

# **CHARTER TOWNSHIP OF DELHI**

**Holt, Michigan**



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

**YEAR ENDED DECEMBER 31, 2013**

**CHARTER TOWNSHIP OF DELHI  
 REPORT ON FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

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**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, State of Michigan as of and for the year ended December 31, 2013, which collectively comprise the Township's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Charter Township of Delhi, State of Michigan as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information - Additional Supplementary Information*

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

*Other Information - Statistical Section*

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

*Manes Costeiran PC*

April 30, 2014

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of Charter Township of Delhi, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2013.

### Financial Highlights

- The primary government assets of the Township exceeded its liabilities and deferred outflows at the close of the most recent fiscal year by \$49,701,255 (*net position*). Of this amount, \$8,639,662 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's governmental activities net position increased by \$702,946.
- The Township's business-type activity net position decreased by \$675,980.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$7,758,438, an increase of \$1,675,546 in comparison with the prior year. Approximately 71% of this total amount, or \$5,504,378, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the General Fund was \$5,504,378 or 83 percent of total general fund expenditures and other financing uses.
- The primary government total bonded debt increased by a net \$158,063 during the current fiscal year; \$1,454,665 in new bonded debt was issued and \$1,296,602 of existing debt was retired. The Township issued new revenue bonds in the Sewer Fund for the Lift Station D project of \$254,665. The Township also issued new general obligation bonds totaling \$1,200,000 to finance the Township's cost of the non-motorized pathway/trail.

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements. The notes to the financial statements can be found on pages 41 - 68 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required and additional supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 76 - 98 of this report.

### **Government wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Charter Township of Delhi, assets exceeded liabilities and deferred inflows of resources by \$49,701,255 at the close of the most recent year.

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

**Charter Township of Delhi's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 13,645,760	\$ 11,859,508	\$ 4,357,648	\$ 4,400,034	\$ 18,003,408	\$ 16,259,542
Capital assets, net	12,183,506	12,187,251	50,864,414	52,830,033	63,047,920	65,017,284
Total assets	<u>25,829,266</u>	<u>24,046,759</u>	<u>55,222,062</u>	<u>57,230,067</u>	<u>81,051,328</u>	<u>81,276,826</u>
Current liabilities	1,255,256	704,283	1,809,345	900,742	3,064,601	1,605,025
Noncurrent liabilities	3,756,015	3,241,243	19,608,453	21,849,081	23,364,468	25,090,324
Total liabilities	<u>5,011,271</u>	<u>3,945,526</u>	<u>21,417,798</u>	<u>22,749,823</u>	<u>26,429,069</u>	<u>26,695,349</u>
Def. Inflows of Resources	4,921,004	4,907,188	-	-	4,921,004	4,907,188
<b>Net position:</b>						
Net investment in capital assets	9,240,592	9,338,276	29,992,625	30,925,575	39,233,217	40,263,851
Restricted	221,139	360,521	1,607,237	1,986,773	1,828,376	2,347,294
Unrestricted	6,435,260	5,495,248	2,204,402	1,567,896	8,639,662	7,063,144
<b>Total Net Position</b>	<b><u>\$ 15,896,991</u></b>	<b><u>\$ 15,194,045</u></b>	<b><u>\$ 33,804,264</u></b>	<b><u>\$ 34,480,244</u></b>	<b><u>\$ 49,701,255</u></b>	<b><u>\$ 49,674,289</u></b>

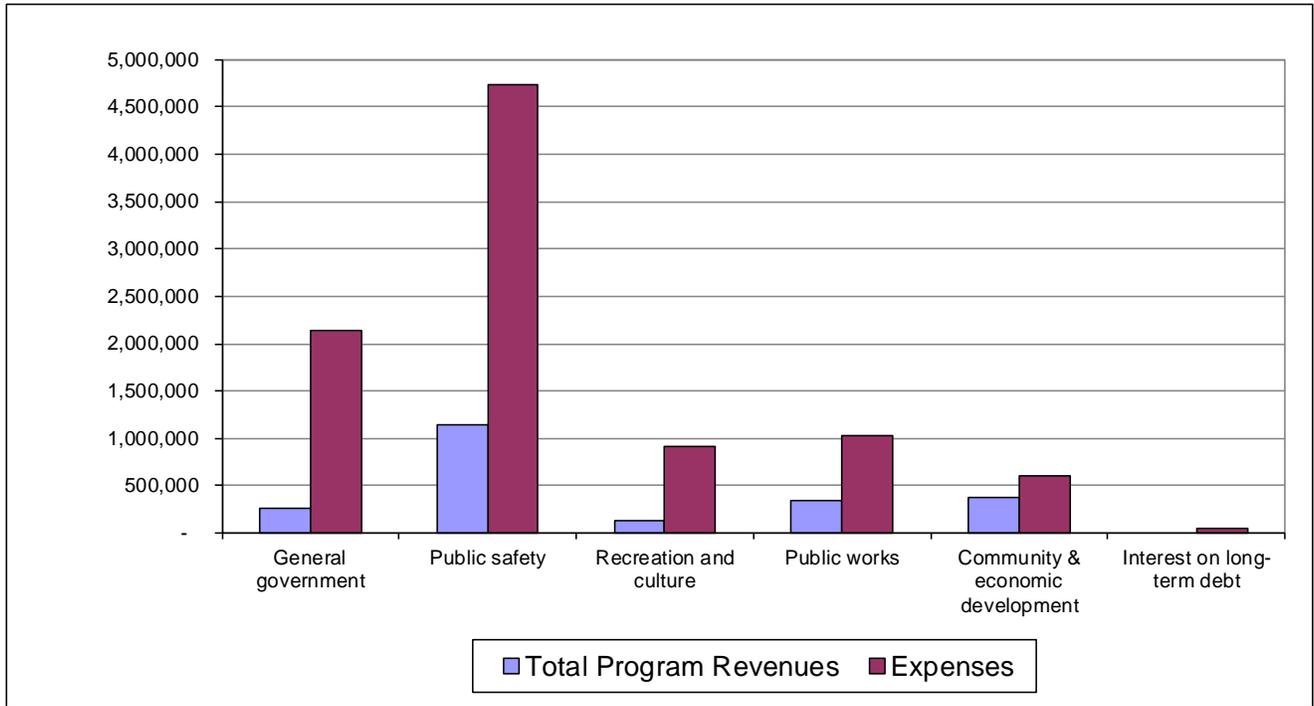
At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Primary government net position increased by \$26,966 during the current fiscal year. This was a combination of net position increasing by \$702,946 in Governmental Activities and decreasing by \$675,980 in the Business-type Activities.

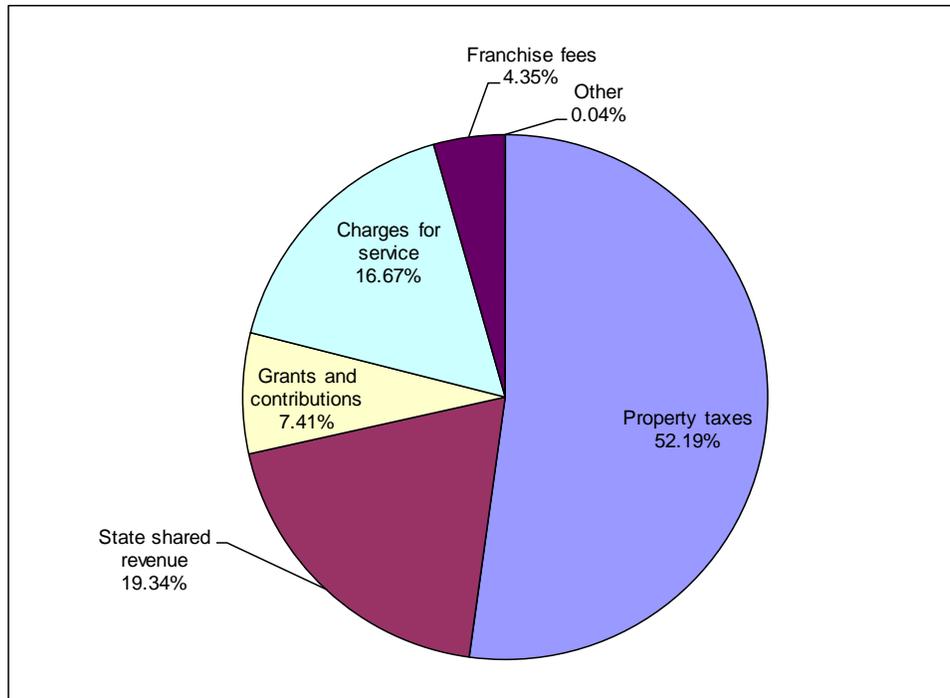
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenue:</b>						
Program revenues:						
Charges for services	\$ 1,686,044	\$ 1,795,800	\$ 5,303,826	\$ 5,282,019	\$ 6,989,870	\$ 7,077,819
Operating grants and contributions	510,414	478,110	-	-	510,414	478,110
Capital grants and contributions	51,017	163,324	-	-	51,017	163,324
General revenues:						
Property taxes	5,311,408	5,525,416	-	-	5,311,408	5,525,416
State shared revenue	1,978,618	1,924,438	-	-	1,978,618	1,924,438
Unrestricted grants and contributions	192,934	226,239	-	-	192,934	226,239
Franchise fees	443,210	435,788	-	-	443,210	435,788
Interest	3,650	9,694	7,766	15,264	11,416	24,958
<b>Total revenues</b>	<b>10,177,295</b>	<b>10,558,809</b>	<b>5,311,592</b>	<b>5,297,283</b>	<b>15,488,887</b>	<b>15,856,092</b>
<b>Expenses:</b>						
General government	2,146,777	2,219,150	-	-	2,146,777	2,219,150
Public safety	4,733,732	4,667,246	-	-	4,733,732	4,667,246
Public works	1,028,423	816,169	-	-	1,028,423	816,169
Recreation and culture	916,303	944,672	-	-	916,303	944,672
Interest on long-term debt	44,517	27,004	-	-	44,517	27,004
Sewer	-	-	5,987,572	6,346,950	5,987,572	6,346,950
Community & economic development	604,597	557,885	-	-	604,597	557,885
<b>Total expenses</b>	<b>9,474,349</b>	<b>9,232,126</b>	<b>5,987,572</b>	<b>6,346,950</b>	<b>15,461,921</b>	<b>15,579,076</b>
Increase (decrease) in net position	702,946	1,326,683	(675,980)	(1,049,667)	26,966	277,016
Net position -beginning of year	15,194,045	13,867,362	34,480,244	35,529,911	49,674,289	49,397,273
<b>Net position - end of year</b>	<b>\$ 15,896,991</b>	<b>\$ 15,194,045</b>	<b>\$ 33,804,264</b>	<b>\$ 34,480,244</b>	<b>\$ 49,701,255</b>	<b>\$ 49,674,289</b>

**Governmental activities.** Governmental activities increased the Township's net position by \$702,946 during 2013. Compared to 2012, Governmental revenues decreased by \$381,514 mainly due to decreased property values and fewer service fees. Governmental expenditures increased by \$242,223 compared to 2012. Most of the increase was for public works expenditures: \$84,978 in increased drain assessments (Cook-Thorburn drain assessment was lowered for 2012), \$55,386 for non-motorized trail development, \$23,229 increase in DPS personnel costs allocated to the Storm water department, and \$21,098 increase in street improvements.

**Expenses and Program Revenues - Governmental Activities for the year ended December 31, 2013**

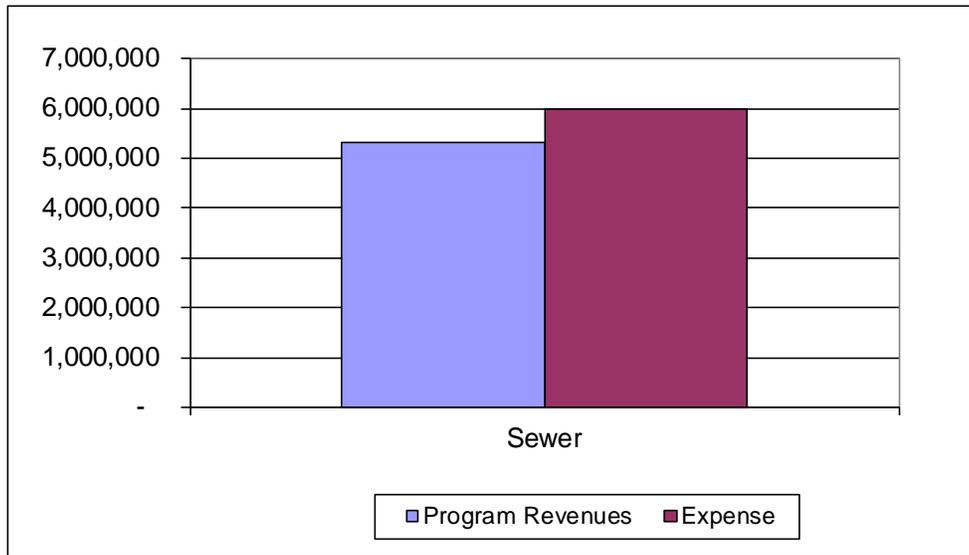


**Revenues by Source - Governmental Activities for the year ended December 31, 2013**



**Business - type activities.** Business - type activities decreased the Township’s net position by \$675,980 during 2013, due to the basic service charge rates not being enough to cover all the operating and nonoperating costs, including the cost of depreciation. A sewer rate study was conducted in 2013, with the outcome being a rate adjustment beginning in January, 2014.

**Expenses and Program Revenues - Business - type Activities for the year ended December 31, 2013**



**Revenues by Source - Business type Activities**

Almost 100% of business type activities revenue comes from charges for services related to sewer operations.

**Financial Analysis of the Government’s Funds**

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

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

As of the end of the current fiscal year, the Township’s governmental funds reported combined ending fund balances of \$7,758,438, an increase of \$1,675,546 in comparison with the prior year. Almost 71 percent of this total amount constitutes *unassigned fund balance*, which is available for spending at the government’s discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is not available for general spending because it has already been established as nonspendable, such as for prepaids, or is restricted/committed/assigned for specific activities.

The General Fund is the chief operating fund of the Township. At the end of the current year, unassigned fund balance of the general fund was \$5,504,378 while total fund balance was \$6,283,223. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 83 percent of total general fund expenditures and other financing uses while total fund balance is 95 percent of total general fund expenditures and other financing uses.

The fund balance in the Township's General Fund increased by \$899,713 during the current year. Overall, compared to 2012, expenditures, including transfers out, increased \$172,758 and revenues and other financing sources decreased by \$333,871. Key factors for this are:

- Decline in property values and Michigan Tax Tribunal decisions resulted in a decrease in tax revenue of approximately \$105,700.
- Grants and revenue sharing decreased by approximately \$140,500 due to the grant for the Valhalla Park pavilion being completed in 2012.
- Reduction in support of approximately \$90,000 from the DDA for Community Development staff.
- The general governmental departments spent \$172,700 more than in 2012. Decreases in the Parks, Recreation and Elections departments were offset by increases in the Storm Water and Infrastructure departments and increases in transfers out to the Police and Fire funds.

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

Total net position of the Sewer Fund at the end of the year amounted to \$33,804,264; a decrease for the year of \$675,980. 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 increase of \$94,130 (1%) in appropriations (including operating transfers out) between the original and final amended budget. The largest increase (\$90,590) was to increase the transfer out to the Fire Fund. A large storm at year end required increased staffing for emergency services. Other increases and decreases worth noting were:

- A decrease of \$52,240 due to a delay in fiber optic installation and other technology purchases.
- An increase of \$56,090 for Assessing Department legal and contractual services needed to assist in Michigan Tax Tribunal cases.
- An increase of \$45,350 in the Infrastructure department for planning a new non-motorized trail.

Additionally, budgeted revenues (including other financing sources) increased by approximately \$6,950. Increases in some revenue line items were offset by decreases in others. Items worth noting are as follows.

- An increase of \$50,000 in state revenue sharing.
- An increase of \$52,890 in building permit revenue due to the recovery of the housing market.
- The increases were offset by approximately \$21,300 decrease in rental registration fees, and a decrease of \$25,440 in recreation fees.

## Fire Fund and Police Fund

These two funds account for a voter approved millage, which partially covers the costs of providing fire and police services to the Township. These funds had total revenues of \$1,352,083 and \$1,077,288 respectively, and \$1,876,427 and \$2,358,529 in expenditures respectively. The Fire and Police Funds had restricted property tax revenues of \$1,022,193 in each fund. Total revenues in these funds were not sufficient to fully fund fire and police operations, so therefore, the General Fund had to transfer \$553,449 and \$1,281,241 respectively into the Fire and Police funds to cover the remaining operating expenditures.

## Capital Asset and Debt Administration

**Capital assets.** The Township's investment in capital assets for its governmental and business type activities as of December 31, 2013, amounted to \$63,047,920 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, buildings and improvements, park and recreation facilities, machinery and equipment and construction in progress. The total net decrease in the Township's investment in capital assets for the current fiscal year was \$1,969,364 (approximately 3%). The decrease is a result of depreciation expense exceeding net fixed asset investments.

