461,921	\$ 16,732,610	\$ 16,793,089
Program revenues										
Charges for services:										
General government	\$ 711,788	\$ 813,504	\$ 892,589	\$ 902,289	\$ 907,325	\$ 946,334	\$ 929,505	\$ 83,918	\$ 85,102	\$ 126,180
Public safety	546,463	590,840	677,948	648,678	739,988	800,662	867,842	808,024	876,863	915,315
Public works	-	-	-	-	345,410	346,808	333,912	327,757	666,419	382,656
Community development	-	-	-	-	351,602	380,862	322,069	380,729	420,521	613,318
Recreation and culture	115,240	152,570	134,870	133,835	109,304	103,555	128,332	85,616	65,277	68,178
Operating grants and contributions	608,514	217,929	155,846	97,136	168,765	422,216	478,110	510,414	656,031	471,146
Capital grants and contributions	114,693	258,803	421,038	3,396,484	271,422	109,207	217,544	51,017	2,003,455	704,259
Total governmental activities program revenues	2,096,698	2,033,646	2,282,291	5,178,422	2,893,816	3,109,644	3,277,314	2,247,475	4,773,668	3,281,052
Business-type activities:										
Charges for services:										
Sewer	5,404,117	5,010,784	4,802,468	4,866,048	5,042,106	5,116,198	5,282,019	5,303,826	5,898,351	6,080,205
Community development	460,926	412,815	280,151	322,203	-	-	-	-	-	-
Operating grants and contributions	388,458	493,867	389,390	309,131	30,109	10,069	-	-	420,011	606,298
Capital grants and contributions	253,243	322,539	401,403	145,768	46,604	31,475	-	-	64,800	-
Total business-type activities program revenues	6,506,744	6,240,005	5,873,412	5,643,150	5,118,819	5,157,742	5,282,019	5,303,826	6,383,162	6,686,503
Total primary government program revenues	\$ 8,603,442	\$ 8,273,651	\$ 8,155,703	\$ 10,821,572	\$ 8,012,635	\$ 8,267,386	\$ 8,559,333	\$ 7,551,301	\$ 11,156,830	\$ 9,967,555
Net (Expense)/Revenue										
Governmental activities	\$ (5,391,377)	\$ (5,770,346)	\$ (6,128,234)	\$ (3,696,698)	\$ (6,001,407)	\$ (5,704,518)	\$ (5,954,812)	\$ (7,226,874)	\$ (5,791,216)	\$ (6,818,034)
Business-type activities	483,452	47,886	(514,137)	(1,133,127)	(1,090,206)	(1,003,284)	(1,064,931)	(683,746)	215,436	(7,500)
Total primary government net expense	\$ (4,907,925)	\$ (5,722,460)	\$ (6,642,371)	\$ (4,829,825)	\$ (7,091,613)	\$ (6,707,802)	\$ (7,019,743)	\$ (7,910,620)	\$ (5,575,780)	\$ (6,825,534)

CHARTER TOWNSHIP OF DELHI
CHANGES IN NET POSITION (Concluded)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Schedule 2
Unaudited

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 3,325,504	\$ 3,482,728	\$ 3,631,229	\$ 3,726,355	\$ 3,642,755	\$ 5,393,489	\$ 5,131,573	\$ 5,311,408	\$ 5,350,366	\$ 5,414,764
State shared revenues	1,798,179	1,765,856	1,762,721	1,553,811	1,474,950	1,888,513	1,913,989	1,978,618	2,026,020	2,031,646
Grants & contributions not restricted to specific programs	311,693	536,536	545,943	505,290	558,432	324,964	226,239	192,934	365,077	272,793
Unrestricted investment earnings	273,927	306,428	179,694	77,351	36,518	16,439	9,694	3,650	5,721	7,102
Gain (loss) on sale of capital assets	10,945	162,393	(26,128)	-	-	-	-	-	-	-
Intra-entity transfer	(5,017)	(122,486)	(235,286)	(133,145)	49,224	-	-	-	(18,599)	(6,267)
Total governmental activities	5,715,231	6,131,455	5,858,173	5,729,662	5,761,879	7,623,405	7,281,495	7,929,820	8,200,976	8,214,555
Business-type activities:										
Investment earnings	-	-	-	-	-	24,339	15,264	7,766	9,604	8,478
Other	-	-	-	-	-	-	-	-	-	-
Intra-entity transfer	5,017	122,486	235,286	133,145	(49,224)	-	-	-	18,599	6,267
Grants and contributions not restricted to specific programs	242,789	258,278	4,006	-	36,702	55,050	-	-	-	-
Total business-type activities	247,806	380,764	239,292	133,145	(12,522)	79,389	15,264	7,766	28,203	14,745
Total primary government	\$ 5,963,037	\$ 6,512,219	\$ 6,097,465	\$ 5,862,807	\$ 5,749,357	\$ 7,702,794	\$ 7,296,759	\$ 7,937,586	\$ 8,229,179	\$ 8,229,300
Change in Net Position										
Governmental activities	\$ 323,854	\$ 361,109	\$ (270,061)	\$ 2,032,964	\$ (239,528)	\$ 1,918,887	\$ 1,326,683	\$ 702,946	\$ 2,409,760	\$ 1,396,521
Business-type activities	731,258	428,650	(274,845)	(999,982)	(1,102,728)	(923,895)	(1,049,667)	(675,980)	243,639	7,245
Total primary government	\$ 1,055,112	\$ 789,759	\$ (544,906)	\$ 1,032,982	\$ (1,342,256)	\$ 994,992	\$ 277,016	\$ 26,966	\$ 2,653,399	\$ 1,403,766

