

CHARTER TOWNSHIP OF DELHI

Holt, Michigan



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

YEAR ENDED DECEMBER 31, 2014

**CHARTER TOWNSHIP OF DELHI
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2014**

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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, 2014, 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, 2014, 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

May 6, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Charter Township of Delhi, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2014.

Financial Highlights

- The primary government assets of the Township exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$52,354,654 (*net position*). Of this amount, \$9,703,082 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 \$2,409,760.
- The Township's business-type activity net position increased by \$243,639.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$6,907,693, a decrease of \$850,745 in comparison with the prior year. Approximately 74% of this total amount, or \$5,110,454, 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 \$5,110,454 or 63% percent of total general fund expenditures and other financing uses.
- The primary government total bonded debt decreased by a net \$498,397 during the current fiscal year; \$2,675,117 in new obligations was issued and \$3,173,514 of existing obligations was retired. The Township issued new refunding bonds in the Sewer Fund of \$1,585,000.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and additional supplementary information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 79 - 100 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 \$52,354,654 at the close of the most recent year.

By far the largest portion of the Township's net position (78 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 13,234,335	\$ 13,645,760	\$ 5,378,335	\$ 4,357,648	\$ 18,612,670	\$ 18,003,408
Capital assets, net	15,563,204	12,183,506	49,234,776	50,864,414	64,797,980	63,047,920
Total assets	<u>28,797,539</u>	<u>25,829,266</u>	<u>54,613,111</u>	<u>55,222,062</u>	<u>83,410,650</u>	<u>81,051,328</u>
Current liabilities	835,116	1,255,256	671,719	1,809,345	1,506,835	3,064,601
Noncurrent liabilities	4,686,654	3,756,015	19,893,489	19,608,453	24,580,143	23,364,468
Total liabilities	<u>5,521,770</u>	<u>5,011,271</u>	<u>20,565,208</u>	<u>21,417,798</u>	<u>26,086,978</u>	<u>26,429,069</u>
Def. inflows of resources	4,969,018	4,921,004	-	-	4,969,018	4,921,004
Net position:						
Net investment in capital assets	11,382,486	9,240,592	29,341,287	29,992,625	40,723,773	39,233,217
Restricted	109,406	221,139	1,818,393	1,607,237	1,927,799	1,828,376
Unrestricted	<u>6,814,859</u>	<u>6,435,260</u>	<u>2,888,223</u>	<u>2,204,402</u>	<u>9,703,082</u>	<u>8,639,662</u>
Total Net Position	<u>\$ 18,306,751</u>	<u>\$ 15,896,991</u>	<u>\$ 34,047,903</u>	<u>\$ 33,804,264</u>	<u>\$ 52,354,654</u>	<u>\$ 49,701,255</u>

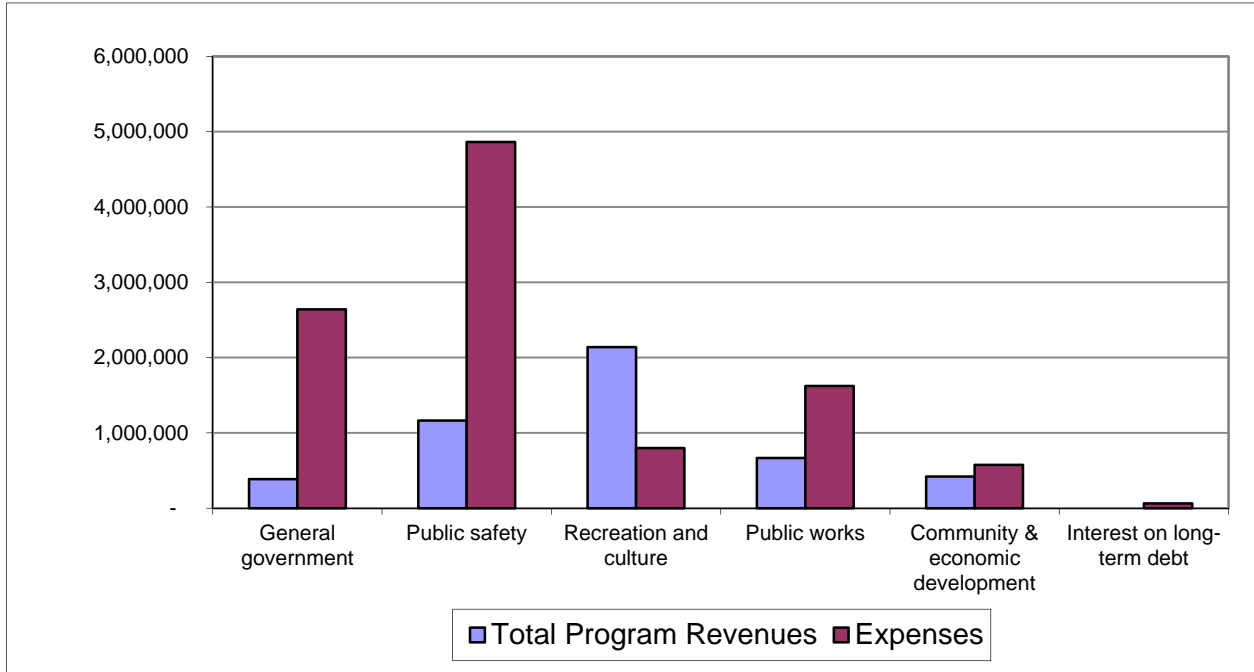
At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Primary government net position increased by \$2,653,399 during the current fiscal year. This was a combination of net position increasing by \$2,409,760 in Governmental Activities and increasing by \$243,639 in the Business-type Activities.

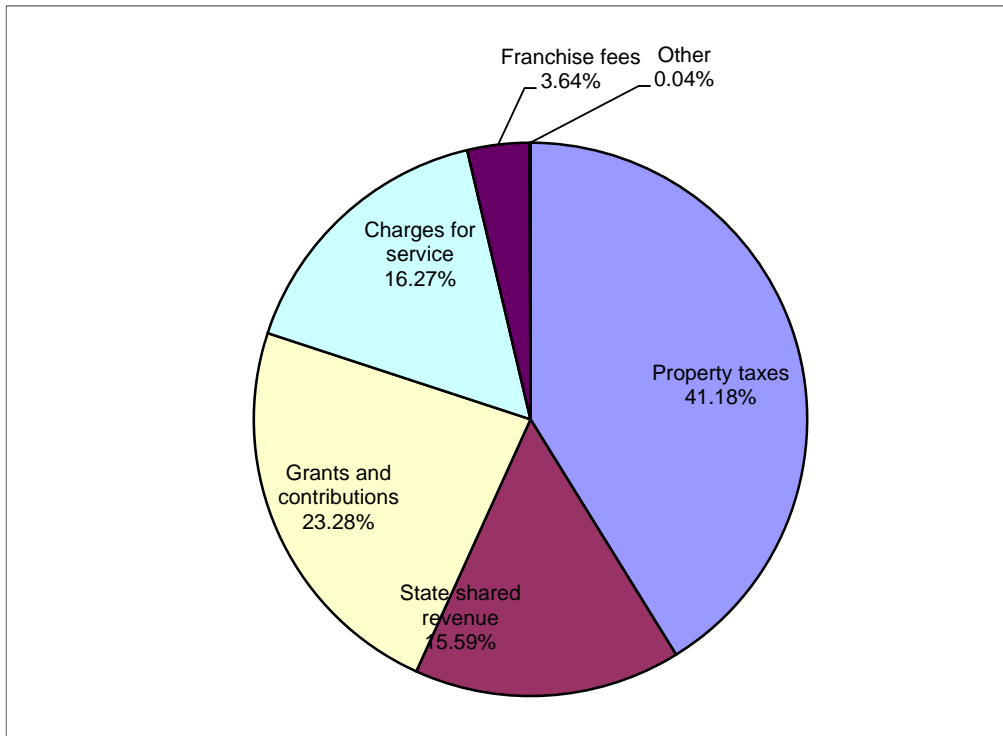
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue:						
Program revenues:						
Charges for services	\$ 2,114,182	\$ 1,686,044	\$ 5,898,351	\$ 5,303,826	\$ 8,012,533	\$ 6,989,870
Operating grants and contributions	656,031	510,414	420,011	-	1,076,042	510,414
Capital grants and contributions	2,003,455	51,017	64,800	-	2,068,255	51,017
General revenues:						
Property taxes	5,350,366	5,311,408	-	-	5,350,366	5,311,408
State shared revenue	2,026,020	1,978,618	-	-	2,026,020	1,978,618
Unrestricted grants and contributions	365,077	192,934	-	-	365,077	192,934
Franchise fees	472,391	443,210	-	-	472,391	443,210
Interest	5,721	3,650	9,604	7,766	15,325	11,416
Total revenues	12,993,243	10,177,295	6,392,766	5,311,592	19,386,009	15,488,887
Expenses:						
General government	2,640,347	2,146,777	-	-	2,640,347	2,146,777
Public safety	4,861,571	4,733,732	-	-	4,861,571	4,733,732
Public works	1,434,952	1,028,423	-	-	1,434,952	1,028,423
Recreation and culture	985,792	916,303	-	-	985,792	916,303
Interest on long-term debt	66,406	44,517	-	-	66,406	44,517
Sewer	-	-	6,167,726	5,987,572	6,167,726	5,987,572
Community & economic development	575,816	604,597	-	-	575,816	604,597
Total expenses	10,564,884	9,474,349	6,167,726	5,987,572	16,732,610	15,461,921
Increase (decrease) in net position before transfers	2,428,359	702,946	225,040	(675,980)	2,653,399	26,966
Transfers	(18,599)	-	18,599	-	-	-
Increase (decrease) in net position	2,409,760	702,946	243,639	(675,980)	2,653,399	26,966
Net position -beginning of year	15,896,991	15,194,045	33,804,264	34,480,244	49,701,255	49,674,289
Net position - end of year	\$ 18,306,751	\$ 15,896,991	\$ 34,047,903	\$ 33,804,264	\$ 52,354,654	\$ 49,701,255

Governmental activities. Governmental activities increased the Township's net position by \$2,409,760 during 2014. Compared to 2013, Governmental revenues increased by \$2,815,948 mainly due to capital contributions and higher service fees. Governmental expenditures increased by \$1,090,535 compared to 2013. Over half of the increase was for public works expenditures: \$20,004 in increased drain assessments, an increase of \$187,885 for non-motorized trail development, a \$191,142 increase in street improvement expenditure, and an increase of \$172,264 for sidewalks. Most of the remainder of the increase was in the General Government category. There was an increase of \$130,982 for OPEB contribution, an \$80,029 increase in allocation of Department of Public Services (DPS) staff costs to Buildings and Grounds, and an increase of \$62,078 in Contractual Services for an actuarial study and brush pickup.

Expenses and Program Revenues - Governmental Activities for the year ended December 31, 2014

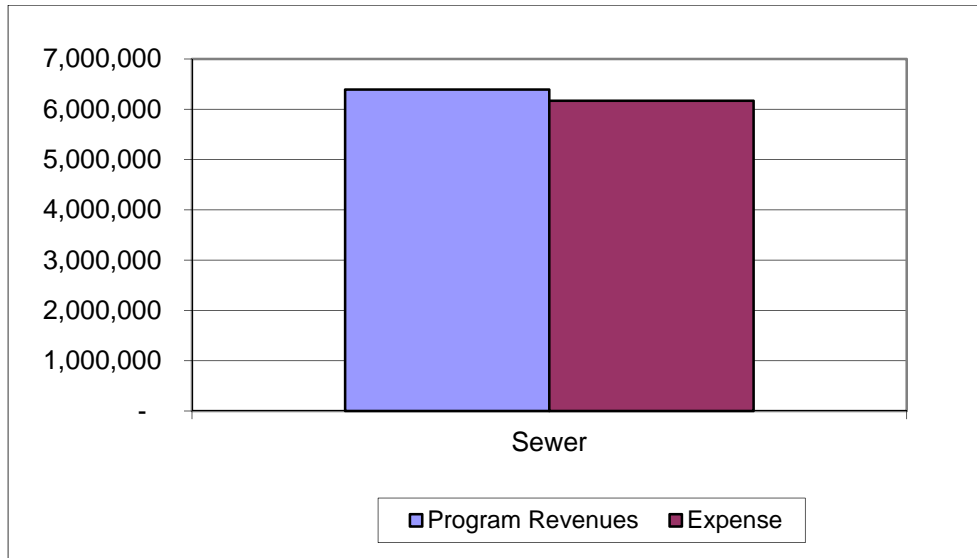


Revenues by Source - Governmental Activities for the year ended December 31, 2014



Business - type activities. Business - type activities increased the Township's net position by \$243,639 during 2014, due to the increase in basic service charge and sewer usage fees.

Expenses and Program Revenues - Business - type Activities for the year ended December 31, 2014



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 \$6,907,693, a decrease of \$850,745 in comparison with the prior year. Almost 74 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 \$5,110,454 while total fund balance was \$6,163,991. 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 63 percent of total general fund expenditures and other financing uses while total fund balance is 76 percent of total general fund expenditures and other financing uses.

The fund balance in the Township's General Fund decreased by \$119,232 during the current year. Overall, compared to 2013, expenditures, including transfers out, increased \$1,502,092 and revenues and other financing sources increased by \$473,667. Key factors for this are:

- An increased investment in infrastructure of over \$564,700 for street repair, sidewalks, and the Ram Trail.
- An increase in other functions expenditures of \$244,373 due to an increase in OPEB contribution, brush pickup, and transfers out to the police and fire funds.
- Equipment purchase for the Parks department of \$146,160 and land purchases totally \$177,680 to enhance the Ram Trail.
- An increase of \$130,000 in Building and Grounds for DPS staff time and increased maintenance costs.
- New debt related to the construction of the North Sycamore Trail of \$138,526.
- An increase in ambulance revenue of \$96,690
- An increase in reimbursements of over \$93,500 due to work done for the Ingham Co. Drain Commission and mowing of Holt School properties.
- Transfer in from the DDA to pay the new bond of \$138,530
- State grants of \$67,730 for a shade system over the park amphitheater and for work reimbursable under the Stormwater, Asset Management, and Wastewater (SAW) grant program.
- Early street assessment payoffs of \$59,300

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

Total net position of the Sewer Fund at the end of the year amounted to \$34,047,903; an increase for the year of \$243,639. 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 \$784,120 (10%) in appropriations (including operating transfers out) between the original and final amended budget. Increases and decreases worth noting were:

- An increase of \$430,260 in infrastructure for street repair and sidewalk installation.
- An increase of \$198,110 in other functions for the contribution for Other Post Employment Benefits (OPEB), the actuarial evaluation needed for the new OPEB contribution, and a township wide brush pickup.
- \$138,530 for new bond payments
- \$131,890 in Community Development for property purchases.