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

- Land valued at \$175,000 was donated to the Township.
- An ambulance was refurbished for \$120,623
- New vehicles were purchased for both the fire and sewer funds
- The Parks department purchased a Bobcat
- A parking lot was paved in the park next to the non-motorized trail at a cost of \$62,300
- Easements and further construction of the Sycamore Trail were \$281,500
- In the Sewer Fund, \$209,677 was added to Construction in Progress for the Lift Station D project.
- Major repair work on a sewer line cost \$61,851

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

	Governmental Activities		Business Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land/Monuments	\$ 2,170,531	\$ 2,010,991	\$ 806,335	\$ 806,335	\$ 2,976,866	\$ 2,817,326
Easements	30,676	-	-	-	30,676	-
Infrastructure	613,183	708,548	24,564,772	25,555,030	25,177,955	26,263,578
Flowage rights	2,278,416	2,346,786	-	-	2,278,416	2,346,786
Buildings and improvements	4,621,505	4,804,183	16,617,000	17,687,026	21,238,505	22,491,209
Land improvements	1,157,916	1,221,759	343,753	375,892	1,501,669	1,597,651
Machinery and equipment	337,057	355,356	99,931	136,857	436,988	492,213
Furniture and office equipment	34,777	24,198	5,187	10,226	39,964	34,424
Computer equipment and programs	3,858	17,587	1,003	10,913	4,861	28,500
Vehicles	411,290	424,377	151,251	182,249	562,541	606,626
Construction in progress	524,297	273,466	8,275,182	8,065,505	8,799,479	8,338,971
<b>Total</b>	<b>\$ 12,183,506</b>	<b>\$ 12,187,251</b>	<b>\$ 50,864,414</b>	<b>\$ 52,830,033</b>	<b>\$ 63,047,920</b>	<b>\$ 65,017,284</b>

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

**Long - term debt.** At the end of the current fiscal year, the primary government of the Township had total debt outstanding of \$25,078,540.

**Delhi Charter Township's Outstanding Debt**

	Governmental Activities		Business Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 1,787,094	\$ 645,389	\$ 5,363,792	\$ 5,815,749	\$ 7,150,886	\$ 6,461,138
Revenue bonds	-	-	15,507,997	16,033,332	15,507,997	16,033,332
Other long-term debt	2,419,657	2,595,854	-	-	2,419,657	2,595,854
<b>Total</b>	<b>\$ 4,206,751</b>	<b>\$ 3,241,243</b>	<b>\$ 20,871,789</b>	<b>\$ 21,849,081</b>	<b>\$ 25,078,540</b>	<b>\$ 25,090,324</b>

The Township’s total bonded debt increased by a net of \$158,063, up to \$22,716,035 during 2013. Payments of \$1,296,602 were made that reduced the bonded debt. However, \$254,665 additional bonds were added as a result of the Township’s participation in a State Revolving Fund low interest loan program. In addition, the Township also issued new general obligation bonds totaling \$1,200,000 to finance the Township’s cost of the non-motorized pathway/trail.

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 \$71,936,018, which is significantly in excess of the Township’s and Downtown Development Authority’s outstanding general obligation debt of \$17,697,319.

Additional information on the Township’s long-term debt can be found in Note 6 on pages 60 - 64 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 2014 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2014 budget development.
- Contain health care costs by continuation of the Township’s high deductible health plan with the elimination of employer contributions to employees’ health savings accounts (H.S.A.) while encouraging employee contributions into their HSAs.
- Continue to pursue grant opportunities for capital purchases and infrastructure investments.
- Continue to assess staffing needs whenever a vacancy occurs, while continuing to cross train staff for organizational effectiveness & efficiency.
- Throughout its 25 year history the Downtown Development Authority has been able to support many improvements. Their revenue is declining, thus the Township will no longer receive its support and will need to absorb some of the operational expenditures. This will invariably result in future decreases in fund balance.
- As a result of the 2013 sewer rate study, rates were increased by 13% in 2014.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$5,504,378. The Township has projected expenditures to exceed revenues in 2014 by \$697,910. Our goal is to maintain a fund balance averaging between three and six months of operating expenditures.

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF DELHI  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

	Primary government			Component units	
	Governmental activities	Business-type activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 6,686,871	\$ 1,094,170	\$ 7,781,041	\$ 1,698,801	\$ 189,911
Investments	590,808	225,810	816,618	-	-
Receivables	5,702,350	1,389,255	7,091,605	2,704,038	148,638
Prepays and other assets	665,731	41,176	706,907	915	-
Restricted assets:					
Cash and cash equivalents	-	947,335	947,335	-	-
Investments	-	659,902	659,902	-	-
Capital assets not being depreciated	2,725,504	9,081,517	11,807,021	4,632,123	-
Capital assets being depreciated, net	9,458,002	41,782,897	51,240,899	4,998,169	-
<b>TOTAL ASSETS</b>	<b>25,829,266</b>	<b>55,222,062</b>	<b>81,051,328</b>	<b>14,034,046</b>	<b>338,549</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred charge on refunding	-	-	-	19,391	-
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	734,397	546,009	1,280,406	1,598,422	3,199
Unearned revenue	70,123	-	70,123	-	-
Long-term liabilities:					
Due within one year	450,736	1,263,336	1,714,072	1,110,753	-
Due in more than one year	3,756,015	19,608,453	23,364,468	7,352,561	-
<b>TOTAL LIABILITIES</b>	<b>5,011,271</b>	<b>21,417,798</b>	<b>26,429,069</b>	<b>10,061,736</b>	<b>3,199</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	4,921,004	-	4,921,004	1,635,649	148,352
<b>NET POSITION:</b>					
Net investment in capital assets	9,240,592	29,992,625	39,233,217	1,176,317	-
Restricted for fire equipment, training and apparatus	198,313	-	198,313	-	-
Restricted for neighborhood stabilization plan	22,826	-	22,826	-	-
Restricted for debt service	-	459,311	459,311	-	-
Restricted for replacement	-	1,147,926	1,147,926	-	-
Unrestricted	6,435,260	2,204,402	8,639,662	1,179,735	186,998
<b>TOTAL NET POSITION</b>	<b>\$ 15,896,991</b>	<b>\$ 33,804,264</b>	<b>\$ 49,701,255</b>	<b>\$ 2,356,052</b>	<b>\$ 186,998</b>

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

**CHARTER TOWNSHIP OF DELHI  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position			Component units	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Downtown Development Authority	Brownfield Redevelopment Authority	
					Governmental activities	Business-type activities			Total
<b>Primary government:</b>									
Governmental activities:									
General government	\$ 2,146,777	\$ 83,918	\$ 175,000	\$ -	\$ (1,887,859)	\$ -	\$ (1,887,859)	\$ -	\$ -
Public safety	4,733,732	808,024	332,794	-	(3,592,914)	-	(3,592,914)	-	-
Public works	1,028,423	327,757	-	-	(700,666)	-	(700,666)	-	-
Community and economic development	604,597	380,729	-	-	(223,868)	-	(223,868)	-	-
Recreation and culture	916,303	85,616	2,620	51,017	(777,050)	-	(777,050)	-	-
Interest on long-term debt	44,517	-	-	-	(44,517)	-	(44,517)	-	-
Total governmental activities	<u>9,474,349</u>	<u>1,686,044</u>	<u>510,414</u>	<u>51,017</u>	<u>(7,226,874)</u>	<u>-</u>	<u>(7,226,874)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	5,987,572	5,303,826	-	-	-	(683,746)	(683,746)	-	-
Total primary government	<u>\$ 15,461,921</u>	<u>\$ 6,989,870</u>	<u>\$ 510,414</u>	<u>\$ 51,017</u>	<u>(7,226,874)</u>	<u>(683,746)</u>	<u>(7,910,620)</u>	<u>-</u>	<u>-</u>
<b>Component units:</b>									
Brownfield redevelopment	\$ 10,218	\$ -	\$ -	\$ -	-	-	-	-	(10,218)
Downtown development	1,735,745	23,822	11,448	-	-	-	(1,700,475)	-	-
Total component units	<u>\$ 1,745,963</u>	<u>\$ 23,822</u>	<u>\$ 11,448</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(1,700,475)</u>	<u>-</u>	<u>(10,218)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					3,267,022	-	3,267,022	2,207,667	186,709
Property taxes, levied for fire					1,022,193	-	1,022,193	-	-
Property taxes, levied for police					1,022,193	-	1,022,193	-	-
State sources					1,978,618	-	1,978,618	-	-
Unrestricted grants and contributions					192,934	-	192,934	-	-
Franchise fees					443,210	-	443,210	-	-
Interest					3,650	7,766	11,416	4,339	-
Other					-	-	-	89,767	-
Total general revenues					<u>7,929,820</u>	<u>7,766</u>	<u>7,937,586</u>	<u>2,301,773</u>	<u>186,709</u>
Change in net position					702,946	(675,980)	26,966	601,298	176,491
Net position, beginning of year					15,194,045	34,480,244	49,674,289	1,754,754	10,507
Net position end of year					<u>\$ 15,896,991</u>	<u>\$ 33,804,264</u>	<u>\$ 49,701,255</u>	<u>\$ 2,356,052</u>	<u>\$ 186,998</u>

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

**FUND FINANCIAL STATEMENTS**

**CHARTER TOWNSHIP OF DELHI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 5,805,442	\$ 62,067	\$ 32,851	\$ 786,511	\$ 6,686,871
Investments	488,438	-	-	102,370	590,808
Receivables:					
Taxes	2,760,043	996,461	996,461	339,998	5,092,963
Special assessments	82,230	-	-	14,908	97,138
Other	176,472	48,076	3,079	-	227,627
Due from component unit	284,622	-	-	-	284,622
Prepays	48,109	29,105	-	588,517	665,731
<b>TOTAL ASSETS</b>	<b>\$ 9,645,356</b>	<b>\$ 1,135,709</b>	<b>\$ 1,032,391</b>	<b>\$ 1,832,304</b>	<b>\$ 13,645,760</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 532,765	\$ 7,022	\$ -	\$ 27,156	\$ 566,943
Accrued liabilities	90,844	67,191	-	-	158,035
Unearned revenue	70,122	-	-	-	70,122
Due to other governments	2,805	-	-	-	2,805
<b>TOTAL LIABILITIES</b>	<b>696,536</b>	<b>74,213</b>	<b>-</b>	<b>27,156</b>	<b>797,905</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	2,512,092	1,032,391	1,032,391	344,130	4,921,004
Unavailable revenue - ambulance fees	71,275	-	-	-	71,275
Unavailable revenue - special assessments	82,230	-	-	14,908	97,138
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,665,597</b>	<b>1,032,391</b>	<b>1,032,391</b>	<b>359,038</b>	<b>5,089,417</b>
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepays	48,109	29,105	-	588,517	665,731
Restricted:					
For fire equipment, training and apparatus	-	-	-	198,313	198,313
For neighborhood stabilization plan	22,826	-	-	-	22,826
For capital projects	-	-	-	290,969	290,969
Committed:					
For debt service	-	-	-	306,982	306,982
For disaster contingency fund	10,000	-	-	-	10,000
Assigned for subsequent year expenditures	697,910	-	-	61,329	759,239
Unassigned	5,504,378	-	-	-	5,504,378
<b>TOTAL FUND BALANCES</b>	<b>6,283,223</b>	<b>29,105</b>	<b>-</b>	<b>1,446,110</b>	<b>7,758,438</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 9,645,356</b>	<b>\$ 1,135,709</b>	<b>\$ 1,032,391</b>	<b>\$ 1,832,304</b>	<b>\$ 13,645,760</b>

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

**CHARTER TOWNSHIP OF DELHI  
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR  
GOVERNMENTAL FUNDS  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

**Total governmental fund balances** \$ 7,758,438

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

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

Capital assets not being depreciated	\$ 2,725,504	
Capital assets being depreciated, net	<u>9,458,002</u>	12,183,506

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

Unavailable revenue expected to be collected after March 1, 2014	168,412
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

General obligation debt	(3,839,522)
Bond discount, net of accumulated amortization	7,313
Compensated absences	(374,542)
Accrued interest	<u>(6,614)</u>

<b>Net position of governmental activities</b>	<u><u>\$ 15,896,991</u></u>
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The notes to financial statements are an integral part of this statement.

**CHARTER TOWNSHIP OF DELHI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
<b>REVENUES:</b>					
Taxes	\$2,926,271	\$1,022,193	\$1,022,193	\$ 340,751	\$ 5,311,408
Grants and revenue sharing	1,978,618	119,937	-	404	2,098,959
Intergovernmental	95,031	-	-	-	95,031
Licenses and permits	252,148	-	-	-	252,148
Charges for services	1,362,969	-	-	42,800	1,405,769
Franchise fees	443,210	-	-	-	443,210
Fines and forfeitures	23,292	-	55,095	-	78,387
Interest and rentals	20,550	-	-	252	20,802
Other	410,410	209,953	-	8,458	628,821
Total revenue	<u>7,512,499</u>	<u>1,352,083</u>	<u>1,077,288</u>	<u>392,665</u>	<u>10,334,535</u>
<b>EXPENDITURES:</b>					
Current:					
General government	1,963,113	-	-	-	1,963,113
Public safety	-	1,876,427	2,358,529	299,059	4,534,015
Public works	861,792	-	-	2,896	864,688
Community and economic development	605,837	-	-	-	605,837
Recreation and culture	702,820	-	-	-	702,820
Other	389,846	-	-	-	389,846
Debt service:					
Principal	160,154	-	-	59,108	219,262
Interest	7,562	-	-	17,233	24,795
Issuance costs	-	-	-	19,370	19,370
Capital outlay	86,972	-	-	450,771	537,743
Total expenditures	<u>4,778,096</u>	<u>1,876,427</u>	<u>2,358,529</u>	<u>848,437</u>	<u>9,861,489</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,734,403</u>	<u>(524,344)</u>	<u>(1,281,241)</u>	<u>(455,772)</u>	<u>473,046</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	553,449	1,281,241	-	1,834,690
Transfers out	(1,834,690)	-	-	-	(1,834,690)
Proceeds from sale of capital assets	-	-	-	2,500	2,500
Proceeds from bond issuance	-	-	-	1,200,000	1,200,000
Total other financing sources (uses)	<u>(1,834,690)</u>	<u>553,449</u>	<u>1,281,241</u>	<u>1,202,500</u>	<u>1,202,500</u>
Net change in fund balances	899,713	29,105	-	746,728	1,675,546
<b>FUND BALANCES:</b>					
Beginning of year	5,383,510	-	-	699,382	6,082,892
End of year	<u>\$6,283,223</u>	<u>\$ 29,105</u>	<u>\$ -</u>	<u>\$ 1,446,110</u>	<u>\$ 7,758,438</u>

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

**CHARTER TOWNSHIP OF DELHI  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 1,675,546</b>
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	779,473
Depreciation expense	(767,758)
Realized loss on disposal of capital assets	(15,460)
Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities):	
Proceeds from issuance of bonds	(1,200,000)
Reductions of principal on long-term debt	217,638
Amortization of bond discounts	(812)
Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:	
Accrued revenue beginning of the year - primarily special assessments due in the future	(172,219)
Accrued revenue end of the year - primarily special assessments due in the future	168,412
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:	
Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable beginning of the year	7,074
Accrued interest payable end of the year	(6,614)
Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:	
Accrued compensated absences beginning of the year	390,584
Accrued compensated absences end of the year	(374,542)
<b>Change in net position of governmental activities</b>	<b>\$ 701,322</b>

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

**PROPRIETARY FUND**

**CHARTER TOWNSHIP OF DELHI  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2013**

	<b>Business-type activities- Enterprise fund</b>
	<b><u>Sewer fund</u></b>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 1,094,170
Investments	225,810
Special assessments receivable	422,584
Other receivables	966,671
Prepays	<u>41,176</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>2,750,411</u></b>
<b>NONCURRENT ASSETS:</b>	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	459,311
Replacement cash and cash equivalents	488,024
Replacement investments	659,902
Property, plant and equipment not being depreciated	9,081,517
Property, plant and equipment net of accumulated depreciation	<u>41,782,897</u>
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>52,471,651</u></b>
<b>TOTAL ASSETS</b>	<b><u>55,222,062</u></b>

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

<b>LIABILITIES AND NET POSITION</b>	<b>Business-type activities- Enterprise fund</b>
	<b>Sewer fund</b>
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 125,824
Accrued liabilities	190,277
Interest payable	135,897
Retainage payable	94,011
Current portion of long-term debt	<u>1,263,336</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,809,345</u>
<b>LONG-TERM LIABILITIES</b> , net of current portion:	
Due in more than one year	<u>19,608,453</u>
<b>TOTAL LIABILITIES</b>	<u>21,417,798</u>
<b>NET POSITION:</b>	
Net investment in capital assets	29,992,625
Restricted for:	
Replacement	1,147,926
Debt service	459,311
Unrestricted	<u>2,204,402</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 33,804,264</u></u>