CHARTER TOWNSHIP OF DELHI
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Schedule 3
Unaudited

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund										
Reserved	\$ 16,879	\$ 131,422	\$ 43,263	\$ 118,449	\$ 29,070	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,810,035	2,757,433	2,542,428	1,949,051	1,767,891	-	-	-	-	-
Nonspendable	-	-	-	-	-	52,906	106,973	48,109	29,712	64,550
Restricted	-	-	-	-	-	40,045	30,349	22,826	20,575	15,532
Committed	-	-	-	-	-	10,000	10,000	10,000	10,000	10,000
Assigned for subsequent years expenditures	-	-	-	-	-	-	-	697,910	993,250	1,348,620
Unassigned	-	-	-	-	-	3,874,217	5,236,188	5,504,378	5,110,454	5,338,828
Total general fund	\$ 2,826,914	\$ 2,888,855	\$ 2,585,691	\$ 2,067,500	\$ 1,796,961	\$ 3,977,168	\$ 5,383,510	\$ 6,283,223	\$ 6,163,991	\$ 6,777,530
All other Governmental Funds										
Reserved	\$ 1,697	\$ 26,276	\$ 4,672	\$ 14,603	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:										
Special revenue funds	1,423,826	1,693,348	981,313	734,765	687,489	-	-	-	-	-
Debt service funds	161,259	125,552	82,187	59,126	5,624	-	-	-	-	-
Nonspendable in construction fund	-	-	-	-	-	-	-	588,517	-	-
Restricted in construction fund	-	-	-	-	-	-	-	290,969	-	179,029
Nonspendable in special revenue funds	-	-	-	-	-	39,266	33,247	29,105	19,807	54,975
Restricted in special revenue funds	-	-	-	-	-	281,401	330,172	198,313	88,831	191,565
Committed in special revenue funds	-	-	-	-	-	417,637	367,710	306,982	277,224	266,839
Assigned for subsequent years expenditures	-	-	-	-	-	-	-	61,329	231,580	139,620
Unassigned in special revenue funds	-	-	-	-	-	(39,266)	(31,747)	-	-	-
Total all other governmental funds	\$ 1,586,782	\$ 1,845,176	\$ 1,068,172	\$ 808,494	\$ 693,163	\$ 699,038	\$ 699,382	\$ 1,475,215	\$ 617,442	\$ 832,028

* New Fund Balance categories

CHARTER TOWNSHIP OF DELHI
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Schedule 4
Unaudited