Additionally, budgeted revenues (including other financing sources) increased by approximately \$647,230. Increases in some revenue line items were offset by decreases in others. Items worth noting are as follows.

- An increase of \$138,530 transfer in from the DDA for the new bond payments.
- An increase of \$100,000 in reimbursements due to work on the Green Drain and increased mowing of school properties.
- An increase of \$87,000 in Tax revenue.
- \$69,000 increase in building revenue.

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 \$1,317,528 and \$1,084,946 respectively, and \$1,884,870 and \$2,424,513 in expenditures respectively. The Fire and Police Funds had restricted property tax revenues of \$1,030,802 and \$1,030,801 in each fund, respectively. Total revenues in these funds were not sufficient to fully fund fire and police operations, so therefore, the General Fund had to transfer \$558,044 and \$1,339,567 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, 2014, amounted to \$64,797,980 (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 increase in the Township's investment in capital assets for the current fiscal year was \$1,750,060 (approximately 3%). The increase is a result of net fixed asset investments exceeding depreciation expense.

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

- Addition of the Sycamore Trail, mostly funded by grants, at \$3,378,780
- Green Drain #4 added \$838,500
- New vehicles were purchased for both the fire and sewer funds
- Land purchases totaled \$177,680
- Easements and planning for the Ram Trail were \$162,165
- In the Sewer Fund, final work on the Lift Station D project totaled \$207,338

Major repair work on a sewer line cost \$74,890

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

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land/Monuments	\$ 2,045,184	\$ 2,170,531	\$ 806,335	\$ 806,335	\$ 2,851,519	\$ 2,976,866
Easements	62,361	30,676	-	-	62,361	30,676
Infrastructure	521,126	613,183	31,950,215	24,564,772	32,471,341	25,177,955
Flowage rights	3,027,583	2,278,416	-	-	3,027,583	2,278,416
Buildings and improvements	4,429,244	4,621,505	15,546,975	16,617,000	19,976,219	21,238,505
Land improvements	4,452,842	1,157,916	311,614	343,753	4,764,456	1,501,669
Machinery and equipment	386,965	337,057	71,358	99,931	458,323	436,988
Furniture and office equipment	35,478	34,777	1,599	5,187	37,077	39,964
Computer equipment and programs	52	3,858	8,828	1,003	8,880	4,861
Vehicles	312,175	411,290	162,929	151,251	475,104	562,541
Construction in progress	290,194	524,297	374,923	8,275,182	665,117	8,799,479
Total	\$ 15,563,204	\$ 12,183,506	\$ 49,234,776	\$ 50,864,414	\$ 64,797,980	\$ 63,047,920

Additional information on the Township's capital assets can be found in Note 4 on pages 58 - 60 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 \$24,580,143.

Delhi Charter Township's Outstanding Debt

	Governmental Activities		Business Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 1,627,134	\$ 1,787,094	\$ 4,938,489	\$ 5,363,792	\$ 6,565,623	\$ 7,150,886
Revenue bonds	-	-	14,955,000	15,507,997	14,955,000	15,507,997
Other long-term debt	3,059,520	2,419,657	-	-	3,059,520	2,419,657
Total	\$ 4,686,654	\$ 4,206,751	\$ 19,893,489	\$ 20,871,789	\$ 24,580,143	\$ 25,078,540

The Township’s total bonded debt decreased by a net of \$1,138,260, down to \$21,520,623 during 2014. Payments of \$2,960,263 were made that reduced the bonded debt. However, \$1,585,000 additional bonds were added as a result of the Township refinancing a portion of the Sewer Bonds and an additional \$237,003 from the State Revolving Fund.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the Township is \$70,553,302, which is significantly in excess of the Township’s and Downtown Development Authority’s outstanding general obligation debt of \$16,668,880.

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

Economic Factors and Next Year’s Budgets and Rates

The following factors were considered in preparing the Township’s budget for the 2015 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2015 budget development.
- Contain health care costs by continuation of the Township’s high deductible health plan with the elimination of employer contributions to employees’ health savings accounts (H.S.A.) while encouraging employee contributions into their HSAs.
- Continue to pursue grant opportunities for capital purchases and infrastructure investments.
- Continue to assess staffing needs whenever a vacancy occurs, while continuing to cross train staff for organizational effectiveness & efficiency.
- Throughout its 25 year history the Downtown Development Authority has been able to support many improvements. Their revenue is declining, thus the Township will no longer receive its support and will need to absorb some of the operational expenditures. This will invariably result in future decreases in fund balance.
- As a result of the 2013 sewer rate study recommendation, rates were increased by 4% in 2015.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$5,110,454. The Township has projected expenditures to exceed revenues in 2014 by \$993,250. 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, 2014**

	<u>Primary government</u>			<u>Component units</u>	
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>
ASSETS:					
Cash and cash equivalents	\$ 5,915,244	\$ 1,600,491	\$ 7,515,735	\$ 1,953,994	\$ 197,699
Investments	989,213	228,362	1,217,575	-	-
Receivables	6,280,359	1,707,196	7,987,555	2,784,858	152,343
Prepays and other assets	49,519	23,893	73,412	670	-
Restricted assets:					
Cash and cash equivalents	-	1,156,737	1,156,737	-	-
Investments	-	661,656	661,656	-	-
Capital assets not being depreciated	2,397,739	1,181,258	3,578,997	4,649,523	-
Capital assets being depreciated, net	13,165,465	48,053,518	61,218,983	4,613,758	-
TOTAL ASSETS	<u>28,797,539</u>	<u>54,613,111</u>	<u>83,410,650</u>	<u>14,002,803</u>	<u>350,042</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	-	-	-	9,694	-
LIABILITIES:					
Accounts payable and accrued expenses	805,456	671,719	1,477,175	1,630,362	2,032
Unearned revenue	29,660	-	29,660	-	-
Long-term liabilities:					
Due within one year	485,341	1,310,008	1,795,349	1,175,675	-
Due in more than one year	4,201,313	18,583,481	22,784,794	6,217,548	-
TOTAL LIABILITIES	<u>5,521,770</u>	<u>20,565,208</u>	<u>26,086,978</u>	<u>9,023,585</u>	<u>2,032</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	4,969,018	-	4,969,018	1,714,490	152,343
NET POSITION:					
Net investment in capital assets	11,382,486	29,341,287	40,723,773	1,879,752	-
Restricted for fire equipment, training and apparatus	109,406	-	109,406	-	-
Restricted for debt service	-	463,846	463,846	-	-
Restricted for replacement	-	1,354,547	1,354,547	-	-
Unrestricted	6,814,859	2,888,223	9,703,082	1,394,670	195,667
TOTAL NET POSITION	<u>\$ 18,306,751</u>	<u>\$ 34,047,903</u>	<u>\$ 52,354,654</u>	<u>\$ 3,274,422</u>	<u>\$ 195,667</u>

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

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

Functions/programs	Net (expense) revenue and changes in net position								
	Program revenues				Primary government			Component units	
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
Primary government:									
Governmental activities:									
General government	\$ 2,640,347	\$ 85,102	\$ 300,000	\$ -	\$ (2,255,245)	\$ -	\$ (2,255,245)	\$ -	\$ -
Public safety	4,861,571	876,863	286,726	-	(3,697,982)	-	(3,697,982)	-	-
Public works	1,434,952	666,419	-	-	(768,533)	-	(768,533)	-	-
Community and economic development	575,816	420,521	-	-	(155,295)	-	(155,295)	-	-
Recreation and culture	985,792	65,277	69,305	2,003,455	1,152,245	-	1,152,245	-	-
Interest on long-term debt	66,406	-	-	-	(66,406)	-	(66,406)	-	-
Total governmental activities	<u>10,564,884</u>	<u>2,114,182</u>	<u>656,031</u>	<u>2,003,455</u>	<u>(5,791,216)</u>	<u>-</u>	<u>(5,791,216)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	6,167,726	5,898,351	420,011	64,800	-	215,436	215,436	-	-
Total primary government	<u>\$ 16,732,610</u>	<u>\$ 8,012,533</u>	<u>\$ 1,076,042</u>	<u>\$ 2,068,255</u>	<u>(5,791,216)</u>	<u>215,436</u>	<u>(5,575,780)</u>	<u>-</u>	<u>-</u>
Component units:									
Brownfield redevelopment	\$ 184,945	\$ -	\$ -	\$ -	-	-	-	-	(184,945)
Downtown development	1,548,858	25,253	3,054	-	-	-	(1,520,551)	-	-
Total component units	<u>\$ 1,733,803</u>	<u>\$ 25,253</u>	<u>\$ 3,054</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>(1,520,551)</u>	<u>-</u>	<u>(184,945)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					3,288,763	-	3,288,763	2,247,119	193,614
Property taxes, levied for fire					1,030,802	-	1,030,802	-	-
Property taxes, levied for police					1,030,801	-	1,030,801	-	-
State sources					2,026,020	-	2,026,020	-	-
Unrestricted grants and contributions					365,077	-	365,077	-	-
Franchise fees					472,391	-	472,391	-	-
Interest					5,721	9,604	15,325	4,771	-
Other					-	-	-	187,031	-
Transfers - internal activities					(18,599)	18,599	-	-	-
Total general revenues					<u>8,200,976</u>	<u>28,203</u>	<u>8,229,179</u>	<u>2,438,921</u>	<u>193,614</u>
Change in net position					2,409,760	243,639	2,653,399	918,370	8,669
Net position, beginning of year					15,896,991	33,804,264	49,701,255	2,356,052	186,998
Net position end of year					<u>\$ 18,306,751</u>	<u>\$34,047,903</u>	<u>\$ 52,354,654</u>	<u>\$ 3,274,422</u>	<u>\$ 195,667</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, 2014**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
ASSETS:					
Cash and cash equivalents	\$ 5,447,748	\$ 21,899	\$ 38,125	\$ 407,472	\$ 5,915,244
Investments	786,718	-	-	202,495	989,213
Receivables:					
Taxes	2,808,227	1,003,169	1,003,169	342,632	5,157,197
Special assessments	286,313	-	-	7,603	293,916
Other	196,231	39,712	3,735	300,000	539,678
Due from other funds	13,795	-	-	-	13,795
Due from component unit	289,568	-	-	-	289,568
Prepays	29,712	19,807	-	-	49,519
TOTAL ASSETS	\$ 9,858,312	\$ 1,084,587	\$ 1,045,029	\$ 1,260,202	\$ 13,248,130
LIABILITIES:					
Accounts payable	\$ 738,158	\$ 6,921	\$ 1,974	\$ 11,295	\$ 758,348
Accrued liabilities	22,377	14,804	-	-	37,181
Unearned revenue	29,660	-	-	-	29,660
Due to other funds	-	-	-	13,795	13,795
TOTAL LIABILITIES	790,195	21,725	1,974	25,090	838,984
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	2,535,223	1,043,055	1,043,055	347,685	4,969,018
Unavailable revenue - ambulance fees	82,590	-	-	-	82,590
Unavailable revenue - special assessments	286,313	-	-	7,603	293,916
Unavailable revenue - grant revenue	-	-	-	155,929	155,929
TOTAL DEFERRED INFLOWS OF RESOURCES	2,904,126	1,043,055	1,043,055	511,217	5,501,453
FUND BALANCES:					
Nonspendable:					
Prepays	29,712	19,807	-	-	49,519
Restricted:					
For fire equipment, training and apparatus	20,575	-	-	88,831	109,406
For capital projects	-	-	-	126,260	126,260
Committed:					
For water improvement	-	-	-	277,224	277,224
For disaster contingency fund	10,000	-	-	-	10,000
Assigned for subsequent year expenditures	993,250	-	-	231,580	1,224,830
Unassigned	5,110,454	-	-	-	5,110,454
TOTAL FUND BALANCES	6,163,991	19,807	-	723,895	6,907,693
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 9,858,312	\$ 1,084,587	\$ 1,045,029	\$ 1,260,202	\$ 13,248,130

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, 2014**

Total governmental fund balances		\$ 6,907,693
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	\$ 2,397,739	
Capital assets being depreciated, net	<u>13,165,465</u>	
		15,563,204
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by unavailable revenues in the government funds, and thus are not included in fund balance:		
Unavailable revenue expected to be collected after March 1, 2015		532,435
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		(4,313,479)
Bond discount, net of accumulated amortization		6,501
Compensated absences		(379,676)
Accrued interest		<u>(9,927)</u>
Net position of governmental activities		<u><u>\$ 18,306,751</u></u>

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, 2014

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
REVENUES:					
Taxes	\$2,945,124	\$1,030,802	\$1,030,801	\$ 343,639	\$ 5,350,366
Grants and revenue sharing	2,103,750	134,019	-	144,071	2,381,840
Intergovernmental	159,610	-	-	-	159,610
Licenses and permits	304,387	-	-	-	304,387
Charges for services	1,424,024	-	-	64,650	1,488,674
Franchise fees	472,391	-	-	-	472,391
Fines and forfeitures	25,082	-	54,145	-	79,227
Interest and rentals	22,940	-	-	448	23,388
Other	528,858	152,707	-	78,767	760,332
Total revenue	<u>7,986,166</u>	<u>1,317,528</u>	<u>1,084,946</u>	<u>631,575</u>	<u>11,020,215</u>
EXPENDITURES:					
Current:					
General government	2,187,982	-	-	-	2,187,982
Public safety	-	1,884,870	2,424,513	329,720	4,639,103
Public works	1,250,756	-	-	2,807	1,253,563
Community and economic development	574,711	-	-	-	574,711
Recreation and culture	761,143	-	-	-	761,143
Other	559,533	-	-	-	559,533
Debt service:					
Principal	303,442	-	-	60,773	364,215
Interest	45,844	-	-	16,434	62,278
Capital outlay	533,856	-	-	944,056	1,477,912
Total expenditures	<u>6,217,267</u>	<u>1,884,870</u>	<u>2,424,513</u>	<u>1,353,790</u>	<u>11,880,440</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>1,768,899</u>	<u>(567,342)</u>	<u>(1,339,567)</u>	<u>(722,215)</u>	<u>(860,225)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from capital lease	9,480	-	-	-	9,480
Transfers in	-	558,044	1,339,567	-	1,897,611
Transfers out	(1,897,611)	-	-	-	(1,897,611)
Total other financing sources (uses)	<u>(1,888,131)</u>	<u>558,044</u>	<u>1,339,567</u>	<u>-</u>	<u>9,480</u>
Net change in fund balances	(119,232)	(9,298)	-	(722,215)	(850,745)
FUND BALANCES:					
Beginning of year	6,283,223	29,105	-	1,446,110	7,758,438
End of year	<u>\$6,163,991</u>	<u>\$ 19,807</u>	<u>\$ -</u>	<u>\$ 723,895</u>	<u>\$ 6,907,693</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, 2014**