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

**CHARTER TOWNSHIP OF DELHI  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 YEAR ENDED DECEMBER 31, 2013**

	<b>Business-type activities- Enterprise fund</b>
	<b>Sewer fund</b>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 4,998,232
Permits and fees	251,637
Other operating revenue	42,860
	5,292,729
<b>OPERATING EXPENSES:</b>	
Costs of sales and services	3,209,529
Depreciation	2,261,298
	5,470,827
Operating loss	(178,098)
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Interest and rentals	18,863
Amortization of bond discount	(5,538)
Interest expense	(511,207)
	(497,882)
Change in net position	(675,980)
<b>NET POSITION:</b>	
Beginning of year	34,480,244
End of year	\$ 33,804,264

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

**CHARTER TOWNSHIP OF DELHI  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED DECEMBER 31, 2013**

	<b>Business-type activities- Enterprise fund</b>
	<b>Sewer fund</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:</b>	
Cash flows from operating activities:	
Cash received from customers	\$ 5,993,182
Cash payments to suppliers for goods and services	(2,231,591)
Cash payments to employees for services	(1,335,348)
	2,426,243
Cash flows from capital and related financing activities:	
Purchase of capital assets	(295,679)
Proceeds from bonds	254,665
Interest payments	(514,529)
Principal payments	(1,237,495)
	(1,793,038)
Cash flows from investing activities:	
Purchase of investments	(1,469)
Interest and rental earnings	18,863
	17,394
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>650,599</b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	1,390,906
End of year	\$ 2,041,505

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

**CHARTER TOWNSHIP OF DELHI  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS (Concluded)  
 YEAR ENDED DECEMBER 31, 2013**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSE) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating loss	\$ (178,098)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:	
Depreciation and amortization	2,261,298
(Increase) decrease in assets:	
Special assessments receivable	390
Other receivables	700,063
Prepaid expenses	(5,999)
Increase (decrease) in liabilities:	
Accounts payable	(386,682)
Accrued expenses	16,396
Retainage payable	18,875
Total adjustments	<u>2,604,341</u>
Net cash provided by operating activities	<u><u>\$ 2,426,243</u></u>

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

**FIDUCIARY FUNDS**

**CHARTER TOWNSHIP OF DELHI  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

	<b>Other post employment benefit trust fund</b>	<b>Private Purpose Trust</b>	
	<b>Retiree health benefits</b>	<b>Cemetery</b>	<b>Agency funds</b>
<b>ASSETS</b>			
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,738,474	\$ 75,648	\$ 15,679,056
Accounts receivable	-	-	154
Taxes receivable	-	-	13,974,388
	<b>1,738,474</b>	<b>75,648</b>	<b>29,653,598</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES:</b>			
Due to other governments	-	-	29,354,018
Undistributed receipts	-	-	299,580
	<b>-</b>	<b>-</b>	<b>29,653,598</b>
<b>NET POSITION:</b>			
Restricted - funds held in trust for individuals	<b>\$ 1,738,474</b>	<b>\$ 75,648</b>	<b>\$ -</b>

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

**CHARTER TOWNSHIP OF DELHI  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2013**

	<b>Other post employment benefit trust fund</b>	<b>Private Purpose Trust</b>
	<b>Retiree health benefits</b>	<b>Cemetery</b>
<b>ADDITIONS:</b>		
Contributions	\$ 566,473	\$ -
Investment earnings - net	50,780	-
Total additions	617,253	-
<b>DEDUCTIONS:</b>		
Cemetery perpetual care	-	247
Change in net position	617,253	(247)
<b>NET POSITION:</b>		
Beginning of year	1,121,221	75,895
End of year	\$ 1,738,474	\$ 75,648

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

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

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

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

**B. Reporting Entity**

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

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

*Discretely Presented Component Units*

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

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

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

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

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

**B. Reporting Entity (Concluded)**

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following nonmajor fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**F. Budgetary Information**

**1. Budgetary Basis of Accounting**

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

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

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

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

**F. Budgetary Information (Concluded)**

**1. Budgetary Basis of Accounting (Concluded)**

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

The budget was amended during the year with supplemental appropriations. The budget was approved prior to December 31, 2013. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

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

**1. Cash, Cash Equivalents and Investments**

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

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

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

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

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

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

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

**1. Cash, Cash Equivalents and Investments (Concluded)**

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

**2. Receivables and Payables**

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

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

**3. Prepaids**

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

**4. Restricted Assets**

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

**5. Capital Assets**

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

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

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

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

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

**5. Capital Assets (Concluded)**

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

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

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

**6. Other Postemployment Benefit Costs**

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

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

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

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

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

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

**7. Deferred Outflows/Inflows of Resources (Concluded)**

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

**8. Net Position Flow Assumption**

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

**9. Fund Balance Flow Assumptions**

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

**10. Fund Balance Policies**

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

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

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

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

**10. Fund Balance Policies (Concluded)**

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

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

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

**11. Comparative Data/Reclassifications**

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

**12. Use of Estimates**

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

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

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

**H. Revenues and Expenditures/Expenses**

**1. Program Revenues**

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

**2. Property Taxes**

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

The Township is permitted by state statute to levy taxes up to \$5.00 per \$1,000 of taxable valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. In 2013 the Township levied \$4.3094 per \$1,000 for general governmental purposes and \$0.5000 per \$1,000 for fire equipment, and \$1.5000 per \$1,000 for Police services, and \$1.5000 per \$1,000 for Fire and Emergency Medical Services on the December 31, 2012 levy (recognized as revenue in 2013) for a total of \$7.8094 per \$1,000.

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

**3. Compensated Absences**

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

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

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

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

**4. Long-term Obligations**

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

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

**5. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

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

**NOTE 2 - DEPOSITS AND INVESTMENTS**

As of December 31, 2013, the Township had the following investments.

<u>Investment Type</u>	<u>Fair value</u>	<u>Weighted average maturity (years)</u>	<u>Standard &amp; Poor's rating</u>	<u>%</u>
Federal National Mortgage Association	\$ 56,937	0.5022	AA+	1.4%
Federal National Mortgage Association	52,943	2.2140	AA+	1.3%
Financing Corp Cpn FICO Strips	53,877	2.3031	AA+	1.3%
Federated Cash - Money Market	6,988	0.0027	N/A	0.2%
Federal Nat'l Mtg Asn. Medium Term Nts	108,358	3.4425	AA+	2.6%
Comerica Securities - Redford Township	60,486	0.2457	A+	1.5%
Comerica Securities - Clare Public Schools	116,668	1.3122	AA2 - Moody	2.8%
Comerica Securities - Anchor Bay Schools	32,180	2.3004	AA-	0.8%
MI CLASS Pooled Investments	102,370	0.0027	AAAm	2.5%
PNC Bank Money Market	100,896	0.0027	N/A	2.5%
First Merit Money Market	126,776	0.0027	N/A	3.1%
Dart Bank Money Market	972,492	0.0027	N/A	23.6%
Dart Bank - CD	281,985	0.1890	N/A	6.8%
Dart Bank - CD	175,742	0.8370	N/A	4.3%
Flagstar Bank - CD	202,175	0.2619	N/A	4.9%
Federated Cash - Money Market	3,580	0.0027	N/A	0.1%
Federal Nat'l Mtg Asn. Medium Term Nts	118,534	1.6848	AA+	2.9%
Federal Nat'l Mtg Asn. Fixed Rate	103,696	3.6882	AA+	2.5%
Dart Bank Money Market	1,440,881	0.0027	N/A	34.9%
Total fair value	<u>\$ 4,117,564</u>			<u>100.0%</u>
Portfolio weighted average maturity		<u>0.9500</u>		

1 day maturity equals 0.0027, one year equals 1.00

The Township voluntarily invests excess funds in pooled short-term investment funds which included money market funds. One of the pooled investment funds utilized by the Township is MI CLASS. MI CLASS is an external pooled investment fund of "qualified" investments for Michigan townships. MI CLASS is not regulated nor is it registered with the SEC. MI CLASS reports as of December 31, 2013 the fair value of the Township's investments is the same as the value of the pool shares.

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

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

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

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

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

**Custodial credit risk - deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2013, \$17,694,307 of the Township's bank balance of \$18,777,127 was exposed to custodial credit risk because it was uninsured. Certificate of deposits and money market accounts are included in the above totals. The book balance reported as deposits and cash on hand on the financial statements as of December 31, 2013 was \$29,586,786.

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

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

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

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

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

Summary of deposit and investments balances. The following is a reconciliation of deposit and investment balances as of December 31, 2013.

Deposits (including deposits in transit at year end)	\$ 25,467,322	
Investments	4,117,564	
Cash on hand	1,900	
	<u>\$ 29,586,786</u>	
Cash and cash equivalents:		
Township wide - unrestricted	\$ 7,781,041	
Township wide - restricted	947,335	
Component units	1,888,712	
Retiree health benefits (other post employment benefits)	1,738,474	
Cemetery fund (a private purpose trust)	75,648	
Agency funds (fiduciary funds)	15,679,056	
Investments:		
Township wide - unrestricted	816,618	
Township wide - restricted	659,902	
	<u>\$ 29,586,786</u>	

**Pooling of cash.** The Township utilizes various pooled cash accounts for approximately 10 funds. The Township's pooled cash accounts consist of a common checking account. The Township's financial statements reflect certain cash and cash equivalents with a negative balance. This amount does not represent actual bank overdraft, rather it merely reflects that this fund has disbursed amounts from the Township's common check account in excess of the amount recorded as an asset. In total, the bank account has a positive balance.

Cash disbursed in excess of amounts recorded as assets as of December 31, 2013 are as follows:

Fund	Negative pooled cash	Nonpooled cash and cash equivalents	Financial statements
Trust and Agency Fund	\$ (17,534)	\$ 8,272	\$ (9,262)

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

**NOTE 3 - RECEIVABLES**

Receivables at December 31, 2013 consist of the following:

<b>Governmental Activities</b>		<b>Business-type Activities</b>	
General	\$ 154,628	Service	\$ 930,606
Special assessment	97,138	General	32,134
Ambulance	71,275	Due from current tax	396,465
Due from DDA	284,622	Special assessment	26,119
Due from current tax	5,092,963	Other	<u>3,931</u>
Other	<u>1,724</u>		
	<u>\$ 5,702,350</u>		<u>\$ 1,389,255</u>
<b>Downtown Development Authority</b>		<b>Brownfield Redevelopment Authority</b>	
Due from Township	\$ 2,698,683	Due from Township	\$ 148,638
General	<u>5,355</u>		
	<u>\$ 2,704,038</u>		<u>\$ 148,638</u>

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

**NOTE 4 - CAPITAL ASSETS**

The capital assets are as follows:

	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,995,991	\$ 175,000	\$ 15,460	\$ 2,155,531
Monuments	15,000	-	-	15,000
Easements	-	30,676	-	30,676
Construction in process	273,466	250,831	-	524,297
Total capital assets, not being depreciated	<u>2,284,457</u>	<u>456,507</u>	<u>15,460</u>	<u>2,725,504</u>
Capital assets, being depreciated:				
Buildings and improvements	7,775,308	9,851	-	7,785,159
Land improvements and sidewalks	2,639,458	84,016	-	2,723,474
Machinery and equipment	1,171,456	55,822	6,838	1,220,440
Furniture and office equipment	568,806	23,650	-	592,456
Flowage rights	2,605,100	-	-	2,605,100
Infrastructure (road improvements)	1,959,083	-	-	1,959,083
Computer equipment and programs	345,525	-	16,474	329,051
Vehicles	2,160,866	149,627	113,294	2,197,199
Total capital assets, being depreciated	<u>19,225,602</u>	<u>322,966</u>	<u>136,606</u>	<u>19,411,962</u>
Less accumulated depreciation for:				
Buildings and improvements	2,971,125	192,529	-	3,163,654
Land improvements and sidewalks	1,417,699	147,859	-	1,565,558
Machinery and equipment	816,100	74,121	6,838	883,383
Furniture and office equipment	544,608	13,071	-	557,679
Flowage rights	258,314	68,370	-	326,684
Infrastructure (road improvements)	1,250,535	95,365	-	1,345,900
Computer equipment and programs	327,938	13,729	16,474	325,193
Vehicles	1,736,489	162,714	113,294	1,785,909
Total accumulated depreciation	<u>9,322,808</u>	<u>767,758</u>	<u>136,606</u>	<u>9,953,960</u>
Total capital assets, being depreciated, net	<u>9,902,794</u>	<u>(444,792)</u>	<u>-</u>	<u>9,458,002</u>
Total	<u>\$ 12,187,251</u>	<u>\$ 11,715</u>	<u>\$ 15,460</u>	<u>\$ 12,183,506</u>

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

**NOTE 4 - CAPITAL ASSETS (Continued)**

	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 806,335	\$ -	\$ -	\$ 806,335
Construction in process	8,065,505	209,677	-	8,275,182
Total capital assets, not being depreciated	8,871,840	209,677	-	9,081,517
Capital assets, being depreciated:				
Sewage disposal plant and equipment	30,128,887	-	-	30,128,887
Sewer mains	42,068,659	61,851	-	42,130,510
Outfall lines	1,141,390	-	-	1,141,390
Land improvements	482,092	-	-	482,092
Furniture and office equipment	127,055	-	-	127,055
Computer equipment	353,043	-	-	353,043
Vehicles	981,685	24,151	-	1,005,836
Machinery and equipment	711,327	-	2,562	708,765
Maintenance facility	1,430,686	-	-	1,430,686
Total capital assets, being depreciated	77,424,824	86,002	2,562	77,508,264
Less accumulated depreciation for:				
Sewage disposal plant and equipment	13,480,152	1,034,083	-	14,514,235
Sewer mains	17,242,132	1,028,271	-	18,270,403
Outfall lines	412,887	23,838	-	436,725
Land improvements	106,200	32,139	-	138,339
Furniture and office equipment	116,829	5,039	-	121,868
Computer equipment	342,130	9,910	-	352,040
Vehicles	799,436	55,149	-	854,585
Machinery and equipment	574,470	36,926	2,562	608,834
Maintenance facility	392,395	35,943	-	428,338
Total accumulated depreciation	33,466,631	2,261,298	2,562	35,725,367
Total capital assets, being depreciated, net	43,958,193	(2,175,296)	-	41,782,897
Total	\$ 52,830,033	\$ (1,965,619)	\$ -	\$ 50,864,414

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

**NOTE 4 - CAPITAL ASSETS (Concluded)**

	Balance December 31, 2012	Additions	Deletions	Balance December 31, 2013
Component unit:				
Downtown Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 4,889,564	\$ 2,500	\$ 277,838	\$ 4,614,226
Construction in process	-	17,897	-	17,897
Total capital assets, not being depreciated	<u>4,889,564</u>	<u>20,397</u>	<u>277,838</u>	<u>4,632,123</u>
Capital assets, being depreciated:				
Buildings	1,051,920	-	-	1,051,920
Land improvements	6,447,926	-	62,565	6,385,361
Infrastructure (road improvements)	1,294,495	-	-	1,294,495
Computer	2,500	-	-	2,500
Machinery and equipment	54,911	-	-	54,911
Furniture and office equipment	76,020	-	-	76,020
Total capital assets, being depreciated	<u>8,927,772</u>	<u>-</u>	<u>62,565</u>	<u>8,865,207</u>
Less accumulated depreciation for:				
Buildings	216,573	26,519	-	243,092
Land improvements	1,971,829	354,099	40,219	2,285,709
Infrastructure (road improvements)	1,133,658	86,754	-	1,220,412
Computer	1,666	834	-	2,500
Machinery and equipment	37,661	6,621	-	44,282
Furniture and office equipment	63,441	7,602	-	71,043
Total accumulated depreciation	<u>3,424,828</u>	<u>482,429</u>	<u>40,219</u>	<u>3,867,038</u>
Total capital assets, being depreciated, net	<u>5,502,944</u>	<u>(482,429)</u>	<u>22,346</u>	<u>4,998,169</u>
Total	<u>\$ 10,392,508</u>	<u>\$ (462,032)</u>	<u>\$ 300,184</u>	<u>\$ 9,630,292</u>

Depreciation expense was charged to functions/programs of the primary government at December 31, 2013 as follows:

Governmental activities:	
General government	\$ 157,868
Public safety	224,630
Public works	163,735
Community development	4,361
Recreation and culture	217,164
Total governmental activities	<u>\$ 767,758</u>
Business type activities:	
Sewer	<u>\$ 2,261,298</u>
Component unit:	
Downtown Development Authority	<u>\$ 482,429</u>

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

**NOTE 5 - INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

The composition of interfund transfers for the year ended December 31, 2013 is as follows:

	Transfer in		
	Fire Fund	Police Fund	Total transfers out
Transfer out:			
General Fund	\$ 553,449	\$ 1,281,241	\$ 1,834,690

