

Charter Township of Delhi

Holt, Michigan



Comprehensive Annual Financial Report

For the Year Ended December 31, 2008

Prepared by:

Accounting Department

CHARTER TOWNSHIP OF DELHI
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2008

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INTRODUCTORY SECTION



DELHI CHARTER TOWNSHIP

2074 AURELIUS ROAD
HOLT, MICHIGAN 48842

PHONE: (517) 694-2136
FAX: (517) 268-3069

March 26, 2009

To the Board of Trustees and the Citizens of Delhi Charter Township:

The Comprehensive Annual Financial Report (CAFR) for Delhi Charter Township, Michigan for the year ended December 31, 2008 is hereby submitted. The report represents a comprehensive and detailed picture of our financial transactions during fiscal year 2008 and the financial condition of the various funds as of the fiscal year end.

The Management of Delhi Charter Township is responsible for the accuracy of data, completeness, and fairness of the presentation, including all disclosures. Internal controls have been established for this purpose. Since the cost of internal control should not be greater than the benefits received, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, have issued an unqualified (“clean”) opinion on Delhi Charter Township’s financial statements for the year ended December 31, 2008. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of Delhi Charter Township

The Township was founded April 4, 1842 and is incorporated under the provisions of Public Act 359 of 1947 as amended. It became a Charter Township on September 18, 1961.

There are seven members elected to the Board of Trustees including a Supervisor (part-time), Clerk, Treasurer, and four Trustees. Board members serve four-year terms and have policy-making and legislative authority. The Board appoints the Township Manager who in turn appoints the department heads subject to confirmation by the Township Board.

The Township encompasses approximately 28.5 square miles and is located just south of Lansing, the capital city of Michigan. It is in close proximity to Michigan State University, Capitol City Airport, Lansing Community College, Cooley Law School, and two major hospitals. Population in 2008 was approximately 25,000 residents.

The following services are provided by the Township: fire and ambulance services; police services (contracted through Ingham County); parks and recreation; planning, building, and zoning, sanitary sewer collection and treatment, recycling, and cemetery. Public water is provided through the Lansing's Board of Water and Light; street lights are provided by either Consumers Power or Lansing's Board of Water and Light; public streets are under the jurisdiction of the Ingham County Road Commission; and public storm sewers are under the jurisdiction of the Ingham County Drain Commission.

The Board is required to adopt a final budget for the ensuing year by December 31st of the previous year. The budget is divided into various funds (e.g. general fund) and is adopted by departments (e.g. fire). Transfers between departments up to \$10,000 may be made by the Township Manager and reported to the Board at the next regular Board meeting. The Township Board must approve all budget amendments.

Local economy

During 2008, the State of Michigan continued to experience declines in revenue along with a very high unemployment rate at year end of 10.2%. This contributed to a downturn in certain aspects of the Township's financial resources. For example, the revenue the Township receives from the State of Michigan, which is based on several factors (sales tax received by the State is one), has continued to decline in every year since 2001 when revenue sharing accounted for 30% of the total General Fund budget. In 2008 state revenue sharing was 24% lower than it was in 2001. It is anticipated that these revenues will continue to decline.

The considerable growth in residential development that the Township experienced from 2000-2005 was substantially curtailed in 2006 and has continued to decline through 2008. The associated revenues in the Department of Community Development (building permits, mechanical permits, etc.) dramatically declined as well.

Although the taxable value of properties in the Township increased in 2007 and 2008 (revenue recognized in 2008 and 2009 respectively), 2009 taxable value is expected to decrease by approximately 3% which will impact 2010 revenues.

Also impacting property taxes is the rise in the number of foreclosed properties. There were 102 foreclosed properties in 2006, 141 in 2007, and 142 in 2008.

Long-term financial planning

The Township Board has adopted a reserve policy whereby the Township will strive to maintain an amount of unreserved fund balance in the General Fund of no less than fifteen (15) percent of general fund operating expenditures. Although fund balance in the General Fund decreased by \$303,164 in 2008, unreserved/undesignated fund balance at 12/31/08 was 32% of general fund expenditures (including transfers out).

The original General Fund budget projected a fund balance decrease of over \$500,000. However, the Township Board and management staff closely monitored the Township's reserves throughout the year and were successful in reducing this deficit while fully funding the actuarially determined annual contribution for retiree health care. The Board and staff will continue to closely monitor the Township's revenues and expenditures in 2009 and beyond.

In 2008, voters approved the dedicated millage for fire equipment and apparatus, and training. This millage provides funding for six years, through 2014.

Major initiatives

The digester improvement project at the Publicly Owned Treatment Plant (POTW) will be completed in 2009. At project end, there will be 6 new tanks (4 processing digesters and 2 holding tanks) and 2 micro-turbine generators. The new digesters will increase sludge processing capacity from 2.6 million gallons per day to 4.7 million. The new digesters will meet the anticipated growth for the next twenty years. Funding for this project is through a combination of government grants, loans, and sewer usage charges.

A new Senior Center is scheduled to open in mid 2009. The Delhi Downtown Development Authority has provided the funding for this project through bonds issued in 2008. The operating budget to run the new center is not expected to be significantly different from that of the current Senior Center.

Other capital improvements have been put on hold due to uncertain revenue streams.

Awards and acknowledgements

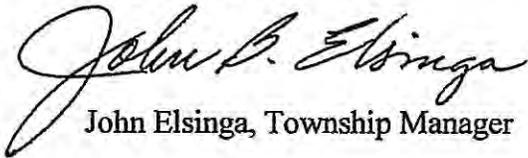
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Delhi Charter Township for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. This was the first year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the Township had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

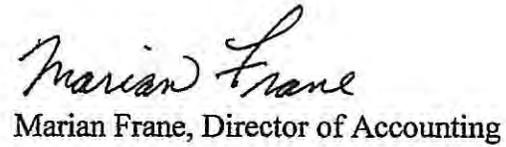
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In Addition, the Township received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its annual budget document dated December 31, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

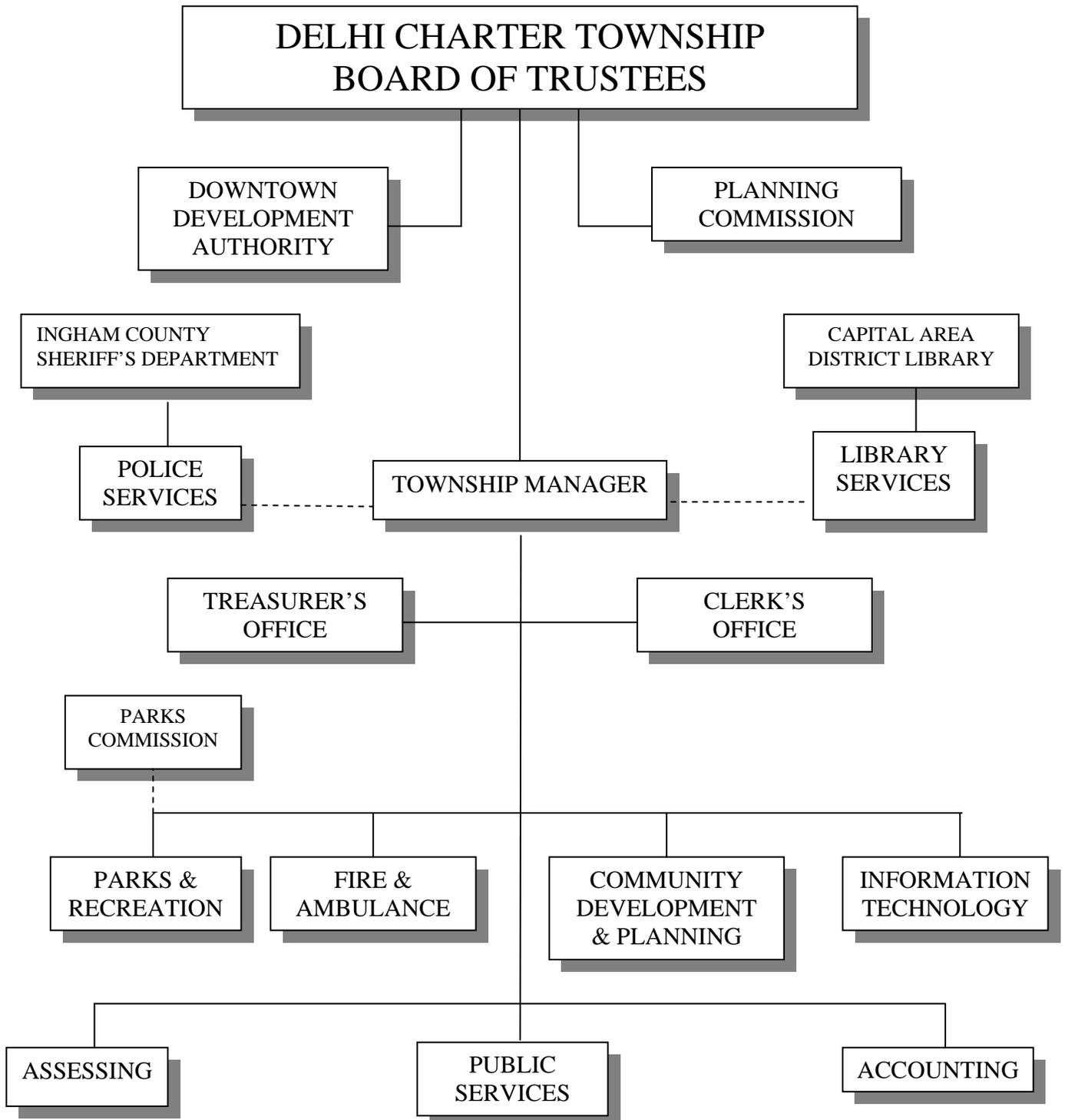
The preparation of this report would not have been possible without the dedicated service of the Accounting Department along with the excellent cooperation from all Departments. We wish to express our sincere appreciation to all staff members who assisted in the preparation of this report.

Respectfully submitted,


John Elsinga, Township Manager


Marian Frane, Director of Accounting

Delhi Charter Township Organizational Chart of Services



**Delhi Charter Township
List of Elected and Appointed Officials
December 31, 2008**

Board of Trustees

Supervisor	Stuart Goodrich
Clerk.....	Evan Hope
Treasurer.....	Harry R. Ammon
Trustee	Derek Bajema
Trustee.....	John Hayhoe
Trustee.....	Jerry Ketchum
Trustee.....	Roy Sweet

Executive Staff

Township Manager.....	John Elsinga
Accounting Director.....	Marian Frane
Assessor	Vacant
Asst Twp Mgr for Human Resources	Wendy Thielen
Community Development Director	Tracy Miller
Downtown Dev Auth Exec Director	Al McFadyen
Fire Chief.....	Rick Royston
Information Technology Director	Jim Felton
Parks & Recreation Director.....	Mark Jenks
Public Services Director	Sandra Diorka

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charter Township of Delhi
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

April 24, 2009

The Board of Trustees
Charter Township of Delhi
Holt, Michigan

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, MICHIGAN**, as of and for the year ended December 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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 the Charter Township of Delhi, Michigan, as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-12 and the GASB Statement 45 schedules on page 53 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2009, on our consideration of the Township's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Delhi's basic financial statements. The introductory section, combining and individual fund financial statements and budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Lehmann Johnson".

MANAGEMENT'S DISCUSSION and ANALYSIS

Management's Discussion and Analysis

As management of Delhi Charter Township, 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, 2008.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$47,856,099 (*net assets*). Of this amount, \$6,839,022 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$544,906.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,653,865, a decrease of \$1,080,166 in comparison with the prior year. Over 98% of this total amount, or \$3,605,930, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$2,542,428 or 36 percent of total general fund expenditures (not including operating transfers out).
- The Township's total bonded debt increased by \$6,436,158 during the current fiscal year; \$7,407,158 in new bonded debt was issued and \$971,000 of existing debt was retired.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other 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 assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., 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 legislative, general government, public safety, public works, and parks and recreation. The business-type activities of the Township include sewer and community development 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 13-15 of this report.

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

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

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

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

The Township adopts an annual appropriated budget for its general 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 16-22 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 uses two enterprise funds - one to account for its sanitary sewer operations and the other for community development. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township’s various functions. 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 23-26 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 27-28 of this report.

Notes to the 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 31-52 of this report.

Other information. In addition to the basic financial statements and accompanying note, this report also presents certain required 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 53-69 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of Delhi Charter Township, assets exceeded liabilities by \$47,856,099 at the close of the most recent fiscal year.

By far the largest portion of the Township’s net assets (80 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Delhi Charter Township’s Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$8,662,110	\$9,454,295	\$6,313,233	\$7,485,075	\$14,975,343	\$16,939,370
Capital assets, net	7,501,160	7,180,262	51,534,813	44,105,255	59,035,973	51,285,517
Total assets	16,163,270	16,634,557	57,848,046	51,590,330	74,011,316	68,224,887
Long-term liabilities	2,023,679	2,661,141	16,760,879	10,955,657	18,784,558	13,616,798
Other liabilities	4,877,153	4,440,917	2,493,506	1,766,167	7,370,659	6,207,084
Total liabilities	6,900,832	7,102,058	19,254,385	12,721,824	26,155,217	19,823,882
Net assets:						
Invested in capital assets, net of related debt	5,141,128	4,298,842	33,175,333	32,052,918	38,316,461	36,351,760
Restricted	82,188	1,845,176	2,618,428	3,439,345	2,700,616	5,284,521
Unrestricted	4,039,122	3,388,481	2,799,900	3,376,243	6,839,022	6,764,724
Total Net Assets	\$9,262,438	\$9,532,499	\$38,593,661	\$38,868,506	\$47,856,099	\$48,401,005

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

The government's net assets decreased by \$544,905 during the current fiscal year. The majority of this decrease is a result of reduced revenues due to the economic downturn exceeding ongoing expenses. About 50% of the decrease in net assets is a result of governmental activities and 50% is a result of business-type activities.