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

Net change in fund balances - total governmental funds	\$ (850,745)
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	2,324,779
Depreciation expense	(773,536)
Contribution of capital assets	2,003,455
Realized loss on disposal of capital assets	(175,000)
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 general assessment obligations	(838,500)
Proceeds from capital lease	(9,480)
Reductions of principal on long-term debt	364,214
Amortization of bond discounts	(812)
Decrease in OPEB payable	9,809
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	(168,412)
Accrued revenue end of the year - primarily special assessments due in the future	532,435
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	6,614
Accrued interest payable end of the year	(9,927)
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	374,542
Accrued compensated absences end of the year	<u>(379,676)</u>
Change in net position of governmental activities	<u><u>\$ 2,409,760</u></u>

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, 2014**

	Business-type activities- Enterprise fund
	<u>Sewer fund</u>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,600,491
Investments	228,362
Special assessments receivable	455,797
Other receivables	1,251,399
Prepays	<u>23,893</u>
TOTAL CURRENT ASSETS	<u>3,559,942</u>
NONCURRENT ASSETS:	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	463,846
Replacement cash and cash equivalents	692,891
Replacement investments	661,656
Property, plant and equipment not being depreciated	1,181,258
Property, plant and equipment net of accumulated depreciation	<u>48,053,518</u>
TOTAL NONCURRENT ASSETS	<u>51,053,169</u>
TOTAL ASSETS	<u>54,613,111</u>

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

	Business-type activities- Enterprise fund
	Sewer fund
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES:	
Accounts payable	\$ 408,995
Accrued liabilities	143,396
Interest payable	119,328
Current portion of long-term debt	<u>1,310,008</u>
TOTAL CURRENT LIABILITIES	<u>1,981,727</u>
LONG-TERM LIABILITIES , net of current portion:	
Due in more than one year	<u>18,583,481</u>
TOTAL LIABILITIES	<u>20,565,208</u>
NET POSITION:	
Net investment in capital assets	29,341,287
Restricted for:	
Replacement	1,354,547
Debt service	463,846
Unrestricted	<u>2,888,223</u>
TOTAL NET POSITION	<u><u>\$ 34,047,903</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, 2014**

	Business-type activities- Enterprise fund
	Sewer fund
OPERATING REVENUES:	
Charges for services	\$ 5,504,030
Permits and fees	312,727
State grant	420,011
Other operating revenue	89,096
Total operating revenues	6,325,864
OPERATING EXPENSES:	
Costs of sales and services	3,429,147
Depreciation	2,250,529
Total operating expenses	5,679,676
Operating income	646,188
NON-OPERATING REVENUES (EXPENSES):	
Interest and rentals	20,701
Amortization of bond discount	(18,033)
Interest expense	(470,017)
Total non-operating revenues (expenses)	(467,349)
Net income before capital contributions	178,839
CAPITAL CONTRIBUTIONS	
Change in net position	64,800
NET POSITION:	
Beginning of year	33,804,264
End of year	\$ 34,047,903

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, 2014**

	Business-type activities- Enterprise fund
	Sewer fund
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	
Cash flows from operating activities:	
Cash received from customers	\$ 6,007,923
Cash payments to suppliers for goods and services	(1,806,422)
Cash payments to employees for services	(1,460,762)
	2,740,739
Cash flows from capital and related financing activities:	
Purchase of capital assets	(558,492)
Proceeds from bonds	1,822,003
Interest payments	(486,586)
Principal payments	(2,818,336)
	(2,041,411)
Cash flows from investing activities:	
Purchase of investments	(4,306)
Interest and rental earnings	20,701
	16,395
NET INCREASE IN CASH AND CASH EQUIVALENTS	715,723
CASH AND CASH EQUIVALENTS:	
Beginning of year	2,041,505
End of year	\$ 2,757,228

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, 2014**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSE) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 646,188
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	2,250,529
Loss on disposal of equipment	2,401
(Increase) decrease in assets:	
Special assessments receivable	(33,213)
Other receivables	(284,728)
Prepaid expenses	17,283
Increase (decrease) in liabilities:	
Accounts payable	283,171
Accrued expenses	(46,881)
Retainage payable	(94,011)
	2,094,551
Total adjustments	2,094,551
Net cash provided by operating activities	\$ 2,740,739

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, 2014**

	Other post employment benefit trust fund	Private Purpose Trust	
	Retiree health benefits	Cemetery	Agency funds
ASSETS:			
Cash and cash equivalents	\$ -	\$ 75,588	\$ 16,161,935
Investments	2,329,621	-	-
Taxes receivable	-	-	14,291,079
	<u>-</u>	<u>-</u>	<u>14,291,079</u>
TOTAL ASSETS	<u>2,329,621</u>	<u>75,588</u>	<u>30,453,014</u>
LIABILITIES:			
Accounts payable	-	185	-
Due to other governments	-	-	30,033,184
Undistributed receipts	-	-	419,830
	<u>-</u>	<u>-</u>	<u>419,830</u>
TOTAL LIABILITIES	<u>-</u>	<u>185</u>	<u>30,453,014</u>
NET POSITION:			
Restricted - funds held in trust for individuals	<u>\$ 2,329,621</u>	<u>\$ 75,403</u>	<u>\$ -</u>

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, 2014**

	Other post employment benefit trust fund	Private Purpose Trust
	Retiree health benefits	Cemetery
ADDITIONS:		
Contributions	\$ 514,955	\$ -
Investment earnings - net	76,192	-
Total additions	591,147	-
DEDUCTIONS:		
Cemetery perpetual care	-	245
Change in net position	591,147	(245)
NET POSITION:		
Beginning of year	1,738,474	75,648
End of year	\$ 2,329,621	\$ 75,403

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government wide Financial Statements

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

B. Reporting Entity

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

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

Discretely Presented Component Units

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Concluded)

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

C. Basis of Presentation - Government wide Financial Statements

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

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

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

D. Basis of Presentation - Fund Financial Statements

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

The government reports the following major governmental funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following nonmajor fund types:

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

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

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

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

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

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

**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, 2014. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

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

1. Cash, Cash Equivalents and Investments

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments (Concluded)

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

2. Receivables and Payables

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

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

3. Prepaids

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Capital Assets (Concluded)

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

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

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

6. Other Postemployment Benefit Costs

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Township has only one item 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 2014 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, 2013 levy (recognized as revenue in 2014) for a total of \$7.8094 per \$1,000.

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

3. Compensated Absences

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

H. Revenues and Expenditures/Expenses (Concluded)

4. Long-term Obligations

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

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

5. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

As of December 31, 2014, the Township had the following investments.

Investment Type	Fair value	Weighted average maturity (years)	Standard & Poor's rating	%
Stifel Nicolaus Money Market	\$ 133	0.0027	AA+	0.0%
Federal National Mortgage Association	53,313	1.2285	AA+	1.5%
Financing Corp Cpn FICO Strips	54,493	1.3176	AA+	1.5%
Federated Cash - Money Market	11,810	0.0027	N/A	0.3%
Federal Nat'l Mtg Asn. Medium Term Nts	109,039	2.4570	AA+	3.0%
Comerica Securities - Federal Farm	64,723	3.2859	AA+	1.8%
Comerica Securities - Clare Public Schools	111,647	0.3267	AA2 - Moody	3.1%
Comerica Securities - Anchor Bay Schools	31,358	1.3149	AA-	0.9%
MBIA Class Pooled Investments	202,495	0.1233	AAAm	5.6%
PNC Bank Money Market	276,218	0.0027	N/A	7.7%
First Merit Money Market	251,194	0.0027	N/A	7.0%
Dart Bank Money Market	1,186,598	0.0027	N/A	33.0%
Dart Bank - CD	176,270	0.8370	N/A	4.9%
Dart Bank - CD	282,547	0.1836	N/A	7.9%
Flagstar Bank - CD	202,840	0.2592	N/A	5.6%
Flagstar Bank - CD	100,202	0.2592	N/A	2.8%
Federated Cash - Money Market	7,160	0.0027	N/A	0.2%
Federal Nat'l Mtg Asn. Medium Term Nts	116,550	0.6993	AA+	3.2%
Federal Nat'l Mtg Asn. Fixed Rate	104,650	2.7027	AA+	2.9%
Huntington-CD	250,000	0.0027	N/A	7.1%
Total fair value	<u>\$ 3,593,240</u>			<u>100.0%</u>
Portfolio weighted average maturity		<u>0.7507</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 MBIA CLASS. MBIA CLASS is an external pooled investment fund of "qualified" investments for Michigan townships. MBIA CLASS is not regulated nor is it registered with the SEC. MBIA CLASS reports as of December 31, 2014 the fair value of the Township's investments is the same as the value of the pool shares.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

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

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

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of December 31, 2014, \$24,735,593 of the Township's bank balance of \$26,438,088 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, 2014 was \$25,345,729.

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Summary of deposit and investments balances. The following is a reconciliation of deposit and investment balances as of December 31, 2014.

Deposits (including deposits in transit at year end)	\$ 25,345,729
Investments	3,593,240
Cash on hand	1,950
	<u>\$ 28,940,919</u>
Cash and cash equivalents:	
Township wide - unrestricted	\$ 7,515,735
Township wide - restricted	1,156,737
Component units	2,151,693
Cemetery fund (a private purpose trust)	75,588
Agency funds (fiduciary funds)	16,161,935
Investments:	
Township wide - unrestricted	1,217,575
Township wide - restricted	661,656
	<u>\$ 28,940,919</u>

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Concluded)

Other post employment benefits

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

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

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

The System’s investments are held with an insurance company administered trust fund. Following is a summary of the System’s investments as of December 31, 2014:

	Other post employment benefit trust fund
Balanced funds	\$ 799,659
Stable value	1,529,962
	\$ 2,329,621

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

NOTE 3 - RECEIVABLES

Receivables at December 31, 2014 consist of the following:

Governmental Activities		Business-type Activities	
General	\$ 455,506	Service	\$ 1,000,521
Special assessment	293,916	General	246,858
Ambulance	82,590	Due from current tax	432,339
Due from DDA	289,568	Special assessment	23,458
Due from current tax	5,157,197	Other	<u>4,020</u>
Other	<u>1,582</u>		
	<u>\$ 6,280,359</u>		<u>\$ 1,707,196</u>
Downtown Development Authority		Brownfield Redevelopment Authority	
Due from Township	\$ 2,784,155	Due from Township	\$ 152,343
General	<u>703</u>		
	<u>\$ 2,784,858</u>		<u>\$ 152,343</u>

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

The capital assets are as follows:

	Balance January 1, 2014	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2014
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,155,531	\$ 49,653	\$ 175,000	\$ 2,030,184
Monuments	15,000	-	-	15,000
Easements	30,676	31,685	-	62,361
Construction in process	524,297	290,194	524,297	290,194
Total capital assets, not being depreciated	<u>2,725,504</u>	<u>371,532</u>	<u>699,297</u>	<u>2,397,739</u>
Capital assets, being depreciated:				
Buildings and improvements	7,785,159		-	7,785,159
Land improvements and sidewalks	2,723,474	3,448,634	-	6,172,108
Machinery and equipment	1,220,440	135,225	19,291	1,336,374
Furniture and office equipment	592,456	9,480	9,595	592,341
Flowage rights	2,605,100	838,500	-	3,443,600
Infrastructure (road improvements)	1,959,083	-	-	1,959,083
Computer equipment and programs	329,051	-	101,921	227,130
Vehicles	2,197,199	49,160		2,246,359
Total capital assets, being depreciated	<u>19,411,962</u>	<u>4,480,999</u>	<u>130,807</u>	<u>23,762,154</u>
Less accumulated depreciation for:				
Buildings and improvements	3,163,654	192,261	-	3,355,915
Land improvements and sidewalks	1,565,558	153,708	-	1,719,266
Machinery and equipment	883,383	85,317	19,291	949,409
Furniture and office equipment	557,679	8,779	9,595	556,863
Flowage rights	326,684	89,333	-	416,017
Infrastructure (road improvements)	1,345,900	92,057	-	1,437,957
Computer equipment and programs	325,193	3,806	101,921	227,078
Vehicles	1,785,909	148,275		1,934,184
Total accumulated depreciation	<u>9,953,960</u>	<u>773,536</u>	<u>130,807</u>	<u>10,596,689</u>
Total capital assets, being depreciated, net	<u>9,458,002</u>	<u>3,707,463</u>	<u>-</u>	<u>13,165,465</u>
Total	<u>\$ 12,183,506</u>	<u>\$ 4,078,995</u>	<u>\$ 699,297</u>	<u>\$ 15,563,204</u>