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

**NOTE 6 - LONG-TERM DEBT**

General Obligation Bonds

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

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

\$721,779, 2011 Refunding Bonds, due in annual installments of \$60,773 to \$74,925 through 2022, interest at 1.35% to 3.65%. The Township issued bonds totaling \$4,335,000 of which 16.65% (\$721,779) was for water improvement (governmental activities) and 83.35% (\$3,613,221) was for sanitary sewer (business type activities).	\$ 594,407
\$1,200,000, 2013 general obligation bonds to finance Township costs of constructing of a portion of a non-motorized pathway/trail, due in annual installments of \$100,000 to \$125,000 through 2024, interest at 2.09%. The Downtown Development Authority has pledged its revenue to the Township for the principal and interest payments.	1,200,000
Less: discount	(7,313)
	\$ 1,787,094

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

**NOTE 6 - LONG-TERM DEBT (Continued)**

Other Long-term Debt

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 1,835,140</u>	2031	Imputed at 4%

Installment Purchase Agreement

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 200,166</u>	2019	3.49%

**Enterprise Fund**

General Obligation Bonds Payable:

\$2,500,000, 2003 Sanitary Sewer general obligation bonds, due in annual installments of \$115,000 to \$195,000 through 2024, interest at 3.80% to 4.75%.	\$ 1,670,000
\$3,613,221, 2011 Refunding Bonds (Sanitary Sewer general obligation bonds), due in annual installments of \$304,228 to \$375,075 through 2022, interest at 1.35% to 3.65%. The Township issued one bond issue for \$4,335,000 of which 83.35% (\$3,613,221) was for sanitary sewer (business type activities) and 16.65% (\$721,779) was for water improvement (governmental activities).	2,975,595
\$1,000,000, 2008 DDA general obligation bonds, due in annual installments of \$54,108 to \$87,675 through 2024, interest at 3.75% 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).	768,036
Less: discount	<u>(49,839)</u>
	<u>\$ 5,363,792</u>

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

**NOTE 6 - LONG-TERM DEBT (Continued)**

State Revolving Loan Fund Revenue Bonds

\$9,850,000, 2007 Sanitary Sewer revenue bonds, draws to December 31, 2011 of \$9,850,000, interest payable at 1.625%. Interest payments due semi-annually. Principal payments ranging from \$455,000 to \$570,000 due annually through 2028. \$ 7,675,000

\$8,400,000, 2010 Sanitary Sewer revenue bonds, draws to December 31, 2013, interest paid semi-annually at 2.5%. Principal payments ranging from \$335,000 to \$525,000 due annually through 2032. 7,832,997

\$ 15,507,997

**Downtown Development Authority (Component Unit)**

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

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in annual installments of \$70,000 to \$85,000 through 2018, interest at 4.00% to 4.50%. \$ 390,000

\$2,540,000, 2010 Downtown Development refunding bonds for the purpose of refunding 1997 general obligations bonds, due in annual installments of \$515,000 to \$525,000 through 2015, interest at 1.55% to 2.05%. 1,040,000

\$8,980,000, 2008 DDA general obligation bonds, due in annual installments for \$485,892 to \$787,325 through 2024, interest at 3.75% 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). 6,896,963

\$ 8,326,963

Land Contract

\$225,000, Land contract due in semi-annual installments of \$23,446 through 2016, interest at 6%. \$ 127,012

\$ 127,012

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

**NOTE 6 - LONG-TERM DEBT (Continued)**

The following is a summary of changes in long-term debt during the year ended December 31, 2013:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
<b>Governmental activities:</b>					
General obligation bonds	\$ 653,514	\$ 1,200,000	\$ 59,107	\$ 1,794,407	\$ 160,773
General assessment payable	1,961,961	-	126,821	1,835,140	126,821
Discount	(8,125)	-	(812)	(7,313)	-
Installment purchase agreement	233,500	-	33,334	200,166	33,333
OPEB payable	9,809	-	-	9,809	9,809
Compensated absences	390,584	-	16,042	374,542	120,000
	<u>\$ 3,241,243</u>	<u>\$ 1,200,000</u>	<u>\$ 234,492</u>	<u>\$ 4,206,751</u>	<u>\$ 450,736</u>
<b>Business-type activities:</b>					
General obligation bonds	\$ 5,871,126	\$ -	\$ 457,495	\$ 5,413,631	\$ 473,336
Revenue bonds	16,033,332	254,665	780,000	15,507,997	790,000
Discount	(55,377)	-	(5,538)	(49,839)	-
	<u>\$ 21,849,081</u>	<u>\$ 254,665</u>	<u>\$ 1,231,957</u>	<u>\$ 20,871,789</u>	<u>\$ 1,263,336</u>
<b>Component unit:</b>					
General obligation bonds	\$ 9,365,360	\$ -	\$ 1,038,397	\$ 8,326,963	\$ 1,070,892
Land contract	164,584	-	37,572	127,012	39,861
Compensated absences	9,489	-	150	9,339	-
	<u>\$ 9,539,433</u>	<u>\$ -</u>	<u>\$ 1,076,119</u>	<u>\$ 8,463,314</u>	<u>\$ 1,110,753</u>
	<u>\$ 34,629,757</u>	<u>\$ 1,454,665</u>	<u>\$ 2,542,568</u>	<u>\$ 33,541,854</u>	<u>\$ 2,824,825</u>

The annual requirements to amortize all long-term debt outstanding, exclusive of compensated absences and OPEB payable as of December 31, 2013, are as follows:

Year ending December 31	Governmental activities		Business-type activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 320,927	\$ 156,326	\$ 1,263,336	\$ 497,491	\$ 1,110,753	\$ 314,086
2015	321,759	132,053	1,300,008	471,455	1,150,675	281,265
2016	322,593	121,058	1,327,683	442,283	664,743	251,130
2017	323,424	109,891	1,359,355	411,309	642,375	224,107
2018	325,089	98,487	1,386,197	378,349	678,868	198,093
2019 - 2023	1,511,842	320,515	7,174,376	1,321,598	3,419,238	590,999
2024 - 2028	613,892	99,647	5,317,675	513,172	787,323	32,476
2029 - 2032	90,187	4,973	1,792,998	79,079	-	-
	<u>\$ 3,829,713</u>	<u>\$ 1,042,950</u>	<u>\$ 20,921,628</u>	<u>\$ 4,114,736</u>	<u>\$ 8,453,975</u>	<u>\$ 1,892,156</u>
Discount	(7,313)	-	(49,839)	-	-	-
	<u>\$ 3,822,400</u>	<u>\$ 1,042,950</u>	<u>\$ 20,871,789</u>	<u>\$ 4,114,736</u>	<u>\$ 8,453,975</u>	<u>\$ 1,892,156</u>

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

**NOTE 6 - LONG-TERM DEBT (Concluded)**

Advance refunding

In prior years the Township defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net position. During the year ended December 31, 2013, \$4,895,000 of bonds outstanding from a prior advance refunding was considered defeased.

Debt service commitment

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

As of December 31, 2013, these commitments totaled \$1,371,241 and are payable through 2024, with \$138,526 due in the next year.

**NOTE 7 - CONTRIBUTED CAPITAL**

Contributed capital currently exists only in the enterprise fund. This capital has been used along with other Township resources to purchase or construct the sewer system currently in use or still in construction within the Township. There were no contributions for 2013 from customers, sub-dividers and component units. Currently, accounting principles generally accepted in the United States of America call for capital contributions to be recorded as revenue.

**NOTE 8 - PENSION PLANS**

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

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

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

**NOTE 8 - PENSION PLANS (Concluded)**

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

The Township's total payroll in 2013 was \$4,134,048. Contributions were calculated using the base salary amount of \$3,065,925. The Township made the required 10% contribution total \$306,592.

**NOTE 9 - DEFERRED COMPENSATION PLANS**

The Township offers two deferred compensation plans created in accordance with Internal Revenue Code Section 457; one designed for full-time employees, and the second available only to part-time employees. The plans permit employees to defer a portion of their salary until future years. For the Plan covering part-time employees, the Township contributes 3% of gross pay to the plan on behalf of all participating employees. The Township made contributions to the plans totaling \$5,644. The deferred compensation is only available to the employees upon retirement, termination, becoming permanently disabled, or death.

**NOTE 10 - OTHER POST EMPLOYMENT BENEFITS**

In addition to benefits described in Note 8 and 9, the Township provides both health and life insurance benefits for retired employees (the "Plan"). The Plan provides other post-employment benefits (OPEB) for all of its full time employees through a single-employer defined benefit plan. Based on the plan, the Township is required to have an actuarial calculation every three years. The information provided is the results of the most recent actuarial valuation with a measurement date of August 31, 2010.

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

*Funding Policy.* The contribution requirements of plan members and the Township are established and may be amended by the Township. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township's share of costs ranges from 75% to 100% of the monthly premiums, based on years of service. The Township will provide 100% of life insurance. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The Township contributed \$95,728 for their portion of shared costs with retiree's premiums. At August 31, 2010, the date of the latest actuarial valuation, participants in the Plan consisted of:

Retirees and beneficiaries receiving benefits	15
Active employees	61
Total	<u>76</u>

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

**NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Funding progress.* For the year ended December 31, 2013 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of August 31, 2010. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Based on that valuation, the Township contributed \$380,431 in the year ended December 31, 2013 which represents 100% of the annual required contribution. No amounts were contributed on behalf of the Downtown Development Authority. The value of the Plan's assets at the end of December 31, 2013 was \$1,738,474.

Annual required contribution (recommended)	\$ 380,431
Amounts contributed:	
Payments of current expenses	(380,431)
Change in net OPEB obligation	-
OPEB obligation:	
Beginning of year	9,809
End of year	\$ 9,809

The outstanding balance is recorded as long-term liabilities due within one year.

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

Year ending December 31,	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2011	\$ 394,290	100.0%	\$ 5,710
2012	387,077	98.9%	9,809
2013	380,431	100.0%	9,809

The funding progress of the Plan as of the most recent valuation date of August 31, 2010, is as follows:

Actuarial accrued liability (AAL)	\$ 3,647,677
Actuarial value of plan assets - 8/31/2010	532,747
Unfunded actuarial accrued liability (UAAL)	\$ 3,114,930
Funded ratio (actuarial value of plan assets/AAL)	14.6%
Covered payroll (active plan members)	\$ 4,030,000
UAAL as a percentage of covered payroll	77.3%

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

**NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Concluded)**

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

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

In the August 31, 2010, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include an 8 percent investment rate of return and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after ten years. Both rates include a 4.5 percent inflation assumption. The actuarial value of the assets was determined using the fair market value at the time of measurement. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at August 31, 2010 was thirty years.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

The Township and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township and its component units carry commercial insurance to cover any losses that may result from the above described activities. No settlements have incurred in excess of coverage in 2013 or any of the prior three years.

There are various claims and legal actions pending against the Township, many of which are either partially or fully covered by insurance. The Township is defending against these actions. In the opinion of Township management, the ultimate amount of loss, if any, resulting from these claims and legal actions will not be material to the financial position of the Township.

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**

**NOTE 12 - NATURE AND PURPOSE OF RESTRICTIONS OF NET POSITION**

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

**NOTE 13 - BUILDING DEPARTMENT**

The Township records the results of building department operations in the general fund. In accordance with Michigan Public Act 245 of 1999, the Township is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function. For the year ended December 31, 2013, building department revenues were \$190,296 and expenditures were \$261,455.

**NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

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

**NOTE 15 - SUBSEQUENT EVENT**

Subsequent to year end the Township issued \$1,585,000 2014 refunding bonds to redeem the 2003 capital improvement bonds.

**NOTE 16 - UPCOMING ACCOUNTING PRONOUNCEMENT**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHARTER TOWNSHIP OF DELHI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2013**

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget</b>
<b>REVENUES:</b>				
Taxes	\$ 2,882,940	\$ 2,896,340	\$ 2,926,271	\$ 29,931
Grants and revenue sharing	1,822,800	1,873,400	1,978,618	105,218
Intergovernmental	93,440	93,440	95,031	1,591
Licenses and permits	166,350	243,610	252,148	8,538
Charges for services	1,439,300	1,342,980	1,362,969	19,989
Franchise fees	432,900	437,660	443,210	5,550
Fines and forfeitures	18,000	18,000	23,292	5,292
Interest and rentals	24,150	17,150	20,550	3,400
Other	375,900	413,650	410,410	(3,240)
Total revenues	<u>7,255,780</u>	<u>7,336,230</u>	<u>7,512,499</u>	<u>176,269</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Legislative - Board of Trustees	103,510	104,800	101,116	3,684
Manager	326,500	329,140	326,159	2,981
Accounting	151,920	135,520	122,678	12,842
Clerk	239,210	236,240	233,389	2,851
Information technology	298,660	246,420	229,107	17,313
Treasurer	239,410	250,320	245,475	4,845
Assessing	301,390	357,480	342,549	14,931
Elections	8,500	5,950	5,457	493
Building and grounds	292,450	289,670	258,955	30,715
Cemetery	118,750	122,680	98,228	24,452
Total general government	<u>2,080,300</u>	<u>2,078,220</u>	<u>1,963,113</u>	<u>115,107</u>

**CHARTER TOWNSHIP OF DELHI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (Concluded)  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2013**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
<b>EXPENDITURES (Concluded):</b>				
Current (Concluded):				
Recreation and culture:				
Parks administration	\$ 182,970	\$ 172,560	\$ 162,934	\$ 9,626
Parks	420,770	407,100	394,374	12,726
Recreation	169,410	151,100	145,512	5,588
Total recreation and culture	<u>773,150</u>	<u>730,760</u>	<u>702,820</u>	<u>27,940</u>
Public works	<u>975,050</u>	<u>1,021,770</u>	<u>861,792</u>	<u>159,978</u>
Community and economic development	<u>649,020</u>	<u>657,170</u>	<u>605,837</u>	<u>51,333</u>
Other	<u>413,100</u>	<u>410,000</u>	<u>389,846</u>	<u>20,154</u>
Debt service:				
Principal	163,340	163,340	160,154	3,186
Interest	<u>7,570</u>	<u>7,570</u>	<u>7,562</u>	<u>8</u>
Total debt service	<u>170,910</u>	<u>170,910</u>	<u>167,716</u>	<u>3,194</u>
Capital outlay	<u>110,000</u>	<u>116,480</u>	<u>86,972</u>	<u>29,508</u>
Total expenditures	<u>5,171,530</u>	<u>5,185,310</u>	<u>4,778,096</u>	<u>407,214</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,084,250</u>	<u>2,150,920</u>	<u>2,734,403</u>	<u>583,483</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital asset	85,000	11,500	-	(11,500)
Transfers in (out)	<u>(1,856,900)</u>	<u>(1,937,250)</u>	<u>(1,834,690)</u>	<u>102,560</u>
Total other financing sources (uses)	<u>(1,771,900)</u>	<u>(1,925,750)</u>	<u>(1,834,690)</u>	<u>91,060</u>
Net change in fund balance	312,350	225,170	899,713	674,543
<b>FUND BALANCE:</b>				
Beginning of year	<u>5,383,510</u>	<u>5,383,510</u>	<u>5,383,510</u>	<u>-</u>
End of year	<u>\$ 5,695,860</u>	<u>\$ 5,608,680</u>	<u>\$ 6,283,223</u>	<u>\$ 674,543</u>

**CHARTER TOWNSHIP OF DELHI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FIRE FUND SPECIAL REVENUE  
YEAR ENDED DECEMBER 31, 2013**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
<b>REVENUES:</b>				
Taxes	\$ 1,015,650	\$ 1,019,890	\$ 1,022,193	\$ 2,303
Grants and revenue sharing	150,000	119,500	119,937	437
Other	197,700	210,000	209,953	(47)
Total revenues	<u>1,363,350</u>	<u>1,349,390</u>	<u>1,352,083</u>	<u>2,693</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	<u>1,920,450</u>	<u>1,997,080</u>	<u>1,876,427</u>	<u>120,653</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(557,100)</u>	<u>(647,690)</u>	<u>(524,344)</u>	<u>123,346</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>557,100</u>	<u>647,690</u>	<u>553,449</u>	<u>(94,241)</u>
Net change in fund balance	-	-	29,105	29,105
<b>FUND BALANCE:</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,105</u>	<u>\$ 29,105</u>

**CHARTER TOWNSHIP OF DELHI  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
POLICE FUND SPECIAL REVENUE  
YEAR ENDED DECEMBER 31, 2013**

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget</b>
<b>REVENUES:</b>				
Taxes	\$ 1,015,650	\$ 1,019,890	\$ 1,022,193	\$ 2,303
Fines and forfeitures	51,000	52,000	55,095	3,095
Total revenues	<u>1,066,650</u>	<u>1,071,890</u>	<u>1,077,288</u>	<u>5,398</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	<u>2,366,450</u>	<u>2,361,450</u>	<u>2,358,529</u>	<u>2,921</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,299,800)</u>	<u>(1,289,560)</u>	<u>(1,281,241)</u>	<u>8,319</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>1,299,800</u>	<u>1,289,560</u>	<u>1,281,241</u>	<u>(8,319)</u>
Net change in fund balance	-	-	-	-
<b>FUND BALANCE:</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHARTER TOWNSHIP OF DELHI  
REQUIRED SUPPLEMENTARY INFORMATION  
RETIREE HEALTH PLAN SCHEDULE OF FUNDING PROGRESS  
AND SCHEDULE OF EMPLOYER CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2013**