	Fiscal Year Ended									
	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013*	12/31/2014	12/31/2015
Revenues										
Taxes	\$ 3,325,504	\$ 3,482,728	\$ 3,631,229	\$ 3,726,355	\$ 3,642,755	\$ 5,393,489	\$ 5,131,573	\$ 5,311,408	\$ 5,350,366	\$ 5,414,764
Grants and Revenue Sharing	-	-	-	-	-	-	-	2,098,959	2,381,840	2,334,526
Special assessments	302,707	309,267	413,635	345,481	353,122	357,591	368,660	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	78,387	79,227	79,247
Intergovernmental-Local	-	-	-	-	-	-	-	95,031	159,610	143,493
Intergovernmental	1,896,685	2,054,131	2,034,967	1,832,749	1,939,042	2,275,689	2,372,618	-	-	-
Licenses and permits	17,215	16,969	15,965	16,526	206,255	226,356	181,376	252,148	304,387	505,784
Charges for services	1,387,884	1,612,695	1,656,817	1,644,706	1,852,940	1,936,354	1,942,533	1,405,769	1,488,674	1,616,868
Interest and Rentals	354,870	395,285	227,839	89,122	39,751	16,751	9,694	20,802	23,388	25,299
Franchise Fees	-	-	-	-	-	-	-	443,210	472,391	494,517
Other	880,588	651,883	771,323	699,737	715,166	739,263	733,966	628,821	760,332	727,191
Total revenues	8,165,453	8,522,958	8,751,775	8,354,676	8,749,031	10,945,493	10,740,420	10,334,535	11,020,215	11,341,689
Expenditures										
General government	2,098,720	2,145,159	2,157,101	2,018,484	2,104,089	1,959,161	2,022,682	1,963,113	2,187,982	2,225,673
Public safety	3,679,179	3,881,356	4,102,659	4,191,856	3,951,764	4,165,152	4,438,719	4,534,015	4,639,103	4,899,100
Public works	488,254	467,234	787,877	542,762	536,245	496,722	686,620	864,688	1,253,563	669,875
Community development	-	-	-	-	588,014	608,433	553,021	605,837	574,711	604,369
Recreation and culture	630,761	694,297	706,826	767,951	725,571	712,694	746,417	702,820	761,143	707,045
Other	230,413	204,589	333,332	323,535	348,663	321,261	386,527	389,846	559,533	486,476
Debt service										
Principal	500,462	504,763	521,389	553,967	705,239	241,897	183,765	219,262	364,215	365,341
Interest and issuance costs	113,902	100,592	87,808	73,415	57,262	66,755	26,598	44,165	62,278	44,515
Capital outlay	1,201,701	255,292	902,863	531,272	167,278	321,559	289,385	537,743	1,477,912	647,425
Total expenditures	8,943,392	8,253,282	9,599,855	9,003,242	9,184,125	8,893,634	9,333,734	9,861,489	11,880,440	10,649,819
Excess of revenues over (under) expenditures	(777,939)	269,676	(848,080)	(648,566)	(435,094)	2,051,859	1,406,686	473,046	(860,225)	691,870
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	-	-	-	-	-	1,200,000	-	-
Capital Lease	-	-	-	-	-	-	-	-	9,480	-
Issuance of refunding debt	-	-	-	-	-	721,779	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(687,645)	-	-	-	-
Proceeds from sale of capital assets	24,710	173,145	3,200	3,840	-	100,089	-	2,500	-	9,995
Transfers in	794,517	592,477	595,388	692,348	84,243	1,388,301	1,625,456	1,834,690	1,897,611	2,074,134
Transfers out	(799,534)	(714,963)	(830,674)	(825,493)	(35,019)	(1,388,301)	(1,625,456)	(1,834,690)	(1,897,611)	(2,074,134)
Total other financing sources (uses)	19,693	50,659	(232,086)	(129,305)	49,224	134,223	-	1,202,500	9,480	9,995
Net change in fund balances	\$ (758,246)	\$ 320,335	\$ (1,080,166)	\$ (777,871)	\$ (385,870)	\$ 2,186,082	\$ 1,406,686	\$ 1,675,546	\$ (850,745)	\$ 701,865
Debt service as a percentage of noncapital expenditures	7.9%	7.6%	7.0%	7.4%	8.5%	10.8%	2.3%	2.8%	4.1%	4.1%

**CHARTER TOWNSHIP OF DELHI
 ASSESSED VALUE AND TAXABLE VALUE OF PROPERTY
 LAST TEN FISCAL YEARS**

Schedule 5
 Unaudited

Fiscal Year Ended December 31	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property	Total Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
2006	2,218,367	114,964,632	15,051,118	572,239,358	-	46,827,750	751,301,225	5.3282	867,761,750	87%
2007	2,468,072	121,108,641	14,121,340	606,104,452	-	46,577,255	790,379,760	5.3064	890,124,785	89%
2008	2,514,938	126,663,528	16,032,179	615,416,841	-	52,132,300	812,759,786	5.3455	903,051,000	90%
2009	2,575,559	129,201,749	15,211,328	592,190,424	-	45,226,200	784,405,260	5.4039	835,843,650	94%
2010	2,504,049	123,516,681	13,641,928	549,152,400	-	48,597,700	737,412,758	7.8094	771,940,775	96%
2011	2,525,723	118,189,772	22,133,866	531,477,428	-	39,901,800	714,228,589	7.8094	739,999,851	97%
2012	2,573,066	118,370,473	24,493,165	497,480,929	-	49,847,700	692,765,333	7.8094	713,338,371	97%
2013	2,607,530	117,915,661	16,435,749	500,274,316	-	48,047,853	685,281,109	7.8094	710,930,773	96%
2014	2,672,068	121,823,664	14,897,412	505,737,261	-	50,095,615	695,226,020	7.8094	727,820,340	96%
2015	2,714,652	125,404,328	11,941,007	519,585,279	-	52,571,300	712,216,566	7.3094	760,094,300	94%

Personal Property by Category-Taxable Value

	Commercial	Industrial	Utility
2006	36,125,750	916,950	9,785,050
2007	36,017,505	715,400	9,844,350
2008	25,205,100	16,380,500	10,546,700
2009	23,557,300	11,015,500	10,653,400
2010	22,660,900	14,787,900	11,148,900
2011	20,533,200	11,240,900	8,127,700
2012	21,060,600	17,414,800	11,372,300
2013	21,446,800	15,224,553	11,376,500
2014	20,255,800	16,374,015	13,465,800
2015	22,260,400	16,523,600	13,787,300