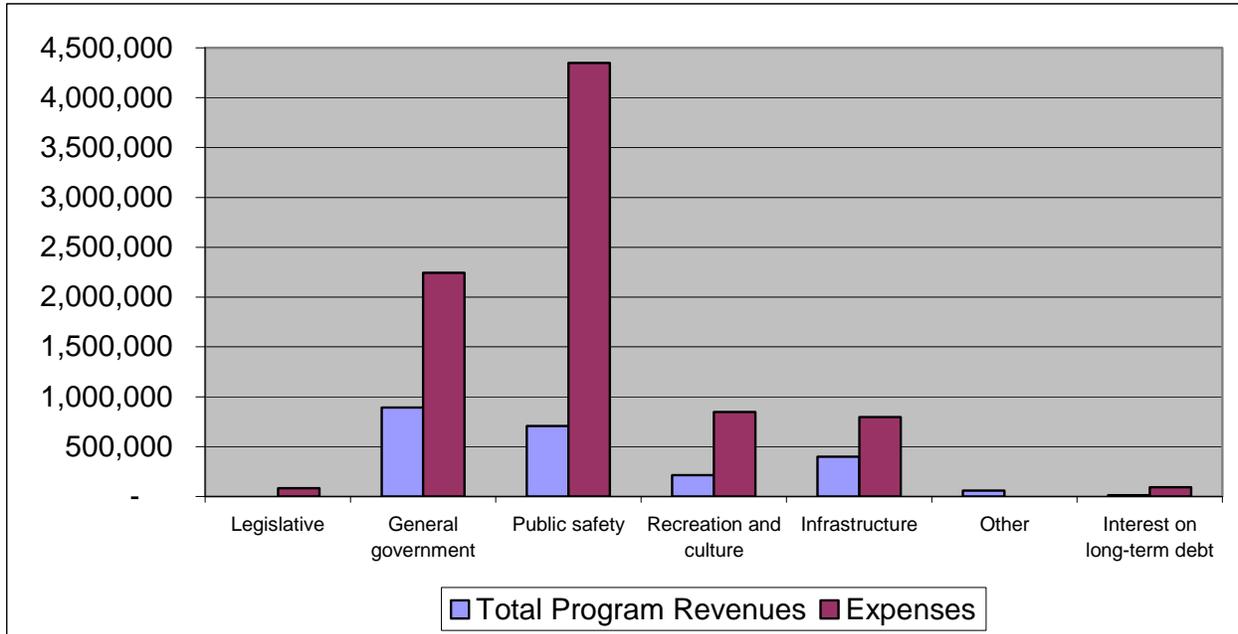
Delhi Charter Township's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenue:						
Program revenues:						
Charges for services	\$ 1,705,407	\$ 1,556,914	\$ 5,082,619	\$ 5,423,599	\$ 6,788,026	\$ 6,980,513
Operating grants and contributions	155,846	217,929	389,390	493,867	545,236	711,796
Capital grants and contributions	421,038	258,803	401,403	322,539	822,441	581,342
General revenues:						
Property taxes	3,631,229	3,482,728	-	-	3,631,229	3,482,728
State shared revenue	1,762,721	1,765,856	-	-	1,762,721	1,765,856
Unrestricted grants and contributions	545,943	536,536	4,006	258,278	549,949	794,814
Other	153,566	468,821	-	-	153,566	468,821
Total revenues	8,375,750	8,287,587	5,877,418	6,498,283	14,253,168	14,785,870
Expenses:						
Legislative	83,758	61,598	-	-	83,758	61,598
General government	2,243,486	2,248,507	-	-	2,243,486	2,248,507
Public safety	4,348,348	4,083,262	-	-	4,348,348	4,083,262
Recreation and cultural	846,039	823,026	-	-	846,039	823,026
Infrastructure	797,885	467,234	-	-	797,885	467,234
Other governmental activities	-	16,410	-	-	-	16,410
Interest on long-term debt	91,009	103,955	-	-	91,009	103,955
Sewer	-	-	5,700,904	5,493,927	5,700,904	5,493,927
Community Development	-	-	686,645	698,192	686,645	698,192
Total expenses	8,410,525	7,803,992	6,387,549	6,192,119	14,798,074	13,996,111
Increase (decrease) in net assets before transfers	(34,775)	483,595	(510,131)	306,164	(544,906)	789,759
Transfers in (out)	(235,286)	(122,486)	235,286	122,486	-	-
Increase (decrease) in net assets	(270,061)	361,109	(274,845)	428,650	(544,906)	789,759
Net assets -beginning of year	9,532,499	9,171,390	38,868,506	38,439,856	48,401,005	47,611,246
Net assets - end of year	\$ 9,262,438	\$ 9,532,499	\$ 38,593,661	\$ 38,868,506	\$ 47,856,099	\$ 48,401,005

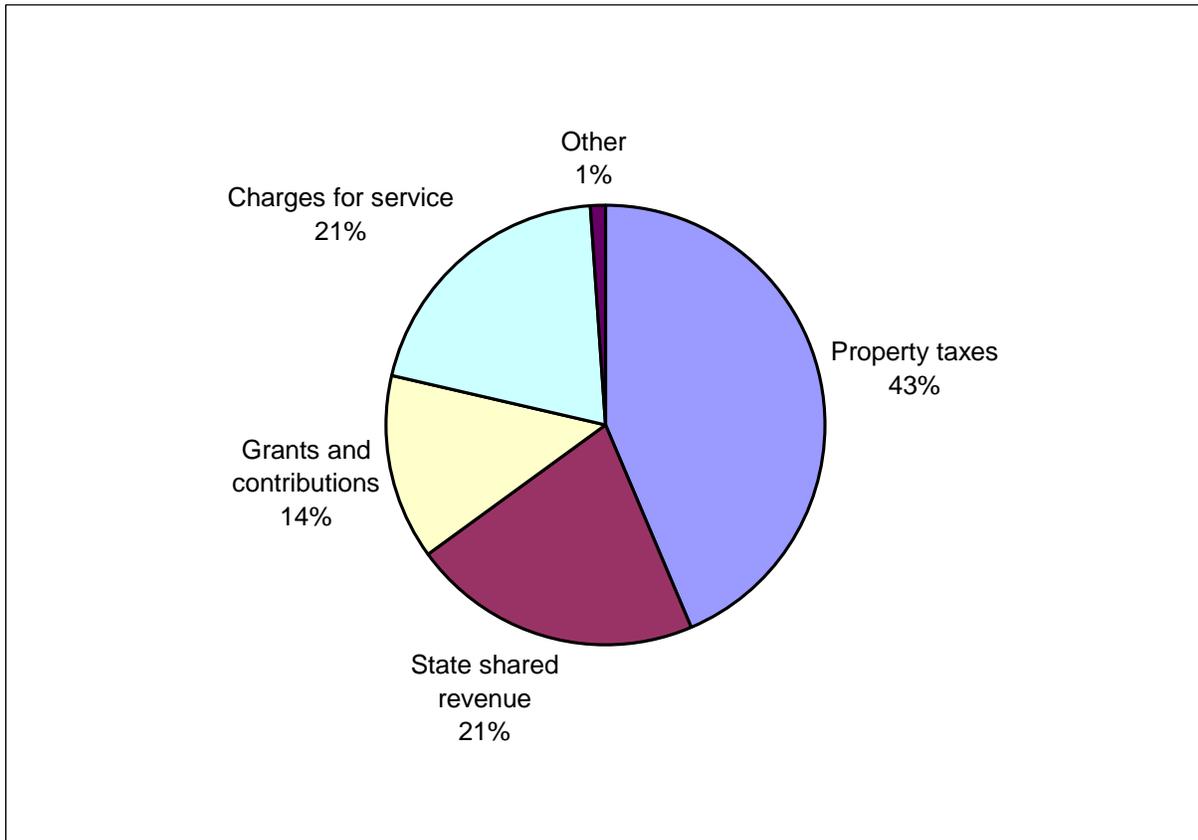
Governmental activities. Governmental activities decreased the Township's net assets by \$270,061 during fiscal year 2008. Key elements of this net decrease are:

- Charges for Services increased by approximately \$148,000 with the bulk of the increase (\$105,000) coming from ambulance fees
- Property tax increased by \$150,000
- Other revenues declined by \$315,000. Interest revenues were down by \$133,000 and gains on the sale of fire equipment was down by \$188,000.
- Public safety expenses increased by \$260,000.
- Infrastructure expenses were up by \$330,000 due to increased spending for street and sidewalk repairs and water mains.

Expenses and Program Revenues - Governmental Activities



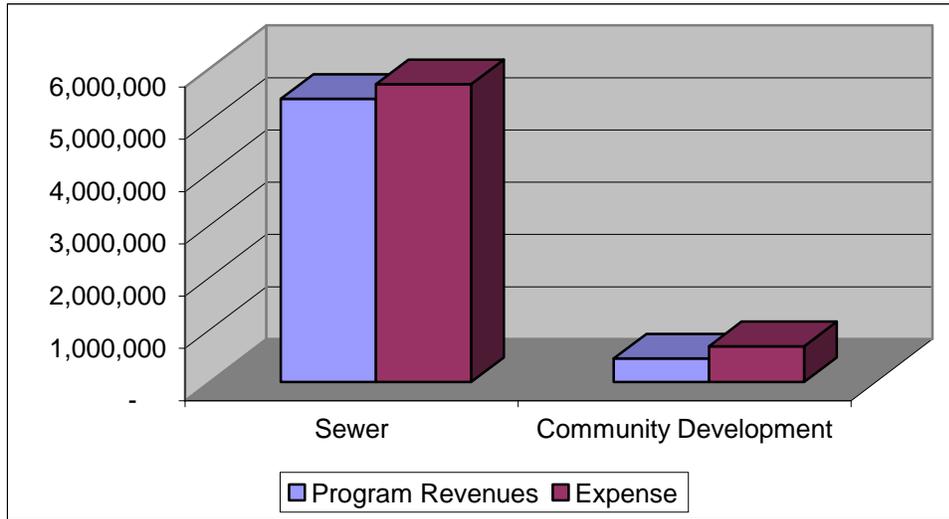
Revenues by Source - Governmental Activities



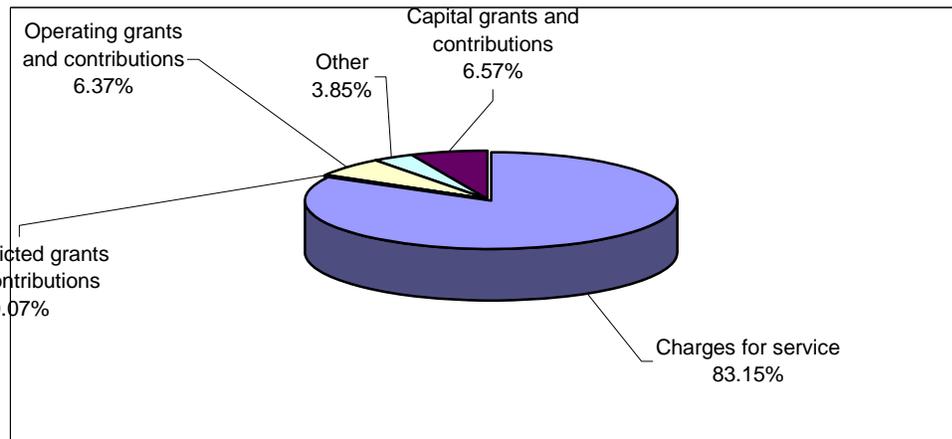
Business-type activities. Business-type activities decreased the Township’s net assets by \$274,844 during fiscal year 2008. Key elements of this decrease are:

- Charges for services were down by \$340,980. Approximately \$272,000 was due to a decrease in construction and sewer permits, while \$63,000 was attributable to a decrease in sewer use charges.
- Sewer expenses were up about \$207,000.
- The transfer from the General Fund to Community Services increases by about \$113,000.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the Government’s Funds

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

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

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,653,865, a decrease of \$1,080,166 in comparison with the prior year. Over 98 percent of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for prepaid expenditures (\$47,935).

The General Fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,542,428 while total fund balance was \$2,585,691. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 36 percent of total general fund expenditures.

The fund balance in the Township's General Fund decreased by \$303,164 during the current fiscal year. Key factors for this decrease are:

- Revenues from property taxes increased by \$132,000.
- Ambulance fees increased by \$105,000.
- Interest revenue declined by \$116,000.
- Public safety expenditures were up by \$260,000.
- Contributed \$109,000 to a trust fund to fully fund the 2008 OPEB liability.
- Actual revenues were 1% greater than budgeted and expenditures were 1% less than budgeted.

The fund balance in the Parks and Recreation fund remained at \$10,571, which is the same amount as at 12/31/07. This is by design and accomplished through transfers from the General Fund. The transfer required from the General Fund to maintain this amount was \$595,388, an increase of \$3,172.

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 assets of the Sewer Fund at the end of the year amounted to \$38,575,283; a decrease for the year of \$274,844. 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 \$69,310 (less than 1%) in appropriations (including operating transfers out) between the original and final amended budget. This decrease was a combination of the following increases and decreases in appropriations:

- \$82,000 additional transfer to the Community Development to cover reduced revenues;
- \$109,00 increase for retiree benefits to fully fund the OPEB liability;
- \$107,000 decrease in salaries, part-time help, and overtime due to vacancies, outsourcing janitorial services, and converting a full time to position to part time;
- \$72,000 decrease in street and sidewalk improvements;
- \$43,000 decrease in health benefits from a change to high deductible plan with a health savings account

Additionally, budgeted revenues (including other financing sources) decreased by \$67,560 as follows:

- \$50,000 more in state revenue sharing
- \$60,000 more in ambulance fees
- \$112,000 less in interest
- \$213,000 less in contributions from the Downtown Development Authority
- \$120,000 more in special assessments
- \$22,000 more in delinquent tax collections and tax administration fees

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, 2008, amounted to \$59,035,973 (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 increase in the Township's investment in capital assets for the current fiscal year was 15.1 percent (a 4.5 percent decrease for governmental activities and a 16.8 percent increase for business-type activities).

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

- Playground equipment in Valhalla Park for \$120,786.
- 50 defibrillator devices for \$64,253.
- Velocity pumper for \$566,644.
- Added several sewer mains for \$775,270.

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

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,585,364	\$ 1,585,364	\$ 776,635	\$ 776,635	\$ 2,361,999	\$ 2,361,999
Infrastructure systems	340,289	350,297	37,746,319	38,669,106	38,086,608	39,019,403
Buildings and improvements	3,000,456	3,167,403	1,183,205	1,219,434	4,183,661	4,386,837
Land improvements	1,233,830	1,230,785	-	-	1,233,830	1,230,785
Machinery and equipment	283,964	249,818	139,532	160,509	423,496	410,327
Furniture and office equipment	73,837	95,250	54,125	75,408	127,962	170,658
Computer equipment and programs	27,841	34,635	72,665	129,314	100,506	163,949
Vehicles	955,579	466,710	333,751	416,197	1,289,330	882,907
Construction in progress	-	-	11,228,581	2,658,652	11,228,581	2,658,652
Total	\$ 7,501,160	\$ 7,180,262	\$ 51,534,813	\$ 44,105,255	\$ 59,035,973	\$ 51,285,517

Additional information on the Township's capital assets can be found in note 3-C on pages 39-41 of this report.

Long-term debt. At the end of the current fiscal year, the Township had total debt outstanding of \$20,719,512. Of this amount, \$9,290,001 comprises debt backed by the full faith and credit of the government.

Delhi Charter Township's Outstanding Debt

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 1,732,511	\$ 2,178,303	\$ 7,557,490	\$ 6,931,698	\$ 9,290,001	\$ 9,110,001
Special assessment bonds	90,578	120,771	314,421	435,229	404,999	556,000
Revenue bonds	-	-	7,687,569	1,280,410	7,687,569	1,280,410
Other long-term debt	536,943	582,347	2,800,000	3,405,000	3,336,943	3,987,347
Total	\$ 2,360,032	\$ 2,881,421	\$ 18,359,480	\$ 12,052,337	\$ 20,719,512	\$ 14,933,758

The Township's total bonded debt increased by \$6,436,158 (59 percent), up to \$17,382,569 during 2008. The increase is a result of the Township's participation in a State Revolving Fund low interest loan program whereby up to \$9,850,000 in revenue bonds will be issued as needed. As of 12/31/08, \$7,687,569 had been borrowed.

The Township has an "AA-" rating from Standard & Poor's. 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 assessed valuation. The current debt limitation for the Township is \$90,305,100, which is significantly in excess of the Township's outstanding general obligation debt of \$32,971,911.

Additional information on the Township's long-term debt can be found in note 3-F on pages 43-48 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 2009 fiscal year:

- The emphasis on reducing costs yet providing quality services to our citizens continued to be a major consideration in the 2009 budget development.
- Contain health care costs by continuation of the Township's high deductible health plan with the phasing down of employer contributions to employees' health savings accounts.
- Consideration of millages for public safety, recreation, and roads.
- Continue to assessing staffing needs whenever a vacancy occurs.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$2,542,428. The Township has appropriated \$855,420 of this amount for spending in the 2009 fiscal year budget. Such appropriation is intended to offset modest revenue increases that do not keep up with increasing costs to maintain the current service commitments to the public.