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

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

Schedule of employer contributions:

Year ended	Actual valuation date	Annual required contribution	Actual contribution	Percentage contributed	Net OPEB obligation
12/31/2011	August 31, 2010	\$ 394,290	\$ 394,290	100.0%	\$ 5,710
12/31/2012	August 31, 2010	387,077	382,978	98.9%	9,809
12/31/2013	August 31, 2010	380,431	380,431	100.0%	9,809

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of August 31, 2010 the latest actuarial valuation follows:

Actuarial cost method	Individual entry age
Amortization method	Level percent open
Amortization period (perpetual)	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Valuation health care cost trend rate	9% in 2011, grading to 4.5% in 2018

**ADDITIONAL SUPPLEMENTARY INFORMATION**

**CHARTER TOWNSHIP OF DELHI  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2013**

	<b>Special revenue</b>	<b>Capital Projects</b>	<b>Total nonmajor governmental funds</b>
<b>ASSETS</b>			
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 478,528	\$ 307,983	\$ 786,511
Investments	102,370	-	102,370
Taxes receivable	339,998	-	339,998
Special assessments receivable	14,908	-	14,908
Prepays	-	588,517	588,517
	<b>\$ 935,804</b>	<b>\$ 896,500</b>	<b>\$ 1,832,304</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 10,142	\$ 17,014	\$ 27,156
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	344,130	-	344,130
Unavailable revenue - special assessments	14,908	-	14,908
	<b>359,038</b>	<b>-</b>	<b>359,038</b>
<b>FUND BALANCES:</b>			
Nonspendable:			
Prepays	-	588,517	588,517
Restricted:			
Fire equipment, training and apparatus	198,313	-	198,313
Capital projects	-	290,969	290,969
Committed:			
For debt service	306,982	-	306,982
Assigned for subsequent year expenditures	61,329	-	61,329
Unassigned	-	-	-
	<b>566,624</b>	<b>879,486</b>	<b>1,446,110</b>
	<b>\$ 935,804</b>	<b>\$ 896,500</b>	<b>\$ 1,832,304</b>

**CHARTER TOWNSHIP OF DELHI  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2013**

	<u>Special revenue</u>	<u>Capital Projects</u>	<u>Total nonmajor governmental funds</u>
<b>REVENUES:</b>			
Taxes	\$ 340,751	\$ -	\$ 340,751
Grants and revenue sharing	404	-	404
Charges for services	42,800	-	42,800
Interest and rentals	252	-	252
Other	8,458	-	8,458
Total revenues	<u>392,665</u>	<u>-</u>	<u>392,665</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety	299,059	-	299,059
Public works	2,896	-	2,896
Capital outlay	149,627	301,144	450,771
Debt service:			
Principal	59,108	-	59,108
Interest	17,233	-	17,233
Bond issuance costs	-	19,370	19,370
Total expenditures	<u>527,923</u>	<u>320,514</u>	<u>848,437</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<u>(135,258)</u>	<u>(320,514)</u>	<u>(455,772)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of capital assets	2,500	-	2,500
Proceeds from bond issuance	-	1,200,000	1,200,000
Total other financing sources (uses)	<u>2,500</u>	<u>1,200,000</u>	<u>1,202,500</u>
Net change in fund balances	(132,758)	879,486	746,728
<b>FUND BALANCES:</b>			
Beginning of year	<u>699,382</u>	<u>-</u>	<u>699,382</u>
End of year	<u>\$ 566,624</u>	<u>\$ 879,486</u>	<u>\$ 1,446,110</u>

**CHARTER TOWNSHIP OF DELHI  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2013  
(with comparative totals for December 31, 2012)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2013	2012
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 229,567	\$ 248,961	\$ 478,528	\$ 500,827
Investments	102,370	-	102,370	203,321
Accounts receivable	-	-	-	4
Taxes receivable	7,844	332,154	339,998	347,440
Special assessments receivable	14,908	-	14,908	19,416
Prepays	-	-	-	1,500
<b>TOTAL ASSETS</b>	<b>\$ 354,689</b>	<b>\$ 581,115</b>	<b>\$ 935,804</b>	<b>\$ 1,072,508</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 10,142	\$ 10,142	\$ 10,470
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	-	344,130	344,130	343,240
Unavailable revenue - special assessments	14,908	-	14,908	19,416
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>14,908</b>	<b>344,130</b>	<b>359,038</b>	<b>362,656</b>
<b>FUND BALANCES:</b>				
Nonspendable:				
Prepays	-	-	-	1,500
Restricted:				
Fire equipment, training and apparatus	-	198,313	198,313	330,172
Committed:				
For debt service	306,982	-	306,982	307,040
For water improvement	-	-	-	60,670
Assigned for subsequent year expenditures	32,799	28,530	61,329	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>339,781</b>	<b>226,843</b>	<b>566,624</b>	<b>699,382</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 354,689</b>	<b>\$ 581,115</b>	<b>\$ 935,804</b>	<b>\$ 1,072,508</b>

**CHARTER TOWNSHIP OF DELHI  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2013  
(with comparative totals for the year ended December 31, 2012)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2013	2012
<b>REVENUES:</b>				
Taxes	\$ -	\$ 340,751	\$ 340,751	\$ 353,999
Grants and revenue sharing	-	404	404	500
Charges for services	42,800	-	42,800	14,750
Interest and rentals	50	202	252	1,273
Other	8,458	-	8,458	14,699
Total revenues	51,308	341,357	392,665	385,221
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	299,059	299,059	304,434
Public works	2,896	-	2,896	4,295
Debt service:				
Principal	59,108	-	59,108	58,275
Interest	17,233	-	17,233	17,873
Capital outlay	-	149,627	149,627	-
Total expenditures	79,237	448,686	527,923	384,877
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	(27,929)	(107,329)	(135,258)	344
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of capital assets	-	2,500	2,500	-
Net change in fund balances	(27,929)	(104,829)	(132,758)	344
<b>FUND BALANCES:</b>				
Beginning of year	367,710	331,672	699,382	699,038
End of year	\$ 339,781	\$ 226,843	\$ 566,624	\$ 699,382

**CHARTER TOWNSHIP OF DELHI  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2013**

	Water Improvement Fund			Fire Equipment, Training and Apparatus Fund		
	Final budget	Actual	Variance with final budget	Final budget	Actual	Variance with final budget
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 340,200	\$ 340,751	\$ 551
Grants and revenue sharing	-	-	-	-	404	404
Charges for services	40,000	42,800	2,800	-	-	-
Interest and rentals	50	50	-	150	202	52
Other	8,370	8,458	88	-	-	-
Total revenues	48,420	51,308	2,888	340,350	341,357	1,007
<b>EXPENDITURES:</b>						
Current:						
Public safety	-	-	-	313,610	299,059	14,551
Public works	4,350	2,896	1,454	-	-	-
Debt service:						
Principal	59,150	59,108	42	-	-	-
Interest	17,350	17,233	117	-	-	-
Capital outlay	-	-	-	159,650	149,627	10,023
Total expenditures	80,850	79,237	1,613	473,260	448,686	24,574

	<u>Water Improvement Fund</u>			<u>Fire Equipment, Training and Apparatus Fund</u>		
	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (32,430)</u>	<u>\$ (27,929)</u>	<u>\$ 4,501</u>	<u>\$ (132,910)</u>	<u>\$ (107,329)</u>	<u>\$ 25,581</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Net change in fund balances	<u>(32,430)</u>	<u>(27,929)</u>	<u>4,501</u>	<u>(130,410)</u>	<u>(104,829)</u>	<u>25,581</u>
<b>FUND BALANCES:</b>						
Beginning of year	<u>367,710</u>	<u>367,710</u>	<u>-</u>	<u>331,672</u>	<u>331,672</u>	<u>-</u>
End of year	<u>\$ 335,280</u>	<u>\$ 339,781</u>	<u>\$ 4,501</u>	<u>\$ 201,262</u>	<u>\$ 226,843</u>	<u>\$ 25,581</u>

**CHARTER TOWNSHIP OF DELHI**  
**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2013**  
(with comparative totals for December 31, 2012)

	Trust and Agency	Tax collection fund	Totals	
			2013	2012
<b>ASSETS:</b>				
Cash and cash equivalents	\$ (9,262)	\$ 15,688,318	\$ 15,679,056	\$ 14,385,040
Accounts receivable	154	-	154	6,061
Taxes receivable	308,688	13,665,700	13,974,388	15,073,577
<b>TOTAL ASSETS</b>	<b>\$ 299,580</b>	<b>\$ 29,354,018</b>	<b>\$ 29,653,598</b>	<b>\$ 29,464,678</b>
<b>LIABILITIES:</b>				
Due to other governments	\$ -	\$ 29,354,018	\$ 29,354,018	29,142,595
Undistributed receipts	299,580	-	299,580	322,083
<b>TOTAL LIABILITIES</b>	<b>\$ 299,580</b>	<b>\$ 29,354,018</b>	<b>\$ 29,653,598</b>	<b>\$ 29,464,678</b>

**CHARTER TOWNSHIP OF DELHI**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED DECEMBER 31, 2013**

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
<b>Trust and Agency</b>				
Assets:				
Cash and cash equivalents	\$ (1,154)	\$ 2,088,018	\$ 2,096,126	\$ (9,262)
Accounts receivable	6,061	67,202	73,109	154
Taxes receivable	317,176	161,529	170,017	308,688
	<u>\$ 322,083</u>	<u>\$ 2,316,749</u>	<u>\$ 2,339,252</u>	<u>\$ 299,580</u>
Liabilities:				
Undistributed receipts	\$ 322,083	\$ 462,112	\$ 484,615	\$ 299,580
<b>Current Tax</b>				
Assets:				
Cash and cash equivalents	\$ 14,386,194	\$ 38,159,391	\$ 36,857,267	\$ 15,688,318
Taxes receivable	14,756,401	38,714,082	39,804,783	13,665,700
	<u>\$ 29,142,595</u>	<u>\$ 76,873,473</u>	<u>\$ 76,662,050</u>	<u>\$ 29,354,018</u>
Liabilities:				
Due to other governments	\$ 29,142,595	\$ 43,195,478	\$ 42,984,055	\$ 29,354,018
<b>Totals</b>				
Assets:				
Cash and cash equivalents	\$ 14,385,040	\$ 40,247,409	\$ 38,953,393	\$ 15,679,056
Accounts receivable	6,061	67,202	73,109	154
Taxes receivable	15,073,577	38,875,611	39,974,800	13,974,388
	<u>\$ 29,464,678</u>	<u>\$ 79,190,222</u>	<u>\$ 79,001,302</u>	<u>\$ 29,653,598</u>
Liabilities:				
Undistributed receipts	\$ 322,083	\$ 462,112	\$ 484,615	\$ 299,580
Due to other governments	29,142,595	43,195,478	42,984,055	29,354,018
	<u>\$ 29,464,678</u>	<u>\$ 43,657,590</u>	<u>\$ 43,468,670</u>	<u>\$ 29,653,598</u>

**CHARTER TOWNSHIP OF DELHI  
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT  
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

	<u>Governmental fund balance sheet</u>			<u>Adjustments</u>	<u>Statement of net position</u>
	<u>Brownfield Redevelopment</u>	<u>Local site remediation fund</u>	<u>Total</u>		
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 18,139	\$ 171,772	\$ 189,911	\$ -	\$ 189,911
Taxes receivable	8,552	140,086	148,638	-	148,638
Total assets	<u>\$ 26,691</u>	<u>\$ 311,858</u>	<u>\$ 338,549</u>	-	<u>338,549</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 3,199	\$ 3,199	-	3,199
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	8,266	140,086	148,352	-	148,352
<b>FUND BALANCES:</b>					
Unassigned	18,425	168,573	186,998	(186,998)	-
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 26,691</u>	<u>\$ 311,858</u>	<u>\$ 338,549</u>		
<b>NET POSITION:</b>					
Unrestricted				186,998	186,998
Total net position				<u>\$ 186,998</u>	<u>\$ 186,998</u>

**CHARTER TOWNSHIP OF DELHI  
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT  
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

	<b>Governmental funds revenues, expenditures and changes in fund balances</b>				<b>Statement of activities</b>
	<b>Brownfield Redevelopment</b>	<b>Local site remediation fund</b>	<b>Total</b>	<b>Adjustments</b>	
<b>REVENUES:</b>					
Property taxes	\$ 10,106	\$ 176,603	\$ 186,709	\$ -	\$ 186,709
<b>EXPENDITURES/EXPENSES:</b>					
Community and economic development	2,188	8,030	10,218	-	10,218
Changes in fund balances / net position	7,918	168,573		-	176,491
<b>FUND BALANCES/NET POSITION:</b>					
Beginning of year	10,507	-	10,507	-	10,507
End of year	\$ 18,425	\$ 168,573	\$ 186,998	\$ -	\$ 186,998

**CHARTER TOWNSHIP OF DELHI  
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION  
DECEMBER 31, 2013**

<u>Governmental funds balance sheet</u>						
	<b>Downtown Development General Operating</b>	<b>2008 Bond Debt Retirement</b>	<b>2010 Refunding Bonds</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,698,801	\$ -	\$ -	\$ 1,698,801	\$ -	\$ 1,698,801
Taxes receivable	2,698,683	-	-	2,698,683	-	2,698,683
Other receivables	5,355	-	-	5,355	-	5,355
Prepays	915	-	-	915	-	915
Capital assets not being depreciated	-	-	-	-	4,632,123	4,632,123
Capital assets being depreciated, net	-	-	-	-	4,998,169	4,998,169
<b>TOTAL ASSETS</b>	<b>\$ 4,403,754</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,403,754</b>	<b>9,630,292</b>	<b>14,034,046</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred charge on refunding	-	-	-	-	19,391	19,391
<b>LIABILITIES:</b>						
Accounts payable	\$ 11,961	\$ -	\$ -	\$ 11,961	-	11,961
Accrued liabilities	6,951	-	-	6,951	-	6,951
Interest payable	-	-	-	-	68,369	68,369
Due to other governments	1,226,519	-	-	1,226,519	-	1,226,519
Due to primary government	284,622	-	-	284,622	-	284,622
Long-term liabilities:				-		
Due within one year	-	-	-	-	1,110,753	1,110,753
Due in more than one year	-	-	-	-	7,352,561	7,352,561
<b>TOTAL LIABILITIES</b>	<b>1,530,053</b>	<b>-</b>	<b>-</b>	<b>1,530,053</b>	<b>8,531,683</b>	<b>10,061,736</b>

**Governmental funds balance sheet**

	<b>Downtown Development General Operating</b>	<b>2008 Bond Debt Retirement</b>	<b>2010 Refunding Bonds</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue - property taxes	\$ 1,635,649	\$ -	\$ -	\$ 1,635,649	\$ -	\$ 1,635,649
<b>FUND BALANCES:</b>						
Nonspendable:						
Prepays	915	-	-	915	(915)	-
Unassigned	1,237,137	-	-	1,237,137	(1,237,137)	-
<b>TOTAL FUND BALANCES</b>	<b>1,238,052</b>	<b>-</b>	<b>-</b>	<b>1,238,052</b>	<b>(1,238,052)</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,403,754</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,403,754</b>		
<b>NET POSITION:</b>						
Net investment in capital assets					1,195,708	1,176,317
Unrestricted					1,160,344	1,179,735
Total net position					<b>\$ 2,356,052</b>	<b>\$ 2,356,052</b>

**CHARTER TOWNSHIP OF DELHI  
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT  
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2013**

	Governmental funds revenues, expenditures and changes in fund balances					
	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Activities
<b>REVENUES:</b>						
Property taxes	\$ 2,207,667	\$ -	\$ -	\$ 2,207,667	\$ -	\$ 2,207,667
Sale of capital assets	77,454	-	-	77,454	-	77,454
Grants	11,448	-	-	11,448	-	11,448
Other	12,313	-	-	12,313	-	12,313
Interest and rentals	28,161	-	-	28,161	-	28,161
Total revenues	2,337,043	-	-	2,337,043	-	2,337,043
<b>EXPENDITURES/EXPENSES:</b>						
Current:						
Community and economic development	586,009	-	-	586,009	482,429	1,068,438
Debt service:						
Principal	107,572	463,397	505,000	1,075,969	(1,075,969)	-
Interest	28,933	292,361	22,528	343,822	23,301	367,123
Capital outlay	20,397	-	-	20,397	(20,397)	-
Loss on disposal of property	-	-	-	-	300,184	300,184
Total expenditures/expenses	742,911	755,758	527,528	2,026,197	(290,452)	1,735,745
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES</b>	1,594,132	(755,758)	(527,528)	310,846	290,452	601,298