**CHARTER TOWNSHIP OF DELHI
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION)**

Schedule 6
Unaudited

Fiscal Year Ended December 31	Delhi Charter Township						Overlapping Rates							Total Direct & Overlapping Rates
	Operating Millage	Fire/EMS Millage	Police Millage	Fire Equip & Training Millage	Debt Service Millage	Total Township Millage	Ingham County Millage	Ingham Intermediate School Millage	Lansing Community College Millage	State Education Tax	Holt School District			
										Operating Millage	Debt Service Millage	Total School Millage		
2006	4.3094	0.0000	0.0000	0.4846	0.5342	5.3282	13.1731	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2966
2007	4.3094	0.0000	0.0000	0.4846	0.5124	5.3064	13.1538	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2555
2008	4.3094	0.0000	0.0000	0.4846	0.5515	5.3455	14.1009	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2417
2009	4.3094	0.0000	0.0000	0.5000	0.5945	5.4039	14.0811	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2803
2010	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.0739	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	47.6786
2011	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.1133	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	47.7180
2012	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7533	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.3580
2013	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.3680
2014	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	15.2633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.8680
2015	4.3094	1.5000	1.5000	0.0000	0.0000	7.3094	15.0933	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.1980

Non-homestead Holt school operating millage

2006	17.3171
2007	17.3171
2008	17.3171
2009	17.3171
2010	17.3171
2011	17.3171
2012	17.3171
2013	17.3171
2014	17.3171
2015	18.0000

Source: Township Assessing Department

**CHARTER TOWNSHIP OF DELHI
TOP TEN PRINCIPAL TAXPAYERS
CURRENT AND TEN YEARS AGO**

Schedule 7
Unaudited

Taypayer	2015			2006		
	State Equalized Value	Rank	Percentage of Total Twp SEV	State Equalized Value	Rank	Percentage of Total Twp SEV
Consumers Energy	\$ 11,759,500.00	1	1.5%	\$ 9,928,092	2	1.1%
RSDC of Michigan, LLC	10,956,500.00	2	1.4%	29,427,100	1	3.2%
Dart Container Corp of MI	7,439,800.00	3	1.0%	5,222,488	5	0.6%
Woodland Lakes Investment Group	6,795,700.00	4	0.9%	7,245,284	4	0.8%
Parker Hannifin Corp	5,485,500.00	5	0.7%	4,063,200	7	0.4%
Comcast	5,456,400.00	6	0.7%			0.0%
Bondarenko Ltd LLC	4,401,700.00	7	0.6%	4,531,431	6	0.5%
Theroux Development Co.	4,162,200.00	8	0.5%	3,296,242	9	0.4%
Aspen Lakes Estates II LLC	3,143,200.00	9	0.4%			
TMT Delhi LLC	2,968,000.00	10	0.4%			
Tailor Steel				8,654,600	3	1.0%
Stealth Medical Technologies				4,001,400	8	0.4%
Magna Interior Systems				2,831,500	10	0.3%

Source: Township Tax Data Base

**CHARTER TOWNSHIP OF DELHI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Schedule 8
Unaudited

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 3,843,446	\$ 3,829,154	99.6%	\$ 11,663	\$ 3,840,817	99.9%
2007	4,308,253	4,297,110	99.7%	9,777	4,306,887	100.0%
2008	4,436,174	4,422,146	99.7%	9,660	4,431,806	99.9%
2009	4,336,310	4,325,485	99.8%	6,358	4,331,842	99.9%
2010	5,872,671	5,852,639	99.7%	13,899	5,866,538	99.9%
2011	5,663,616	5,643,714	99.6%	14,626	5,658,340	99.9%
2012	5,614,077	5,594,097	99.6%	15,420	5,609,517	99.9%
2013	5,343,452	5,109,083	95.6%	9,574	5,118,657	95.8%
2014	5,430,658	5,244,671	96.6%	10,905	5,255,576	96.8%
2015	5,229,524	5,066,873	96.9%			

Ingham County reimburses the Township for all delinquent real property tax.

