

CHARTER TOWNSHIP OF DELHI

Holt, Michigan



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

YEAR ENDED DECEMBER 31, 2016

**CHARTER TOWNSHIP OF DELHI
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

C O N T E N T S

	<u>Page</u>
FINANCIAL SECTION.....	6
Independent auditor's report.....	7 - 9
Management's Discussion and Analysis.....	10 - 19
Basic financial statements	20
Government wide financial statements.....	21
Statement of net position.....	22
Statement of activities	23
Fund financial statements	24
Balance sheet - governmental funds.....	25
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position	26
Statement of revenues, expenditures and changes in fund balances - governmental funds	27
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities.....	28
Proprietary fund.....	29
Statement of net position.....	30 - 31
Statement of revenues, expenses and changes in net position.....	32
Statement of cash flows.....	33 - 34
Fiduciary funds.....	35
Statement of net position	36
Statement of changes in net position.....	37
Notes to financial statements.....	38 - 71

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

C O N T E N T S (Continued)

	<u>Page</u>
FINANCIAL SECTION (Continued)	
Required supplementary information.....	72
Budgetary comparison schedule - general fund	73 - 74
Budgetary comparison schedule - fire fund special revenue	75
Budgetary comparison schedule - police fund special revenue.....	76
Retiree health plan schedule of funding progress and schedule of employer contributions	77
Additional supplementary information	78
Nonmajor governmental fund types	
Combining balance sheet - nonmajor governmental funds.....	79
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	80
Special revenue funds	
Combining balance sheet - special revenue funds	81
Combining statement of revenues, expenditures, and changes in fund balances - special revenue funds.....	82
Schedule of revenues, expenditures and changes in fund balances - budget and actual - special revenue funds	84 - 85
Fiduciary funds	
Combining statement of fiduciary assets and liabilities - agency funds	86
Combining statement of changes in assets and liabilities - agency funds.....	87

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

C O N T E N T S (Continued)

	<u>Page</u>
FINANCIAL SECTION (Concluded)	
Local Site Remediation Revolving Fund Component Unit	
Governmental funds balance sheet/Statement of net position	88
Governmental funds revenues, expenditures and changes in fund balance/ Statement of activities.....	89
Downtown Development Authority Component Unit	
Governmental funds balance sheet/Statement of net position	90 - 91
Governmental funds revenues, expenditures and changes in fund balance/ Statement of activities.....	92 - 93
General Fund	
Balance sheets.....	94
Statements of revenues, expenditures and changes in fund balance	95 - 96
Sewer Fund	
Statements of net position	98 - 99
Statements of revenues, expenses and changes in net position.....	100
Statements of cash flows.....	101 - 102
STATISTICAL SECTION (UNAUDITED).....	103
Description of statistical section	104
Financial trends	
Net position by component	105
Changes in net position	106 - 107
Fund balance, governmental funds	108
Changes in fund balance - governmental funds	109

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2016**

C O N T E N T S (Concluded)

STATISTICAL SECTION (UNAUDITED) (Concluded)

Revenue capacity

Assessed value and taxable value of property.....	110
Property tax rates direct and overlapping governments.....	111
Top ten principal taxpayers.....	112
Property tax levies and collections.....	113

Debt capacity

Ratios of outstanding debt by type.....	114
Ratios of general bonded debt outstanding.....	115
Computation of direct and overlapping debt.....	116
Legal debt margin information.....	117

Demographic and economic information

Demographic and economic statistics.....	118
Principal employers.....	119
Full time equivalent township government employees by function.....	120

Operating information

Operating indicators by function.....	121
Capital asset statistics by function.....	122
Downtown Development Authority historical information.....	123

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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information - Additional Supplementary Information

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

Other Information - Statistical Section

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

Maney Costeiran PC

April 28, 2017

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, 2016.

Financial Highlights

Governmental-wide activity:

- The primary government assets of the Township exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$55,033,271 (*net position*). Of this amount, \$11,862,621 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 \$301,623.
- The Township's business-type activity net position increased by \$973,228.

Fund level activity:

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$9,191,706, an increase of \$1,582,148 in comparison with the prior year. Approximately 33% of this total amount, or \$3,070,429 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 \$3,070,429 or 31% percent of total general fund expenditures and other financing uses.
- The primary government total debt increased by a net \$3,008,380 during the current fiscal year.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the Township's assets, deferred outflows, 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 Local Site Remediation Revolving fund - 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 22 - 23 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 three 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 25 - 28 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 30 - 34 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 36 - 37 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 38 - 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. Required supplementary information, combining and individual fund statements and schedules can be found on pages 73 - 102 of this report.

Government wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Charter Township of Delhi, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55,033,271 at the close of the most recent year.