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

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance January 1, 2014	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2014
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 806,335	\$ -	\$ -	\$ 806,335
Construction in process	8,275,182	191,760	8,092,019	374,923
Total capital assets, not being depreciated	9,081,517	191,760	8,092,019	1,181,258
Capital assets, being depreciated:				
Sewage disposal plant and equipment	30,128,887	-	-	30,128,887
Sewer mains	42,130,510	8,439,047	-	50,569,557
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	9,994	36,763	326,274
Vehicles	1,005,836	74,510	54,969	1,025,377
Machinery and equipment	708,765	-	1,914	706,851
Maintenance facility	1,430,686	-	-	1,430,686
Total capital assets, being depreciated	77,508,264	8,523,551	93,646	85,938,169
Less accumulated depreciation for:				
Sewage disposal plant and equipment	14,514,235	1,034,082	-	15,548,317
Sewer mains	18,270,403	1,029,766	-	19,300,169
Outfall lines	436,725	23,838	-	460,563
Land improvements	138,339	32,139	-	170,478
Furniture and office equipment	121,868	3,588	-	125,456
Computer equipment	352,040	2,169	36,763	317,446
Vehicles	854,585	60,431	52,568	862,448
Machinery and equipment	608,834	28,573	1,914	635,493
Maintenance facility	428,338	35,943	-	464,281
Total accumulated depreciation	35,725,367	2,250,529	91,245	37,884,651
Total capital assets, being depreciated, net	41,782,897	6,273,022	2,401	48,053,518
Total	\$ 50,864,414	\$ 6,464,782	\$ 8,094,420	\$ 49,234,776

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

NOTE 4 - CAPITAL ASSETS (Concluded)

	Balance January 1, 2014	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2014
Component unit:				
Downtown Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 4,614,226	\$ 175,000	\$ 139,703	\$ 4,649,523
Construction in process	17,897		17,897	-
Total capital assets, not being depreciated	<u>4,632,123</u>	<u>175,000</u>	<u>157,600</u>	<u>4,649,523</u>
Capital assets, being depreciated:				
Buildings	1,051,920	-	-	1,051,920
Land improvements	6,385,361	-	-	6,385,361
Infrastructure (road improvements)	1,294,495	-	-	1,294,495
Computer	2,500	-	2,500	-
Machinery and equipment	54,911	46,788	-	101,699
Furniture and office equipment	76,020	-	-	76,020
Total capital assets, being depreciated	<u>8,865,207</u>	<u>46,788</u>	<u>2,500</u>	<u>8,909,495</u>
Less accumulated depreciation for:				
Buildings	243,092	26,520	-	269,612
Land improvements	2,285,709	346,970	-	2,632,679
Infrastructure (road improvements)	1,220,412	45,083	-	1,265,495
Computer	2,500	-	2,500	-
Machinery and equipment	44,282	7,649	-	51,931
Furniture and office equipment	71,043	4,977	-	76,020
Total accumulated depreciation	<u>3,867,038</u>	<u>431,199</u>	<u>2,500</u>	<u>4,295,737</u>
Total capital assets, being depreciated, net	<u>4,998,169</u>	<u>(384,411)</u>	<u>-</u>	<u>4,613,758</u>
Total	<u>\$ 9,630,292</u>	<u>\$ (209,411)</u>	<u>\$ 157,600</u>	<u>\$ 9,263,281</u>

Depreciation expense was charged to functions/programs of the primary government at December 31, 2014 as follows:

Governmental activities:	
General government	\$ 145,619
Public safety	208,484
Public works	181,389
Community development	2,302
Recreation and culture	235,742
Total governmental activities	<u>\$ 773,536</u>
Business type activities:	
Sewer	<u>\$ 2,250,529</u>
Component unit:	
Downtown Development Authority	<u>\$ 431,199</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, 2014 is as follows:

	Transfer in		
	Fire Fund	Police Fund	Total transfers out
Transfer out:			
General Fund	\$ 558,044	\$ 1,339,567	\$ 1,897,611

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 \$61,605 to \$74,925 through 2022, interest at 1.85% 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).	\$ 533,635
\$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.	1,100,000
Less: discount	(6,501)
	\$ 1,627,134

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

NOTE 6 - LONG-TERM DEBT (Continued)

Other Long-term Debt

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 2,504,894</u>	2033	Imputed at 4%

Installment Purchase Agreement

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 166,833</u>	2019	3.49%

Capital lease

The government has entered into a lease agreement as lessee for financing the acquisition of a copier valued at \$9,480. The copier has a five year estimated useful life. This year, \$1,738 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 8,117</u>	2019	11.317%

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

NOTE 6 - LONG-TERM DEBT (Continued)

Enterprise Fund

General Obligation Bonds Payable:

\$1,585,000, 2014 Refunding Bonds (Sanitary Sewer general obligation bonds), for the purpose of refunding 2003 Sanitary Sewer general obligations bonds, due in annual installments of \$135,000 to \$180,000 through 2024, interest at 2.35%. \$ 1,585,000

\$3,613,221, 2011 Refunding Bonds (Sanitary Sewer general obligation bonds), due in annual installments of \$308,395 to \$375,075 through 2022, interest at 1.85% 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). 2,671,367

\$1,000,000, 2008 DDA general obligation bonds, due in annual installments of \$56,613 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). 713,928

Less: discount (31,806)
\$ 4,938,489

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 \$465,000 to \$570,000 due annually through 2028. \$ 7,220,000

\$8,400,000, 2010 Sanitary Sewer revenue bonds, draws to December 31, 2013, interest paid semi-annually at 2.5%. Principal payments ranging from \$345,000 to \$525,000 due annually through 2032. 7,735,000
\$ 14,955,000

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

NOTE 6 - LONG-TERM DEBT (Continued)

Downtown Development Authority (Component Unit)

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

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in annual installments of \$75,000 to \$85,000 through 2018, interest at 4.15% to 4.50%.	\$ 320,000
\$2,540,000, 2010 Downtown Development refunding bonds for the purpose of refunding 1997 general obligations bonds, the final installment of \$525,000 due in 2015, interest at 2.05%.	525,000
\$8,980,000, 2008 DDA general obligation bonds, due in annual installments for \$508,386 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).	6,411,071
	\$ 7,256,071

Land Contract

\$225,000, Land contract due in semi-annual installments of \$23,446, including interest, through 2016, interest at 6%.	\$ 87,152
\$125,000, Land contract due in quarterly installments of \$6,250 through 2016, interest at 6%.	50,000
	\$ 137,152

**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, 2014:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,794,407	\$ -	\$ 160,772	\$ 1,633,635	\$ 161,605
General assessment payable	1,835,140	838,500	168,746	2,504,894	168,746
Discount	(7,313)	-	(812)	(6,501)	-
Installment purchase agreement	200,166	-	33,333	166,833	33,333
Capital lease	-	9,480	1,363	8,117	1,657
OPEB payable	9,809	-	9,809	-	-
Compensated absences	374,542	5,134	-	379,676	120,000
	<u>\$ 4,206,751</u>	<u>\$ 853,114</u>	<u>\$ 373,211</u>	<u>\$ 4,686,654</u>	<u>\$ 485,341</u>
Business-type activities:					
General obligation bonds	\$ 5,413,631	\$ 1,585,000	\$ 2,028,336	\$ 4,970,295	\$ 500,008
Revenue bonds	15,507,997	237,003	790,000	14,955,000	810,000
Discount	(49,839)	-	(18,033)	(31,806)	-
	<u>\$ 20,871,789</u>	<u>\$ 1,822,003</u>	<u>\$ 2,800,303</u>	<u>\$ 19,893,489</u>	<u>\$ 1,310,008</u>
Component unit:					
General obligation bonds	\$ 8,326,963	\$ -	\$ 1,070,892	\$ 7,256,071	\$ 1,108,387
Land contract	127,012	75,000	64,860	137,152	67,288
Compensated absences	9,339	-	9,339	-	-
	<u>\$ 8,463,314</u>	<u>\$ 75,000</u>	<u>\$ 1,145,091</u>	<u>\$ 7,393,223</u>	<u>\$ 1,175,675</u>
	<u>\$ 33,541,854</u>	<u>\$ 2,750,117</u>	<u>\$ 4,318,605</u>	<u>\$ 31,973,366</u>	<u>\$ 2,971,024</u>

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

NOTE 6 - LONG-TERM DEBT (Continued)

The annual requirements to amortize all long-term debt outstanding, exclusive of compensated absences as of December 31, 2014, are as follows:

Year ending December 31	Governmental activities		Business-type activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 365,341	\$ 164,511	\$ 1,310,008	\$ 445,295	\$ 1,175,675	\$ 283,703
2016	366,373	151,655	1,342,682	420,277	689,743	252,068
2017	367,425	138,603	1,374,355	391,204	642,375	224,107
2018	369,337	125,286	1,396,197	360,427	678,868	198,093
2019	368,220	111,783	1,428,371	417,727	620,862	170,512
2020-2024	1,621,507	365,798	6,973,682	1,102,415	3,585,700	452,965
2025-2029	677,451	130,003	4,560,000	432,119	-	-
2030-2032	177,825	17,282	1,540,000	58,375	-	-
	<u>\$ 4,313,479</u>	<u>\$ 1,204,921</u>	<u>\$ 19,925,295</u>	<u>\$ 3,627,839</u>	<u>\$ 7,393,223</u>	<u>\$ 1,581,448</u>
Discount	(6,501)	-	(31,806)	-	-	-
	<u><u>\$ 4,306,978</u></u>	<u><u>\$ 1,204,921</u></u>	<u><u>\$ 19,893,489</u></u>	<u><u>\$ 3,627,839</u></u>	<u><u>\$ 7,393,223</u></u>	<u><u>\$ 1,581,448</u></u>

Advance refunding

In prior years the Township defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net position. During the year ended December 31, 2014, \$5,585,000 of bonds outstanding from a prior advance refunding was considered defeased.

On January 28, 2014 the Township issued 2014 Refunding Bonds totaling \$1,585,000 with an interest rate of 2.35% to advance refund the 2003 Sanitary Sewer general obligation bonds which had interest rates ranging from 3.80% to 4.75%. The bonds mature March 1, 2024. The net proceeds from the 2014 bonds totaled \$1,588,889. The net proceeds of the new bonds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Township's government-wide financial statements.

As a result of the advance refunding, the Township reduced its total debt service requirements by \$199,499, which resulted in an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$179,466.

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

NOTE 6 - LONG-TERM DEBT (Concluded)

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, 2014, these commitments totaled \$1,232,715 and are payable through 2024, with \$122,990 due in the next year.

NOTE 7 - CONTRIBUTED CAPITAL

Contributed capital mainly 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 was \$64,800 in contributions for 2014 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.

During the current year, the Township did receive a capital contribution for their governmental activities. This capital was used along with other Township resources to construct a trail system within the Township. The contribution amounted to \$2,003,455. Currently, accounting principles generally accepted in the United States of America calls for this capital contribution to be recorded as revenue at the governmental activities level.

NOTE 8 - PENSION PLANS

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

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

**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 2014 was \$4,226,947. Contributions were calculated using the base salary amount of \$3,029,531. The Township made the required 10% contribution total \$302,593.

NOTE 9 - DEFERRED COMPENSATION PLANS

The Township offers two deferred compensation plans created in accordance with Internal Revenue Code Section 457; one designed for full-time employees, and the second available only to part-time employees. The plans permit employees to defer a portion of their salary until future years. For the Plan covering part-time employees, the Township contributes 3% of gross pay to the plan on behalf of all participating employees. The Township made contributions to the plans totaling \$4,485. 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, 2013.

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

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Township. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township’s share of costs ranges from 75% to 100% of the monthly premiums, based on years of service. The Township will provide 100% of life insurance. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The Township contributed \$114,174 for their portion of shared costs with retiree’s premiums. At August 31, 2013, the date of the latest actuarial valuation, participants in the Plan consisted of:

Retirees and beneficiaries receiving benefits	13
Active employees	58
Total	71

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding progress. For the year ended December 31, 2014 the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of August 31, 2013. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. Based on that valuation, the Township contributed \$629,129 in the year ended December 31, 2014 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, 2014 was \$2,329,621.

Annual required contribution (recommended)	\$ 629,129
Amounts contributed:	
Actuary adjustment	(9,809)
Payments of current expenses	<u>(629,129)</u>
Change in net OPEB obligation	(9,809)
OPEB obligation:	
Beginning of year	<u>9,809</u>
End of year	<u><u>\$ -</u></u>

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
2012	\$ 387,077	98.9%	\$ 9,809
2013	380,431	100.0%	9,809
2014	629,129	100.0%	-

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

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

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

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 2014 or any of the prior three years.

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

**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, 2014, activity in the building department is as follows:

Building department deficit at January 1, 2014	<u>\$ (388,527)</u>
Revenues:	
Trade permits	<u>234,783</u>
Expenditures:	
Salaries and benefits	249,591
Supplies and other	<u>27,373</u>
	<u><u>276,964</u></u>
Building department deficit at December 31, 2014	<u><u>\$ (430,708)</u></u>

NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENT

In March 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Township is currently evaluating the impact this standard will have on the financial statements when adopted for the 2016 year.

REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 2,836,100	\$ 2,942,200	\$ 2,945,124	\$ 2,924
Grants and revenue sharing	1,904,300	2,034,510	2,103,750	69,240
Intergovernmental	18,000	158,530	159,610	1,080
Licenses and permits	163,200	283,440	304,387	20,947
Charges for services	1,343,450	1,365,370	1,424,024	58,654
Franchise fees	440,000	470,500	472,391	1,891
Fines and forfeitures	18,000	22,000	25,082	3,082
Interest and rentals	18,650	20,650	22,940	2,290
Other	356,100	523,350	528,858	5,508
Total revenues	<u>7,097,800</u>	<u>7,820,550</u>	<u>7,986,166</u>	<u>165,616</u>
EXPENDITURES:				
Current:				
General government:				
Legislative - Board of Trustees	108,140	104,070	103,129	941
Manager	331,280	328,990	324,667	4,323
Accounting	157,170	134,640	126,072	8,568
Clerk	240,110	239,070	238,205	865
Information technology	317,180	294,460	254,776	39,684
Treasurer	253,220	248,750	243,531	5,219
Assessing	348,890	345,340	335,062	10,278
Elections	71,360	44,710	44,499	211
Building and grounds	390,830	433,020	412,600	20,420
Cemetery	122,540	113,680	105,441	8,239
Total general government	<u>2,340,720</u>	<u>2,286,730</u>	<u>2,187,982</u>	<u>98,748</u>

CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Concluded)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXPENDITURES (Concluded):				
Current (Concluded):				
Recreation and culture:				
Parks administration	\$ 193,830	\$ 183,830	\$ 179,697	\$ 4,133
Parks	463,600	463,090	446,054	17,036
Recreation	175,000	136,860	135,392	1,468
Total recreation and culture	<u>832,430</u>	<u>783,780</u>	<u>761,143</u>	<u>22,637</u>
Public works	<u>872,460</u>	<u>1,283,800</u>	<u>1,250,756</u>	<u>33,044</u>
Community and economic development	<u>652,270</u>	<u>607,260</u>	<u>574,711</u>	<u>32,549</u>
Other	<u>326,600</u>	<u>581,580</u>	<u>559,533</u>	<u>22,047</u>
Debt service:				
Principal	290,160	433,510	303,442	130,068
Interest	6,400	45,850	45,844	6
Total debt service	<u>296,560</u>	<u>479,360</u>	<u>349,286</u>	<u>130,074</u>
Capital outlay	<u>473,690</u>	<u>624,980</u>	<u>533,856</u>	<u>91,124</u>
Total expenditures	<u>5,794,730</u>	<u>6,647,490</u>	<u>6,217,267</u>	<u>430,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>1,303,070</u>	<u>1,173,060</u>	<u>1,768,899</u>	<u>595,839</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease	85,000	9,480	9,480	-
Transfers in (out)	<u>(2,085,980)</u>	<u>(2,017,340)</u>	<u>(1,897,611)</u>	<u>119,729</u>
Total other financing sources (uses)	<u>(2,000,980)</u>	<u>(2,007,860)</u>	<u>(1,888,131)</u>	<u>119,729</u>
Net change in fund balance	(697,910)	(834,800)	(119,232)	715,568
FUND BALANCE:				
Beginning of year	<u>6,283,223</u>	<u>6,283,223</u>	<u>6,283,223</u>	<u>-</u>
End of year	<u>\$ 5,585,313</u>	<u>\$ 5,448,423</u>	<u>\$ 6,163,991</u>	<u>\$ 715,568</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2014**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES:				
Taxes	\$ 1,014,700	\$ 1,029,690	\$ 1,030,802	\$ 1,112
Grants and revenue sharing	65,000	131,500	134,019	2,519
Other	158,520	152,670	152,707	37
Total revenues	<u>1,238,220</u>	<u>1,313,860</u>	<u>1,317,528</u>	<u>3,668</u>
EXPENDITURES:				
Current:				
Public safety	<u>1,971,860</u>	<u>1,989,660</u>	<u>1,884,870</u>	<u>104,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(733,640)</u>	<u>(675,800)</u>	<u>(567,342)</u>	<u>108,458</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>733,640</u>	<u>675,800</u>	<u>558,044</u>	<u>(117,756)</u>
Net change in fund balance	-	-	(9,298)	(9,298)
FUND BALANCE:				
Beginning of year	<u>29,105</u>	<u>29,105</u>	<u>29,105</u>	<u>-</u>
End of year	<u>\$ 29,105</u>	<u>\$ 29,105</u>	<u>\$ 19,807</u>	<u>\$ (9,298)</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2014**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,014,700	\$ 1,029,690	\$ 1,030,801	\$ 1,111
Fines and forfeitures	55,000	55,000	54,145	(855)
Total revenues	<u>1,069,700</u>	<u>1,084,690</u>	<u>1,084,946</u>	<u>256</u>
EXPENDITURES:				
Current:				
Public safety	<u>2,422,040</u>	<u>2,426,230</u>	<u>2,424,513</u>	<u>1,717</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,352,340)</u>	<u>(1,341,540)</u>	<u>(1,339,567)</u>	<u>1,973</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>1,352,340</u>	<u>1,341,540</u>	<u>1,339,567</u>	<u>(1,973)</u>
Net change in fund balance	-	-	-	-
FUND BALANCE:				
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, 2014**

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

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

Schedule of employer contributions:

Year ended	Actual valuation date	Annual required contribution	Actual contribution	Percentage contributed	Net OPEB obligation
12/31/2012	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
12/31/2014	August 31, 2013	629,129	629,129	100.0%	-

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

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

ADDITIONAL SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014**

	Special revenue	Capital Projects	Total nonmajor governmental funds
ASSETS			
ASSETS:			
Cash and cash equivalents	\$ 407,472	\$ -	\$ 407,472
Investments	202,495	-	202,495
Accounts receivable	-	300,000	300,000
Taxes receivable	342,632	-	342,632
Special assessments receivable	7,603	-	7,603
	TOTAL ASSETS	\$ 300,000	\$ 1,260,202
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 7,279	\$ 4,016	\$ 11,295
Due to other funds	-	13,795	13,795
	TOTAL LIABILITIES	17,811	25,090
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	347,685	-	347,685
Unavailable revenue - special assessments	7,603	-	7,603
Unavailable revenue - grant revenue	-	155,929	155,929
	TOTAL DEFERRED INFLOWS OF RESOURCES	155,929	511,217
FUND BALANCES:			
Restricted:			
Fire equipment, training and apparatus	88,831	-	88,831
Capital projects	-	126,260	126,260
Committed:			
For water improvement	277,224	-	277,224
Assigned for subsequent year expenditures	231,580	-	231,580
	TOTAL FUND BALANCES	126,260	723,895
	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 300,000	\$ 1,260,202

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014**

	<u>Special revenue</u>	<u>Capital Projects</u>	<u>Total nonmajor governmental funds</u>
REVENUES:			
Taxes	\$ 343,639	\$ -	\$ 343,639
Grants and revenue sharing	-	144,071	144,071
Charges for services	64,650	-	64,650
Interest and rentals	448	-	448
Other	78,767	-	78,767
Total revenues	<u>487,504</u>	<u>144,071</u>	<u>631,575</u>
EXPENDITURES:			
Current:			
Public safety	329,720	-	329,720
Public works	2,807	-	2,807
Capital outlay	46,759	897,297	944,056
Debt service:			
Principal	60,773	-	60,773
Interest	16,434	-	16,434
Total expenditures	<u>456,493</u>	<u>897,297</u>	<u>1,353,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>31,011</u>	<u>(753,226)</u>	<u>(722,215)</u>
FUND BALANCES:			
Beginning of year	<u>566,624</u>	<u>879,486</u>	<u>1,446,110</u>
End of year	<u>\$ 597,635</u>	<u>\$ 126,260</u>	<u>\$ 723,895</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2014	2013
ASSETS:				
Cash and cash equivalents	\$ 125,797	\$ 281,675	\$ 407,472	\$ 478,528
Investments	202,495	-	202,495	102,370
Taxes receivable	8,242	334,390	342,632	339,998
Special assessments receivable	7,603	-	7,603	14,908
TOTAL ASSETS	\$ 344,137	\$ 616,065	\$ 960,202	\$ 935,804
LIABILITIES:				
Accounts payable	\$ -	\$ 7,279	\$ 7,279	\$ 10,142
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	-	347,685	347,685	344,130
Unavailable revenue - special assessments	7,603	-	7,603	14,908
TOTAL DEFERRED INFLOWS OF RESOURCES	7,603	347,685	355,288	359,038
FUND BALANCES:				
Restricted:				
Fire equipment, training and apparatus	-	88,831	88,831	198,313
Committed:				
For debt service	-	-	-	306,982
For water improvement	277,224	-	277,224	-
Assigned for subsequent year expenditures	59,310	172,270	231,580	61,329
TOTAL FUND BALANCES	336,534	261,101	597,635	566,624
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 344,137	\$ 616,065	\$ 960,202	\$ 935,804

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2014
(with comparative totals for the year ended December 31, 2014)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2014	2013
REVENUES:				
Taxes	\$ -	\$ 343,639	\$ 343,639	\$ 340,751
Grants and revenue sharing	-	-	-	404
Charges for services	64,650	-	64,650	42,800
Interest and rentals	125	323	448	252
Other	11,992	66,775	78,767	8,458
Total revenues	<u>76,767</u>	<u>410,737</u>	<u>487,504</u>	<u>392,665</u>
EXPENDITURES:				
Current:				
Public safety	-	329,720	329,720	299,059
Public works	2,807	-	2,807	2,896
Debt service:				
Principal	60,773	-	60,773	59,108
Interest	16,434	-	16,434	17,233
Capital outlay	-	46,759	46,759	149,627
Total expenditures	<u>80,014</u>	<u>376,479</u>	<u>456,493</u>	<u>527,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>(3,247)</u>	<u>34,258</u>	<u>31,011</u>	<u>(135,258)</u>
OTHER FINANCING SOURCES:				
Proceeds from sale of capital assets	-	-	-	2,500
Net change in fund balances	<u>(3,247)</u>	<u>34,258</u>	<u>31,011</u>	<u>(132,758)</u>
FUND BALANCES:				
Beginning of year	<u>339,781</u>	<u>226,843</u>	<u>566,624</u>	<u>699,382</u>
End of year	<u>\$ 336,534</u>	<u>\$ 261,101</u>	<u>\$ 597,635</u>	<u>\$ 566,624</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2014**

	Water Improvement Fund			Fire Equipment, Training and Apparatus Fund		
	Final budget	Actual	Variance with final budget	Final budget	Actual	Variance with final budget
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 342,650	\$ 343,639	\$ 989
Charges for services	63,850	64,650	800	-	-	-
Interest and rentals	50	125	75	100	323	223
Other	11,650	11,992	342	66,770	66,775	5
Total revenues	75,550	76,767	1,217	409,520	410,737	1,217
EXPENDITURES:						
Current:						
Public safety	-	-	-	363,730	329,720	34,010
Public works	2,850	2,807	43	-	-	-
Debt service:						
Principal	60,780	60,773	7	-	-	-
Interest	16,860	16,434	426	-	-	-
Capital outlay	-	-	-	85,000	46,759	38,241
Total expenditures	80,490	80,014	476	448,730	376,479	72,251

	<u>Water Improvement Fund</u>			<u>Fire Equipment, Training and Apparatus Fund</u>		
	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (4,940)	\$ (3,247)	\$ 1,693	\$ (39,210)	\$ 34,258	\$ 73,468
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	-	-	-	2,000	-	(2,000)
Net change in fund balances	(4,940)	(3,247)	1,693	(37,210)	34,258	71,468
FUND BALANCES:						
Beginning of year	339,781	339,781	-	226,843	226,843	-
End of year	<u>\$ 334,841</u>	<u>\$ 336,534</u>	<u>\$ 1,693</u>	<u>\$ 189,633</u>	<u>\$ 261,101</u>	<u>\$ 71,468</u>

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2014
(with comparative totals for December 31, 2013)

	Trust and Agency	Tax collection fund	Totals	
			2014	2013
ASSETS:				
Cash and cash equivalents	\$ 60,294	\$ 16,101,641	\$ 16,161,935	\$ 15,679,056
Accounts receivable	-	-	-	154
Taxes receivable	<u>359,536</u>	<u>13,931,543</u>	<u>14,291,079</u>	<u>13,974,388</u>
TOTAL ASSETS	<u>\$ 419,830</u>	<u>\$ 30,033,184</u>	<u>\$ 30,453,014</u>	<u>\$ 29,653,598</u>
LIABILITIES:				
Due to other governments	\$ -	\$ 30,033,184	\$ 30,033,184	29,354,018
Undistributed receipts	<u>419,830</u>	<u>-</u>	<u>419,830</u>	<u>299,580</u>
TOTAL LIABILITIES	<u>\$ 419,830</u>	<u>\$ 30,033,184</u>	<u>\$ 30,453,014</u>	<u>\$ 29,653,598</u>

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2014

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Trust and Agency				
Assets:				
Cash and cash equivalents	\$ (9,262)	\$ 2,179,085	\$ 2,109,529	\$ 60,294
Accounts receivable	154	47,872	48,026	-
Taxes receivable	308,688	141,038	90,190	359,536
	<u>\$ 299,580</u>	<u>\$ 2,367,995</u>	<u>\$ 2,247,745</u>	<u>\$ 419,830</u>
Liabilities:				
Undistributed receipts	<u>\$ 299,580</u>	<u>\$ 1,070,330</u>	<u>\$ 950,080</u>	<u>\$ 419,830</u>
Current Tax				
Assets:				
Cash and cash equivalents	\$ 15,688,318	\$ 38,463,243	\$ 38,049,920	\$ 16,101,641
Taxes receivable	13,665,700	39,679,381	39,413,538	13,931,543
	<u>\$ 29,354,018</u>	<u>\$ 78,142,624</u>	<u>\$ 77,463,458</u>	<u>\$ 30,033,184</u>
Liabilities:				
Due to other governments	<u>\$ 29,354,018</u>	<u>\$ 44,023,091</u>	<u>\$ 43,343,925</u>	<u>\$ 30,033,184</u>
Totals				
Assets:				
Cash and cash equivalents	\$ 15,679,056	\$ 40,642,329	\$ 40,159,450	\$ 16,161,935
Accounts receivable	154	47,872	48,026	-
Taxes receivable	13,974,388	39,820,419	39,503,728	14,291,079
	<u>\$ 29,653,598</u>	<u>\$ 80,510,620</u>	<u>\$ 79,711,204</u>	<u>\$ 30,453,014</u>
Liabilities:				
Undistributed receipts	\$ 299,580	\$ 1,070,330	\$ 950,080	\$ 419,830
Due to other governments	29,354,018	44,023,091	43,343,925	30,033,184
	<u>\$ 29,653,598</u>	<u>\$ 45,093,421</u>	<u>\$ 44,294,005</u>	<u>\$ 30,453,014</u>

**CHARTER TOWNSHIP OF DELHI
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	<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>		
ASSETS:					
Cash and cash equivalents	\$ 21,834	\$ 175,865	\$ 197,699	\$ -	\$ 197,699
Taxes receivable	6,886	145,457	152,343	-	152,343
Total assets	<u>\$ 28,720</u>	<u>\$ 321,322</u>	<u>\$ 350,042</u>	-	<u>350,042</u>
LIABILITIES:					
Accounts payable	\$ 1,016	\$ 1,016	\$ 2,032	-	2,032
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	6,886	145,457	152,343	-	152,343
FUND BALANCES:					
Unassigned	20,818	6,276	27,094	(27,094)	-
Restricted	-	168,573	168,573	(168,573)	-
Total fund balances	<u>20,818</u>	<u>174,849</u>	<u>195,667</u>	<u>(195,667)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,720</u>	<u>\$ 321,322</u>	<u>\$ 350,042</u>		
NET POSITION:					
Unrestricted				195,667	195,667
Total net position				<u>\$ 195,667</u>	<u>\$ 195,667</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, 2014**