Source: Township Tax and Delinquent Personal Property Tax programs

**CHARTER TOWNSHIP OF DELHI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Schedule 9
Unaudited

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita*
	General Obligation Debt	Special Assessment Bonds	General Assessment Payable	Installment Purchase Agreement	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable			
2006	\$ 2,597,430	\$ 160,964	\$ 194,410	\$ 433,379	\$ 7,287,570	\$ 596,036	\$ -	\$ 3,985,000	\$ 15,254,789	2.22%	593
2007	2,178,303	120,771	182,265	400,088	6,931,697	435,229	1,280,410	3,405,000	14,933,763	2.11%	576
2008	1,732,511	90,578	170,108	366,834	7,557,490	314,422	7,687,569	2,800,000	20,719,512	2.95%	795
2009	1,254,220	60,386	157,959	333,501	7,123,696	209,614	9,305,624	2,160,000	20,605,000	2.85%	790
2010	734,266	30,193	2,109,291	300,168	6,669,563	104,807	10,084,919	1,480,000	21,513,207	3.00%	834
2011	711,789	-	1,987,532	266,834	6,316,448	-	11,179,870	765,000	21,227,473	3.08%	829
2012	653,514	-	1,961,961	233,500	5,871,128	-	16,033,333	-	24,753,436	3.36%	959
2013	1,794,407	-	1,835,140	200,166	5,413,630	-	15,507,997	-	24,751,340	3.20%	953
2014	1,641,752	-	2,504,894	166,833	4,970,295	-	14,955,000	-	24,238,774	3.21%	934
2015	1,478,490	-	2,336,148	133,500	4,470,287	-	14,145,000	-	22,563,425	2.91%	867

* Based on population estimates.

See Schedule 13 for Demographic and Economic Statistics for personal income and population data.

CHARTER TOWNSHIP OF DELHI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Schedule 10
Unaudited

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Bonded Debt as a Percentage of Taxable Value ¹	Total Governmental Activities G.O. Debt Per Capita ²	Per Capita Income
	General Obligation	Special Assessment	General Obligation	Revenue	Special Assessment				
	Debt	Bonds	Bonds	Bonds	Bonds				
2006	\$ 2,597,430	\$ 160,964	\$ 7,287,570	\$ -	\$ 596,036	\$ 10,642,000	1.42%	100.90	\$ 26,717
2007	2,178,303	120,771	6,931,698	1,280,410	435,229	10,946,411	1.38%	84.02	27,256
2008	1,732,511	90,578	7,557,490	7,687,569	314,421	17,382,569	2.14%	66.46	26,935
2009	1,254,221	60,385	7,123,696	9,305,624	209,614	17,953,540	2.29%	48.09	27,768
2010	734,266	30,193	6,669,564	10,084,919	104,807	17,623,749	2.39%	28.38	27,768
2011	711,789	-	6,316,448	11,179,870	-	18,208,107	2.55%	27.79	26,912
2012	653,514	-	5,871,128	16,033,333	-	22,557,975	3.26%	25.31	28,540
2013	1,794,407	-	5,413,630	15,507,997	-	22,716,034	3.31%	69.12	29,837
2014	1,641,752	-	4,970,295	14,955,000	-	21,567,047	3.10%	63.23	29,064
2015	1,478,490	-	4,470,287	14,145,000	-	20,093,777	2.82%	56.80	29,745

GOVERNMENTAL ACTIVITIES
GENERAL BONDED DEBT

Fiscal Year	General Obligation	Special Assessment	Total	General Bonded Debt as a Percentage of Taxable Value ¹	General Bonded Debt Per Capita ²
	Bonds	Bonds			
2006	\$ 2,597,430	\$ 160,964	\$ 2,758,394	0.37%	107.15
2007	2,178,303	120,771	2,299,074	0.29%	88.68
2008	1,732,511	90,578	1,823,089	0.22%	69.93
2009	1,254,221	60,385	1,314,606	0.17%	50.41
2010	734,266	30,193	764,459	0.10%	29.54
2011	711,789	-	711,789	0.10%	27.79
2012	653,514	-	653,514	0.09%	25.31
2013	1,794,407	-	1,794,407	0.26%	69.12
2014	1,641,752	-	1,641,752	0.24%	63.23
2015	1,472,030	-	1,472,030	0.21%	56.56

Note: Details regarding the township's outstanding debt can be found in the notes to the financial statements.

¹ See Schedule 5, the Schedule of Assessed Value and Taxable Value of Property for property value data.

² See Schedule 13, the Schedule of Demographic and Economic Statistics for population data.

**CHARTER TOWNSHIP OF DELHI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2015**

Schedule 11
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 70,762,665	83.68%	\$ 59,214,198
Mason School District	13,365,000	9.93%	1,327,145
Lansing School District	32,170,000	0.04%	12,868
Eaton Rapids School District	38,993,092	1.38%	538,105
Ingham County	30,459,188	9.84%	2,997,184
Ingham Intermediate School District	1,836,000	8.35%	153,306
Eaton Intermediate School District	740,000	0.28%	2,072
Lansing Community College	65,715,000	6.83%	4,488,335
Subtotal, overlapping debt			68,733,212
Delhi Charter Township direct debt	1,472,030	100.00%	1,472,030
Total direct and overlapping debt			<u>\$ 70,205,242</u>

Source: Municipal Advisory Council of Michigan (MAC)