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 Director of Accounting, 2074 Aurelius Road, Holt, Michigan 48842-6320. Phone (517) 268-3021. E-mail: marian.frane@delhitownship.com.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets
December 31, 2008

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 1,557,886	\$ 862,792	\$ 2,420,678	\$ 55,108
Investments	1,706,670	3,804,317	5,510,987	3,401,681
Receivables, net	5,337,668	1,445,766	6,783,434	3,493,697
Prepays and other assets	59,886	200,358	260,244	12,104
Capital assets not being depreciated	1,585,364	12,005,216	13,590,580	14,912,611
Capital assets being depreciated, net	5,915,796	39,529,597	45,445,393	4,279,381
Total assets	16,163,270	57,848,046	74,011,316	26,154,582
Liabilities				
Accounts payable and accrued expenses	377,483	894,275	1,271,758	2,855,631
Unearned revenue	3,825,703	630	3,826,333	2,799,092
Long-term liabilities:				
Due within one year	673,967	1,598,601	2,272,568	701,159
Due in more than one year	2,023,679	16,760,879	18,784,558	11,972,117
Total liabilities	6,900,832	19,254,385	26,155,217	18,327,999
Net assets				
Invested in capital assets, net of related debt	5,141,128	33,175,333	38,316,461	6,534,594
Restricted for:				
Debt service	82,188	487,362	569,550	-
Replacement and special assessments	-	2,131,066	2,131,066	-
Unrestricted	4,039,122	2,799,900	6,839,022	1,291,989
Total net assets	\$ 9,262,438	\$ 38,593,661	\$ 47,856,099	\$ 7,826,583

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

CHARTER TOWNSHIP OF DELHI
Statement of Activities
For the Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities:					
Legislative	\$ 83,758	\$ -	\$ -	\$ -	\$ (83,758)
General government	2,243,486	892,589	-	-	(1,350,897)
Public safety	4,348,348	677,948	29,035	-	(3,641,365)
Recreation and cultural	846,039	134,870	80,363	-	(630,806)
Public works	797,885	-	10,356	386,867	(400,662)
Other governmental activities	-	-	32,818	26,937	59,755
Interest on long-term debt	91,009	-	3,274	7,234	(80,501)
Total governmental activities	<u>8,410,525</u>	<u>1,705,407</u>	<u>155,846</u>	<u>421,038</u>	<u>(6,128,234)</u>
Business-type activities:					
Sewer	5,700,904	4,802,468	218,183	401,403	(278,850)
Community development	686,645	280,151	171,207	-	(235,287)
Total business-type activities:	<u>6,387,549</u>	<u>5,082,619</u>	<u>389,390</u>	<u>401,403</u>	<u>(514,137)</u>
Total primary government	<u>\$ 14,798,074</u>	<u>\$ 6,788,026</u>	<u>\$ 545,236</u>	<u>\$ 822,441</u>	<u>\$ (6,642,371)</u>
Component units					
Brownfield redevelopment	\$ 194,956	\$ -	\$ 208	\$ -	\$ (194,748)
Downtown development	3,437,497	30,311	239,428	-	(3,167,758)
Total component units	<u>\$ 3,632,453</u>	<u>\$ 30,311</u>	<u>\$ 239,636</u>	<u>\$ -</u>	<u>\$ (3,362,506)</u>

continued...

CHARTER TOWNSHIP OF DELHI
Statement of Activities (Concluded)
For the Year Ended December 31, 2008

<u>Functions/Programs</u>	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Changes in net assets				
Net (expense) revenue	\$ (6,128,234)	\$ (514,137)	\$ (6,642,371)	\$ (3,362,506)
General revenues:				
Property taxes	3,631,229	-	3,631,229	3,598,662
Unrestricted State shared revenue	1,762,721	-	1,762,721	-
Grants and contributions not restricted to specific programs	545,943	4,006	549,949	-
Unrestricted investment earnings	179,694	-	179,694	-
(Loss) on sale of capital assets	(26,128)	-	(26,128)	-
Transfers - internal activities	(235,286)	235,286	-	-
Total general revenues and transfers	5,858,173	239,292	6,097,465	3,598,662
Change in net assets	(270,061)	(274,845)	(544,906)	236,156
Net assets, beginning of year	9,532,499	38,868,506	48,401,005	7,590,427
Net assets, end of year	<u>\$ 9,262,438</u>	<u>\$ 38,593,661</u>	<u>\$ 47,856,099</u>	<u>\$ 7,826,583</u>

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

FUND FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF DELHI
Balance Sheet
Governmental Funds
December 31, 2008

	General	Fire Equipment Replacement Millage	Nonmajor Funds	Totals
Assets				
Cash and cash equivalents	\$ 549,609	\$ 381,632	\$ 526,582	\$ 1,457,823
Investments	1,605,216	100,063	101,454	1,806,733
Taxes receivable	3,172,066	391,144	445,150	4,008,360
Special assessments receivable	100,490	-	740,720	841,210
Other receivables	235,900	2,019	71,415	309,334
Due from other funds	29,600	-	-	29,600
Due from component unit	178,764	-	-	178,764
Prepays	43,263	-	4,672	47,935
	TOTAL ASSETS	\$ 874,858	\$ 1,889,993	\$ 8,679,759
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 180,935	\$ 9	\$ 82,016	\$ 262,960
Accrued liabilities	81,864	-	9,102	90,966
Due to other funds	-	-	29,600	29,600
Deferred revenue	3,066,418	402,127	1,173,823	4,642,368
	Total liabilities	402,136	1,294,541	5,025,894
Fund balances				
Reserved for prepaids	43,263	-	4,672	47,935
Unreserved, designated for debt service				
Special revenue fund	-	-	407,773	407,773
Unreserved:				
Designated for drain improvements	66,352	-	-	66,352
Undesignated	2,476,076	472,722	-	2,948,798
Undesignated, reported in nonmajor:				
Special revenue funds	-	-	100,819	100,819
Debt service funds	-	-	82,188	82,188
	Total fund balances	472,722	595,452	3,653,865
	TOTAL LIABILITIES AND FUND BALANCES	\$ 874,858	\$ 1,889,993	\$ 8,679,759

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

CHARTER TOWNSHIP OF DELHI
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2008

Fund balances - total governmental funds	\$ 3,653,865
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Amounts reported for *governmental activities* in the statement of net assets are different because:

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

Add: capital assets not being depreciated	1,585,364
Add: capital assets being depreciated, net	5,915,796

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 deferred revenues in the governmental funds, and thus are not included in fund balance.

Add: deferred long-term receivables	816,665
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable and other long-term debt	(2,360,032)
Subtract: compensated absences	(337,614)
Subtract: accrued interest on long-term liabilities	(23,557)
Add: unamortized bond issue costs on refunding	11,951

Net assets of governmental activities	\$ <u>9,262,438</u>
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The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Fire Equipment Replacement Millage	Nonmajor Funds	Totals
Revenue				
Taxes	\$ 2,822,048	\$ 393,294	\$ 415,887	\$ 3,631,229
Special assessments	379,464	-	34,171	413,635
Intergovernmental	1,886,942	62,995	85,030	2,034,967
Licenses and permits	15,965	-	-	15,965
Charges for services	1,513,559	-	146,870	1,660,429
Interest	179,694	28,722	19,423	227,839
Other	697,105	-	70,606	767,711
Total revenue	7,494,777	485,011	771,987	8,751,775
Expenditures				
Current:				
Legislative	83,758	-	-	83,758
General government	2,073,343	-	-	2,073,343
Public safety	3,861,734	240,925	-	4,102,659
Infrastructure	579,515	-	3,362	582,877
Recreation and cultural	-	-	706,826	706,826
Other	333,332	-	-	333,332
Debt service:				
Principal	12,150	-	509,239	521,389
Interest	-	-	87,808	87,808
Capital outlay	24,535	748,641	334,687	1,107,863
Total expenditures	6,968,367	989,566	1,641,922	9,599,855
Revenue over (under) expenditures	526,410	(504,555)	(869,935)	(848,080)
Other financing sources (uses)				
Proceeds from sale of capital assets	1,100	100	2,000	3,200
Transfers in	-	-	595,388	595,388
Transfers out	(830,674)	-	-	(830,674)
Total other financing sources (uses)	(829,574)	100	597,388	(232,086)
Net change in fund balances	(303,164)	(504,455)	(272,547)	(1,080,166)
Fund balances, beginning of year	2,888,855	977,177	867,999	4,734,031
Fund balances, end of year	\$ 2,585,691	\$ 472,722	\$ 595,452	\$ 3,653,865

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

CHARTER TOWNSHIP OF DELHI
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008

Net change in fund balances - total governmental funds \$ (1,080,166)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	902,862
Subtract: depreciation expense	(552,636)
Subtract: proceeds from sale of capital assets	(3,200)
Subtract: loss on disposal of capital assets	(26,128)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Add: change in deferred special assessments receivable	7,403
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities	521,389
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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 governmental funds.

Subtract: change in accrued interest on bonds and deferred loss on refunding	(3,201)
Subtract: increase in the accrual of compensated absences	(36,384)

Change in net assets of governmental activities	\$ (270,061)
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The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes	\$ 2,811,400	\$ 2,823,700	\$ 2,822,048	\$ (1,652)
Special assessments	256,740	376,300	379,464	3,164
Intergovernmental	2,038,000	1,875,850	1,886,942	11,092
Licenses and permits	15,800	16,100	15,965	(135)
Charges for services	1,403,590	1,485,270	1,513,559	28,289
Interest	273,500	162,000	179,694	17,694
Other	700,380	691,530	697,105	5,575
Total revenue	7,499,410	7,430,750	7,494,777	64,027
Expenditures				
Legislative:				
Board of Trustees	88,660	83,450	83,758	308
General government:				
Supervisor	329,690	326,490	324,357	(2,133)
Accounting	187,210	180,720	177,573	(3,147)
Clerk	309,110	322,530	315,846	(6,684)
Computer	259,660	190,020	168,006	(22,014)
Treasurer	313,320	271,680	268,267	(3,413)
Assessor	329,100	285,940	276,564	(9,376)
Elections	78,780	83,870	83,736	(134)
Building and grounds	399,130	383,850	380,134	(3,716)
Cemetery	108,990	87,300	78,860	(8,440)
Total general government	2,314,990	2,132,400	2,073,343	(59,057)
Public safety:				
Police	2,343,060	2,343,060	2,340,410	(2,650)
Fire	1,538,470	1,556,710	1,521,324	(35,386)
Total public safety	3,881,530	3,899,770	3,861,734	(38,036)
Infrastructure	717,299	604,549	579,515	(25,034)

CHARTER TOWNSHIP OF DELHI
Budget and Actual (Concluded)
Budget and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual over (under) Final Budget</u>
Expenditures (concluded)				
Other	\$ 215,480	\$ 322,620	\$ 333,332	\$ 10,712
Debt service - principal	12,151	12,151	12,150	(1)
Capital outlay	26,000	20,930	24,535	3,605
Total expenditures	7,256,110	7,075,870	6,968,367	(107,503)
Revenue over expenditures	243,300	354,880	526,410	171,530
Other financing sources (uses)				
Proceeds from sale of capital assets	-	1,100	1,100	-
Transfers out	(744,290)	(855,220)	(830,674)	24,546
Total other financing (uses)	(744,290)	(854,120)	(829,574)	24,546
Net change in fund balances	(500,990)	(499,240)	(303,164)	196,076
Fund balance, beginning of year	2,888,855	2,888,855	2,888,855	-
Fund balance, end of year	\$ 2,387,865	\$ 2,389,615	\$ 2,585,691	\$ 196,076

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

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Equipment Replacement Fund
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenue				
Taxes	\$ 392,800	\$ 392,800	\$ 393,294	\$ 494
Intergovernmental	-	62,900	62,995	95
Interest	20,000	27,000	28,722	1,722
Total revenue	412,800	482,700	485,011	2,311
Expenditures				
Public safety	228,480	234,850	240,925	6,075
Capital outlay	184,000	759,580	748,641	(10,939)
Total expenditures	412,480	994,430	989,566	(4,864)
Revenue over (under) expenditures	320	(511,730)	(504,555)	7,175
Other financing sources				
Proceeds from sale of capital assets	11,000	-	100	100
Net change in fund balances	11,320	(511,730)	(504,455)	7,275
Fund balance, beginning of year	977,177	977,177	977,177	-
Fund balance, end of year	\$ 988,497	\$ 465,447	\$ 472,722	\$ 7,275

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

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets
Enterprise Funds
December 31, 2008

	<u>Nonmajor Fund</u>		<u>Total</u>
	<u>Sewer</u>	<u>Community Development</u>	
Assets			
Current assets:			
Cash and cash equivalents	\$ 66,639	\$ 85,550	\$ 152,189
Investments	1,896,492	-	1,896,492
Special assessments receivable	538,856	23,287	562,143
Other receivables	883,592	32	883,624
Prepays	25,162	4,020	29,182
Other assets	171,175	-	171,175
Total current assets	<u>3,581,916</u>	<u>112,889</u>	<u>3,694,805</u>
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Debt service cash and cash equivalents	487,362	-	487,362
Replacement and special assessments cash and cash equivalents	223,241	-	223,241
Replacement and special assessments investments	1,907,825	-	1,907,825
Capital assets not being depreciated	12,005,216	-	12,005,216
Capital assets being depreciated, net	39,514,758	14,839	39,529,597
Total noncurrent assets	<u>54,138,402</u>	<u>14,839</u>	<u>54,153,241</u>
 Total assets	 <u>57,720,318</u>	 <u>127,728</u>	 <u>57,848,046</u>
Liabilities			
Current liabilities:			
Accounts payable	460,321	36,632	496,953
Accrued liabilities	136,167	72,088	208,255
Interest payable	156,209	-	156,209
Deposits payable	14,116	-	14,116
Undistributed receipts	18,742	-	18,742
Unearned revenue	-	630	630
Current portion of long-term debt	1,598,601	-	1,598,601
Total current liabilities	<u>2,384,156</u>	<u>109,350</u>	<u>2,493,506</u>
Long-term liabilities:			
Due in more than one year	16,760,879	-	16,760,879
 Total liabilities	 <u>19,145,035</u>	 <u>109,350</u>	 <u>19,254,385</u>
Net assets			
Invested in capital assets, net of related debt	33,160,494	14,839	33,175,333
Restricted for:			
Replacement	1,924,722	-	1,924,722
Debt service	487,362	-	487,362
Special assessments	206,344	-	206,344
Unrestricted	2,796,361	3,539	2,799,900
 Total net assets	 <u>\$ 38,575,283</u>	 <u>\$ 18,378</u>	 <u>\$ 38,593,661</u>

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

CHARTER TOWNSHIP OF DELHI
Statement of Revenue, Expenses
and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2008

	Sewer	Nonmajor Fund Community Development	Total
Operating revenue			
Charges for services	\$ 4,600,990	\$ 93,512	\$ 4,694,502
Permits and fees	179,924	186,639	366,563
Other operating revenue	10,904	170,892	181,796
Total operating revenue	4,791,818	451,043	5,242,861
Operating expense			
Cost of services	3,135,049	683,070	3,818,119
Depreciation	1,969,056	3,575	1,972,631
Total operating expense	5,104,105	686,645	5,790,750
Operating loss	(312,287)	(235,602)	(547,889)
Non-operating revenue (expenses)			
Non-operating grants	4,006	-	4,006
Interest and rentals	228,833	315	229,148
Interest expense	(596,799)	-	(596,799)
Total non-operating revenue (expenses)	(363,960)	315	(363,645)
Net loss before capital contributions and transfers	(676,247)	(235,287)	(911,534)
Capital contributions	401,403	-	401,403
Transfers in	-	235,286	235,286
Change in net assets	(274,844)	(1)	(274,845)
Net assets, beginning of year	38,850,127	18,379	38,868,506
Net assets, end of year	\$ 38,575,283	\$ 18,378	\$ 38,593,661

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

CHARTER TOWNSHIP OF DELHI
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2008