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

	<b>Downtown Development General Operating</b>	<b>2008 Bond Debt Retirement</b>	<b>2010 Refunding Bonds</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	\$ -	\$ 755,758	\$ 527,528	\$ 1,283,286	\$(1,283,286)	\$ -
Transfers out	(1,283,286)	-	-	(1,283,286)	1,283,286	-
Total other financing sources (uses)	(1,283,286)	755,758	527,528	-	-	-
Net change in fund balances/net position	310,846	-	-	310,846	290,452	601,298
<b>FUND BALANCES/NET POSITION:</b>						
Beginning of year	927,206	-	-	927,206	827,548	1,754,754
End of year	\$ 1,238,052	\$ -	\$ -	\$ 1,238,052	\$ 1,118,000	\$ 2,356,052

**CHARTER TOWNSHIP OF DELHI  
GENERAL FUND  
BALANCE SHEETS  
DECEMBER 31, 2013 AND 2012**

	2013	2012
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 5,805,442	\$ 4,189,364
Investments	488,438	663,104
Receivables:		
Taxes	2,760,043	2,789,318
Special assessments	82,230	113,288
Other	176,472	447,728
Due from component unit	284,622	283,926
Property held for resale	-	60,542
Prepays	48,109	46,431
	\$ 9,645,356	\$ 8,593,701
<b>LIABILITIES:</b>		
Accounts payable	\$ 532,765	\$ 470,294
Accrued liabilities	90,844	81,794
Unearned revenue	70,122	790
Due to other governments	2,805	-
	696,536	552,878
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unavailable revenue - property taxes	2,512,092	2,504,510
Unavailable revenue - ambulance fees	71,275	39,515
Unavailable revenue - special assessments	82,230	113,288
	2,665,597	2,657,313
<b>FUND BALANCE:</b>		
Nonspendable:		
Property held for sale	-	60,542
Prepays	48,109	46,431
Restricted:		
For neighborhood stabilization plan	22,826	30,349
Committed:		
Disaster contingency fund	10,000	10,000
Assigned for subsequent year expenditures	697,910	-
Unassigned	5,504,378	5,236,188
	6,283,223	5,383,510
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 9,645,356</b>	<b>\$ 8,593,701</b>

**CHARTER TOWNSHIP OF DELHI  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
<b>REVENUES:</b>		
Taxes	\$ 2,926,271	\$ 3,032,049
Grants and revenue sharing	1,978,618	2,119,182
Intergovernmental	95,031	185,171
Licenses and permits	252,148	187,706
Charges for services	1,362,969	1,457,259
Franchise fees	443,210	435,788
Fines and forfeitures	23,292	20,190
Interest and rentals	20,550	25,073
Other	410,410	383,952
	7,512,499	7,846,370
Total revenues		
<b>EXPENDITURES:</b>		
Current:		
General government:		
Legislative - Board of Trustees	101,116	98,899
Manager	326,159	314,568
Accounting	122,678	146,475
Clerk	233,389	232,416
Information technology	229,107	261,615
Treasurer	245,475	229,778
Assessing	342,549	301,808
Elections	5,457	87,559
Building and grounds	258,955	246,246
Cemetery	98,228	103,318
	1,963,113	2,022,682
Total general government		

**CHARTER TOWNSHIP OF DELHI  
GENERAL FUND  
STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (Concluded)  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
<b>EXPENDITURES (Concluded):</b>		
Current (Concluded):		
Public works	\$ 861,792	\$ 682,325
Community and economic development	605,837	553,021
Recreation and culture	702,820	746,417
Other	389,846	386,527
Debt service	167,716	134,215
Capital outlay	86,972	289,385
Total expenditures	4,778,096	4,814,572
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,734,403	3,031,798
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers out	(1,834,690)	(1,625,456)
Net change in fund balance	899,713	1,406,342
<b>FUND BALANCE:</b>		
Beginning of year	5,383,510	3,977,168
End of year	\$ 6,283,223	\$ 5,383,510

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**CHARTER TOWNSHIP OF DELHI  
SEWER FUND  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2013 AND 2012**

	2013	2012
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,094,170	\$ 61,575
Investments	225,810	226,801
Special assessments receivable	422,584	422,974
Other receivables	966,671	1,666,734
Prepays	41,176	35,177
	<b>2,750,411</b>	<b>2,413,261</b>
<b>NONCURRENT ASSETS:</b>		
Restricted cash, cash equivalents and investments:		
Debt service cash and cash equivalents	459,311	1,045,473
Replacement cash and cash equivalents	488,024	283,858
Replacement investments	659,902	657,442
Property, plant and equipment not being depreciated	9,081,517	8,871,840
Property, plant and equipment net of accumulated depreciation	41,782,897	43,958,193
	<b>52,471,651</b>	<b>54,816,806</b>
	<b>55,222,062</b>	<b>57,230,067</b>

<b>LIABILITIES AND NET POSITION</b>	2013	2012
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 125,824	\$ 512,506
Accrued liabilities	190,277	173,881
Interest payable	135,897	139,219
Retainage payable	94,011	75,136
Current portion of long-term debt	1,263,336	1,650,322
<b>TOTAL CURRENT LIABILITIES</b>	1,809,345	2,551,064
<b>LONG-TERM LIABILITIES</b> , net of current portion:		
Due in more than one year	19,608,453	20,198,759
<b>TOTAL LIABILITIES</b>	21,417,798	22,749,823
<b>NET POSITION:</b>		
Net investment in capital assets	29,992,625	30,980,952
Restricted for:		
Replacement	1,147,926	941,300
Debt service	459,311	1,045,473
Unrestricted	2,204,402	1,512,519
<b>TOTAL NET POSITION</b>	\$ 33,804,264	\$ 34,480,244

**CHARTER TOWNSHIP OF DELHI  
SEWER FUND  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 4,998,232	\$ 5,061,459
Permits and fees	251,637	53,400
Other operating revenue	<u>42,860</u>	<u>156,063</u>
Total operating revenues	<u>5,292,729</u>	<u>5,270,922</u>
<b>OPERATING EXPENSES:</b>		
Costs of sales and services	3,209,529	3,569,203
Depreciation	<u>2,261,298</u>	<u>2,282,607</u>
Total operating expenses	<u>5,470,827</u>	<u>5,851,810</u>
Operating loss	<u>(178,098)</u>	<u>(580,888)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest and rentals	18,863	26,361
Amortization of bond discount	(5,538)	(30,858)
Interest expense	<u>(511,207)</u>	<u>(464,282)</u>
Total non-operating revenues - net	<u>(497,882)</u>	<u>(468,779)</u>
Change in net position	(675,980)	(1,049,667)
<b>NET POSITION:</b>		
Beginning of year	<u>34,480,244</u>	<u>35,529,911</u>
End of year	<u>\$ 33,804,264</u>	<u>\$ 34,480,244</u>

**CHARTER TOWNSHIP OF DELHI  
SEWER FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:</b>		
Cash flows from operating activities:		
Cash received from customers	\$ 5,993,182	\$ 4,710,076
Cash payments to suppliers for goods and services	(2,231,591)	(1,579,312)
Cash payments to employees for services	(1,335,348)	(1,333,884)
Net cash provided by operating activities	2,426,243	1,796,880
Cash flows from capital and related financing activities:		
Purchase of capital assets	(295,679)	(5,459,997)
Proceeds from bonds	254,665	5,293,462
Interest payments	(514,529)	(439,314)
Principal payments	(1,237,495)	(1,650,322)
Net cash used by capital and related financing activities	(1,793,038)	(2,256,171)
Cash flows from investing activities:		
Proceeds (purchases) from maturities of investments	(1,469)	198,355
Interest and rental earnings	18,863	26,361
Net cash provided (used) by investing activities	17,394	224,716
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	650,599	(234,575)
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	1,390,906	1,625,481
End of year	\$ 2,041,505	\$ 1,390,906
<b>Statement of net position classification of cash and cash equivalents:</b>		
Cash and cash equivalents	\$ 1,094,170	\$ 61,575
Restricted cash and cash equivalents	947,335	1,329,331
	\$ 2,041,505	\$ 1,390,906

**CHARTER TOWNSHIP OF DELHI  
SEWER FUND  
STATEMENTS OF CASH FLOWS (Concluded)  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSE) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (178,098)	\$ (580,888)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation and amortization	2,261,298	2,282,607
Loss on disposal of fixed assets	-	518,223
(Increase) decrease in assets:		
Special assessments receivable	390	(11,833)
Other receivables	700,063	(549,013)
Prepaid expenses	(5,999)	20,420
Increase (decrease) in liabilities:		
Accounts payable	(386,682)	143,859
Accrued expenses	16,396	16,987
Retainage payable	18,875	(43,482)
	<u>2,604,341</u>	<u>2,377,768</u>
Total adjustments		
Net cash provided by operating activities	<u>\$ 2,426,243</u>	<u>\$ 1,796,880</u>

**STATISTICAL SECTION  
(UNAUDITED)**

## **CHARTER TOWNSHIP OF DELHI DESCRIPTION OF STATISTICAL SECTION**

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

The statistical section is organized into the following main categories:

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

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

Schedule 1  
Unaudited

	2004	2005	2006	2007	Fiscal Year Ended		2010	2011	2012*	2013
					2008	2009				
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 2,747,773	\$ 2,904,787	\$ 4,180,266	\$ 4,298,842	\$ 5,141,128	\$ 8,580,733	\$ 9,359,465	\$ 9,506,445	\$ 9,338,276	\$ 9,240,592
Restricted	1,340,368	1,676,748	1,586,782	1,845,176	82,188	59,126	5,624	321,446	360,521	221,139
Unrestricted	4,428,042	4,136,777	3,404,342	3,388,481	4,039,122	2,655,541	2,590,604	4,046,689	5,495,044	6,435,260
<b>Total governmental activities net assets</b>	<b>\$ 8,516,183</b>	<b>\$ 8,718,312</b>	<b>\$ 9,171,390</b>	<b>\$ 9,532,499</b>	<b>\$ 9,262,438</b>	<b>\$ 11,295,400</b>	<b>\$ 11,955,693</b>	<b>\$ 13,874,580</b>	<b>\$ 15,193,841</b>	<b>\$ 15,896,991</b>
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 27,311,338	\$ 30,568,426	\$ 30,873,207	\$ 32,052,918	\$ 33,175,333	\$ 32,927,591	\$ 32,029,945	\$ 31,909,548	\$ 30,925,575	\$ 29,992,625
Restricted	3,440,595	3,275,154	3,244,209	3,439,345	2,618,428	2,841,822	2,001,776	2,131,149	1,986,773	1,607,237
Unrestricted	4,750,275	3,865,016	4,322,440	3,376,243	2,799,900	1,824,266	2,459,230	1,526,359	1,567,896	2,204,402
<b>Total business-type activities net assets</b>	<b>\$ 35,502,208</b>	<b>\$ 37,708,596</b>	<b>\$ 38,439,856</b>	<b>\$ 38,868,506</b>	<b>\$ 38,593,661</b>	<b>\$ 37,593,679</b>	<b>\$ 36,490,951</b>	<b>\$ 35,567,056</b>	<b>\$ 34,480,244</b>	<b>\$ 33,804,264</b>
<b>Primary government</b>										
Net Investment in capital assets	\$ 30,059,111	\$ 33,473,213	\$ 35,053,473	\$ 36,351,760	\$ 38,316,461	\$ 41,508,324	\$ 41,389,410	\$ 41,415,993	\$ 40,263,851	\$ 39,233,217
Restricted	4,780,963	4,951,902	4,830,991	5,284,521	2,700,616	2,900,948	2,007,400	2,452,595	2,347,294	1,828,376
Unrestricted	9,178,317	8,001,793	7,726,782	6,764,724	6,839,022	4,479,807	5,049,834	5,573,048	7,062,940	8,639,662
<b>Total primary government net assets</b>	<b>\$ 44,018,391</b>	<b>\$ 46,426,908</b>	<b>\$ 47,611,246</b>	<b>\$ 48,401,005</b>	<b>\$ 47,856,099</b>	<b>\$ 48,889,079</b>	<b>\$ 48,446,644</b>	<b>\$ 49,441,636</b>	<b>\$ 49,674,085</b>	<b>\$ 49,701,255</b>

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

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

Schedule 2  
Unaudited

	Fiscal Year Ended									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General governmental	\$ 2,028,273	\$ 1,887,124	\$ 1,984,846	\$ 2,310,105	\$ 2,327,244	\$ 2,162,616	\$ 2,286,907	\$ 2,087,161	\$ 2,219,150	\$ 2,146,777
Public Safety	3,743,943	3,629,755	3,890,919	4,083,262	4,346,453	4,503,054	4,309,039	4,430,295	4,667,246	4,733,732
Public Works	567,311	420,645	488,254	467,234	797,885	1,214,437	633,727	702,533	816,169	1,028,423
Community development	341,779	-	-	-	-	-	652,920	613,856	557,885	604,597
Recreation & culture	670,705	741,668	770,980	823,026	847,934	918,737	952,510	935,756	944,672	916,303
Other governmental activities	218,691	209,611	237,858	16,410	-	-	-	-	-	-
Interest on long-term debt	171,866	139,856	115,218	103,955	91,009	76,276	60,120	44,561	27,004	44,517
Total governmental activities	<u>7,742,568</u>	<u>7,028,659</u>	<u>7,488,075</u>	<u>7,803,992</u>	<u>8,410,525</u>	<u>8,875,120</u>	<u>8,895,223</u>	<u>8,814,162</u>	<u>9,232,126</u>	<u>9,474,349</u>
Business-type activities:										
Sewer	5,124,559	5,304,487	5,423,789	5,493,927	5,700,904	6,114,406	6,209,025	6,161,026	6,346,950	5,987,572
Community Development	-	545,424	599,503	698,192	686,645	661,871	-	-	-	-
Total business-type activities	<u>5,124,559</u>	<u>5,849,911</u>	<u>6,023,292</u>	<u>6,192,119</u>	<u>6,387,549</u>	<u>6,776,277</u>	<u>6,209,025</u>	<u>6,161,026</u>	<u>6,346,950</u>	<u>5,987,572</u>
Total primary government expenses	<u>\$ 12,867,127</u>	<u>\$ 12,878,570</u>	<u>\$ 13,511,367</u>	<u>\$ 13,996,111</u>	<u>\$ 14,798,074</u>	<u>\$ 15,651,397</u>	<u>\$ 15,104,248</u>	<u>\$ 14,975,188</u>	<u>\$ 15,579,076</u>	<u>\$ 15,461,921</u>
<b>Program revenues</b>										
Charges for services:										
General government	\$ 596,127	\$ 617,892	\$ 711,788	\$ 813,504	\$ 892,589	\$ 902,289	\$ 907,325	\$ 946,334	\$ 929,505	\$ 83,918
Public safety	945,328	504,341	546,463	590,840	677,948	648,678	739,988	800,662	867,842	808,024
Public works	-	-	-	-	-	-	345,410	346,808	333,912	327,757
Community development	29,880	-	-	-	-	-	351,602	380,862	322,069	380,729
Recreation and culture	108,695	127,318	115,240	152,570	134,870	133,835	109,304	103,555	128,332	85,616
Operating grants and contributions	506,673	459,807	608,514	217,929	155,846	97,136	168,765	422,216	478,110	510,414
Capital grants and contributions	306,076	(3,396)	114,693	258,803	421,038	3,396,484	271,422	109,207	217,544	51,017
Total governmental activities program revenues	<u>2,492,779</u>	<u>1,705,962</u>	<u>2,096,698</u>	<u>2,033,646</u>	<u>2,282,291</u>	<u>5,178,422</u>	<u>2,893,816</u>	<u>3,109,644</u>	<u>3,277,314</u>	<u>2,247,475</u>
Business-type activities:										
Charges for services:										
Sewer	5,401,343	5,678,173	5,404,117	5,010,784	4,802,468	4,866,048	5,042,106	5,116,198	5,282,019	5,303,826
Community development	-	601,664	460,926	412,815	280,151	322,203	-	-	-	-
Operating grants and contributions	161,079	250,731	388,458	493,867	389,390	309,131	30,109	10,069	-	-
Capital grants and contributions	901,587	1,550,284	253,243	322,539	401,403	145,768	46,604	31,475	-	-
Total business-type activities program revenues	<u>6,464,009</u>	<u>8,080,852</u>	<u>6,506,744</u>	<u>6,240,005</u>	<u>5,873,412</u>	<u>5,643,150</u>	<u>5,118,819</u>	<u>5,157,742</u>	<u>5,282,019</u>	<u>5,303,826</u>
Total primary government program revenues	<u>\$ 8,956,788</u>	<u>\$ 9,786,814</u>	<u>\$ 8,603,442</u>	<u>\$ 8,273,651</u>	<u>\$ 8,155,703</u>	<u>\$ 10,821,572</u>	<u>\$ 8,012,635</u>	<u>\$ 8,267,386</u>	<u>\$ 8,559,333</u>	<u>\$ 7,551,301</u>
Net (Expense)/Revenue										
Governmental activities	(5,249,789)	(5,322,697)	(5,391,377)	(5,770,346)	(6,128,234)	(3,696,698)	(6,001,407)	(5,704,518)	(5,954,812)	(7,226,874)
Business-type activities	1,339,450	2,230,941	483,452	47,886	(514,137)	(1,133,127)	(1,090,206)	(1,003,284)	(1,064,931)	(683,746)
Total primary government net expense	<u>\$ (3,910,339)</u>	<u>\$ (3,091,756)</u>	<u>\$ (4,907,925)</u>	<u>\$ (5,722,460)</u>	<u>\$ (6,642,371)</u>	<u>\$ (4,829,825)</u>	<u>\$ (7,091,613)</u>	<u>\$ (6,707,802)</u>	<u>\$ (7,019,743)</u>	<u>\$ (7,910,620)</u>