The MAC obtains the taxable values of properties within the various taxing jurisdictions from the State of Michigan. The percentage applicable to Delhi Township is calculated by dividing the taxable value of Delhi Township taxpayers in that jurisdiction by the total taxable value of the jurisdiction.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the township. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Delhi Charter Township. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**CHARTER TOWNSHIP OF DELHI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Schedule 12
Unaudited

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 86,776,175	\$ 89,012,479	\$ 90,305,100	\$ 83,584,365	\$ 77,184,731	\$ 75,707,465	\$ 71,302,823	\$ 71,936,018	\$ 73,423,610	\$ 76,789,658
Total net debt applicable to limit	18,772,865	17,079,653	25,284,342	22,991,615	22,629,459	20,614,366	18,250,046	17,697,318	16,668,880	14,629,513
Legal debt margin	68,003,310	71,932,826	65,020,758	60,592,750	54,555,272	55,093,099	53,052,777	54,238,700	56,754,730	62,160,145
Total net debt applicable to the limit as a percentage of debt limit	21.63%	19.19%	28.00%	27.51%	29.32%	27.23%	25.60%	24.60%	22.70%	19.05%

Legal Debt Margin Calculation for Fiscal Year 2015

2015 State Equalized Valuation (SEV)	767,896,575
	x 10%
Legal Debt Limit (10% of SEV)	<u>76,789,658</u>
Direct General Obligation Debt	\$ 28,780,973
Less:	
Capital Lease	(6,460)
Revenue Bonds	<u>(14,145,000)</u>
Net Direct Debt	<u>14,629,513</u>
Debt Limit Margin	<u><u>\$ 62,160,145</u></u>

**CHARTER TOWNSHIP OF DELHI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Schedule 13
Unaudited

Fiscal Year	Population (estimated) ¹	Estimated Total Personal Income for Township Residents (amounts expressed in thousands)	Per Capita Personal Income ¹	Median Age ¹	School Enrollment ²	Unemployment Rate ³
2006	25,743	\$ 687,776	\$ 26,717	36.7	6,005	3.8%
2007	25,925	706,612	27,256	36.7	5,998	3.9%
2008	26,070	702,195	26,935	36.7	5,973	5.0%
2009	26,078	724,134	27,768	38.5	5,862	7.4%
2010	25,877	718,553	27,768	37.2	5,862	6.8%
2011	25,610	689,216	26,912	37.7	5,892	5.8%
2012	25,817	736,817	28,540	38.2	5,781	5.6%
2013	25,959	774,539	29,837	38.9	5,743	4.7%
2014	25,964	754,618	29,064	39.5	5,687	6.4%
2015	26,028	774,203	29,745	38.9	5,625	2.5%

Data Sources:

¹ U.S. Census Bureau and estimated by current trends

² Holt Public Schools

³ State of Michigan: Department of Energy, Labor, and Economic Growth

**CHARTER TOWNSHIP OF DELHI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND PREVIOUS EIGHT YEARS**

Schedule 14
Unaudited

Employer	2015			2014			2013		
	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment
Holt Public Schools	750	1	n/a	800	1	5%	800	1	5%
Dakkota Integrated Interiors	300	2	n/a	300	2	2%	300	2	2%
Orchid Stealth	243	3	n/a	243	3	1%	223	4	1%
RSDC of Michigan, LLC	236	4	n/a	241	4	1%	237	3	1%
Granger Construction	203	5	n/a	208	5	1%	167	5	1%
Kroger	156	6	n/a	156	6	1%	145	7	1%
Magna Powertrain (MPT)	150	7	n/a	150	7	1%	150	6	1%
Holt Senior Care	120	8	n/a	120	8	1%	120	9	1%
Block Imaging	111	9	n/a						
Two Men & a Truck	110	10	n/a	110	9	1%	88	10	1%
Keller Williams Real Estate				108	10	1%			
William Reichenbach Construction							140	8	1%

Employer	2012			2011			2010		
	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment
Holt Public Schools	830	1	5%	850	1	5%	850	1	5%
Dakkota Integrated Interiors	293	2	2%	361	2	2%	261	2	2%
RSDC of Michigan, LLC	200	3	1%	175	4	1%	171	4	1%
Orchid Stealth	190	4	1%	153	5	1%	117	8	1%
Granger Construction	152	5	1%	197	3	1%	172	3	1%
Kroger	145	6	1%	130	7	1%	130	5	1%
Magna Powertrain (MPT)	135	7	1%	150	6	1%	125	6	1%
Holt Senior Care	123	8	1%	123	8	1%	120	7	1%
Lansing Christian School	100	9	1%	100	9	1%	100	9	1%
Block Imaging	80	10	0.5%						
Delhi Charter Township				79	10	0.5%	73	10	0.4%