	Sewer	Nonmajor Fund Community Development	Total
Cash flows from operating activities			
Cash received from customers	\$ 4,829,758	\$ 426,181	\$ 5,255,939
Cash payments to suppliers for goods and services	(1,869,814)	(240,444)	(2,110,258)
Cash payments to employees for services	(934,811)	(407,960)	(1,342,771)
Net cash provided by (used in) operating activities	2,025,133	(222,223)	1,802,910
Cash flows from capital and related financing activities			
Nonoperating grants	4,006	-	4,006
Purchase of capital assets	(8,987,762)	(13,024)	(9,000,786)
Proceeds from bonds	7,407,159	-	7,407,159
Interest payments	(596,799)	-	(596,799)
Principal payments	(1,100,016)	-	(1,100,016)
Net cash used by capital and related financing activities	(3,273,412)	(13,024)	(3,286,436)
Cash flows from non-capital and related financing activities			
Transfers in	-	235,286	235,286
Cash flows from investing activities			
Proceeds from maturities of investments	195,283	-	195,283
Interest and rental earnings	228,833	315	229,148
Net cash provided by investing activities	424,116	315	424,431
Net increase (decrease) in cash and cash equivalents	(824,163)	354	(823,809)
Cash and cash equivalents, beginning of year	1,601,405	85,196	1,686,601
Cash and cash equivalents, end of year	<u>\$ 777,242</u>	<u>\$ 85,550</u>	<u>\$ 862,792</u>
Statement of Net Assets classification of cash:			
Cash and cash equivalents	\$ 66,639	\$ 85,550	\$ 152,189
Restricted cash and cash equivalents	710,603	-	710,603
	<u>\$ 777,242</u>	<u>\$ 85,550</u>	<u>\$ 862,792</u>

CHARTER TOWNSHIP OF DELHI
Statement of Cash Flows
Enterprise Funds (Concluded)
For the Year Ended December 31, 2008

	Sewer	<u>Non-Major Fund Community Development</u>	Total
Cash flows from operating activities			
Operating loss	\$ (312,287)	\$ (235,602)	\$ (547,889)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,969,056	3,575	1,972,631
(Increase) decrease in:			
Special assessments receivable	26,379	12,161	38,540
Other receivables	11,561	247	11,808
Prepaid expenses	60,146	10,012	70,158
Other assets	32,244	-	32,244
Increase (decrease) in:			
Accounts payable	207,018	12,039	219,057
Accrued expenses	55,996	12,615	68,611
Deposits payable	(24,980)	-	(24,980)
Unearned revenue	-	(37,270)	(37,270)
Net cash provided by (used in) operating activities	<u>\$ 2,025,133</u>	<u>\$ (222,223)</u>	<u>\$ 1,802,910</u>

Non-cash transactions:

Contributions of capital assets amounting to \$401,403 were made during the year 2008 to record the cost of sewer systems accepted by the Township from various developers.

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

CHARTER TOWNSHIP OF DELHI
Statement of Fiduciary Net Assets
December 31, 2008

	Private Purpose Trust Cemetery	Agency Funds
Assets		
Cash and cash equivalents	\$ 76,707	\$ 16,455,006
Taxes receivable	-	16,184,586
Total assets	76,707	\$ 32,639,592
Liabilities		
Due to other governments	-	\$ 31,901,667
Undistributed receipts	179	737,925
Total liabilities	179	\$ 32,639,592
Net assets		
Held in trust for individuals	\$ 76,528	

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

CHARTER TOWNSHIP OF DELHI
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Year Ended December 31, 2008

	Private Purpose Trust Cemetery
Additions	
Interest	\$ 1,325
Deductions	
Cemetery perpetual care	303
Change in net assets	1,022
Net assets, beginning of year	75,506
Net assets, end of year	\$ 76,528

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

CHARTER TOWNSHIP OF DELHI
Combining Statement of Net Assets
Component Units
December 31, 2008

	Brownfield Redevelopment Authority	Downtown Development Authority	Total
Assets			
Cash and cash equivalents	\$ 7,606	\$ 47,502	\$ 55,108
Investments	-	3,401,681	3,401,681
Receivables, net	165,360	3,328,337	3,493,697
Prepaid items and other assets	-	12,104	12,104
Capital assets not being depreciated	-	14,912,611	14,912,611
Capital assets being depreciated, net	-	4,279,381	4,279,381
Total assets	172,966	25,981,616	26,154,582
Liabilities			
Accounts payable and accrued expenses	660	2,444,381	2,445,041
Undistributed receipts	-	410,590	410,590
Unearned revenue	165,348	2,633,744	2,799,092
Long-term liabilities:			
Due within one year	-	701,159	701,159
Due in more than one year	-	11,972,117	11,972,117
Total liabilities	166,008	18,161,991	18,327,999
Net assets			
Invested in capital assets, net of related debt	-	6,534,594	6,534,594
Unrestricted	6,958	1,285,031	1,291,989
Total net assets	\$ 6,958	\$ 7,819,625	\$ 7,826,583

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

CHARTER TOWNSHIP OF DELHI
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2008

	Brownfield Redevelopment Authority	Downtown Development Authority	Total
Expenses			
Brownfield redevelopment	\$ 194,956	\$ -	\$ 194,956
Downtown development	-	3,437,497	3,437,497
Total expenses	194,956	3,437,497	3,632,453
Program revenues			
Charges for services	-	30,311	30,311
Operating grants and contributions	208	239,428	239,636
Total program revenues	208	269,739	269,947
Net expense	(194,748)	(3,167,758)	(3,362,506)
General revenues			
Property taxes	196,890	3,401,772	3,598,662
Total general revenues	196,890	3,401,772	3,598,662
Change in net assets	2,142	234,014	236,156
Net assets, beginning of year	4,816	7,585,611	7,590,427
Net assets, end of year	\$ 6,958	\$ 7,819,625	\$ 7,826,583

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

NOTES to the FINANCIAL STATEMENTS

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Charter Township of Delhi have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

1-A. Reporting Entity

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

Discretely Presented Component Units - The component units column in the government-wide financial statements include the financial data of the following component units. These units are reported in a separate column to emphasize they are legally separate from the Township.

The *Downtown Development Authority* of the Charter Township of Delhi is organized pursuant to 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.

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

The *Economic Development Corporation* of the Charter Township of Delhi ("EDC") is a nonstock, nonprofit corporation. The EDC's activities are financed through application fees. The primary purpose of the corporation is to encourage and assist commercial enterprises to locate and expand facilities and services in the Township and to its residents through the issuance of tax-exempt financing. The Corporation is organized pursuant to the State of Michigan, Public Act 338 of 1974, as amended. Members of the Board of Directors of the Corporation are appointed by the officers of the Corporation with the advice of the Delhi Township Board of Trustees. Its fiscal year end is May 31st.

The EDC had no activity during the period ended December 31, 2008. The Corporation has no remaining fund assets, liabilities or equity.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

1-B. Basis of Presentation

Government-wide Financial Statements. The statements of net assets and activities display information about the primary government (the “Township”) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the Township’s *governmental* and *business-type activities*. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Township and for each function of the Township’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Fund Financial Statements. The fund financial statements provide information about the Township’s funds, including its fiduciary funds and blended component units. 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 and enterprise funds are aggregated and reported as nonmajor funds.

The Township reports the following major governmental funds:

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

Fire equipment replacement millage fund. This fund accounts for fire equipment capital outlays which is funded by a Township millage

The Township reports the following major enterprise fund:

Sewage 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 Township reports the following fund types:

Special revenue funds. These funds account for revenue sources that are legally restricted to expenditures for specific purposes not including trusts or major capital projects.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Debt service funds. These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Enterprise fund. These funds account for those operations that are financed and operated in a manner similar to private business or where the Township has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Private purpose trust fund. This fund accounts for contributions earmarked for perpetual care of graves of individuals.

Agency funds. These funds account for assets held for other governments in an agency capacity. Included are the Trust and Agency fund, which accounts for assets held on behalf of other governments and the Current Tax fund which accounts for the collection and distribution of property tax receipts.

1-C. Measurement Focus / Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

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 Township's enterprise fund are charges to customers for sales and services. 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.

Nonexchange transactions, in which the Township gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Township considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Under the terms of grant agreements, the Township funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Township's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and proprietary funds of the Township follow private-sector standards of accounting and financial reported issued prior to December 1, 1989, unless those standards conflict with guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

1-D. Assets, Liabilities and Equity

Deposits 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.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at cost.

Restricted Assets

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants, Michigan law, or township ordinance. Certain general fund assets have been designated for surplus drain funds. This amount is to be utilized to alleviate drainage problems within the Township.

Receivables and Payables

All trade and delinquent property tax receivables are shown net of an allowance for uncollectibles, as applicable.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either *interfund receivables/payables* (i.e., the current portion of interfund loans) or *advances to/from other funds* (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as *due to/from other funds*. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at fair market value on the date of donation. Repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest is capitalized on proprietary fund assets that are constructed utilizing debt proceeds. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project.

Capital assets are defined by the Township as assets with an original cost of \$1,500 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Sewage mains and infrastructure	40
Building	40
Building improvements	20
Land improvements	15
Machinery and equipment	5-10
Computer equipment	3-10
Furniture and fixtures	10
Vehicles	5-7

Compensated Absences

It is the Township's policy to permit employees to accumulate a limited amount of earned but unused sick and vacation leave, which will be paid to employees upon separation from the Township. All vacation pay is accrued when incurred 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.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

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.

Fund Equity

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general, special revenue and debt service funds. All annual appropriations lapse at year end, except for those approved by the Board of Trustees to carry forward.

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

1. On or prior to September 1 of each year, the Township manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees. Budget revisions made to the component unit's (Downtown Development Authority) budget are approved by the Downtown Development Authority Board. If the component unit's budget amendments have an impact on fund balance, the Township Board of Trustees also needs to approve the amendments.
5. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, debt service funds and proprietary funds. Similarly, the Township also adopts budgets, on a project basis, for all capital projects.
6. Budgets for general, special revenue, debt service funds and proprietary funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

7. The budget is prepared by fund and function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

It is important to note that capital outlay is budgeted by department, and not in total. This may have an impact on variances as presented in the financial statements.

Encumbrances

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

2-B. Excess of Expenditures Over Appropriations

There were no reported excesses of expenditures over final budgeted amounts for the year ended December 31, 2008.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

3-A. Deposits and Investments

Summary of Deposit and Investment Balances. Following is a reconciliation of deposit and investment balances as of December 31, 2008:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Assets:			
Cash and cash equivalents	\$ 2,420,678	\$ 55,108	\$ 2,475,786
Investments	5,510,987	3,401,681	8,912,668
Statement of Fiduciary Net Assets:			
Cash and cash equivalents	<u>16,531,713</u>	-	<u>16,531,713</u>
Total	<u>\$ 24,463,378</u>	<u>\$ 3,456,789</u>	<u>\$ 27,920,167</u>
Deposits and Investments:			
Bank deposits (checking accounts, savings accounts and CDs)			\$ 24,353,086
Investments in securities, mutual funds and similar vehicles			3,565,731
Cash on hand			<u>1,350</u>
Total			<u>\$ 27,920,167</u>

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

The Township chooses to disclose its investments by specifically identifying each. At December 31, 2008, the Township had the following investments.

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
MBIA Class Investment Pool	n/a	\$ 237,666	n/a
MBS Money Market	n/a	16,078	n/a
Ambassador Bank Money Market	n/a	256,884	n/a
Irwin Union Bank Money Market	n/a	171,817	n/a
Dart Bank Money Market	n/a	694,562	n/a
MILAF Money Market	n/a	190,735	S&P – AAAM
Citizens Bank Money Market	n/a	124,827	n/a
Comerica Bank Money Market	n/a	104,370	n/a
Federal Home Loan Bank Note	2/8/13	75,211	Moody's - Aaa
Federal Home Loan Bank Note	1/16/13	175,219	Moody's - Aaa
Federal Home Loan Bank Note	1/16/13	25,031	Moody's - Aaa
Federal Home Loan Bank Bond	10/10/13	100,063	S&P – AAA
Federal Farm Credit Bank Note	4/22/13	100,031	S&P – AAA
Federal National Mtg. Assn. Note	5/5/11	115,288	S&P – AAA
Federal National Mtg. Assn. Note	7/2/10	101,625	S&P – AAA
Federal National Mtg. Assn. Note	3/27/12	100,469	Moody's - Aaa
Federal National Mtg. Assn. Note	2/6/13	130,325	S&P – AAA
Federal Home Loan Mtg. Note	4/16/13	250,265	Moody's - Aaa
Federal Home Loan Mtg. Note	3/15/13	157,060	S&P – AAA
Federal Home Loan Mtg. Note	6/15/15	100,020	S&P – AAA
Federal Home Loan Mtg. Note	5/15/13	200,046	S&P – AAA
US Treasury Note	1/15/09	131,079	Moody's – Aaa
Government Portfolio	n/a	3,687	n/a
GNMA Pass-thru Pool	7/20/31	<u>3,373</u>	n/a
		<u>\$ 3,565,731</u>	

Investment and deposit risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for each investment are identified above for investments held at year end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township’s deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end, \$21,764,103 of the Township’s bank balance of \$23,909,937 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk as these investments are held by the counterparty in the Township’s name.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Township’s investment policy allows for no more than \$5,000,000 to be invested in any one institution exclusive of trust and agency accounts. All investments held at year end are reported above.

3-B. Receivables

Receivables in the governmental activities are 6 percent accounts receivables, 75 percent property taxes, 16 percent special assessments, and 3 percent due from component units. 62 percent, or \$521,550, of the special assessment receivables are not expected to be collected within one year. 56 percent of the accounts receivables are expected to be collected within one year. Business-type activities receivables are 38 percent special assessment receivables and 62 percent are due from customers.