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

Schedule 2  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 2,837,256	\$ 3,083,557	\$ 3,325,504	\$ 3,482,728	\$ 3,631,229	\$ 3,726,355	\$ 3,642,755	\$ 5,393,489	\$ 5,131,573	\$ 5,311,408
State shared revenues	1,846,592	1,845,018	1,798,179	1,765,856	1,762,721	1,553,811	1,474,950	1,888,513	1,913,989	1,978,618
Grants & contributions not restricted to specific programs	564,271	313,785	311,693	536,536	545,943	505,290	558,432	324,964	226,239	192,934
Unrestricted investment earnings	114,606	147,015	273,927	306,428	179,694	77,351	36,518	16,439	9,694	3,650
Gain (loss) on sale of capital assets	331,980	110,928	10,945	162,393	(26,128)	-	-	-	-	-
Intra-entity transfer	-	-	(5,017)	(122,486)	(235,286)	(133,145)	49,224	-	-	-
Other	-	-	-	-	-	-	-	-	-	443,210
Total governmental activities	5,694,705	5,500,303	5,715,231	6,131,455	5,858,173	5,729,662	5,761,879	7,623,405	7,281,495	7,929,820
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	24,339	15,264	7,766
Other	-	-	-	-	-	-	-	-	-	-
Intra-entity transfer	-	-	5,017	122,486	235,286	133,145	(49,224)	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	242,789	258,278	4,006	-	36,702	55,050	-	-
Total business-type activities	-	-	247,806	380,764	239,292	133,145	(12,522)	79,389	15,264	7,766
Total primary government	\$ 5,694,705	\$ 5,500,303	\$ 5,963,037	\$ 6,512,219	\$ 6,097,465	\$ 5,862,807	\$ 5,749,357	\$ 7,702,794	\$ 7,296,759	\$ 7,937,586
<b>Change in Net Position</b>										
Governmental activities	\$ 444,916	\$ 177,606	\$ 323,854	\$ 361,109	\$ (270,061)	\$ 2,032,964	\$ (239,528)	\$ 1,918,887	\$ 1,326,683	\$ 702,946
Business-type activities	1,339,450	2,230,941	731,258	428,650	(274,845)	(999,982)	(1,102,728)	(923,895)	(1,049,667)	(675,980)
Total primary government	\$ 1,784,366	\$ 2,408,547	\$ 1,055,112	\$ 789,759	\$ (544,906)	\$ 1,032,982	\$ (1,342,256)	\$ 994,992	\$ 277,016	\$ 26,966

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

Schedule 3  
Unaudited

	2004*	2005	2006	2007	2008	2009	2010	2011**	2012	2013
General Fund										
Reserved	\$ 22,249	\$ 17,181	\$ 16,879	\$ 131,422	\$ 43,263	\$ 118,449	\$ 29,070	\$ -	\$ -	\$ -
Unreserved	3,594,274	3,478,017	2,810,035	2,757,433	2,542,428	1,949,051	1,767,891			
Nonspendable								52,906	106,973	48,109
Restricted								40,045	30,349	22,826
Committed								10,000	10,000	10,000
Assigned for subsequent years expenditures								-	-	697,910
Unassigned								3,874,217	5,236,188	5,504,378
Total general fund	<u>\$ 3,616,523</u>	<u>\$ 3,495,198</u>	<u>\$ 2,826,914</u>	<u>\$ 2,888,855</u>	<u>\$ 2,585,691</u>	<u>\$ 2,067,500</u>	<u>\$ 1,796,961</u>	<u>\$ 3,977,168</u>	<u>\$ 5,383,510</u>	<u>\$ 6,283,223</u>
All other Governmental Funds										
Reserved	\$ 2,702	\$ 2,322	\$ 1,697	\$ 26,276	\$ 4,672	\$ 14,603	\$ 50	\$ -	\$ -	\$ -
Unreserved, report in:										
Special revenue funds	620,877	1,047,526	1,423,826	1,693,348	981,313	734,765	687,489			
Debt service funds	716,789	626,900	161,259	125,552	82,187	59,126	5,624			
Nonspendable in construction fund										588,517
Restricted in construction fund										290,969
Nonspendable in special revenue funds								39,266	33,247	29,105
Restricted in special revenue funds								281,401	330,172	198,313
Committed in special revenue funds								417,637	367,710	306,982
Assigned for subsequent years expenditures										61,329
Unassigned in special revenue funds	-	-	-	-	-	-	-	(39,266)	(31,747)	-
Total all other governmental funds	<u>\$ 1,340,368</u>	<u>\$ 1,676,748</u>	<u>\$ 1,586,782</u>	<u>\$ 1,845,176</u>	<u>\$ 1,068,172</u>	<u>\$ 808,494</u>	<u>\$ 693,163</u>	<u>\$ 699,038</u>	<u>\$ 699,382</u>	<u>\$ 1,475,215</u>

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

\*\* New Fund Balance categories

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

Schedule 4  
Unaudited

	12/31/2004	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013*
<b>Revenues</b>										
Taxes	\$ 2,837,256	\$ 3,083,557	\$ 3,325,504	\$ 3,482,728	\$ 3,631,229	\$ 3,726,355	\$ 3,642,755	\$ 5,393,489	\$ 5,131,573	\$ 5,311,408
Grants and Revenue Sharing	-	-	-	-	-	-	-	-	-	2,098,959
Special assessments	332,282	283,497	302,707	309,267	413,635	345,481	353,122	357,591	368,660	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	78,387
Intergovernmental-Local	-	-	-	-	-	-	-	-	-	95,031
Intergovernmental	2,233,400	1,948,687	1,896,685	2,054,131	2,034,967	1,832,749	1,939,042	2,275,689	2,372,618	-
Licenses and permits	470,630	16,262	17,215	16,969	15,965	16,526	206,255	226,356	181,376	252,148
Charges for services	1,209,400	1,233,289	1,387,884	1,612,695	1,656,817	1,644,706	1,852,940	1,936,354	1,942,533	1,405,769
Interest and Rentals	123,919	196,732	354,870	395,285	227,839	89,122	39,751	16,751	9,694	20,802
Franchise Fees	-	-	-	-	-	-	-	-	-	443,210
Other	933,347	876,789	880,588	651,883	771,323	699,737	715,166	739,263	733,966	628,821
Total revenues	8,140,234	7,638,813	8,165,453	8,522,958	8,751,775	8,354,676	8,749,031	10,945,493	10,740,420	10,334,535
<b>Expenditures</b>										
General government	2,089,764	1,959,882	2,098,720	2,145,159	2,157,101	2,018,484	2,104,089	1,959,161	2,022,682	1,963,113
Public safety	3,521,507	3,479,152	3,679,179	3,881,356	4,102,659	4,191,856	3,951,764	4,165,152	4,438,719	4,534,015
Engineering	141,751	60,529	-	-	-	-	-	-	-	-
Public works	415,552	350,107	488,254	467,234	787,877	542,762	536,245	496,722	686,620	864,688
Community development	339,990	-	-	-	-	-	588,014	608,433	553,021	605,837
Recreation and culture	615,878	622,949	630,761	694,297	706,826	767,951	725,571	712,694	746,417	702,820
Other	218,691	209,611	230,413	204,589	333,332	323,535	348,663	321,261	386,527	389,846
Debt service										
Principal	406,210	498,208	500,462	504,763	521,389	553,967	705,239	241,897	183,765	219,262
Interest and issuance costs	187,401	134,391	113,902	100,592	87,808	73,415	57,262	66,755	26,598	44,165
Capital outlay	1,690,847	219,857	1,201,701	255,292	902,863	531,272	167,278	321,559	289,385	537,743
Total expenditures	9,627,591	7,534,686	8,943,392	8,253,282	9,599,855	9,003,242	9,184,125	8,893,634	9,333,734	9,861,489
Excess of revenues over (under) expenditures	(1,487,357)	104,127	(777,939)	269,676	(848,080)	(648,566)	(435,094)	2,051,859	1,406,686	473,046
<b>Other Financing Sources (Uses)</b>										
Proceeds from long-term debt	500,000	-	-	-	-	-	-	-	-	1,200,000
Issuance of refunding debt	2,365,000	-	-	-	-	-	-	721,779	-	-
Payment to refunded bond escrow agent	(2,353,080)	-	-	-	-	-	-	(687,645)	-	-
Proceeds from sale of capital assets	250,476	110,928	24,710	173,145	3,200	3,840	-	100,089	-	2,500
Bond premium	12,229	-	-	-	-	-	-	-	-	-
Inter-entity transfers in	-	-	-	-	-	-	-	-	-	-
Transfers in	604,397	621,903	794,517	592,477	595,388	692,348	84,243	1,388,301	1,625,456	1,834,690
Transfers out	(604,397)	(621,903)	(799,534)	(714,963)	(830,674)	(825,493)	(35,019)	(1,388,301)	(1,625,456)	(1,834,690)
Total other financing sources (uses)	774,625	110,928	19,693	50,659	(232,086)	(129,305)	49,224	134,223	-	1,202,500
Net change in fund balances	\$ (712,732)	\$ 215,055	\$ (758,246)	\$ 320,335	\$ (1,080,166)	\$ (777,871)	\$ (385,870)	\$ 2,186,082	\$ 1,406,686	\$ 1,675,546
Debt service as a percentage of noncapital expenditures	7.5%	8.6%	7.9%	7.6%	7.0%	7.4%	8.5%	10.8%	2.3%	2.8%

\* Change in revenue classifications

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

Schedule 5  
Unaudited

Fiscal Year Ended December 31	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Developmental Property	Personal Property	Total Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
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%
2009	2,575,559	129,201,749	15,211,328	592,190,424	-	45,226,200	784,405,260	5.4039	835,843,650	93.85%
2010	2,504,049	123,516,681	13,641,928	549,152,400	-	48,597,700	737,412,758	7.8094	771,940,775	95.53%
2011	2,525,723	118,189,772	22,133,866	531,477,428	-	39,901,800	714,228,589	7.8094	739,999,851	96.52%
2012	2,573,066	118,370,473	24,493,165	497,480,929	-	49,847,700	692,765,333	7.8094	713,338,371	97.12%
2013	2,607,530	117,915,661	16,435,749	500,274,316	-	48,047,853	685,281,109	7.8094	710,930,773	96.39%

Personal Property by Category-Taxable Value

	Commercial	Industrial	Utility
2004	n/a	n/a	n/a
2005	\$ 34,880,700	\$ 910,100	\$ 9,419,600
2006	36,125,750	916,950	9,785,050
2007	36,017,505	715,400	9,844,350
2008	25,205,100	16,380,500	10,546,700
2009	23,557,300	11,015,500	10,653,400
2010	22,660,900	14,787,900	11,148,900
2011	20,533,200	11,240,900	8,127,700
2012	21,060,600	17,414,800	11,372,300
2013	21,446,800	15,224,553	11,376,500

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

Schedule 6  
Unaudited

Fiscal Year Ended December 31	Delhi Charter Township						Overlapping Rates					Holt School District		
	Operating Millage	Fire/EMS Millage	Police 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	
2004	4.3403	0.0000	0.0000	0.4881	0.5086	5.3370	12.2038	6.0291	3.8375	6.0000	0.0000	10.0000	10.0000	
2005	4.3094	0.0000	0.0000	0.4846	0.5322	5.3262	12.2566	5.9911	3.8112	6.0000	0.0000	10.0000	10.0000	
2006	4.3094	0.0000	0.0000	0.4846	0.5342	5.3282	13.1731	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2007	4.3094	0.0000	0.0000	0.4846	0.5124	5.3064	13.1538	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2008	4.3094	0.0000	0.0000	0.4846	0.5515	5.3455	14.1009	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2009	4.3094	0.0000	0.0000	0.5000	0.5945	5.4039	14.0811	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2010	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.0739	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2011	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.1133	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2012	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7533	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	
2013	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	

Non-homestead school operating millage

2004	17.3171
2005	17.3171
2006	17.3171
2007	17.3171
2008	17.3171
2009	17.3171
2010	17.3171
2011	17.3171
2012	17.3171
2013	17.3171

Source: Township Assessing Department

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

Schedule 7  
Unaudited

Taxpayer	2013			2004		
	State Equalized Value	Rank	Percentage of Total Twp. SEV	State Equalized Value	Rank	Percentage of Total Twp. SEV
RSDC of Michigan, LLC	\$ 11,434,300	1	1.6%	\$ 31,267,700	1	4.6%
Consumers Energy	11,160,200	2	1.6%	8,897,141	3	1.3%
Dart Container Corp of MI	8,463,300	3	1.2%	4,152,835	7	0.6%
Woodland Lakes Investment Group	6,489,100	4	0.9%	5,078,900	4	0.7%
Parker Hannifin Corp	5,033,800	5	0.7%	4,369,050	6	0.6%
Bondarenko Ltd LLC	4,417,200	6	0.6%	4,464,883	5	0.7%
Theroux Development Co.	4,146,600	7	0.6%	3,121,665	9	0.5%
Comcast of Michigan, LLC	3,395,500	8	0.5%			
Stealth Medical Technologies	3,341,200	9	0.5%	2,867,090	10	0.4%
Aspen Lakes Estates II LLC	3,019,900	10	0.4%			
Tailor Steel				9,323,000	2	1.4%
Magna Interior Systems				3,137,400	8	0.5%

Source: Township Assessing Department

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

Schedule 8  
Unaudited

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 3,360,749	\$ 3,340,283	99.4%	\$ 16,250	\$ 3,356,533	99.87%
2005	3,539,253	3,520,466	99.5%	17,695	3,538,161	99.97%
2006	3,843,446	3,829,154	99.6%	11,663	3,840,817	99.93%
2007	4,308,253	4,297,110	99.7%	9,777	4,306,887	99.97%
2008	4,436,174	4,422,146	99.7%	9,591	4,431,738	99.90%
2009	4,336,310	4,325,485	99.8%	6,023	4,331,508	99.89%
2010	5,872,671	5,852,639	99.7%	8,229	5,860,868	99.80%
2011	5,663,616	5,643,714	99.6%	7,955	5,651,668	99.79%
2012	5,614,077	5,594,097	99.6%	9,834	5,603,932	99.82%
2013	5,343,452	5,109,083	95.6%	-	5,109,083	95.61%

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

Source: Township Tax and Delinquent Personal Property Tax programs

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

Schedule 9  
Unaudited

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita*
	General Obligation Bonds	Special Assessment Bonds	General Assessment Payable	Installment Purchase Agreement	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable			
2004	\$ 3,339,025	\$ 317,750	\$ 357,306	\$ 500,000	\$ 7,940,975	\$ 1,031,250	\$ -	\$ 5,248,259	\$ 18,734,565	2.93%	\$ 750
2005	2,984,060	229,357	335,789	466,667	7,620,940	793,643	-	4,535,000	16,965,456	2.56%	671
2006	2,597,430	160,964	194,410	433,379	7,287,570	596,036	-	3,985,000	15,254,789	2.22%	593
2007	2,178,303	120,771	182,265	400,088	6,931,697	435,229	1,280,410	3,405,000	14,933,763	2.11%	576
2008	1,732,511	90,578	170,108	366,834	7,557,490	314,422	7,687,569	2,800,000	20,719,512	2.95%	795
2009	1,254,220	60,386	157,959	333,501	7,123,696	209,614	9,305,624	2,160,000	20,605,000	2.85%	790
2010	734,266	30,193	2,109,291	300,168	6,669,563	104,807	10,084,919	1,480,000	21,513,207	3.00%	834
2011	711,789	-	1,987,532	266,834	6,316,448	-	11,179,870	765,000	21,227,473	3.08%	829
2012	653,514	-	1,961,961	233,500	5,871,128	-	16,033,333	-	24,753,436	3.36%	959
2013	1,794,407	-	1,835,140	200,166	5,413,630	-	15,507,997	-	24,751,340	3.20%	953

\* Based on population estimates.