Employer	2009			2008			2007		
	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment
Holt Public Schools	850	1	5%	850	1	n/a	855	1	n/a
Dakkota Integrated Interiors	249	2	1%	537	2	n/a	167	4	n/a
Granger Construction	170	3	1%	170	3	n/a	271	3	n/a
RSDC of Michigan, LLC	164	4	1%				300	2	n/a
Orchid Stealth	115	5	1%	153	4	n/a	150	5	n/a
Holt Senior Care	110	6	1%						
Kroger	105	7	1%	100	8	n/a			
Lansing Christian School	100	8	1%				80	8	n/a
Davenport Masonry	97	9	1%	65	10	n/a			
Delhi Charter Township	84	10	0.5%	134	5	n/a	104	6	n/a
Shiffer Mason Contractors				125	6	n/a			
Martin Luther Holt Home				108	7	n/a			
Parker Hannifin Corp				90	9	n/a	97	7	n/a
Molded Plastics							97	7	n/a
Dart Container							65	9	n/a
Holt Products							43	10	n/a

Source: Phone calls
Total Township employment from American Factfinder estimates

CHARTER TOWNSHIP OF DELHI
FULL-TIME EQUIVALENT TOWNSHIP GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Schedule 15
Unaudited

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	20.10	19.94	19.32	17.82	17.82	18.17	16.17	16.25	16.30	16.00
Public Safety										
Police										
Officers *	21.00	21.00	21.00	21.00	18.00	19.00	19.00	19.00	19.00	19.00
Civilians *	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire										
Firefighters and officers	17.66	17.66	18.31	18.81	17.96	17.96	19.00	20.30	22.00	21.50
Civilians	1.50	1.50	1.80	1.80	1.80	1.80	1.00	1.00	1.00	1.00
Public Works	28.84	29.60	26.60	26.30	22.55	23.80	25.10	25.10	25.10	24.10
Community Development	7.50	7.50	7.85	6.80	6.80	6.00	6.00	6.00	6.00	6.50
Recreation and Culture	5.50	5.80	5.80	5.80	5.80	9.43	9.32	10.50	11.80	11.90
Total	103.60	104.50	102.18	99.83	92.23	97.66	97.09	99.65	102.70	101.50

Source: Townships Budget Documents

* These positions are employees of Ingham County. The Township contracts with Ingham County for police protection.

**CHARTER TOWNSHIP OF DELHI
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Schedule 16
Unaudited

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Fire										
Number of Calls	2,065	2,122	2,287	2,182	2,324	2,410	2,577	2,672	3,040	3,342
Inspections	836	1,004	1,000	375	1,129	826	800	613	273	13
Burning/Recreational Permits	2,171	2,069	1,288	356	317	271	220	286	402	289
Police										
Number of Traffic Accidents	741	969	842	669	507	288	455	411	549	566
Number of Written Complaints	4,683	4,729	4,621	4,667	4,125	4,044	2,535	2,605	2,511	2,887
Number of Miles Driven	187,916	153,791	150,075	146,832	115,671	113,913	117,023	126,542	127,890	130,344
Vehicle Stops	5,429	7,849	8,041	8,754	5,869	5,867	5,512	5,432	5,911	5,479
Accounting										
Number of W-2's processed	356	314	362	300	303	225	273	180	273	245
Number of payroll checks processed	2,614	2,346	2,353	1,932	1,459	1,189	1,442	1,179	1,100	995
Number of payroll direct deposits	n/a	n/a	1,463	1,685	2,063	2,085	2,038	2,250	2,571	2,190
Number of purchase orders processed	873	795	734	593	458	432	444	435	457	441
Number of accounts payable checks processed	2,830	2,881	2,767	2,585	2,156	2,283	2,376	2,165	2,149	2,069
Number of accounts payable ACHs sent			39	40	224	513	482	476	527	606
Assessing										
Number of Field Inspections	2,485	899	1,381	364	679	1,188	464	499	663	275
Clerk's Office										
Number of FOIA requests	56	65	37	29	37	26	85	44	30	32
Number of web site visitors	87,062	NA	160,803	169,404	162,009	161,755	188,699	181,666	213,665	205,542
Number of Facebook likes	NA	NA	NA	NA	655	761	972	1,229	1,398	1,847
Number of Twitter followers	NA	NA	NA	NA	601	782	1,080	1,258	1,386	1,597
Number of notorized items	100+	100+	150+	200+	200+	300	300	350	350	400
Elections										
Number of Registered Voters	16,723	17,016	17,929	17,542	17,425	17,891	18,572	18,602	18,401	18,930
Number of Permanent Absentee Voters	1,766	2,010	2,294	2,206	2,584	2,490	2,819	2,648	2,951	2,965
Treasurer's Office										
Monthly Average No. of Sewer Bills mailed	7,150	7,157	7,195	7,257	7,225	7,087	7,043	6,922	6,758	6,697
Monthly Average No. of Sewer Bills Emailed	-	-	-	-	-	116	208	342	548	655
Number of Tax Bills-Two billings/year beg, 2003	19,875	20,110	20,278	20,382	20,494	20,412	20,743	21,181	20,715	20,697
Recreation and Culture										
Number of Athletic Teams	290	231	259	254	248	282	293	260	245	248
Number of Sr. Citizens Trips	8	9	8	8	11	11	10	10	-	-
Wastewater										
Average daily sewage treatment (millions of gallons per day)	3.00	2.45	2.54	2.68	2.15	2.35	2.10	2.32	2.20	2.13
Community Development										
Permits Issued	1,526	1,629	986	1,194	1,229	1,207	1,180	1,166	1,427	1,992
Code Enforcement Complaints	592	585	530	563	583	579	422	499	523	732