	Governmental funds revenues, expenditures and changes in fund balances				Statement of activities
	Brownfield Redevelopment	Local site remediation fund	Total	Adjustments	
REVENUES:					
Property taxes	\$ 13,174	\$ 180,440	\$ 193,614	\$ -	\$ 193,614
EXPENDITURES/EXPENSES:					
Community and economic development	10,781	174,164	184,945	-	184,945
Changes in fund balances / net position	2,393	6,276	8,669	-	8,669
FUND BALANCES/NET POSITION:					
Beginning of year	18,425	168,573	186,998	-	186,998
End of year	<u>\$ 20,818</u>	<u>\$ 174,849</u>	<u>\$ 195,667</u>	<u>\$ -</u>	<u>\$ 195,667</u>

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2014**

<u>Governmental funds balance sheet</u>						
	<u>Downtown Development General Operating</u>	<u>2008 Bond Debt Retirement</u>	<u>2010 Refunding Bonds</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS:						
Cash and cash equivalents	\$ 1,953,994	\$ -	\$ -	\$ 1,953,994	\$ -	\$ 1,953,994
Taxes receivable	2,784,155	-	-	2,784,155	-	2,784,155
Other receivables	703	-	-	703	-	703
Prepays	670	-	-	670	-	670
Capital assets not being depreciated	-	-	-	-	4,649,523	4,649,523
Capital assets being depreciated, net	-	-	-	-	4,613,758	4,613,758
TOTAL ASSETS	<u>\$ 4,739,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,739,522</u>	<u>9,263,281</u>	<u>14,002,803</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred charge on refunding	-	-	-	-	9,694	9,694
LIABILITIES:						
Accounts payable	\$ 10,922	\$ -	\$ -	\$ 10,922	-	10,922
Accrued liabilities	1,745	-	-	1,745	-	1,745
Interest payable	-	-	-	-	46,694	46,694
Due to other governments	1,281,433	-	-	1,281,433	-	1,281,433
Due to primary government	289,568	-	-	289,568	-	289,568
Long-term liabilities:						
Due within one year	-	-	-	-	1,175,675	1,175,675
Due in more than one year	-	-	-	-	6,217,548	6,217,548
TOTAL LIABILITIES	<u>1,583,668</u>	<u>-</u>	<u>-</u>	<u>1,583,668</u>	<u>7,439,917</u>	<u>9,023,585</u>

Governmental funds balance sheet

	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Net Position
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	\$ 1,714,490	\$ -	\$ -	\$ 1,714,490	\$ -	\$ 1,714,490
FUND BALANCES:						
Nonspendable:						
Prepays	670	-	-	670	(670)	-
Unassigned	1,440,694	-	-	1,440,694	(1,440,694)	-
TOTAL FUND BALANCES	1,441,364	-	-	1,441,364	(1,441,364)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,739,522	\$ -	\$ -	\$ 4,739,522		
NET POSITION:						
Net investment in capital assets					1,879,752	1,879,752
Unrestricted					1,394,670	1,394,670
Total net position					\$ 3,274,422	\$ 3,274,422

**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, 2014**

	Governmental funds revenues, expenditures and changes in fund balances					
	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Activities
REVENUES:						
Property taxes	\$ 2,247,119	\$ -	\$ -	\$ 2,247,119	\$ -	\$ 2,247,119
Grants	3,054	-	-	3,054	-	3,054
Other	12,031	-	-	12,031	175,000	187,031
Interest and rentals	30,024	-	-	30,024	-	30,024
Total revenues	2,292,228	-	-	2,292,228	175,000	2,467,228
EXPENDITURES/EXPENSES:						
Current:						
Community and economic development	558,820	-	-	558,820	431,199	990,019
Debt service:						
Principal	134,860	485,892	515,000	1,135,752	(1,135,752)	-
Interest	27,173	276,092	15,254	318,519	(21,317)	297,202
Capital outlay	150,825	-	-	150,825	(28,891)	121,934
Loss on disposal of property	-	-	-	-	139,703	139,703
Total expenditures/expenses	871,678	761,984	530,254	2,163,916	(615,058)	1,548,858
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	1,420,550	(761,984)	(530,254)	128,312	790,058	918,370

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

	Downtown Development General Operating	2008 Bond Debt Retirement	2010 Refunding Bonds	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES):						
Transfers in	\$ -	\$ 761,984	\$ 530,254	\$ 1,292,238	\$ (1,292,238)	\$ -
Transfers out	(1,292,238)	-	-	(1,292,238)	1,292,238	-
Land contract	75,000	-	-	75,000	(75,000)	-
Total other financing sources (uses)	(1,217,238)	761,984	530,254	75,000	(75,000)	-
Net change in fund balances/net position	203,312	-	-	203,312	715,058	918,370
FUND BALANCES/NET POSITION:						
Beginning of year	1,238,052	-	-	1,238,052	1,118,000	2,356,052
End of year	\$ 1,441,364	\$ -	\$ -	\$ 1,441,364	\$ 1,833,058	\$ 3,274,422

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
BALANCE SHEETS
DECEMBER 31, 2014 AND 2013**

	2014	2013
ASSETS:		
Cash and cash equivalents	\$ 5,447,748	\$ 5,805,442
Investments	786,718	488,438
Receivables:		
Taxes	2,808,227	2,760,043
Special assessments	286,313	82,230
Other	196,231	176,472
Due from component unit	289,568	284,622
Due from other funds	13,795	-
Prepays	29,712	48,109
	<u>\$ 9,858,312</u>	<u>\$ 9,645,356</u>
LIABILITIES:		
Accounts payable	\$ 738,158	\$ 532,765
Accrued liabilities	22,377	90,844
Unearned revenue	29,660	70,122
Due to other governments	-	2,805
	<u>790,195</u>	<u>696,536</u>
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	2,535,223	2,512,092
Unavailable revenue - ambulance fees	82,590	71,275
Unavailable revenue - special assessments	286,313	82,230
	<u>2,904,126</u>	<u>2,665,597</u>
FUND BALANCE:		
Nonspendable:		
Prepays	29,712	48,109
Restricted:		
For neighborhood stabilization plan	20,575	22,826
Committed:		
Disaster contingency fund	10,000	10,000
Assigned for subsequent year expenditures	993,250	697,910
Unassigned	5,110,454	5,504,378
	<u>6,163,991</u>	<u>6,283,223</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 9,858,312</u>	<u>\$ 9,645,356</u>

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
REVENUES:		
Taxes	\$ 2,945,124	\$ 2,926,271
Grants and revenue sharing	2,103,750	1,978,618
Intergovernmental	159,610	95,031
Licenses and permits	304,387	252,148
Charges for services	1,424,024	1,362,969
Franchise fees	472,391	443,210
Fines and forfeitures	25,082	23,292
Interest and rentals	22,940	20,550
Other	528,858	410,410
	7,986,166	7,512,499
Total revenues		
EXPENDITURES:		
Current:		
General government:		
Legislative - Board of Trustees	103,129	101,116
Manager	324,667	326,159
Accounting	126,072	122,678
Clerk	238,205	233,389
Information technology	254,776	229,107
Treasurer	243,531	245,475
Assessing	335,062	342,549
Elections	44,499	5,457
Building and grounds	412,600	258,955
Cemetery	105,441	98,228
	2,187,982	1,963,113
Total general government		

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Concluded)
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
EXPENDITURES (Concluded):		
Current (Concluded):		
Public works	\$ 1,250,756	\$ 861,792
Community and economic development	574,711	605,837
Recreation and culture	761,143	702,820
Other	559,533	389,846
Debt service	349,286	167,716
Capital outlay	533,856	86,972
Total expenditures	6,217,267	4,778,096
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,768,899	2,734,403
OTHER FINANCING SOURCES (USES):		
Proceeds from capital lease	9,480	-
Transfers out	(1,897,611)	(1,834,690)
Total other financing sources (uses)	(1,888,131)	(1,834,690)
Net change in fund balance	(119,232)	899,713
FUND BALANCE:		
Beginning of year	6,283,223	5,383,510
End of year	\$ 6,163,991	\$ 6,283,223

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2014 AND 2013**

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,600,491	\$ 1,094,170
Investments	228,362	225,810
Special assessments receivable	455,797	422,584
Other receivables	1,251,399	966,671
Prepays	23,893	41,176
	3,559,942	2,750,411
NONCURRENT ASSETS:		
Restricted cash, cash equivalents and investments:		
Debt service cash and cash equivalents	463,846	459,311
Replacement cash and cash equivalents	692,891	488,024
Replacement investments	661,656	659,902
Property, plant and equipment not being depreciated	1,181,258	9,081,517
Property, plant and equipment net of accumulated depreciation	48,053,518	41,782,897
	51,053,169	52,471,651
TOTAL ASSETS	54,613,111	55,222,062

LIABILITIES AND NET POSITION	<u>2014</u>	<u>2013</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 408,995	\$ 125,824
Accrued liabilities	143,396	190,277
Interest payable	119,328	135,897
Retainage payable	-	94,011
Current portion of long-term debt	<u>1,310,008</u>	<u>1,263,336</u>
TOTAL CURRENT LIABILITIES	1,981,727	1,809,345
LONG-TERM LIABILITIES , net of current portion:		
Due in more than one year	<u>18,583,481</u>	<u>19,608,453</u>
TOTAL LIABILITIES	<u>20,565,208</u>	<u>21,417,798</u>
NET POSITION:		
Net investment in capital assets	29,341,287	29,992,625
Restricted for:		
Replacement	1,354,547	1,147,926
Debt service	463,846	459,311
Unrestricted	<u>2,888,223</u>	<u>2,204,402</u>
TOTAL NET POSITION	<u><u>\$ 34,047,903</u></u>	<u><u>\$ 33,804,264</u></u>

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
OPERATING REVENUES:		
Charges for services	\$ 5,504,030	\$ 4,998,232
Permits and fees	312,727	251,637
State grant	420,011	-
Other operating revenue	89,096	42,860
Total operating revenues	6,325,864	5,292,729
OPERATING EXPENSES:		
Costs of sales and services	3,429,147	3,209,529
Depreciation	2,250,529	2,261,298
Total operating expenses	5,679,676	5,470,827
Operating gain (loss)	646,188	(178,098)
NON-OPERATING REVENUES (EXPENSES):		
Interest and rentals	20,701	18,863
Amortization of bond discount	(18,033)	(5,538)
Interest expense	(470,017)	(511,207)
Total non-operating revenues (expenses) - net	(467,349)	(497,882)
Net gain (loss) before capital contributions and transfers	178,839	(675,980)
CAPITAL CONTRIBUTIONS	64,800	-
Change in net position	243,639	(675,980)
NET POSITION:		
Beginning of year	33,804,264	34,480,244
End of year	\$ 34,047,903	\$ 33,804,264

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash flows from operating activities:		
Cash received from customers	\$ 6,007,923	\$ 5,993,182
Cash payments to suppliers for goods and services	(1,806,422)	(2,231,591)
Cash payments to employees for services	(1,460,762)	(1,335,348)
Net cash provided by operating activities	2,740,739	2,426,243
Cash flows from capital and related financing activities:		
Purchase of capital assets	(558,492)	(295,679)
Proceeds from bonds	1,822,003	254,665
Interest payments	(486,586)	(514,529)
Principal payments	(2,818,336)	(1,237,495)
Net cash used by capital and related financing activities	(2,041,411)	(1,793,038)
Cash flows from investing activities:		
Proceeds (purchases) from maturities of investments	(4,306)	(1,469)
Interest and rental earnings	20,701	18,863
Net cash provided by investing activities	16,395	17,394
NET INCREASE IN CASH AND CASH EQUIVALENTS	715,723	650,599
CASH AND CASH EQUIVALENTS:		
Beginning of year	2,041,505	1,390,906
End of year	\$ 2,757,228	\$ 2,041,505
Statement of net position classification of cash and cash equivalents:		
Cash and cash equivalents	\$ 1,600,491	\$ 1,094,170
Restricted cash and cash equivalents	1,156,737	947,335
	\$ 2,757,228	\$ 2,041,505

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating gain (loss)	\$ 646,188	\$ (178,098)
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	2,250,529	2,261,298
Loss on disposal of fixed assets	2,401	-
(Increase) decrease in assets:		
Special assessments receivable	(33,213)	390
Other receivables	(284,728)	700,063
Prepaid expenses	17,283	(5,999)
Increase (decrease) in liabilities:		
Accounts payable	283,171	(386,682)
Accrued expenses	(46,881)	16,396
Retainage payable	(94,011)	18,875
	2,094,551	2,604,341
Total adjustments		
	\$ 2,740,739	\$ 2,426,243
Net cash provided by operating activities	\$ 2,740,739	\$ 2,426,243

**STATISTICAL SECTION
(UNAUDITED)**

CHARTER TOWNSHIP OF DELHI
DESCRIPTION OF STATISTICAL SECTION

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

The statistical section is organized into the following main categories:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

Schedule 1
Unaudited

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
Governmental activities										
Net Investment in capital assets	\$ 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	\$ 11,382,486
Restricted	1,676,748	1,586,782	1,845,176	82,188	59,126	5,624	321,446	360,521	221,139	109,406
Unrestricted	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	6,814,859
Total governmental activities net assets	\$ 8,718,312	\$ 9,171,390	\$ 9,532,499	\$ 9,262,438	\$ 11,295,400	\$ 11,955,693	\$ 13,874,580	\$ 15,193,841	\$ 15,896,991	\$ 18,306,751
Business-type activities										
Net Investment in capital assets	\$ 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	\$ 29,341,287
Restricted	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	1,818,393
Unrestricted	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	2,888,223
Total business-type activities net assets	\$ 37,708,596	\$ 38,439,856	\$ 38,868,506	\$ 38,593,661	\$ 37,593,679	\$ 36,490,951	\$ 35,567,056	\$ 34,480,244	\$ 33,804,264	\$ 34,047,903
Primary government										
Net Investment in capital assets	\$ 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	\$ 40,723,773
Restricted	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	1,927,799
Unrestricted	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	9,703,082
Total primary government net assets	\$ 46,426,908	\$ 47,611,246	\$ 48,401,005	\$ 47,856,099	\$ 48,889,079	\$ 48,446,644	\$ 49,441,636	\$ 49,674,085	\$ 49,701,255	\$ 52,354,654