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

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

Schedule 10  
Unaudited

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Bonded Debt as a Percentage of Taxable Value <sup>1</sup>	Total Governmental Activities G.O. Debt Per Capita <sup>2</sup>	Per Capita Income
	General Obligation	Special Assessment	General Obligation	Revenue	Special Assessment				
	Bonds	Bonds	Bonds	Bonds	Bonds				
2004	\$ 3,339,025	\$ 317,750	\$ 7,940,975	\$ -	\$ 1,031,250	\$ 12,629,000	1.98%	\$ 133.68	\$ 25,640
2005	2,984,060	229,357	7,620,940	-	793,643	11,628,000	1.66%	118.05	26,179
2006	2,597,430	160,964	7,287,570	-	596,036	10,642,000	1.42%	100.90	26,717
2007	2,178,303	120,771	6,931,698	1,280,410	435,229	10,946,411	1.38%	84.02	27,256
2008	1,732,511	90,578	7,557,490	7,687,569	314,421	17,382,569	2.14%	66.46	26,935
2009	1,254,221	60,385	7,123,696	9,305,624	209,614	17,953,540	2.29%	48.09	27,768
2010	734,266	30,193	6,669,564	10,084,919	104,807	17,623,749	2.39%	28.38	27,768
2011	711,789	-	6,316,448	11,179,870	-	18,208,107	2.55%	27.79	26,912
2012	653,514	-	5,871,128	16,033,333	-	22,557,975	3.26%	25.31	28,540
2013	1,794,407	-	5,413,630	15,507,997	-	22,716,034	3.31%	69.12	29,837

GOVERNMENTAL ACTIVITIES  
GENERAL BONDED DEBT

Fiscal Year	General Obligation	Special Assessment	Total	General Bonded Debt as a Percentage of Taxable Value <sup>1</sup>	General Bonded Debt Per Capita <sup>2</sup>
	Bonds	Bonds			
2004	\$ 3,339,025	\$ 317,750	\$ 3,656,775	0.57%	\$ 146.41
2005	2,984,060	229,357	3,213,417	0.46%	127.12
2006	2,597,430	160,964	2,758,394	0.37%	107.15
2007	2,178,303	120,771	2,299,074	0.29%	88.68
2008	1,732,511	90,578	1,823,089	0.22%	69.93
2009	1,254,221	60,385	1,314,606	0.17%	50.41
2010	734,266	30,193	764,459	0.10%	29.54
2011	711,789	-	711,789	0.10%	27.79
2012	653,514	-	653,514	0.09%	25.31
2013	1,794,407	-	1,794,407	0.26%	69.12

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

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

<sup>2</sup> See Schedule 13, the Schedule of Demographic and Economic Statistics for population data.

**CHARTER TOWNSHIP OF DELHI  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
DECEMBER 31, 2013**

Schedule 11  
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 80,626,043	83.03%	\$ 66,943,804
Mason School District	17,520,000	9.90%	1,734,480
Lansing School District	47,175,000	0.04%	18,870
Eaton Rapids School District	47,999,395	1.25%	599,992
Ingham County	36,973,046	9.92%	3,667,726
Ingham Intermediate School District	2,168,000	8.28%	179,510
Eaton Intermediate School District	985,000	0.24%	2,364
Lansing Community College	82,565,000	6.80%	5,614,420
Subtotal, overlapping debt			<u>78,761,167</u>
Delhi Charter Township direct debt	1,794,407	100.00%	<u>1,794,407</u>
Total direct and overlapping debt			<u><u>\$ 80,555,574</u></u>

Source: Municipal Advisory Council of Michigan (MAC)

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

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

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

Schedule 12  
Unaudited

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 74,094,640	\$ 81,133,195	\$ 86,776,175	\$ 89,012,479	\$ 90,305,100	\$ 83,584,365	\$ 77,184,731	\$ 75,707,465	\$ 71,302,823	\$ 71,936,018
Total net debt applicable to limit	22,510,710	20,498,349	18,772,865	17,079,653	25,284,342	22,991,615	22,629,459	20,614,366	18,250,046	17,697,318
Legal debt margin	51,583,930	60,634,846	68,003,310	71,932,826	65,020,758	60,592,750	54,555,272	55,093,099	53,052,777	54,238,700
Total net debt applicable to the limit as a percentage of debt limit	30.38%	25.27%	21.63%	19.19%	28.00%	27.51%	29.32%	27.23%	25.60%	24.60%

**Legal Debt Margin Calculation for Fiscal Year 2013**

2013 State Equalized Valuation (SEV)	\$719,360,181
	x 10%
Legal Debt Limit (10% of SEV)	<u>71,936,018</u>
Direct General Obligation Debt	\$ 33,205,315
Less:	
Revenue Bonds	<u>(15,507,997)</u>
Net Direct Debt	<u>17,697,318</u>
Debt Limit Margin	<u>\$ 54,238,700</u>

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

Schedule 13  
Unaudited

Fiscal Year	Population (estimated) <sup>1</sup>	Estimated Total Personal Income for Township Residents (amounts expressed in thousands)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	School Enrollment <sup>2</sup>	Unemployment Rate <sup>3</sup>
2004	\$ 24,977	\$ 640,410	25,640	n/a	5,866	4.0%
2005	25,279	661,779	26,179	n/a	5,947	4.1%
2006	25,743	687,776	26,717	36.7	6,005	4.0%
2007	25,925	706,612	27,256	36.7	5,998	3.9%
2008	26,070	702,195	26,935	36.7	5,973	4.5%
2009	26,078	724,134	27,768	38.5	5,862	7.3%
2010	25,877	718,553	27,768	n/a	5,862	7.0%
2011	25,610	689,216	26,912	37.7	5,892	5.8%
2012	25,817	736,817	28,540	38.2	5,781	5.0%
2013	25,959	774,539	29,837	38.9	5,743	5.1%

Data Sources:

<sup>1</sup> U.S. Census Bureau and estimated by current trends

<sup>2</sup> Holt Public Schools

<sup>3</sup> State of Michigan: Department of Energy, Labor, and Economic Growth

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

Schedule 14  
Unaudited

Employer	2013			2012			2011		
	Approx. No. Employed	Rank	% of Total Employment	Approx. No. Employed	Rank	% of Total Employment	Approx. No. Employed	Rank	% of Total Employment
Holt Public Schools	800	1	n/a	830	1	n/a	850	1	n/a
Dakkota Integrated Interiors	300	2	n/a	293	2	n/a	361	2	n/a
RSDC of Michigan, LLC	237	3	n/a	200	3	n/a	175	4	n/a
Orchid Stealth	223	4	n/a	190	4	n/a	153	5	n/a
Granger Construction	167	5	n/a	152	5	n/a	197	3	n/a
Magna Powertrain (MPT)	150	6	n/a	135	7	n/a	150	6	n/a
Kroger	145	7	n/a	145	6	n/a	130	7	n/a
William Reichenbach Construction	140	8							
Holt Senior Care	120	9	n/a	123	8	n/a	123	8	n/a
Two Men & a Truck	88	10							
Lansing Christian School			n/a	100	9	n/a	100	9	n/a
Block Imaging			n/a	80	10	n/a			
Delhi Charter Township							79	10	n/a

Employer	2010			2009			2008		
	Approx. No. Employed	Rank	% of Total Employment	Approx. No. Employed	Rank	% of Total Employment	Approx. No. Employed	Rank	% of Total Employment
Holt Public Schools	850	1	n/a	850	1	n/a	850	1	n/a
Dakkota Integrated Interiors	261	2	n/a	249	2	n/a	537	2	n/a
RSDC of Michigan, LLC	171	4	n/a	164	4	n/a			
Orchid Stealth	117	8	n/a	115	5	n/a	153	4	n/a
Granger Construction	172	3	n/a	170	3	n/a	170	3	n/a
Kroger	130	5	n/a	105	7	n/a	100	8	n/a
Magna Powertrain (MPT)	125	6	n/a						
Holt Senior Care	120	7	n/a	110	6	n/a			
Lansing Christian School	100	9	n/a	100	8	n/a			
Delhi Charter Township	73	10	n/a	84	10	n/a	134	5	n/a
Davenport Masonry				97	9	n/a	65	10	n/a
Shiffer Mason Contractors							125	6	n/a
Martin Luther Holt Home							108	7	n/a
Parker Hannifin Corp							90	9	n/a

Employer	2007			2006		
	Approx. No. Employed	Rank	% of Total Employment	Approx. No. Employed	Rank	% of Total Employment
Holt Public Schools	855	1	n/a	625	1	n/a
Dakkota Integrated Interiors	167	4	n/a	180	4	n/a
RSDC of Michigan, LLC	300	2	n/a	272	2	n/a
Orchid Stealth	150	5	n/a	115	5	n/a
Granger Construction	271	3	n/a	250	3	n/a
Lansing Christian School	80	8	n/a	100	8	n/a
Delhi Charter Township	104	6	n/a	101	7	n/a
Parker Hannifin Corp	97	7	n/a	109	6	n/a
Molded Plastics	97	7	n/a			
Dart Container	65	9	n/a	43	10	n/a
Holt Products	43	10	n/a	44	9	n/a

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

Schedule 15  
Unaudited

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	20.50	20.63	20.10	19.94	19.32	17.82	17.82	18.17	16.17	16.25
Public Safety										
Police										
Officers *	21.00	21.00	21.00	21.00	21.00	21.00	18.00	19.00	19.00	19.00
Civilians *	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire										
Firefighters and officers	17.20	17.41	17.66	17.66	18.31	18.81	17.96	17.96	19.00	20.30
Civilians	1.50	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.00	1.00
Public Works	25.50	27.25	28.84	29.60	26.60	26.30	22.55	23.80	25.10	25.10
Engineering	1.50	-	-	-	-	-	-	-	-	-
Community Development	6.00	7.00	7.50	7.50	7.85	6.80	6.80	6.00	6.00	6.00
Recreation and Culture	5.50	5.00	5.50	5.80	5.80	5.80	5.80	9.43	9.32	10.50
Total	100.20	101.29	103.60	104.50	102.18	99.83	92.23	97.66	97.09	99.65

Source: Townships Budget Documents

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

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

Schedule 16  
Unaudited

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Fire</b>										
Number of Calls	1,818	2,063	2,065	2,122	2,287	2,182	2,324	2,410	2,577	2,672
Inspections	907	1,138	836	1,004	1,000	375	1,129	826	800	613
Burning/Recreational Permits	1,964	1,901	2,171	2,069	1,288	356	317	271	220	286
<b>Police</b>										
Number of Traffic Accidents	779	872	741	969	842	669	507	288	455	411
Number of Written Complaints	4,644	4,525	4,683	4,729	4,621	4,667	4,125	4,044	2,535	2,605
Number of Miles Driven	174,376	163,754	187,916	153,791	150,075	146,832	115,671	113,913	117,023	126,542
Vehicle Stops	7,011	5,609	5,429	7,849	8,041	8,754	5,869	5,867	5,512	5,432
<b>Accounting</b>										
Number of W-2's processed	345	293	356	314	362	300	303	225	273	180
Number of payroll checks processed	2,933	2,456	2,614	2,346	2,353	1,932	1,459	1,189	1,442	1,179
Number of payroll direct deposits	n/a	n/a	n/a	n/a	1,463	1,685	2,063	2,085	2,038	2,250
Number of purchase orders processed	1,314	1,061	873	795	734	593	458	432	444	435
Number of accounts payable checks processed	3,571	2,753	2,830	2,881	2,767	2,585	2,156	2,283	2,376	2,299
Number of accounts payable ACHs sent					39	40	224	513	482	476
<b>Assessing</b>										
Number of Field Inspections	2,226	1,242	2,485	899	1,381	364	679	1,188	464	499
<b>Clerk's Office</b>										
Number of FOIA requests	122	77	56	65	37	29	37	26	85	44
Number of pages scanned	113,708	73,166	21,452	19,985	26,754	35,962	39,369	4,962	8,072	17,400
<b>Elections</b>										
Number of Registered Voters	16,578	16,804	16,723	17,016	17,929	17,542	17,425	17,891	18,572	18,602
Number of Permanent Absentee Voters	1,251	1,815	1,766	2,010	2,294	2,206	2,584	2,490	2,819	2,648
<b>Treasurer's Office</b>										
Monthly Average No. of Sewer Bills mailed	6,852	7,000	7,150	7,157	7,195	7,257	7,225	7,087	7,043	6,922
Monthly Average No. of Sewer Bills Emailed	-	-	-	-	-	-	-	116	208	342
Number of Tax Bills-Two billings/year beg. 2003	18,534	19,154	19,875	20,110	20,278	20,382	20,494	20,412	20,743	21,181
<b>Recreation and Culture</b>										
Number of Athletic Teams	242	253	290	231	259	254	248	282	293	260
Number of Sr. Citizens Trips	8	8	8	9	8	8	11	11	10	10
Tennis Lessons	201	196	200	165	195	204	155	-	-	-
<b>Wastewater</b>										
Average daily sewage treatment (millions of gallons per day)	2.87	2.23	3.00	2.45	2.54	2.68	2.15	2.35	2.10	2.32
<b>Community Development</b>										
Permits Issued	2,136	1,858	1,526	1,629	986	1,194	1,229	1,207	1,180	1,166
Code Enforcement Complaints	547	677	592	585	530	563	583	579	422	499

Source: Various Township Departments

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

Schedule 17  
Unaudited

<b>Function</b>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public Safety</b>										
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b>Recreation and Culture</b>										
Parks Acreage	110	110	110	120	120	120	120	120	120	120
Parks	8	8	9	9	9	9	9	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
<b>Sewer</b>										
Sanitary Sewers (miles)	n/a	122.05	122.63	124.44	124.43	124.54	124.54	124.54	125.62	125.64
Maximum daily treatment capacity (millions of gallons)	2.5	4	4	4	4.5	4.5	4.5	4.5	4.5	4.5
<b>General Government</b>										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Community Service Center	1	1	1	1	1	1	1	1	1	1

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

Schedule 18  
Unaudited

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Taxable Value	\$ 171,974,913	\$ 187,329,054	\$ 208,725,517	\$ 224,269,239	\$ 238,602,015	\$ 227,057,132	\$ 214,579,630	\$ 221,574,763	\$ 206,199,563	\$ 209,406,132
Base Value	48,572,525	48,572,525	48,603,975	48,663,625	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975
Captured Value	123,402,388	138,756,529	160,121,542	175,605,614	189,951,040	178,406,157	165,928,655	172,923,788	157,548,588	160,755,157
*Revenue shared with Township	n/a	124,135	136,746	154,344	168,833	176,761	169,826	316,446	304,938	275,632
*Revenue shared with other entities	n/a	458,791	507,179	608,850	665,869	735,201	705,432	1,079,582	1,270,429	1,188,895
<b>Revenues</b>										
Tax Revenue	\$ 2,917,116	\$ 2,967,098	\$ 2,940,331	\$ 3,481,027	\$ 3,401,772	\$ 3,624,633	\$ 3,440,887	\$ 2,433,722	\$ 2,226,781	\$ 2,207,667
Other	99,558	120,795	208,910	332,307	269,444	108,921	45,128	232,818	47,358	51,922
<b>Total Revenue</b>	<b>3,016,674</b>	<b>3,087,893</b>	<b>3,149,241</b>	<b>3,813,334</b>	<b>3,671,216</b>	<b>3,733,554</b>	<b>3,486,015</b>	<b>2,666,540</b>	<b>2,274,139</b>	<b>2,259,589</b>
<b>Expenditures</b>										
Community & Economic Development	695,503	891,648	926,712	1,884,356	3,986,582	1,576,478	4,297,057	1,216,214	985,280	586,009
Debt Service	651,377	425,423	118,064	116,551	120,039	118,388	107,236	89,325	133,943	136,505
Capital Outlay	498,320	730,254	595,350	821,227	11,367,077	1,964,396	14,150	-	11,298	20,397
<b>Total Expenditures</b>	<b>1,845,200</b>	<b>2,047,325</b>	<b>1,640,126</b>	<b>2,822,134</b>	<b>15,473,698</b>	<b>3,659,262</b>	<b>4,418,443</b>	<b>1,305,539</b>	<b>1,130,521</b>	<b>742,911</b>
<b>Other Financing Sources (uses)</b>										
Sale of Capital Assets	148,245	-	-	-	-	-	-	-	-	77,454
Bond Proceeds	-	-	-	-	8,995,149	-	2,540,000	-	-	-
Transfers Out to Debt Service Funds	(782,251)	(329,496)	(366,248)	(333,386)	(448,709)	(1,084,832)	(1,034,238)	(1,254,338)	(1,266,236)	(1,283,286)
<b>Total other financing sources (uses)</b>	<b>(634,006)</b>	<b>(329,496)</b>	<b>(366,248)</b>	<b>(333,386)</b>	<b>8,546,440</b>	<b>(1,084,832)</b>	<b>1,505,762</b>	<b>(1,254,338)</b>	<b>(1,266,236)</b>	<b>(1,205,832)</b>
<b>Change in net position</b>	<b>537,468</b>	<b>711,072</b>	<b>1,142,867</b>	<b>657,814</b>	<b>(3,256,042)</b>	<b>(1,010,540)</b>	<b>573,334</b>	<b>106,663</b>	<b>(122,618)</b>	<b>310,846</b>
<b>Fund Balance</b>										
Beginning of the year	1,587,187	2,124,655	2,835,728	3,978,595	4,636,409	1,380,367	369,827	943,161	1,049,824	927,206
End of the year	\$ 2,124,655	\$ 2,835,727	\$ 3,978,595	\$ 4,636,409	\$ 1,380,367	\$ 369,827	\$ 943,161	\$ 1,049,824	\$ 927,206	\$ 1,238,052

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