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Special assessments not yet due (governmental funds)	\$ 816,665	\$ -	\$ 816,665
Long term accounts receivable	-	135,890	135,890
Property taxes levied for next fiscal year	-	<u>3,689,813</u>	<u>3,689,813</u>
	<u>\$ 816,665</u>	<u>\$ 3,825,703</u>	<u>\$ 4,642,368</u>

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

3-C. Capital Assets

Capital assets activity for the year ended December 31, 2008, was as follows:

Primary government

<u>Governmental Activities</u>	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
Land	\$ 1,585,364	\$ -	\$ -	\$ 1,585,364
Total capital assets not being depreciated	1,585,364	-	-	1,585,364
Capital assets being depreciated:				
Buildings and improvements	5,349,948	3,610	42,824	5,310,734
Land improvements	1,972,336	120,786	3,731	2,089,391
Machinery and equipment	805,001	101,940	28,717	878,224
Furniture and office equipment	536,018	-	3,595	532,423
Flowage rights	400,340	-	-	400,340
Computer equipment and programs	310,815	20,925	-	331,740
Vehicles	1,577,231	655,601	99,017	2,133,815
Subtotal	10,951,689	902,862	177,884	11,676,667
Accumulated depreciation				
Buildings and improvements	2,182,545	144,595	16,862	2,310,278
Land improvements	741,551	115,067	1,057	855,561
Machinery and equipment	555,183	67,102	28,025	594,260
Furniture and office equipment	440,768	21,413	3,595	458,586
Flowage rights	50,043	10,008	-	60,051
Computer equipment and programs	276,180	27,719	-	303,899
Vehicles	1,110,521	166,732	99,017	1,178,236
Total accumulated depreciation	5,356,791	552,636	148,556	5,760,871
Total capital assets being depreciated - net	5,594,898	350,226	29,328	5,915,796
Governmental activities capital assets - net	\$ 7,180,262	\$ 350,226	\$ 29,328	\$ 7,501,160

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

	Balance December 31, 2007	Restatement	Additions	Deductions	Balance December 31, 2008
<u>Business-type Activities</u>					
Capital assets not being depreciated:					
Land	\$ 776,635	\$ -	\$ -	\$ -	\$ 776,635
Construction in progress	2,658,652	-	8,587,508	17,579	11,228,581
Subtotal	3,435,287	-	8,587,508	17,579	12,005,216
Capital assets being depreciated:					
Sewage disposal plant and equipment	19,423,972	-	-	-	19,423,972
Sewer mains	39,403,317	-	775,271	-	40,178,588
Outfall lines	1,141,390	-	-	-	1,141,390
Furniture and office equipment	209,257	(21,315)	6,765	1,020	193,687
Computer equipment	295,948	21,315	15,002	4,680	327,585
Vehicles	956,628	-	-	-	956,628
Machinery and equipment	525,442	-	35,222	7,899	552,765
Maintenance facility	1,430,686	-	-	-	1,430,686
Subtotal	63,386,640	-	832,260	13,599	64,205,301
Accumulated depreciation					
Sewage disposal plant and equipment	8,813,815	-	693,271	-	9,507,086
Sewer mains	12,192,060	-	980,949	-	13,173,009
Outfall lines	293,698	-	23,838	-	317,536
Furniture and office equipment	133,849	(4,618)	11,351	1,020	139,562
Computer equipment	166,634	4,618	88,348	4,680	254,920
Vehicles	540,431	-	82,446	-	622,877
Machinery and equipment	364,933	-	56,199	7,899	413,233
Maintenance facility	211,252	-	36,229	-	247,481
Total accumulated depreciation	22,716,672	-	1,972,631	13,599	24,675,704
Total capital assets being depreciated - net	40,669,968	-	(1,140,371)	-	39,529,597
Business-type activities capital assets - net	\$ 44,105,255	\$ -	\$ 7,447,137	\$ 17,579	\$ 51,534,813

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

<u>Component Unit</u>	Balance December 31, 2007	Additions	Deductions	Balance December 31, 2008
Capital assets not being depreciated:				
Land	\$ 4,783,006	\$ 506,187	\$ 5,574	\$ 5,283,619
Construction in progress	734,175	8,894,817	-	9,628,992
Subtotal	5,517,181	9,401,004	5,574	14,912,611
Capital assets being depreciated:				
Buildings	1,006,609	35,881	-	1,042,490
Land improvements	1,018,446	2,906,557	-	3,925,003
Machinery and equipment	43,613	-	-	43,613
Furniture and equipment	76,020	-	-	76,020
Subtotal	2,144,688	2,942,438	-	5,087,126
Accumulated depreciation				
Buildings	85,886	25,318	-	111,204
Land improvements	576,713	67,896	-	644,609
Machinery and equipment	14,538	4,361	-	18,899
Furniture and equipment	25,431	7,602	-	33,033
Total accumulated depreciation	702,568	105,177	-	807,745
Total capital assets being depreciated - net	1,442,120	2,837,261	-	4,279,381
Component unit capital assets - net	\$ 6,959,301	\$ 12,238,265	\$ 5,574	\$ 19,191,992

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

Governmental activities:	
General government	\$ 182,026
Public safety	219,494
Recreation and culture	141,108
Public Works	10,008
Total	\$ 552,636
Business-type activity –	
Sewer	\$ 1,969,056
Community Development	3,575
Total	\$ 1,972,631

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

3-D. Payables

Payables in the governmental activities are 71 percent vendors, 22 percent accrued payroll, and 7 percent accrued interest. Business-type activities payables are 51 percent vendors, 2 percent deposits, 30 percent accrued payroll, and 17 percent accrued interest.

3-E. Interfund Receivables, Payables and Transfers

Receivables and Payables

The Township often has interfund balances between its funds. These interfund balances result primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers

For the year then ended December 31 2008, interfund transfers consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 830,674
Nonmajor governmental funds	595,388	-
Nonmajor enterprise fund	<u>235,286</u>	<u>-</u>
Total	<u>\$ 830,674</u>	<u>\$ 830,674</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

3-F. Long-term Debt

General Obligation Bonds

The Township issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary fund if they are expected to be repaid from proprietary revenues.

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.

\$1,032,300, 2002 Water Improvement District, Serial Bonds, due in annual installments of \$43,290 to \$79,088 through 2022, interest at 3.1% to 5.00%. The Township issued bonds totaling \$6,200,000 of which 16.65% (\$1,032,300) was for water improvement (general long-term debt) and 83.35% (\$5,167,700) was for sanitary sewer (enterprise fund) \$ 822,511

\$2,365,000, 2004 General Obligation Community Service Center Refunding Bonds, due in annual installments of \$435,000 to \$475,000 through May 1, 2010, interest at 2.5% to 2.6% 910,000

\$ 1,732,511

Special Assessment Bonds Payable

The Township has issued special assessment bonds payable. The government pledges special assessments levied against taxpayers' benefiting from a specific construction asset which are collectible over a period of years. In addition, the Township has pledged, in certain of the following, its full faith and credit within statutory limitations:

\$435,000, 1996 Pine Tree Road Improvement, Serial Bonds, due in annual installments of \$30,193 through 2011, interest at 5.00%. The Township issued one bond issue for \$1,945,000 of which 78% was for the sanitary sewer special assessment (\$1,510,000) and 22% was for the Pine Tree Road Improvement (\$435,000) **\$ 90,578**

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Other Long-term Debt

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 170,109</u>	2022	Imputed at 4%

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>\$ 366,834</u>	2019	3.49%

Enterprise Fund

General Obligation Bonds Payable:

\$1,000,000, 1996 Sanitary Sewer general obligation bonds, due in annual installments of \$75,000 to \$95,000 through 2011, interest at 5.20% to 5.40%	\$ 270,000
\$2,500,000, 2003 Sanitary Sewer general obligation bonds, due in annual installments of \$90,000 to \$195,000 through 2024, interest at 3.00% to 4.75%	2,170,000
\$5,167,700, 2002 Sanitary Sewer general obligation bonds, due in annual installments of \$216,710 to \$395,912 through 2022, interest at 3.10% to 5.00%. The Township issued one bond issue for \$6,200,000 of which 83.35% (\$5,167,700) was for sanitary sewer (enterprise fund) and 16.65% (\$1,037,300) was for water improvement (general long-term debt)	4,117,490
\$1,000,000 2008 DDA general obligation bonds, due in annual installments Of \$42,084 to \$87,675 through 2024, interest at 3.0 % 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).	<u>1,000,000</u>
	<u>\$ 7,557,490</u>

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

State Revolving Loan Fund Revenue Bonds Payable:

\$9,850,000, 2007 Sanitary Sewer revenue bonds, draws to 12/31/08 of \$7,687,569, interest rate to be determined after final draw not to exceed 1.625% **\$ 7,687,569**

Special assessment bonds payable:

The Township has issued special assessment bonds payable. The government pledges special assessments levied against taxpayers benefiting from a specific constructed asset and collectible over a period of years.

\$1,510,000, 1996 Sanitary Sewer Special Assessment Bonds (Dell Willoughby), due in annual installments of \$104,807 through 2011, interest at 5.00%. The Township issued one bond issue for \$1,945,000 of which 78% was for the Sanitary Sewer Special Assessment (\$1,510,000) and 22% was for the Pine Tree Road Improvement (\$435,000) **\$ 314,421**

Notes Payable:

\$6,695,000, 1998 refunding note payable due to Ingham County calling for total annual installments of \$525,000 to \$765,000 through 2012, interest at 5.13% **\$ 2,800,000**

Downtown Development Authority (Component Unit)

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

General Obligation Bonds

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in annual installments of \$60,000 to \$85,000 through 2018, interest at 2.90% to 4.50% \$ 710,000

\$2,050,000, 1997 general obligation serial and/or term bonds to finance Downtown Development Authority costs of constructing certain road, rail, water, sewer, and environmental improvements, due in annual installments of \$75,000 to \$375,000 starting in 2001 and going through 2015, interest at 5.00% to 5.10% 1,450,000

\$2,325,000, 2001 general obligation bonds to finance Downtown Development Authority costs of constructing certain water and sewer improvements, due in annual installments of \$155,000 to \$220,000 through 2016, interest at 4.0% to 4.63% 1,470,000

\$8,980,000 2008 DDA general obligation bonds, due in annual installments of \$377,916 to \$787,325 through 2024, interest at 3.0 % 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). **8,980,000**

\$ 12,610,000

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Notes Payable

\$200,000 Holt Shopping Center, due in monthly installments of to \$2,534 through July 2010, interest at a rate of 9.0%

\$ 47,398

The following is a summary of changes in long-term debt during the year ended December 31, 2008:

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 2,178,303	\$ -	\$ 445,792	\$ 1,732,511	\$ 478,290
Special assessment bonds	120,771	-	30,193	90,578	30,193
General assessment payable	182,259	-	12,150	170,109	12,151
Installment Purchase Agreement	400,088	-	33,254	366,834	33,333
Compensated absences	301,230	36,384	-	337,614	120,000
Total governmental	<u>\$ 3,182,651</u>	<u>\$ 36,384</u>	<u>\$ 521,389</u>	<u>\$ 2,697,646</u>	<u>\$ 673,967</u>
Enterprise fund:					
General obligation bonds	\$ 6,931,698	\$ 1,000,000	\$ 374,208	\$ 7,557,490	\$ 433,794
Revenue bonds	1,280,410	6,407,159	-	7,687,569	420,000
Special assessment bonds	435,229	-	120,808	314,421	104,807
Notes payable	3,405,000	-	605,000	2,800,000	640,000
Total business-type	<u>\$12,052,337</u>	<u>\$ 7,407,159</u>	<u>\$1,100,016</u>	<u>\$ 18,359,480</u>	<u>\$ 1,598,601</u>
Component unit:					
General obligation bonds	\$ 3,910,000	\$ 8,980,000	\$ 280,000	\$ 12,610,000	\$ 667,916
Notes payable	72,305	-	24,907	47,398	27,243
Compensated absences	25,399	-	9,521	15,878	6,000
Total component unit	<u>\$ 4,007,704</u>	<u>\$ 8,980,000</u>	<u>\$ 314,428</u>	<u>\$ 12,673,276</u>	<u>\$ 701,159</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

The annual requirements to amortize all long-term debt outstanding, exclusive of compensated absences as of December 31, 2008, are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 553,967	\$ 80,073	\$ 1,598,601	\$ 606,870	\$ 695,159	\$ 507,011
2010	595,632	63,512	1,668,940	548,384	711,067	481,341
2011	122,296	52,236	1,728,778	482,564	794,409	454,371
2012	94,600	47,775	1,604,480	418,793	881,408	422,599
2013	97,100	43,915	869,988	356,238	918,397	386,949
2014-2018	522,956	155,620	4,784,061	1,378,544	4,450,401	1,317,099
2019-2023	373,481	43,436	5,224,387	570,300	3,419,238	591,000
2024-2027	-	-	880,245	19,138	787,324	32,477
Total	\$ 2,360,032	\$ 486,567	\$ 18,359,480	\$ 4,380,831	\$ 12,657,398	\$ 4,192,847

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 assets. At December, 31, 2008, \$2,800,000 of bonds outstanding is considered defeased.

3-G. 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.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

NOTE 4 – OTHER INFORMATION

4-A. Risk Management

The Township is 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. During the year ended December 31, 2008, the government carried commercial insurance to cover all risks of losses. The Township has had no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

4-B. 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 together with taxes for the County and other various school districts and the community college. 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 until collected. Property tax receivables related to delinquent taxes are also deferred unless collected within 60 days of year-end.

The Township is permitted by the Charter Township Act of the State to levy taxes up to \$5.00 per \$1,000 of assessed valuation for general governmental 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. Additional taxes may be levied, upon approval of the voters, to a total levy of \$10.00 per \$1,000 of assessed valuation. The Township levied 4.3094 mills for general operations, .4846 mills for fire operations, and .5124 for Community Service Center debt requirements on the December 1, 2007, levy (recognized as revenue in 2008).

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

4-C. Contingent Liabilities

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.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

4-D. Postemployment Benefits

In addition to benefits described in Notes 4-E and 4-F, the Township provides both health and life insurance benefits for retired employees meeting specific age and years of continued service requirements. The Township will provide 75% to 100% health insurance coverage comparable to that provided to active employees. The obligation of the Township will cease or decrease as comparable health insurance becomes available to the retiree through another employer or source (i.e., Medicare). The Township will provide 100% of life insurance.

Funding Policy and Annual OPEB Cost. For this plan, contribution requirements of the plan members and the Township are established and may be amended by union contract for bargaining employees and for non-bargaining employees by the Township Board . The Authority’s annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Township’s annual OPEB cost for the current year and the related information for the plan are as follows:

Contribution rates:

Authority – Actuarially determined	8.0%
Plan members	N/A

Annual required contribution	\$ 334,060
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	334,060
Contributions made	334,060
Increase in net OPEB obligation	-
Net OPEB obligation – beginning of year	-
Net OPEB obligation – end of year	\$ -

The Township’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2008, for the plan is as follows (this is first year for OPEB determination):

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$334,060	100%	\$ -

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2008, was as follows:

Actuarial accrued liabilities (a)	\$ 3,627,845
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	<u>\$ 3,627,845</u>
Funded ratio (b) / (a)	0%
Covered payroll (c)	\$ 4,019,000
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	$\frac{[(a) - (b)]}{(c)}$ 90.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. 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 to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	3/31/08
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll Open
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	N/A
Healthcare inflation rate	10% in 2009 Grading to 4.5% in 2017

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

4-E. Pension Plan

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) are 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 requirement are established and may be amended by the Township Board.

The Township's total payroll in 2008 was \$4,019,319. Contributions were calculated using the base salary amount of \$3,121,190. The Township made the required 10% contribution totaling \$312,119.

4-F. 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 \$5,769. The deferred compensation is only available to the employees upon retirement, termination, becoming permanently disabled, or death.

4-G. Limited Obligations Bonds – Economic Development Corporation

The Corporation acts as a liaison between companies seeking financial assistance and financial institutions in an effort to further the economic development of the Township. This purpose is accomplished by the Corporation entering into lease contracts with commercial enterprises. According to the terms of the lease contracts, the Corporation agrees to issue revenue bonds, the proceeds from which will be used to finance a project benefiting the commercial enterprise, and the commercial enterprise agrees to make lease payments equal to the bond principal and interest payments. When the bonds are paid in full, the ownership of the project is transferred to the commercial enterprise. The revenue bonds are payable solely from the net revenues derived from the project and the bonds are collateralized by a mortgage on the project and the lease contract. The Corporation does not currently hold title to any property and did not have any activity in 2008.

CHARTER TOWNSHIP OF DELHI

Notes To Financial Statements

4-H. State Construction Code Disclosures

The Community Development Department reviews all planning, zoning and construction activities, issues building permits, and provides code enforcement and rental housing inspections and registrations. This activity had been reported as a separated activity in the General Fund through December 31, 2004. Effective January 1, 2005, this activity is reported in a separate Community Development Enterprise Fund.