* 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General governmental	\$ 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	\$ 2,640,347
Public Safety	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	4,861,571
Public Works	420,645	488,254	467,234	797,885	1,214,437	633,727	702,533	816,169	1,028,423	1,434,952
Community development	-	-	-	-	-	652,920	613,856	557,885	604,597	575,816
Recreation & culture	741,668	770,980	823,026	847,934	918,737	952,510	935,756	944,672	916,303	985,792
Other governmental activities	209,611	237,858	16,410	-	-	-	-	-	-	-
Interest on long-term debt	139,856	115,218	103,955	91,009	76,276	60,120	44,561	27,004	44,517	66,406
Total governmental activities	7,028,659	7,488,075	7,803,992	8,410,525	8,875,120	8,895,223	8,814,162	9,232,126	9,474,349	10,564,884
Business-type activities:										
Sewer	\$ 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	\$ 6,167,726
Community Development	545,424	599,503	698,192	686,645	661,871	-	-	-	-	-
Total business-type activities	5,849,911	6,023,292	6,192,119	6,387,549	6,776,277	6,209,025	6,161,026	6,346,950	5,987,572	6,167,726
Total primary government expenses	\$ 12,878,570	\$ 13,511,367	\$ 13,996,111	\$ 14,798,074	\$ 15,651,397	\$ 15,104,248	\$ 14,975,188	\$ 15,579,076	\$ 15,461,921	\$ 16,732,610
Program revenues										
Charges for services:										
General government	\$ 617,892	\$ 711,788	\$ 813,504	\$ 892,589	\$ 902,289	\$ 907,325	\$ 946,334	\$ 929,505	\$ 83,918	\$ 85,102
Public safety	504,341	546,463	590,840	677,948	648,678	739,988	800,662	867,842	808,024	876,863
Public works	-	-	-	-	-	345,410	346,808	333,912	327,757	666,419
Community development	-	-	-	-	-	351,602	380,862	322,069	380,729	420,521
Recreation and culture	127,318	115,240	152,570	134,870	133,835	109,304	103,555	128,332	85,616	65,277
Operating grants and contributions	459,807	608,514	217,929	155,846	97,136	168,765	422,216	478,110	510,414	656,031
Capital grants and contributions	(3,396)	114,693	258,803	421,038	3,396,484	271,422	109,207	217,544	51,017	2,003,455
Total governmental activities program revenues	1,705,962	2,096,698	2,033,646	2,282,291	5,178,422	2,893,816	3,109,644	3,277,314	2,247,475	4,773,668
Business-type activities:										
Charges for services:										
Sewer	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	5,898,351
Community development	601,664	460,926	412,815	280,151	322,203	-	-	-	-	-
Operating grants and contributions	250,731	388,458	493,867	389,390	309,131	30,109	10,069	-	-	420,011
Capital grants and contributions	1,550,284	253,243	322,539	401,403	145,768	46,604	31,475	-	-	64,800
Total business-type activities program revenues	8,080,852	6,506,744	6,240,005	5,873,412	5,643,150	5,118,819	5,157,742	5,282,019	5,303,826	6,383,162
Total primary government program revenues	\$ 9,786,814	\$ 8,603,442	\$ 8,273,651	\$ 8,155,703	\$ 10,821,572	\$ 8,012,635	\$ 8,267,386	\$ 8,559,333	\$ 7,551,301	\$ 11,156,830
Net (Expense)/Revenue										
Governmental activities	(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)	(5,791,216)
Business-type activities	2,230,941	483,452	47,886	(514,137)	(1,133,127)	(1,090,206)	(1,003,284)	(1,064,931)	(683,746)	215,436
Total primary government net expense	\$ (3,091,756)	\$ (4,907,925)	\$ (5,722,460)	\$ (6,642,371)	\$ (4,829,825)	\$ (7,091,613)	\$ (6,707,802)	\$ (7,019,743)	\$ (7,910,620)	\$ (5,575,780)

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

Schedule 2
Unaudited

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 5,350,366
State shared revenues	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	2,026,020
Grants & contributions not restricted to specific programs	313,785	311,693	536,536	545,943	505,290	558,432	324,964	226,239	192,934	365,077
Unrestricted investment earnings	147,015	273,927	306,428	179,694	77,351	36,518	16,439	9,694	3,650	5,721
Gain (loss) on sale of capital assets	110,928	10,945	162,393	(26,128)	-	-	-	-	-	-
Intra-entity transfer	-	(5,017)	(122,486)	(235,286)	(133,145)	49,224	-	-	-	(18,599)
Other	-	-	-	-	-	-	-	-	443,210	472,391
Total governmental activities	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	8,200,976
Business-type activities:										
Investment earnings	-	-	-	-	-	-	24,339	15,264	7,766	9,604
Other	-	-	-	-	-	-	-	-	-	-
Intra-entity transfer	-	5,017	122,486	235,286	133,145	(49,224)	-	-	-	18,599
Grants and contributions not restricted to specific programs	-	242,789	258,278	4,006	-	36,702	55,050	-	-	-
Total business-type activities	-	247,806	380,764	239,292	133,145	(12,522)	79,389	15,264	7,766	28,203
Total primary government	\$ 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	\$ 8,229,179
Change in Net Position										
Governmental activities	\$ 177,606	\$ 323,854	\$ 361,109	\$ (270,061)	\$ 2,032,964	\$ (239,528)	\$ 1,918,887	\$ 1,326,683	\$ 702,946	\$ 2,409,760
Business-type activities	2,230,941	731,258	428,650	(274,845)	(999,982)	(1,102,728)	(923,895)	(1,049,667)	(675,980)	243,639
Total primary government	\$ 2,408,547	\$ 1,055,112	\$ 789,759	\$ (544,906)	\$ 1,032,982	\$ (1,342,256)	\$ 994,992	\$ 277,016	\$ 26,966	\$ 2,653,399

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

Schedule 3
Unaudited

	2005	2006	2007	2008	2009	2010	2011*	2012	2013	2014
General Fund										
Reserved	\$ 17,181	\$ 16,879	\$ 131,422	\$ 43,263	\$ 118,449	\$ 29,070	\$ -	\$ -	\$ -	\$ -
Unreserved	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	29,712
Restricted	-	-	-	-	-	-	40,045	30,349	22,826	20,575
Committed	-	-	-	-	-	-	10,000	10,000	10,000	10,000
Assigned for subsequent years expenditures	-	-	-	-	-	-	-	-	697,910	993,250
Unassigned	-	-	-	-	-	-	3,874,217	5,236,188	5,504,378	5,110,454
Total general fund	\$ 3,495,198	\$ 2,826,914	\$ 2,888,855	\$ 2,585,691	\$ 2,067,500	\$ 1,796,961	\$ 3,977,168	\$ 5,383,510	\$ 6,283,223	\$ 6,163,991
All other Governmental Funds										
Reserved	\$ 2,322	\$ 1,697	\$ 26,276	\$ 4,672	\$ 14,603	\$ 50	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:										
Special revenue funds	1,047,526	1,423,826	1,693,348	981,313	734,765	687,489	-	-	-	-
Debt service funds	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	19,807
Restricted in special revenue funds	-	-	-	-	-	-	281,401	330,172	198,313	88,831
Committed in special revenue funds	-	-	-	-	-	-	417,637	367,710	306,982	277,224
Assigned for subsequent years expenditures	-	-	-	-	-	-	-	-	61,329	231,580
Unassigned in special revenue funds	-	-	-	-	-	-	(39,266)	(31,747)	-	-
Total all other governmental funds	\$ 1,676,748	\$ 1,586,782	\$ 1,845,176	\$ 1,068,172	\$ 808,494	\$ 693,163	\$ 699,038	\$ 699,382	\$ 1,475,215	\$ 617,442

* 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

	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013*	12/31/2014
Revenues										
Taxes	\$ 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	\$ 5,350,366
Grants and Revenue Sharing	-	-	-	-	-	-	-	-	2,098,959	2,381,840
Special assessments	283,497	302,707	309,267	413,635	345,481	353,122	357,591	368,660	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-	78,387	79,227
Intergovernmental-Local	-	-	-	-	-	-	-	-	95,031	159,610
Intergovernmental	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	16,262	17,215	16,969	15,965	16,526	206,255	226,356	181,376	252,148	304,387
Charges for services	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	1,488,674
Interest and Rentals	196,732	354,870	395,285	227,839	89,122	39,751	16,751	9,694	20,802	23,388
Franchise Fees	-	-	-	-	-	-	-	-	443,210	472,391
Other	876,789	880,588	651,883	771,323	699,737	715,166	739,263	733,966	628,821	760,332
Total revenues	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	11,020,215
Expenditures										
General government	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	2,187,982
Public safety	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	4,639,103
Engineering	60,529	-	-	-	-	-	-	-	-	-
Public works	350,107	488,254	467,234	787,877	542,762	536,245	496,722	686,620	864,688	1,253,563
Community development	-	-	-	-	-	588,014	608,433	553,021	605,837	574,711
Recreation and culture	622,949	630,761	694,297	706,826	767,951	725,571	712,694	746,417	702,820	761,143
Other	209,611	230,413	204,589	333,332	323,535	348,663	321,261	386,527	389,846	559,533
Debt service										
Principal	498,208	500,462	504,763	521,389	553,967	705,239	241,897	183,765	219,262	364,215
Interest and issuance costs	134,391	113,902	100,592	87,808	73,415	57,262	66,755	26,598	44,165	62,278
Proceeds from Capital outlay	219,857	1,201,701	255,292	902,863	531,272	167,278	321,559	289,385	537,743	1,477,912
Total expenditures	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	11,880,440
Excess of revenues over (under) expenditures	104,127	(777,939)	269,676	(848,080)	(648,566)	(435,094)	2,051,859	1,406,686	473,046	(860,225)
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	-	-	-	-	-	-	1,200,000	-
Capital Lease	-	-	-	-	-	-	-	-	-	9,480
Issuance of refunding debt	-	-	-	-	-	-	721,779	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(687,645)	-	-	-
Proceeds from sale of capital assets	110,928	24,710	173,145	3,200	3,840	-	100,089	-	2,500	-
Transfers in	621,903	794,517	592,477	595,388	692,348	84,243	1,388,301	1,625,456	1,834,690	1,897,611
Transfers out	(621,903)	(799,534)	(714,963)	(830,674)	(825,493)	(35,019)	(1,388,301)	(1,625,456)	(1,834,690)	(1,897,611)
Total other financing sources (uses)	110,928	19,693	50,659	(232,086)	(129,305)	49,224	134,223	-	1,202,500	9,480
Net change in fund balances	\$ 215,055	\$ (758,246)	\$ 320,335	\$ (1,080,166)	\$ (777,871)	\$ (385,870)	\$ 2,186,082	\$ 1,406,686	\$ 1,675,546	\$ (850,745)
Debt service as a percentage of noncapital expenditures	8.6%	7.9%	7.6%	7.0%	7.4%	8.5%	10.8%	2.3%	2.8%	4.1%

* Change in revenue classifications

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

Schedule 5
Unaudited

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

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
2014	20,255,800	16,374,015	13,465,800

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

Schedule 6
Unaudited

Fiscal Year Ended December 31	Delhi Charter Township						Overlapping Rates						Total Direct & Overlapping Rates	
	Operating Millage	Fire/EMS Millage	Police Millage	Fire Equip & Training Millage	Debt Service Millage	Total Township Millage	Ingham County Millage	Ingham Intermediate School Millage	Lansing Community College Millage	State Education Tax	Holt School District			
										Operating Millage	Debt Service Millage	Total School Millage		
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	43.3851
2006	4.3094	0.0000	0.0000	0.4846	0.5342	5.3282	13.1731	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2966
2007	4.3094	0.0000	0.0000	0.4846	0.5124	5.3064	13.1538	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2555
2008	4.3094	0.0000	0.0000	0.4846	0.5515	5.3455	14.1009	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2417
2009	4.3094	0.0000	0.0000	0.5000	0.5945	5.4039	14.0811	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2803
2010	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.0739	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	47.6786
2011	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.1133	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	47.7180
2012	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7533	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.3580
2013	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.3680
2014	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	15.2633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.8680

Non-homestead Holt school operating millage

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
2014	17.3171

Source: Township Assessing Department

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

Schedule 7
Unaudited

Taxpayer	2014			2005		
	State Equalized Value	Rank	Percentage of Total Twp SEV	State Equalized Value	Rank	Percentage of Total Twp SEV
Consumers Energy	\$ 11,244,000	1	1.5%	\$ 9,621,600	2	1.1%
RSDC of Michigan, LLC	11,046,500	2	1.5%	30,224,800	1	3.5%
Dart Container Corp of MI	8,008,300	3	1.1%	6,025,800	5	0.7%
Woodland Lakes Investment Group	6,618,900	4	0.9%	8,069,100	4	0.9%
Parker Hannifin Corp	4,990,500	5	0.7%	4,420,500	8	0.5%
Bondarenko Ltd LLC	4,372,400	6	0.6%	4,631,100	7	0.5%
Theroux Development Co.	4,143,000	7	0.6%	5,253,600	6	0.6%
MPT Lansing LLC	3,718,500	8	0.5%			
Aspen Lakes Estates II LLC	3,080,300	9	0.4%			
Stealth Medical Technologies	2,952,400	10	0.4%			
Tailor Steel				9,021,200	3	1.1%
Magna Interior Systems				2,985,100	9	0.3%
Stonegate Mobile Home Park				2,941,800	10	0.3%

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
2005	\$ 3,539,253	\$ 3,520,466	99.5%	\$ 17,695	\$ 3,538,161	100.0%
2006	3,843,446	3,829,154	99.6%	11,663	3,840,817	99.9%
2007	4,308,253	4,297,110	99.7%	9,777	4,306,887	100.0%
2008	4,436,174	4,422,146	99.7%	9,652	4,431,798	99.9%
2009	4,336,310	4,325,485	99.8%	6,327	4,331,811	99.9%
2010	5,872,671	5,852,639	99.7%	13,710	5,866,348	99.9%
2011	5,663,616	5,643,714	99.6%	14,258	5,657,972	99.9%
2012	5,614,077	5,594,097	99.6%	14,573	5,608,670	99.9%
2013	5,343,452	5,109,083	95.6%	8,307	5,117,390	95.8%
2014	5,430,658	5,244,671	96.6%	-	5,244,671	96.6%

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

Source: Township Tax and Delinquent Personal Property Tax programs

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

Schedule 9
Unaudited

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita*
	General Obligation Debt	Special Assessment Bonds	General Assessment Payable	Installment Purchase Agreement	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Notes Payable			
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
2014	1,641,752	-	2,504,894	166,833	4,970,295	-	14,955,000	-	24,238,774	3.21%	934

* Based on population estimates.