Source: Various Township Departments

**CHARTER TOWNSHIP OF DELHI
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Schedule 17
Unaudited

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Recreation and Culture										
Parks Acreage	110	120	120	120	120	120	120	120	124	124
Parks	9	9	9	9	9	9	9	9	11	11
Senior Center	1	1	1	1	1	1	1	1	1	1
Buildings	2	2	2	2	2	2	2	2	2	2
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Sewer										
Sanitary Sewers (miles)	122.63	124.44	124.43	124.54	124.54	124.54	125.62	125.64	125.81	125.81
Maximum daily treatment capacity (millions of gallons)	4	4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
General Government										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Community Service Center	1	1	1	1	1	1	1	1	1	1

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY HISTORICAL INFORMATION
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Schedule 18
Unaudited

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Taxable Value-Ad Valorem	\$ 208,725,517	\$ 224,269,239	\$ 238,602,015	\$ 227,057,132	\$ 214,579,630	\$ 221,574,763	\$ 206,199,563	\$ 209,406,132	\$ 209,156,252	\$ 211,844,001
Base Value	48,603,975	48,663,625	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,663,625
Captured Value	160,121,542	175,605,614	189,951,040	178,406,157	165,928,655	172,923,788	157,548,588	160,755,157	160,505,277	163,180,376
*Revenue shared with Township	136,746	154,344	168,833	176,761	169,826	316,446	304,938	275,632	276,671	284,264
*Revenue shared with other entities	507,179	608,850	665,869	735,201	705,432	1,079,582	1,270,429	1,188,895	782,377	1,259,201
Revenues										
Tax Revenue	\$ 2,940,331	\$ 3,481,027	\$ 3,401,772	\$ 3,624,633	\$ 3,440,887	\$ 2,433,722	\$ 2,226,781	\$ 2,207,667	\$ 2,247,120	\$ 2,357,679
Other	208,910	332,307	269,444	108,921	45,128	232,818	47,358	51,922	45,108	52,207
Total Revenue	3,149,241	3,813,334	3,671,216	3,733,554	3,486,015	2,666,540	2,274,139	2,259,589	2,292,228	2,409,886
Expenditures										
Community & Economic Development	926,712	1,884,356	3,986,582	1,576,478	4,297,057	1,216,214	985,280	586,009	558,820	466,104
Debt Service	118,064	116,551	120,039	118,388	107,236	89,325	133,943	136,505	162,032	163,488
Capital Outlay	595,350	821,227	11,367,077	1,964,396	14,150	-	11,298	20,397	150,826	69,649
Total Expenditures	1,640,126	2,822,134	15,473,698	3,659,262	4,418,443	1,305,539	1,130,521	742,911	871,678	699,241
Other Financing Sources (uses)										
Sale of Capital Assets	-	-	-	-	-	-	-	77,454	-	-
Land Contract	-	-	-	-	-	-	-	-	75,000	-
Bond Proceeds	-	-	8,995,149	-	2,540,000	-	-	-	-	-
Transfers Out to Debt Service Funds	(366,248)	(333,386)	(448,709)	(1,084,832)	(1,034,238)	(1,254,338)	(1,266,236)	(1,283,286)	(1,292,238)	(1,296,639)
Total other financing sources (uses)	(366,248)	(333,386)	8,546,440	(1,084,832)	1,505,762	(1,254,338)	(1,266,236)	(1,205,832)	(1,217,238)	(1,296,639)
Change in net position	1,142,867	657,814	(3,256,042)	(1,010,540)	573,334	106,663	(122,618)	310,846	203,312	414,006
Fund Balance										
Beginning of the year	2,835,728	3,978,595	4,636,409	1,380,367	369,827	943,161	1,049,824	927,206	1,238,052	1,441,364
End of the year	\$ 3,978,595	\$ 4,636,409	\$ 1,380,367	\$ 369,827	\$ 943,161	\$ 1,049,824	\$ 927,206	\$ 1,238,052	\$ 1,441,364	\$ 1,855,370

*DDA Revenue Sharing Agreement: DDA returns a percentage of captured revenue as follows - 2005 - 2010 = 20%; 2011 - 2015 = 40%; 2016 - 2020 = 60%; 2021 - 2024 = 75%