* * * * *

**GASB STATEMENT 45
REQUIRED SUPPLEMENTARY
INFORMATION**

GASB 45 REQUIRED SUPPLEMENTARY INFORMATION
Retiree Health Plan

SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of of Covered Payroll</u>
3/31/08	\$ -	\$ 3,627,845	0.0%	\$ 3,627,845	\$ 4,019,000	90.3%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation (asset)</u>
12/31/08	\$ 334,060	\$ 334,060	100.00%	\$ -

**COMBINING and INDIVIDUAL FUND FINANCIAL
STATEMENTS and SCHEDULES**

CHARTER TOWNSHIP OF DELHI
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Special Revenue	Debt Service	Totals
Assets			
Cash and cash equivalents	\$ 439,130	\$ 87,452	\$ 526,582
Investments	101,454	-	101,454
Accounts receivable	71,415	-	71,415
Taxes receivable	-	445,150	445,150
Special assessments receivable	721,272	19,448	740,720
Prepays	4,672	-	4,672
	<hr/>		
<u>TOTAL ASSETS</u>	\$ 1,337,943	\$ 552,050	\$ 1,889,993
	<hr/>		
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 82,016	\$ -	\$ 82,016
Accrued liabilities	9,102	-	9,102
Due to other funds	29,600	-	29,600
Deferred revenue	703,961	469,862	1,173,823
	<hr/>		
Total liabilities	824,679	469,862	1,294,541
	<hr/>		
Fund balances			
Reserved for prepaids	4,672	-	4,672
Unreserved, designated for debt service	407,773	-	407,773
Unreserved, undesignated	100,819	82,188	183,007
	<hr/>		
Total fund balances	513,264	82,188	595,452
	<hr/>		
<u>TOTAL LIABILITIES, AND FUND BALANCES</u>	\$ 1,337,943	\$ 552,050	\$ 1,889,993
	<hr/>		

CHARTER TOWNSHIP OF DELHI
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2008

	Special Revenue	Debt Service	Totals
Revenue			
Taxes	\$ -	\$ 415,887	\$ 415,887
Special assessments	26,937	7,234	34,171
Intergovernmental	85,030	-	85,030
Charges for services	146,870	-	146,870
Interest	16,149	3,274	19,423
Other	70,606	-	70,606
	<hr/>		
Total revenue	345,592	426,395	771,987
Expenditures			
Current:			
Recreation and cultural	706,826	-	706,826
Debt service:			
Principal	74,046	435,193	509,239
Interest	53,242	34,566	87,808
Infrastructure	3,362	-	3,362
Capital outlay	334,687	-	334,687
	<hr/>		
Total expenditures	1,172,163	469,759	1,641,922
	<hr/>		
Revenue under expenditures	(826,571)	(43,364)	(869,935)
Other financing sources (uses)			
Proceeds from sale of capital assets	2,000	-	2,000
Transfers in	595,388	-	595,388
	<hr/>		
Total other financing sources	597,388	-	597,388
	<hr/>		
Net changes in fund balances	(229,183)	(43,364)	(272,547)
	<hr/>		
Fund balances, beginning of year	742,447	125,552	867,999
	<hr/>		
Fund balances, end of year	\$ 513,264	\$ 82,188	\$ 595,452
	<hr/> <hr/>		

CHARTER TOWNSHIP OF DELHI
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Water Improvement	Parks and Recreation	Total
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 438,928	\$ 202	\$ 439,130
Investments	101,454	-	101,454
Accounts receivable	-	71,415	71,415
Special assessments receivable	721,272	-	721,272
Prepays	-	4,672	4,672
<u>TOTAL ASSETS</u>	\$ 1,261,654	\$ 76,289	\$ 1,337,943
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 55,000	\$ 27,016	\$ 82,016
Accrued liabilities	-	9,102	9,102
Due to other funds	-	29,600	29,600
Deferred revenue	703,961	-	703,961
Total liabilities	758,961	65,718	824,679
Fund balances			
Reserved for prepaids	-	4,672	4,672
Unreserved, designated for debt service	407,773	-	407,773
Unreserved, undesignated (deficit)	94,920	5,899	100,819
Total fund balances	502,693	10,571	513,264
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 1,261,654	\$ 76,289	\$ 1,337,943

CHARTER TOWNSHIP OF DELHI
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Water Improvement	Parks and Recreation	Total
Revenue			
Special assessments	\$ 26,937	\$ -	\$ 26,937
Charges for services	12,000	134,870	146,870
Interest	16,149	-	16,149
Intergovernmental	-	85,030	85,030
Other Revenue	4,669	65,937	70,606
Total revenue	59,755	285,837	345,592
Expenditures			
Current:			
Recreation and cultural	-	706,826	706,826
Debt service:			
Principal	40,792	33,254	74,046
Interest	39,785	13,457	53,242
Infrastructure	3,362	-	3,362
Capital outlay	205,000	129,687	334,687
Total expenditures	288,939	883,224	1,172,163
Revenue under expenditures	(229,184)	(597,387)	(826,571)
Other financing sources			
Proceeds from sale of capital assets	-	2,000	2,000
Transfers in	-	595,388	595,388
Total other financing sources	-	597,388	597,388
Net changes in fund balances	(229,184)	1	(229,183)
Fund balances, beginning of year	731,877	10,570	742,447
Fund balances, end of year	\$ 502,693	\$ 10,571	\$ 513,264

CHARTER TOWNSHIP OF DELHI
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2008

	Water Improvement		
	Final Budget	Actual	Actual over (under) Final Budget
Revenue			
Special assessments	\$ 26,900	\$ 26,937	\$ 37
Charges for services	11,500	12,000	500
Interest	16,000	16,149	149
Intergovernmental	-	-	-
Other revenue	4,600	4,669	69
Total revenue	59,000	59,755	755
Expenditures			
Current:			
Recreation and cultural	-	-	-
Debt service:			
Principal	40,800	40,792	(8)
Interest expense	39,790	39,785	(5)
Infrastructure	3,500	3,362	(138)
Capital outlay	205,000	205,000	-
Total expenditures	289,090	288,939	(151)
Revenue over (under) expenditures	(230,090)	(229,184)	906
Other financing sources			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Total other financing sources	-	-	-
Net changes in fund balances	(230,090)	(229,184)	906
Fund balances, beginning of year	731,877	731,877	-
Fund balances, end of year	\$ 501,787	\$ 502,693	\$ 906

Parks and Recreation

Final Budget	Actual	Actual over (under) Final Budget
\$ -	\$ -	\$ -
132,500	134,870	2,370
-	-	-
89,420	85,030	(4,390)
63,800	65,937	2,137
<hr/> 285,720	<hr/> 285,837	<hr/> 117
717,850	706,826	(11,024)
33,340	33,254	(86)
13,400	13,457	57
130,500	129,687	(813)
<hr/> 895,090	<hr/> 883,224	<hr/> (11,866)
<hr/> (609,370)	<hr/> (597,387)	<hr/> 11,983
2,000	2,000	-
607,370	595,388	(11,982)
<hr/> 609,370	<hr/> 597,388	<hr/> (11,982)
-	1	1
10,570	10,570	-
<hr/> \$ 10,570	<hr/> \$ 10,571	<hr/> \$ 1

CHARTER TOWNSHIP OF DELHI
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008

	Community Service Center	Pinetree Road	Total
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 34,816	\$ 52,636	\$ 87,452
Taxes receivable	445,150	-	445,150
Special assessments receivable	-	19,448	19,448
<u>TOTAL ASSETS</u>	\$ 479,966	\$ 72,084	\$ 552,050
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Deferred revenue	\$ 457,649	\$ 12,213	\$ 469,862
Fund balances			
Unreserved, undesignated	22,317	59,871	82,188
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 479,966	\$ 72,084	\$ 552,050

CHARTER TOWNSHIP OF DELHI
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008

	Community Service Center	Pinetree Road	Total
Revenue			
Taxes	\$ 415,887	\$ -	\$ 415,887
Special assessments	-	7,234	7,234
Interest	2,167	1,107	3,274
Total revenue	418,054	8,341	426,395
Expenditures			
Debt service:			
Principal	405,000	30,193	435,193
Interest and fiscal charges	28,542	6,024	34,566
Total expenditures	433,542	36,217	469,759
Net changes in fund balances	(15,488)	(27,876)	(43,364)
Fund balances, beginning of year	37,805	87,747	125,552
Fund balances, end of year	\$ 22,317	\$ 59,871	\$ 82,188

CHARTER TOWNSHIP OF DELHI
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Debt Service Funds
For the Year Ended December 31, 2008

	Debt Service - Community Service Center		
	Final Budget	Actual	Actual over (under) Final Budget
Revenue			
Taxes	\$ 415,110	\$ 415,887	\$ 777
Special assessments	-	-	-
Interest	2,300	2,167	(133)
Total revenue	417,410	418,054	644
Expenditures			
Debt service:			
Principal	405,000	405,000	-
Interest expense	28,560	28,542	(18)
Total expenditures	433,560	433,542	(18)
Net changes in fund balances	(16,150)	(15,488)	662
Fund balances, beginning of year	37,805	37,805	-
Fund balances, end of year	\$ 21,655	\$ 22,317	\$ 662

Debt Service - Pinetree Road

Final Budget	Actual	Actual over (under) Final Budget
\$ -	\$ -	\$ -
7,220	7,234	14
1,500	1,107	(393)
8,720	8,341	(379)
30,200	30,193	(7)
6,040	6,024	(16)
36,240	36,217	(23)
(27,520)	(27,876)	(356)
87,747	87,747	-
<u>\$ 60,227</u>	<u>\$ 59,871</u>	<u>\$ (356)</u>

CHARTER TOWNSHIP OF DELHI
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008

	Trust and Agency	Current Tax	Total
Assets			
Cash and cash equivalents	\$ 386,747	\$ 16,068,259	\$ 16,455,006
Taxes receivable	351,178	15,833,408	16,184,586
Total assets	\$ 737,925	\$ 31,901,667	\$ 32,639,592
Liabilities			
Due to other governments	\$ -	\$ 31,901,667	\$ 31,901,667
Undistributed receipts	737,925	-	737,925
Total liabilities	\$ 737,925	\$ 31,901,667	\$ 32,639,592

CHARTER TOWNSHIP OF DELHI
All Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2008

	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
Trust and Agency				
Assets				
Cash and cash equivalents	\$ 192,695	\$ 2,568,535	\$ 2,374,483	\$ 386,747
Taxes receivable	333,542	203,023	185,387	351,178
	<u>\$ 526,237</u>	<u>\$ 2,771,558</u>	<u>\$ 2,559,870</u>	<u>\$ 737,925</u>
Liabilities				
Undistributed receipts	\$ 526,237	\$ 2,876,709	\$ 2,665,021	\$ 737,925
Current Tax				
Assets				
Cash and cash equivalents	\$15,977,751	\$39,737,769	\$39,647,261	\$ 16,068,259
Taxes receivable	15,324,905	42,405,489	41,896,986	15,833,408
	<u>\$31,302,656</u>	<u>\$82,143,258</u>	<u>\$81,544,247</u>	<u>\$ 31,901,667</u>
Liabilities				
Due to other governments	\$31,302,656	\$58,325,788	\$57,726,777	\$ 31,901,667
Totals				
Assets				
Cash and cash equivalents	\$16,170,446	\$42,306,304	\$42,021,744	\$ 16,455,006
Taxes receivable	15,658,447	42,608,512	42,082,373	16,184,586
	<u>\$31,828,893</u>	<u>\$84,914,816</u>	<u>\$84,104,117</u>	<u>\$ 32,639,592</u>
Liabilities				
Undistributed receipts	\$ 526,237	\$ 2,876,709	\$ 2,665,021	\$ 737,925
Due to other governments	31,302,657	58,325,788	57,726,777	31,901,667
	<u>\$31,828,894</u>	<u>\$61,202,497</u>	<u>\$60,391,798</u>	<u>\$ 32,639,592</u>

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets / Governmental Funds Balance Sheet
Brownfield Redevelopment Authority Component Unit
December 31, 2008

	Special Revenue Fund	Adjustments	Statement of Net Assets
Assets			
Cash and cash equivalents	\$ 7,606	\$ -	\$ 7,606
Taxes receivable	165,360	-	165,360
	<hr/>		
Total assets	\$ 172,966	-	172,966
<hr/>			
Liabilities			
Accounts payable	\$ 660	-	660
Deferred/unearned revenue	165,348	-	165,348
	<hr/>		
Total liabilities	166,008	-	166,008
<hr/>			
Fund balances			
Unreserved, undesignated	6,958	(6,958)	-
	<hr/>		
Total liabilities and fund balances	\$ 172,966		
<hr/>			
Net assets			
Unrestricted		6,958	6,958
		<hr/>	
Total net assets		\$ 6,958	\$ 6,958
		<hr/>	

CHARTER TOWNSHIP OF DELHI
Statement of Activities / Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
Brownfield Redevelopment Authority Component Unit
For the Year Ended December 31, 2008

	Special Revenue Fund	Adjustments	Statement of Activities
Revenue			
Property taxes	\$ 196,890	\$ -	\$ 196,890
Interest	208	-	208
Total revenue	197,098	-	197,098
Expenditures/Expenses			
General government	194,956	-	194,956
Total expenditures/expenses	194,956	-	194,956
Change in fund balances / net assets	2,142	-	2,142
Fund balances / net assets, beginning of year	4,816	-	4,816
Fund balances / net assets, end of year	\$ 6,958	\$ -	\$ 6,958

CHARTER TOWNSHIP OF DELHI
Statement of Net Assets / Governmental Funds Balance Sheet
Downtown Development Authority Component Unit
December 31, 2008

	Governmental			
	Downtown Development Authority	Project 9 Infrastructure Debt Service	College Water/Sewer Debt Service	2008 Bond Debt Retirement
Assets				
Cash and cash equivalents	\$ 47,502	\$ -	\$ -	\$ -
Investments	3,401,681	-	-	-
Taxes receivable	3,310,483	-	-	-
Other receivables	17,716	-	138	-
Prepaid items	12,104	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total assets	\$ 6,789,486	\$ -	\$ 138	\$ -
Liabilities				
Accounts payable	\$ 1,437,387	\$ -	\$ 138	\$ -
Accrued liabilities	5,238	-	-	-
Interest payable	-	-	-	-
Due to other governments	743,396	-	-	-
Due to primary government	178,764	-	-	-
Deferred revenue	2,633,744	-	-	-
Undistributed receipts	410,590	-	-	-
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	5,409,119	-	138	-
Fund balances				
Reserved for prepaid items	12,104	-	-	-
Unreserved, undesignated	1,368,263	-	-	-
Total fund balances	1,380,367	-	-	-
Total liabilities and fund balances	\$ 6,789,486	\$ -	\$ 138	-
Net assets				
Invested in capital assets, net of related debt				
Unrestricted				
Total net assets				

	Statement of Net Assets	
Total	Adjustments	
\$ 47,502	\$ -	\$ 47,502
3,401,681	-	3,401,681
3,310,483	-	3,310,483
17,854	-	17,854
12,104	-	12,104
-	14,912,611	14,912,611
-	4,279,381	4,279,381
<u>\$ 6,789,624</u>	<u>19,191,992</u>	<u>25,981,616</u>
\$ 1,437,525	-	1,437,525
5,238	-	5,238
-	79,458	79,458
743,396	-	743,396
178,764	-	178,764
2,633,744	-	2,633,744
410,590	-	410,590
-	701,159	701,159
-	11,972,117	11,972,117
<u>5,409,257</u>	<u>12,752,734</u>	<u>18,161,991</u>
12,104	(12,104)	-
1,368,263	(1,368,263)	-
<u>1,380,367</u>	<u>(1,380,367)</u>	<u>-</u>
<u>\$ 6,789,624</u>		
	6,534,594	6,534,594
	1,285,031	1,285,031
	<u>\$ 7,819,625</u>	<u>\$ 7,819,625</u>

CHARTER TOWNSHIP OF DELHI
Statement of Activities / Governmental Funds Revenue,
Expenditures, and Changes in Fund Balances
Downtown Development Authority Component Unit
For the Year Ended December 31, 2008