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

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

Schedule 10
Unaudited

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Bonded Debt as a Percentage of Taxable Value ¹	Total Governmental Activities G.O. Debt Per Capita ²	Per Capita Income
	General Obligation Bonds	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds				
2005	\$ 2,984,060	\$ 229,357	\$ 7,620,940	\$ -	\$ 793,643	\$ 11,628,000	1.66%	\$ 118	\$ 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
2014	1,633,635	-	4,970,295	14,955,000	-	21,558,930	3.10%	62.92	29,064

GOVERNMENTAL ACTIVITIES
GENERAL BONDED DEBT

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Total	General Bonded Debt as a Percentage of Taxable Value ¹	General Bonded Debt Per Capita ²
2005	\$ 2,984,060	\$ 229,357	\$ 3,213,417	0.46%	\$ 127
2006	2,597,430	160,964	2,758,394	0.37%	107.15
2007	2,178,303	120,771	2,299,074	0.29%	88.68
2008	1,732,511	90,578	1,823,089	0.22%	69.93
2009	1,254,221	60,385	1,314,606	0.17%	50.41
2010	734,266	30,193	764,459	0.10%	29.54
2011	711,789	-	711,789	0.10%	27.79
2012	653,514	-	653,514	0.09%	25.31
2013	1,794,407	-	1,794,407	0.26%	69.12
2014	1,633,635	-	1,633,635	0.23%	62.92

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

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

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

**CHARTER TOWNSHIP OF DELHI
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2014**

Schedule 11
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 75,790,505	83.57%	\$ 63,338,125
Mason School District	15,315,000	9.61%	1,471,772
Lansing School District	43,525,000	0.04%	17,410
Eaton Rapids School District	46,631,763	1.37%	638,855
Ingham County	33,826,356	9.93%	3,358,957
Ingham Intermediate School District	2,002,000	8.29%	165,966
Eaton Intermediate School District	925,000	0.27%	2,498
Lansing Community College	77,855,000	6.79%	5,286,355
Subtotal, overlapping debt			<u>74,279,937</u>
Delhi Charter Township direct debt	1,633,635	100.00%	<u>1,633,635</u>
Total direct and overlapping debt			<u><u>\$ 75,913,572</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 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	\$ 73,423,610
Total net debt applicable to limit	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	16,668,880
Legal debt margin	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	56,754,730
Total net debt applicable to the limit as a percentage of debt limit	25.27%	21.63%	19.19%	28.00%	27.51%	29.32%	27.23%	25.60%	24.60%	22.70%

Legal Debt Margin Calculation for Fiscal Year 2014

2014 State Equalized Valuation (SEV)	734,236,096
Legal Debt Limit (10% of SEV)	<u>73,423,610</u>
Direct General Obligation Debt	\$ 31,623,880
Less:	
Revenue Bonds	<u>(14,955,000)</u>
Net Direct Debt	<u>16,668,880</u>
Debt Limit Margin	<u><u>\$ 56,754,730</u></u>

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

Schedule 13
Unaudited

Fiscal Year	Population (estimated) ¹	Estimated Total Personal Income for Township Residents (amounts expressed in thousands)	Per Capita Personal Income ¹	Median Age ¹	School Enrollment ²	Unemployment Rate ³
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	37.2	5,862	6.5%
2011	25,610	689,216	26,912	37.7	5,892	5.4%
2012	25,817	736,817	28,540	38.2	5,781	4.8%
2013	25,959	774,539	29,837	38.9	5,743	4.8%
2014	25,964	754,618	29,064	39.5	5,687	3.8%

Data Sources:

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

² Holt Public Schools

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

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

Schedule 14
Unaudited

Employer	2014			2013			2012		
	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	6%	800	1	6%	830	1	7%
Dakkota Integrated Interiors	300	2	2%	300	2	2%	293	2	2%
Orchid Stealth	243	3	2%	223	4	2%	190	4	2%
RSDC of Michigan, LLC	241	4	2%	237	3	2%	200	3	2%
Granger Construction	208	5	2%	167	5	1%	152	5	1%
Kroger	156	6	1%	145	7	1%	145	6	1%
Magna Powertrain (MPT)	150	7	1%	150	6	1%	135	7	1%
Holt Senior Care	120	8	1%	120	9	1%	123	8	1%
Two Men & a Truck	110	9	1%	88	10	1%			
Keller Williams Real Estate	108	10	1%						
William Reichenbach Construction				140	8	1%			
Lansing Christian School							100	9	1%
Block Imaging							80	10	1%

Employer	2011			2010			2009		
	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	7%	850	1	7%	850	1	7%
Dakkota Integrated Interiors	361	2	3%	261	2	2%	249	2	2%
Granger Construction	197	3	2%	172	3	1%	170	3	1%
RSDC of Michigan, LLC	175	4	1%	171	4	1%	164	4	1%
Orchid Stealth	153	5	1%	117	8	1%	115	5	1%
Magna Powertrain (MPT)	150	6	1%	125	6	1%			
Kroger	130	7	1%	130	5	1%	105	7	1%
Holt Senior Care	123	8	1%	120	7	1%	110	6	1%
Lansing Christian School	100	9	1%	100	9	1%	100	8	1%
Delhi Charter Township	79	10	1%	73	10	1%	84	10	1%
Davenport Masonry							97	9	1%

Employer	2008			2007			2006		
	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	855	1	n/a	625	1	n/a
Dakkota Integrated Interiors	537	2	n/a	167	4	n/a	180	4	n/a
Granger Construction	170	3	n/a	271	3	n/a	250	3	n/a
Orchid Stealth	153	4	n/a	150	5	n/a	115	5	n/a
Delhi Charter Township	134	5	n/a	104	6	n/a	101	7	n/a
Shiffer Mason Contractors	125	6	n/a						
Martin Luther Holt Home	108	7	n/a						
Kroger	100	8	n/a						
Parker Hannifin Corp	90	9	n/a	97	7	n/a	109	6	n/a
Davenport Masonry	65	10	n/a						
RSDC of Michigan, LLC				300	2	n/a	272	2	n/a
Lansing Christian School				80	8	n/a	100	8	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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	20.63	20.10	19.94	19.32	17.82	17.82	18.17	16.17	16.25	16.30
Public Safety										
Police										
Officers *	21.00	21.00	21.00	21.00	21.00	18.00	19.00	19.00	19.00	19.00
Civilians *	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire										
Firefighters and officers	17.41	17.66	17.66	18.31	18.81	17.96	17.96	19.00	20.30	22.00
Civilians	1.50	1.50	1.50	1.80	1.80	1.80	1.80	1.00	1.00	1.00
Public Works	27.25	28.84	29.60	26.60	26.30	22.55	23.80	25.10	25.10	25.10
Community Development	7.00	7.50	7.50	7.85	6.80	6.80	6.00	6.00	6.00	6.00
Recreation and Culture	5.00	5.50	5.80	5.80	5.80	5.80	9.43	9.32	10.50	11.80
Total	101.29	103.60	104.50	102.18	99.83	92.23	97.66	97.09	99.65	102.70

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fire										
Number of Calls	2,063	2,065	2,122	2,287	2,182	2,324	2,410	2,577	2,672	3,040
Inspections	1,138	836	1,004	1,000	375	1,129	826	800	613	273
Burning/Recreational Permits	1,901	2,171	2,069	1,288	356	317	271	220	286	402
Police										
Number of Traffic Accidents	872	741	969	842	669	507	288	455	411	549
Number of Written Complaints	4,525	4,683	4,729	4,621	4,667	4,125	4,044	2,535	2,605	2,511
Number of Miles Driven	163,754	187,916	153,791	150,075	146,832	115,671	113,913	117,023	126,542	127,890
Vehicle Stops	5,609	5,429	7,849	8,041	8,754	5,869	5,867	5,512	5,432	5,911
Accounting										
Number of W-2's processed	293	356	314	362	300	303	225	273	180	273
Number of payroll checks processed	2,456	2,614	2,346	2,353	1,932	1,459	1,189	1,442	1,179	1,100
Number of payroll direct deposits	n/a	n/a	n/a	1,463	1,685	2,063	2,085	2,038	2,250	2,571
Number of purchase orders processed	1,061	873	795	734	593	458	432	444	435	457
Number of accounts payable checks processed	2,753	2,830	2,881	2,767	2,585	2,156	2,283	2,376	2,165	2,149
Number of accounts payable ACHs sent				39	40	224	513	482	476	527
Assessing										
Number of Field Inspections	1,242	2,485	899	1,381	364	679	1,188	464	499	663
Clerk's Office										
Number of FOIA requests	77	56	65	37	29	37	26	85	44	30
Number of pages scanned	73,166	21,452	19,985	26,754	35,962	39,369	4,962	8,072	17,400	5,372
Elections										
Number of Registered Voters	16,804	16,723	17,016	17,929	17,542	17,425	17,891	18,572	18,602	18,401
Number of Permanent Absentee Voters	1,815	1,766	2,010	2,294	2,206	2,584	2,490	2,819	2,648	2,951
Treasurer's Office										
Montly Average No. of Sewer Bills mailed	7,000	7,150	7,157	7,195	7,257	7,225	7,087	7,043	6,922	6,758
Montly Average No. of Sewer Bills Emailed	-	-	-	-	-	-	116	208	342	548
Number of Tax Bills-Two billings/year beg. 2003	19,154	19,875	20,110	20,278	20,382	20,494	20,412	20,743	21,181	20,715
Recreation and Culture										
Number of Athletic Teams	253	290	231	259	254	248	282	293	260	245
Number of Sr. Citizens Trips	8	8	9	8	8	11	11	10	10	-
Tennis Lessons	196	200	165	195	204	155	-	-	-	-
Wastewater										
Average daily sewage treatment (millions of gallons per day)	2.23	3.00	2.45	2.54	2.68	2.15	2.35	2.10	2.32	2.20
Community Development										
Permits Issued	1,858	1,526	1,629	986	1,194	1,229	1,207	1,180	1,166	1,427
Code Enforcement Complaints	677	592	585	530	563	583	579	422	499	523

Source: Various Township Departments

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

Schedule 17
Unaudited

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Recreation and Culture										
Parks Acreage	110	110	120	120	120	120	120	120	120	124
Parks	8	9	9	9	9	9	9	9	9	11
Senior Center	1	1	1	1	1	1	1	1	1	1
Buildings	2	2	2	2	2	2	2	2	2	2
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Sewer										
Sanitary Sewers (miles)	122.05	122.63	124.44	124.43	124.54	124.54	124.54	125.62	125.64	125.81
Maximum daily treatment capacity (millions of gallons)	4	4	4	4.5	4.5	4.5	4.5	4.5	4.5	4.5
General Government										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Community Service Center	1	1	1	1	1	1	1	1	1	1

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

Schedule 18
Unaudited

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Taxable Value	\$ 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	\$ 209,156,252
Base Value	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	48,650,975
Captured Value	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	160,505,277
*Revenue shared with Township	124,135	136,746	154,344	168,833	176,761	169,826	316,446	304,938	275,632	276,671
*Revenue shared with other entities	458,791	507,179	608,850	665,869	735,201	705,432	1,079,582	1,270,429	1,188,895	782,377
Revenues										
Tax Revenue	\$ 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	\$ 2,247,120
Other	120,795	208,910	332,307	269,444	108,921	45,128	232,818	47,358	51,922	45,108
Total Revenue	3,087,893	3,149,241	3,813,334	3,671,216	3,733,554	3,486,015	2,666,540	2,274,139	2,259,589	2,292,228
Expenditures										
Community & Economic Development	891,648	926,712	1,884,356	3,986,582	1,576,478	4,297,057	1,216,214	985,280	586,009	558,820
Debt Service	425,423	118,064	116,551	120,039	118,388	107,236	89,325	133,943	136,505	162,032
Capital Outlay	730,254	595,350	821,227	11,367,077	1,964,396	14,150	-	11,298	20,397	150,826
Total Expenditures	2,047,325	1,640,126	2,822,134	15,473,698	3,659,262	4,418,443	1,305,539	1,130,521	742,911	871,678
Other Financing Sources (uses)										
Sale of Capital Assets	-	-	-	-	-	-	-	-	77,454	-
Land Contract	-	-	-	-	-	-	-	-	-	75,000
Bond Proceeds	-	-	-	8,995,149	-	2,540,000	-	-	-	-
Transfers Out to Debt Service Funds	(329,496)	(366,248)	(333,386)	(448,709)	(1,084,832)	(1,034,238)	(1,254,338)	(1,266,236)	(1,283,286)	(1,292,238)
Total other financing sources (uses)	(329,496)	(366,248)	(333,386)	8,546,440	(1,084,832)	1,505,762	(1,254,338)	(1,266,236)	(1,205,832)	(1,217,238)
Change in net position	711,072	1,142,867	657,814	(3,256,042)	(1,010,540)	573,334	106,663	(122,618)	310,846	203,312
Fund Balance										
Beginning of the year	2,124,655	2,835,728	3,978,595	4,636,409	1,380,367	369,827	943,161	1,049,824	927,206	1,238,052
End of the year	\$ 2,835,727	\$ 3,978,595	\$ 4,636,409	\$ 1,380,367	\$ 369,827	\$ 943,161	\$ 1,049,824	\$ 927,206	\$ 1,238,052	\$ 1,441,364

*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%