By far the largest portion of the Township’s net position (74 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 15,198,076	\$ 13,477,950	\$ 8,100,548	\$ 5,689,391	\$ 23,298,624	\$ 19,167,341
Capital assets, net	17,487,527	16,034,979	46,151,223	47,493,851	63,638,750	63,528,830
Total assets	32,685,603	29,512,929	54,251,771	53,183,242	86,937,374	82,696,171
Def. outflows of resources	4,995	-	52,770	-	57,765	-
Current liabilities	643,322	598,608	475,655	540,638	1,118,977	1,139,246
Noncurrent liabilities	7,109,952	4,314,626	18,800,510	18,587,456	25,910,462	22,902,082
Total liabilities	7,753,274	4,913,234	19,276,165	19,128,094	27,029,439	24,041,328
Def. inflows of resources	4,932,429	4,896,423	-	-	4,932,429	4,896,423
Net position:						
Net investment in capital assets	12,530,200	12,271,559	28,382,079	28,906,395	40,912,279	41,177,954
Restricted	47,636	207,097	2,210,735	2,003,653	2,258,371	2,210,750
Unrestricted	7,427,059	7,224,616	4,435,562	3,145,100	11,862,621	10,369,716
Total Net Position	\$ 20,004,895	\$ 19,703,272	\$ 35,028,376	\$ 34,055,148	\$ 55,033,271	\$ 53,758,420

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

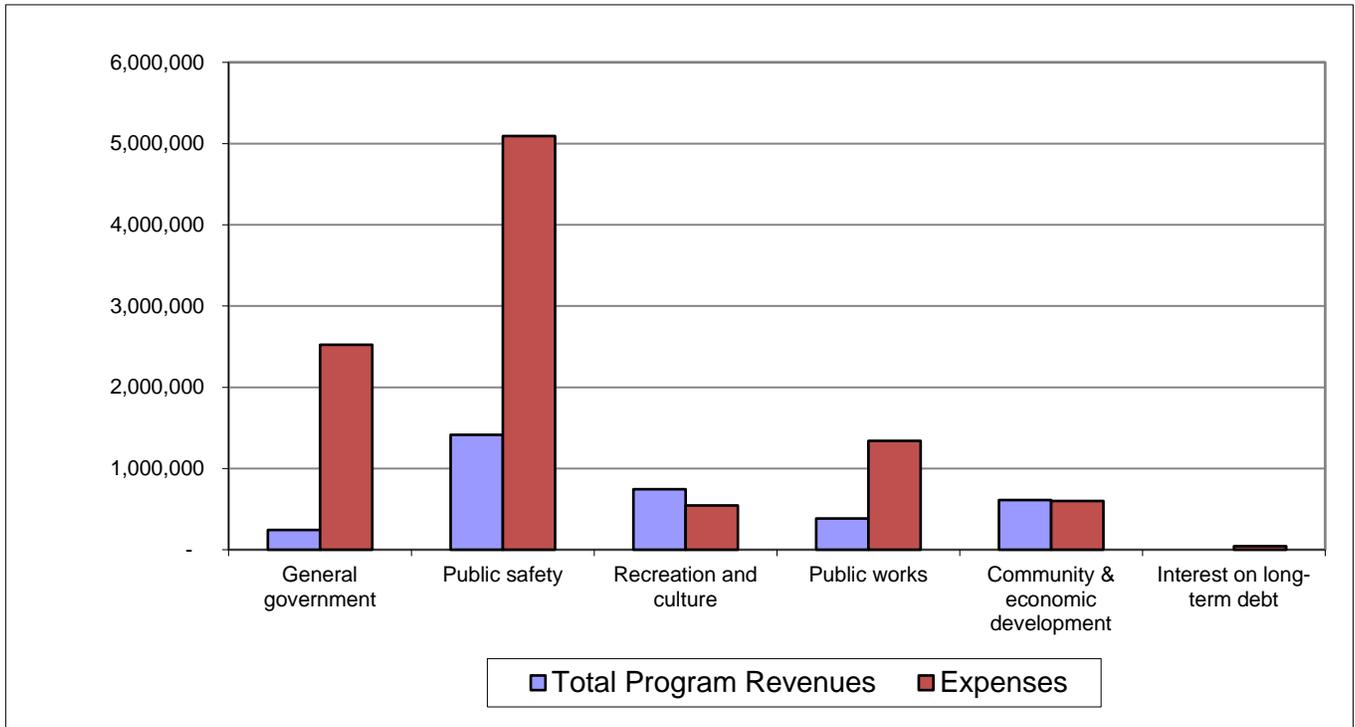
Primary government net position increased by \$1,274,851 during the current fiscal year. This was a combination of net position increasing by \$301,623 in Governmental Activities and increasing by \$973,228 in the Business-type Activities.