	Governmental			
	Downtown Development Authority	Project 9 Infrastructure Debt Service	College Water/Sewer Debt Service	2008 Bond Debt Retirement
Revenues				
Property taxes	\$ 3,401,772	\$ -	\$ -	\$ -
Charges for services	30,311	-	-	-
Interest and rentals	239,133	7	288	-
Total program revenues	3,671,216	7	288	-
Expenditures/expenses				
General government	3,986,582	-	-	-
Debt service:				
Principal	84,907	75,000	145,000	-
Interest	35,132	75,425	67,334	107,415
Capital outlay	11,367,077	-	-	-
Total expenditures/ expenses	15,473,698	150,425	212,334	107,415
Revenue over (under) expenditures	(11,802,482)	(150,418)	(212,046)	(107,415)
Other financing sources (uses)				
Transfers in	-	149,903	191,391	107,415
Proceeds from bond issuance	8,980,000	-	-	-
Premium on bond issuance	15,149	-	-	-
Transfers out	(448,709)	-	-	-
Total other financing sources (uses)	8,546,440	149,903	191,391	107,415
Change in fund balances/net assets	(3,256,042)	(515)	(20,655)	-
Fund balances / net assets, beginning of year	4,636,409	515	20,655	-
Fund balances / net assets, end of year	\$ 1,380,367	\$ -	\$ -	\$ -

	Total	Adjustments	Statement of Activities
\$	3,401,772	\$ -	\$ 3,401,772
	30,311	-	30,311
	239,428	-	239,428
	3,671,511	-	3,671,511
	3,986,582	(875,135)	3,111,447
	304,907	(304,907)	-
	285,306	40,744	326,050
	11,367,077	(11,367,077)	-
	15,943,872	(12,506,375)	3,437,497
	(12,272,361)	12,506,375	234,014
	448,709	(448,709)	-
	8,980,000	(8,980,000)	-
	15,149	(15,149)	-
	(448,709)	448,709	-
	8,995,149	(8,995,149)	-
	(3,277,212)	3,511,226	234,014
	4,657,579	2,928,032	7,585,611
\$	1,380,367	\$ 6,439,258	\$ 7,819,625

STATISTICAL SECTION

Delhi Charter Township
Net Assets By Component
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 4,097,858	\$ 2,747,773	\$ 2,904,787	\$ 4,180,266	\$ 4,298,842	\$ 5,141,128
Restricted	934,921	1,340,368	1,676,748	1,586,782	1,845,176	82,188
Unrestricted	4,626,633	4,428,042	4,136,777	3,404,342	3,388,481	4,039,122
Total governmental activities net assets	\$ 9,659,412	\$ 8,516,183	\$ 8,718,312	\$ 9,171,390	\$ 9,532,499	\$ 9,262,438
Business-type activities						
Invested in capital assets, net of related debt	\$ 22,554,025	\$ 27,311,338	\$ 30,568,426	\$ 30,873,207	\$ 32,052,918	\$ 33,175,333
Restricted	2,341,490	3,440,595	3,275,154	3,244,209	3,439,345	2,618,428
Unrestricted	8,498,052	4,750,275	3,865,016	4,322,440	3,376,243	2,799,900
Total business-type activities net assets	\$ 33,393,567	\$ 35,502,208	\$ 37,708,596	\$ 38,439,856	\$ 38,868,506	\$ 38,593,661
Primary government						
Invested in capital assets, net of related debt	\$ 26,651,883	\$ 30,059,111	\$ 33,473,213	\$ 35,053,473	\$ 36,351,760	\$ 38,316,461
Restricted	3,276,411	4,780,963	4,951,902	4,830,991	5,284,521	2,700,616
Unrestricted	13,124,685	9,178,317	8,001,793	7,726,782	6,764,724	6,839,022
Total primary government net assets	\$ 43,052,979	\$ 44,018,391	\$ 46,426,908	\$ 47,611,246	\$ 48,401,005	\$ 47,856,099

GASB 34 was adopted in 2003. Data for this schedule is unavailable in years preceding 2003.

Business-type activities:									
Charges for services:									
Sewer	5,335,388	5,401,343	5,678,173	5,404,117	5,010,784	4,802,468			
Community development	-	-	601,664	460,926	412,815	280,151			
Operating grants and contributions	-	161,079	250,731	388,458	493,867	389,390			
Capital grants and contributions	253,957	901,587	1,550,284	253,243	322,539	401,403			
Total business-type activities program revenues	5,589,345	6,464,009	8,080,852	6,506,744	6,240,005	5,873,412			
Total primary government program revenues	\$ 7,352,257	\$ 8,956,788	\$ 9,786,814	\$ 8,603,442	\$ 8,273,651	\$ 8,155,703			
Net (Expense)/Revenue									
Governmental activities	(6,120,798)	(5,249,789)	(5,322,697)	(5,391,377)	(5,770,346)	(6,128,234)			
Business-type activities	1,145,073	1,339,450	2,230,941	483,452	47,886	(514,137)			
Total primary government net expense	\$ (4,975,725)	\$ (3,910,339)	\$ (3,091,756)	\$ (4,907,925)	\$ (5,722,460)	\$ (6,642,371)			
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes	3,034,627	2,837,256	3,083,557	3,325,504	3,482,728	3,631,229			
State shared revenues	1,956,061	1,846,592	1,845,018	1,798,179	1,765,856	1,762,721			
Grants and contributions not restricted to specific programs	546,427	564,271	313,785	311,693	536,536	545,943			
Unrestricted investment earnings	100,474	114,606	147,015	273,927	306,428	179,694			
Gain (loss) on sale of capital assets	6,160	331,980	110,928	10,945	162,393	(26,128)			
Intra-entity transfer	383,529	-	-	(5,017)	(122,486)	(235,286)			
Transfers	443,172	-	-	-	-	-			
Total governmental activities	6,470,450	5,694,705	5,500,303	5,715,231	6,131,455	5,858,173			
Business-type activities:									
Investment earnings	198,152	-	-	-	-	-			
Other	261,823	-	-	-	-	-			
Intra-entity transfer	-	-	-	5,017	122,486	235,286			
Transfers	(443,172)	-	-	-	-	-			
Grants and contributions not restricted to specific programs	-	-	-	242,789	258,278	4,006			
Total business-type activities	16,803	-	-	247,806	380,764	239,292			
Total primary government	\$ 6,487,253	\$ 5,694,705	\$ 5,500,303	\$ 5,963,037	\$ 6,512,219	\$ 6,097,465			
Change in Net Assets									
Governmental activities	349,652	444,916	177,606	323,854	361,109	(270,061)			
Business-type activities	1,161,876	1,339,450	2,230,941	731,258	428,650	(274,845)			
Total primary government	\$ 1,511,528	\$ 1,784,366	\$ 2,408,547	\$ 1,055,112	\$ 789,759	\$ (544,906)			

Engineering and infrastructure expenses were split out from Public Works expenses beginning in 2004.
The Community Development activity became an enterprise fund in 2005.
GASB 34 was adopted in 2003. Data for this schedule is unavailable in years preceding 2003.

DELHI CHARTER TOWNSHIP
FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	1999	2000	2001	2002	2003*	2004**	2005	2006	2007	2008
General Fund										
Reserved	\$ 712,005	\$ 900,683	\$ 691,957	\$ 672,013	\$ 665,254	\$ 22,249	\$ 17,181	\$ 16,879	\$ 131,422	\$ 43,263
Unreserved	2,302,862	2,375,616	2,985,265	3,227,804	3,336,559	3,594,274	3,478,017	2,810,035	2,757,433	2,542,428
Total general fund	\$ 3,014,867	\$ 3,276,299	\$ 3,677,222	\$ 3,899,817	\$ 4,001,813	\$ 3,616,523	\$ 3,495,198	\$ 2,826,914	\$ 2,888,855	\$ 2,585,691
All other Governmental Funds										
Reserved	1,081,456	888,400	1,686,589	777,346	391,894	2,702	2,322	1,697	26,276	4,672
Unreserved, report in:										
Special revenue funds	194,770	297,972	562,649	937,156	1,322,000	620,877	1,047,526	1,423,826	1,693,348	981,313
Capital projects funds	-	-	-	-	-	716,789	626,900	161,259	125,552	82,187
Debt service funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,276,226	\$ 1,186,372	\$ 2,249,238	\$ 1,714,502	\$ 1,713,894	\$ 1,340,368	\$ 1,676,748	\$ 1,586,782	\$ 1,845,176	\$ 1,068,172

* The Township implemented GASB Statement No. 34 in 2003. This resulted in an increase to the December 31, 2002 fund balance by \$282,719.

** Beginning fund balance was decreased by \$46,084 due to a restatement.

DELHI CHARTER TOWNSHIP
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	12/31/1999	12/31/2000	12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008
Revenues										
Taxes	\$ 2,313,957	\$ 2,476,857	\$ 2,629,030	\$ 2,795,846	\$ 2,949,759	\$ 2,837,256	\$ 3,083,557	\$ 3,325,504	\$ 3,482,728	\$ 3,631,229
Special assessments	167,931	243,690	131,084	161,804	99,388	332,282	283,497	302,707	309,267	413,635
Intergovernmental	3,131,950	4,446,262	2,393,690	2,399,756	2,009,211	2,233,400	1,948,687	1,896,685	2,054,131	2,034,967
Licenses and permits	383,024	380,096	393,015	470,019	635,989	16,262	17,215	16,969	15,965	15,965
Charges for services	700,629	775,989	867,014	939,730	1,021,182	1,209,400	1,233,289	1,387,884	1,612,695	1,656,817
Interest	314,093	388,208	319,561	221,106	85,582	123,919	196,732	354,870	395,285	227,839
Other	688,192	751,089	862,601	883,143	996,282	933,347	876,789	880,588	651,883	771,323
Total revenues	7,679,776	9,462,191	7,595,995	7,871,404	7,797,393	8,140,234	7,638,813	8,165,453	8,522,958	8,751,775
Expenditures										
Legislative	-	-	-	-	-	53,147	52,334	52,332	61,598	83,758
General government	1,370,781	1,459,692	1,611,891	1,754,695	1,837,345	2,036,617	1,907,548	2,046,388	2,083,561	2,073,343
Public safety	2,552,033	2,767,745	3,078,197	3,385,031	3,626,658	3,521,507	3,479,152	3,679,179	3,881,356	4,102,659
Engineering	-	134,497	141,279	146,671	130,891	141,751	60,529	-	-	-
Infrastructure	396,596	577,480	589,082	608,129	763,795	415,552	350,107	488,254	467,234	787,877
Community development	-	-	-	-	-	339,990	-	-	-	-
Recreation and cultural	395,447	422,114	488,186	504,547	546,032	615,878	622,949	630,761	694,297	706,826
Other	310,436	128,738	113,293	164,696	205,754	218,691	209,611	230,413	204,589	333,332
Debt service										
Principal	454,810	371,889	3,236,793	472,510	358,486	406,210	498,208	500,462	504,763	521,389
Interest	385,260	414,270	378,132	472,251	223,270	187,401	134,391	113,902	100,592	87,808
Capital outlay	3,249,101	5,442,424	2,523,716	2,748,868	619,059	1,690,847	219,857	1,201,701	255,292	902,863
Total expenditures	9,114,464	11,718,849	12,160,569	10,257,398	8,311,290	9,627,591	7,534,686	8,943,392	8,253,282	9,599,855
Excess of revenues over (under) expenditures	(1,434,688)	(2,256,658)	(4,564,574)	(2,385,994)	(513,897)	(1,487,357)	104,127	(777,939)	269,676	(848,080)
Other Financing Sources (Uses)										
Proceeds from long-term debt	1,328,000	-	2,325,000	1,032,300	-	500,000	-	-	-	-
Issuance of refunding debt	-	-	-	-	-	2,365,000	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(2,353,080)	-	-	-	-
Proceeds from sale of capital assets	20,901	12,410	60,000	31,332	8,178	250,476	110,928	24,710	173,145	3,200
Bond premium	-	-	-	-	-	12,229	-	-	-	-
Inter-entity transfers in	-	-	-	-	383,529	-	-	-	-	-
Transfers in	794,952	3,198,173	4,429,295	1,754,368	504,540	604,397	621,903	794,517	592,477	595,388
Transfers out	(413,275)	(782,347)	(785,932)	(744,147)	(504,540)	(604,397)	(621,903)	(799,534)	(714,963)	(830,674)
Total other financing sources (uses)	1,730,578	2,428,236	6,028,363	2,073,853	391,707	774,625	110,928	19,693	50,659	(232,086)
Net change in fund balances	\$ 295,890	\$ 171,578	\$ 1,463,789	\$ (312,141)	\$ (122,190)	\$ (712,732)	\$ 215,055	\$ (758,246)	\$ 320,335	\$ (1,080,166)
Debt service as a percentage of noncapital expenditures	14.3%	12.5%	37.5%	12.6%	7.6%	7.5%	8.6%	7.9%	7.6%	7.0%

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

Fiscal Year Ended December 31	Fiscal							Total Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property					
1999	\$ 2,498,491	\$ 61,889,050	\$ 7,055,162	\$ 320,676,112	\$ 1,226,560	\$ 36,685,100	\$ 430,030,475	\$ 6	\$ 474,657,400	90.60%	
2000	2,515,880	70,190,970	7,205,183	341,511,884	1,299,203	33,378,600	456,101,720	5.6629	505,140,500	90.29%	
2001	1,967,143	76,790,522	7,522,536	375,826,884	1,437,989	37,343,115	500,888,189	5.6565	548,498,450	91.32%	
2002	2,029,784	85,854,626	8,132,215	409,937,566	-	38,441,912	544,392,103	5.5880	609,018,900	89.39%	
2003	2,318,418	86,532,326	13,766,815	442,823,750	-	40,306,800	585,748,109	5.5253	678,378,800	86.35%	
2004	2,331,465	99,636,533	14,109,294	481,682,386	-	40,517,100	638,276,778	5.3370	740,946,400	86.14%	
2005	2,590,787	111,556,779	15,460,638	525,702,625	-	45,210,400	700,521,229	5.3262	811,331,950	86.34%	
2006	2,218,367	114,964,632	15,051,118	572,239,358	-	46,827,750	751,301,225	5.3282	867,761,750	86.58%	
2007	2,468,072	121,108,641	14,121,340	606,104,452	-	46,577,255	790,379,760	5.3064	890,124,785	88.79%	
2008	2,514,938	126,663,528	16,032,179	615,416,841	-	52,132,300	812,759,786	5.3455	903,051,000	90.00%	

Source: Township Assessing Department

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

Fiscal Year Ended December 31	Delhi Charter Township				Overlapping Rates						Total Direct & Overlapping Rates	
	Operating Millage	Fire Equip & Training Millage	Debt Service Millage	Total Township Millage	Ingham County Operating Millage	Ingham Intermediate School Millage	Lansing Community College Millage	State Education Tax	Operating Millage	Debt Service Millage		Total School Millage
1999	4.5391	0.4933	0.7242	5.7566	10.1438	6.1615	2.9220	6.0000	0.0000	7.0000	7.0000	37.9839
2000	4.5041	0.4895	0.6693	5.6629	10.4177	6.1354	2.9106	6.0000	0.0000	10.0000	10.0000	41.1266
2001	4.4698	0.4857	0.7010	5.6565	10.4348	6.1042	3.8926	6.0000	0.0000	10.0000	10.0000	42.0881
2002	4.4456	0.4830	0.6594	5.5880	11.6815	6.0738	3.8733	6.0000	0.0000	10.0000	10.0000	43.2166
2003	4.3940	0.4942	0.6371	5.5253	12.2489	6.0553	3.8544	5.0000	0.0000	10.0000	10.0000	42.6839
2004	4.3403	0.4881	0.5086	5.3370	12.2038	6.0291	3.8375	6.0000	0.0000	10.0000	10.0000	43.4074
2005	4.3094	0.4846	0.5322	5.3262	12.2566	5.9911	3.8112	6.0000	0.0000	10.0000	10.0000	43.3851
2006	4.3094	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	0.4846	0.5124	5.3064	13.1538	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2555
2008	4.3094	0.4846	0.5515	5.3455	14.1009	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2417

Non-homeshead school operating millage

1999	17.9298
2000	17.7791
2001	17.6724
2002	17.6724
2003	17.4674
2004	17.3171
2005	17.3171
2006	17.3171
2007	17.3171
2008	17.3171

Source: Township Assessing Department

DELHI CHARTER TOWNSHIP
TOP TEN PRINCIPAL
TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2008			1999		
	Taxable Value	Rank	Percentage of Total Twp Taxable Value	Taxable Value	Rank	Percentage of Total Twp Taxable Value
RSDC of Michigan, LLC	\$ 27,206,000	1	3.2%	\$ 9,847,650	1	2.3%
Consumers Energy	10,693,404	2	1.3%			
Taylor Steel America, LLC	8,989,700	3	1.1%			
Woodland Lakes Investment Group	7,298,654	4	0.9%			
DTN Enterprises LLC	5,535,960	5	0.7%			
Dart Container Corp of MI	5,014,782	6	0.6%	3,466,678	4	0.8%
Bondarenko Ltd LLC	4,281,233	7	0.5%	2,089,700	6	0.5%
Stealth Medical Technologies LLC	4,248,800	8	0.5%			
Parker Hannifin Corp	3,520,850	9	0.4%	4,162,008	3	1.0%
Theroux Development Co	3,488,349	10	0.4%	2,628,545	5	0.6%
Media One				4,179,500	2	1.0%
Delhi Village Ltd				1,980,965	7	0.5%
Cedar Park Shopping Center				1,971,982	8	0.5%
Huntley Villa I & II				1,962,200	9	0.5%
Moran Foods				1,884,492	10	0.4%

Source: Township Assessing Department

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected with the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 2,386,263	\$ 2,379,593	99.7%	\$ 13,578	\$ 2,393,171	100.3%
2000	2,471,213	2,464,583	99.7%	24,338	2,488,921	100.7%
2001	2,578,062	2,567,827	99.6%	111,904	2,679,731	103.9%
2002	2,830,963	2,803,073	99.0%	64,402	2,867,475	101.3%
2003	3,039,438	3,031,870	99.8%	34,801	3,066,671	100.9%
2004	3,360,749	3,337,169	99.3%	51,127	3,388,296	100.8%
2005	3,539,253	3,528,780	99.7%	66,269	3,595,049	101.6%
2006	3,843,446	3,841,629	100.0%	51,976	3,893,605	101.3%
2007	4,308,253	4,293,608	99.7%	34,651	4,328,259	100.5%
2008	4,436,174	4,411,320	99.4%	40,273	4,451,593	100.3%

Ingham County reimburses the Township for all delinquent real property tax. Delinquent personal property tax, interest, and penalty is collected in subsequent years.

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

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Per Capita*	
	General Obligation Bonds	Special Assessment Bonds	General Assessment Payable	Note Payable	Capital Lease	Installment Purchase Agreement	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable			Loans Payable
1999	\$ 3,350,000	\$ 840,587	\$ -	\$ 35,000	\$ 97,260	\$ -	\$ 885,000	\$ 2,240,613	\$ 5,000	\$ 8,489,303	\$ -	\$ 15,942,763	\$ 717
2000	3,190,000	727,676	-	-	33,282	-	805,000	1,993,324	-	7,904,857	-	14,654,139	649
2001	3,005,000	620,165	-	-	-	-	750,000	1,751,835	-	7,548,173	-	13,675,173	596
2002	3,832,300	507,654	-	-	-	-	5,857,700	1,510,346	-	6,617,345	-	18,325,345	785
2003	3,572,325	409,143	-	-	-	-	8,172,675	1,268,857	-	5,932,374	-	19,734,197	831
2004	3,339,025	317,750	378,823	-	-	500,000	7,940,975	1,031,250	-	5,248,259	-	18,734,565	777
2005	2,984,060	229,357	335,789	-	-	466,667	7,620,940	793,643	-	4,535,000	-	16,965,456	692
2006	2,597,430	160,964	194,410	-	-	433,379	7,287,570	596,036	-	3,985,000	-	15,254,789	612
2007	2,178,303	120,771	182,265	-	-	400,088	6,931,697	435,229	-	3,405,000	1,280,410	14,933,763	599
2008	1,732,511	90,578	170,108	-	-	366,834	7,557,490	314,422	-	2,800,000	7,687,569	20,719,512	832

* Based on population estimates.

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

Fiscal Year	General Obligation Bonds	Percentage of Taxable Value ¹ of Property	Per Capita ²
1999	3,350,000	0.78%	150.69
2000	3,190,000	0.70%	141.34
2001	3,005,000	0.60%	130.89
2002	3,832,300	0.70%	164.15
2003	3,572,325	0.61%	150.50
2004	3,339,025	0.52%	138.41
2005	2,984,060	0.43%	121.73
2006	2,597,430	0.35%	104.24
2007	2,178,303	0.28%	87.42
2008	1,732,511	0.21%	69.53

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

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

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

DELHI CHARTER TOWNSHIP
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2008

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 101,061,231	84.76%	\$ 85,659,499
Mason School District	26,365,000	10.41%	2,744,597
Lansing School District	66,065,000	0.04%	26,426
Eaton Rapids School District	47,187,780	1.43%	674,785
Ingham County	29,162,336	10.18%	2,968,726
Eaton Intermediate School District	1,635,000	0.27%	4,415
Lansing Community College	67,995,000	7.07%	<u>4,807,247</u>
Subtotal, overlapping debt			96,885,695
Delhi Charter Township direct debt	20,719,513	100.00%	<u>20,719,513</u>
Total direct and overlapping debt			\$ 117,605,208

Source: Municipal Advisory Council of Michigan

DELHI CHARTER TOWNSHIP
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 47,465,740	\$ 50,514,050	\$ 54,849,845	\$ 69,001,890	\$ 67,837,880	\$ 74,094,640	\$ 81,133,195	\$ 86,776,175	\$ 89,012,479	\$ 90,305,100
Total net debt applicable to limit	18,332,260	19,638,292	17,770,614	22,340,962	23,948,262	22,510,710	20,498,349	18,772,870	18,360,068	32,971,911
Legal debt margin	29,133,480	30,875,758	37,079,231	46,660,928	43,889,618	51,583,930	60,634,846	68,003,305	70,652,411	57,333,189
Total net debt application to the limit as a percentage of debt limit	38.62%	38.88%	32.40%	32.38%	35.30%	30.38%	25.27%	21.63%	20.63%	36.51%

Legal Debt Margin Calculation for Fiscal Year 2008

2008 State Equalized Valuation (SEV)	903,051,000
Legal Debt Limit (10% of SEV)	x 10%
	<u>90,305,100</u>
Direct General Obligation Debt	33,376,911
Less:	
Special Assessment Bonds	<u>405,000</u>
Net Direct Debt	32,971,911
Debt Limit Margin	<u>\$ 57,333,189</u>

DELHI CHARTER TOWNSHIP
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (estimated)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate ¹
1998	21,893	n/a	n/a	n/a	5,335	3.3%
1999	22,231	n/a	n/a	n/a	5,328	2.7%
2000	22,569	538,158	23,845	35.9	5,329	2.6%
2001	22,958	n/a	n/a	n/a	5,308	3.6%
2002	23,347	n/a	n/a	n/a	5,507	4.2%
2003	23,736	n/a	n/a	n/a	5,705	5.0%
2004	24,125	n/a	n/a	n/a	5,866	6.4%
2005	24,514	n/a	n/a	n/a	5,947	6.2%
2006	24,917	n/a	n/a	n/a	6,005	6.4%
2007	24,917	n/a	n/a	n/a	5,998	6.0%
2008	24,917	n/a	n/a	n/a	5,973	7.3%

¹ Unemployment rate in Ingham County.

Source: Michigan Employment Security Commission, 2000 U.S. Census
Holt Public Schools

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

DELHI CHARTER TOWNSHIP
PRINCIPAL EMPLOYER
CURRENT YEAR AND TEN YEARS AGO

Employer	2008			1999		
	Approx No. Employed	Rank	Percentage of Total Township Employment	Approx No. Employed	Rank	Percentage of Total Township Employment
Holt Public Schools	850	1	n/a	596	1	n/a
Dakkota Integrated Interiors	537	2	n/a			
Granger Construction	170	3	n/a			
Orchid Orthopedic Solutions	153	4	n/a	75	6	n/a
Delhi Charter Township	134	5	n/a			
Shiffer Mason Contractors	125	6	n/a			
Martin Luther Holt Home	108	7	n/a			
Kroger	100	8	n/a			
Parker-Hannifin Corporation	90	9	n/a			
Davenport Masonry	65	10	n/a			
RSDC of Michigan, LLC				272	2	n/a
Spartan International				200	3	n/a
McLean Screen Print Inc				110	4	n/a
Molded Plastic Industries				100	5	n/a
Grable & Sons Metal Products				45	7	n/a
Palmer Engineering				40	8	n/a
Holt Products Company Inc.				30	9	n/a
Pageant Homes, Inc				30	10	n/a

Source: Michigan Manufacturers Directory, phone calls
Total Township employment is unavailable.

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	16.75	17.25	18.00	19.00	20.50	20.50	20.63	20.10	19.94	19.32
Public Safety										
Police										
Officers	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
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	13.00	14.70	16.40	18.60	17.30	17.20	17.41	17.66	17.66	18.31
Civilians	1.50	1.50	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.80
Public Works	20.50	20.50	23.50	23.50	24.50	25.50	27.25	28.84	29.60	26.60
Engineering	2.00	2.00	2.00	2.00	1.50	1.50	-	-	-	-
Community Development	6.00	5.50	6.00	6.00	6.00	6.00	7.00	7.50	7.50	7.85
Recreation and Culture	5.00	5.00	5.00	5.00	5.00	5.50	5.00	5.50	5.80	5.80
Total	87.25	88.95	95.40	98.60	98.80	100.20	101.29	103.60	104.50	102.18

Source: Townships Budget Documents and Human Resources

DELHI CHARTER TOWNSHIP
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Fire										
Number of Calls	1,408	1,676	1,750	1,742	1,850	1,818	2,063	2,065	2,122	2,287
Inspections	40	785	925	900	1,178	957	1,188	1,046	1,004	1,128
Burning/Recreational Permits	1,138	1,306	1,329	1,472	1,331	1,964	1,901	1,367	956	1,019
Police										
Number of Traffic Accidents	724	791	747	955	890	779	872	736	928	842
Number of Written Complaints	4,484	5,492	5,530	4,878	4,673	4,644	4,525	4,459	4,729	4,621
Number of Miles Driven	137,627	8,834	137,844	105,366	198,475	174,376	163,754	193,006	153,892	150,075
Vehicle Stops	6,038	4,855	6,744	8,048	8,013	7,011	5,609	5,429	7,849	8,041
Accounting										
Number of W-2's processed	339	404	406	447	369	345	293	356	314	362
Number of payroll checks processed	n/a	n/a	n/a	n/a	n/a	2,933	2,456	2,614	2,346	2,353
Number of purchase orders processed	n/a	n/a	n/a	n/a	n/a	1,314	1,061	873	795	734
Number of accounts payable checks processed	2,743	2,975	3,312	3,159	2,992	3,571	2,753	2,830	2,881	2,767
Assessing										
Number of Field Inspections	n/a	n/a	206	403	1,438	2,226	1,242	2,485	899	1,381
Clerk's Office										
Number of FOIA requests	n/a	45	18	43	56	122	77	56	65	37
Number of pages scanned/microfilmed	38,400	87,500	70,200	60,000	64,000	113,708	73,166	21,452	19,985	26,754
Elections										
Number of Registered Voters	14,151	14,923	15,084	15,294	15,734	16,578	16,804	16,723	17,016	17,929
Number of Permanent Absentee Voters	1,065	1,170	1,361	1,337	1,251	1,251	1,815	1,766	2,010	2,294
Treasurer's Office										
Average Number of Sewer Bills per Month	5,647	5,871	6,037	6,187	6,435	6,852	7,000	7,150	7,157	7,195
Number of Tax Bills-Two billings/year beg. 2003	8,262	9,577	9,872	9,969	18,187	18,534	19,154	19,875	20,110	20,278
Culture & Recreation										
Number of Athletic Teams	241	236	236	244	247	242	253	290	231	259
Number of Sr. Citizens Trips	8	6	6	6	8	8	8	8	9	8
Tennis Lessons	215	227	309	261	204	201	196	200	165	195
Wastewater										
Average daily sewage treatment (millions of gallons per day)	1.95	2.36	2.64	2.31	2.12	2.87	2.23	3.00	2.45	2.54
Community Development										
Permits Issued	1,744	1,633	1,831	1,970	2,287	2,136	1,858	1,526	1,629	986
Code Enforcement Complaints	n/a	1,687	1,203	1,127	1,718	547	677	592	585	530

Source: Various Township Departments

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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Culture and Recreation										
Parks Acreage	74	79	85	95	95	110	110	110	120	120
Parks	5	5	6	7	7	8	8	9	9	9
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)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	123.35	124.25	124.98
Maximum daily treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	4	4	4	4.5
General Government										
Cemeteries	1	1	1	2	2	2	2	2	2	2
Community Service Center	1	1	1	1	1	1	1	1	1	1

SINGLE AUDIT SECTION

Delhi Charter Township
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2008

Federal/Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor Number	Current Year Expenditures
U.S. Department of the Interior - National Parks Service			
Passed-through the Michigan Department of Natural Resources- Outdoor Recreation, Acquisition, Development and Planning	15.916		\$ 70,604
Environmental Protection Agency			
Passed-through the State of Michigan Department of Environmental Quality- State Revolving Loan Funds (SRF)	66.458		1,025,350
U.S. Department of Homeland Security			
Direct program- Assistance to Firefighters Grant FY 2007	97.044	EMW-2007-FO-03027	62,995
Passed-through the State of Michigan Department of State Police- FEMA Cooperating Technical Partners Initiative	97.036		3,748
Total U.S. Department of Homeland Security			<u>66,743</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,162,697</u></u>

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

April 24, 2009

To the Board of Trustees
Charter Township of Delhi
Holt, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the remaining fund information of the *Charter Township of Delhi*, as of and for the year ended December 31, 2008, which collectively comprise the *Charter Township of Delhi's* basic financial statements, and have issued our report thereon dated April 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Charter Township of Delhi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the *Charter Township of Delhi's* financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the *Charter Township of Delhi*, in a separate letter dated April 24, 2009.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson". The signature is written in a cursive, flowing style.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

April 24, 2009

To the Board of Trustees
The Charter Township of Delhi
Holt, Michigan

Compliance

We have audited the compliance of the *Charter Township of Delhi* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that is applicable to its major federal program for the year ended December 31, 2008. The *Charter Township of Delhi's* major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the *Charter Township of Delhi's* management. Our responsibility is to express an opinion on the *Charter Township of Delhi's* compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the *Charter Township of Delhi's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the *Charter Township of Delhi's* compliance with those requirements.

In our opinion, the *Charter Township of Delhi* complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control over Compliance

The management of the *Charter Township of Delhi* is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the *Charter Township of Delhi's* internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, others within the Township, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CHARTER TOWNSHIP OF DELHI

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2008

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant Deficiency (ies) identified
not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements
noted? _____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ yes X no

Significant Deficiency (ies) identified
not considered to be material weaknesses? _____ yes X none reported

Type of auditors' report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)? _____ yes X no

CHARTER TOWNSHIP OF DELHI

Schedule of Findings and Questioned Costs (Concluded)

For the Year Ended December 31, 2008

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	EPA State Revolving Loan Funds

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

None.

SECTION IV – PRIOR YEAR FINDINGS

No matters were reported.