Charter Township of Delhi's Changes in Net Position

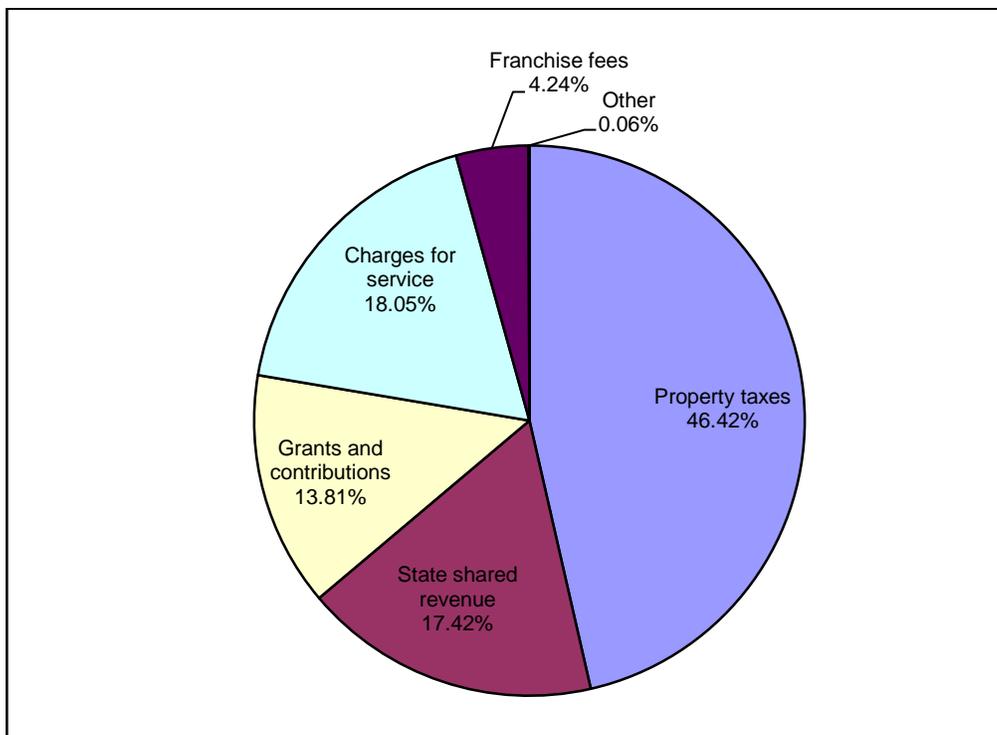
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue:						
Program revenues:						
Charges for services	\$ 2,727,339	\$ 2,105,647	\$ 6,899,241	\$ 6,080,205	\$ 9,626,580	\$ 8,185,852
Operating grants and contributions	234,361	471,146	369,978	606,298	604,339	1,077,444
Capital grants and contributions	65,087	704,259	185,508	-	250,595	704,259
General revenues:						
Property taxes	5,326,844	5,414,764	-	-	5,326,844	5,414,764
State shared revenue	2,055,703	2,031,646	-	-	2,055,703	2,031,646
Unrestricted grants and contributions	211,446	272,793	-	-	211,446	272,793
Franchise fees	515,564	494,517	-	-	515,564	494,517
Interest	16,097	7,102	12,603	8,478	28,700	15,580
Other	49,218	-	-	-	49,218	-
Total revenues	11,201,659	11,501,874	7,467,330	6,694,981	18,668,989	18,196,855
Expenses:						
General government	2,634,759	2,522,117	-	-	2,634,759	2,522,117
Public safety	5,150,293	5,049,743	-	-	5,150,293	5,049,743
Public works	1,014,184	1,338,862	-	-	1,014,184	1,338,862
Recreation and culture	1,189,328	545,141	-	-	1,189,328	545,141
Interest on long-term debt	65,643	44,405	-	-	65,643	44,405
Sewer	-	-	6,571,074	6,694,003	6,571,074	6,694,003
Community and economic development	768,857	598,818	-	-	768,857	598,818
Total expenses	10,823,064	10,099,086	6,571,074	6,694,003	17,394,138	16,793,089
Increase (decrease) in net position before transfers	378,595	1,402,788	896,256	978	1,274,851	1,403,766
Transfers	(76,972)	(6,267)	76,972	6,267	-	-
Increase (decrease) in net position	301,623	1,396,521	973,228	7,245	1,274,851	1,403,766
Net position - beginning of year	19,703,272	18,306,751	34,055,148	34,047,903	53,758,420	52,354,654
Net position - end of year	\$ 20,004,895	\$ 19,703,272	\$ 35,028,376	\$ 34,055,148	\$ 55,033,271	\$ 53,758,420

Governmental activities. Governmental activities increased the Township's net position by \$301,623 during 2016. Compared to 2015, Governmental revenues decreased by \$300,215 mainly due to capital contributions and unrestricted grants. Governmental expenditures increased by \$723,978 compared to 2015. The majority of the increase was caused by an increase in the recreation and culture expenses caused by an increase in the Township staffing in that department. Most of the remainder of the increase was in the Community and economic development category, caused by variance in staffing and Township activity.

Expenses and Program Revenues - Governmental Activities for the year ended December 31, 2016

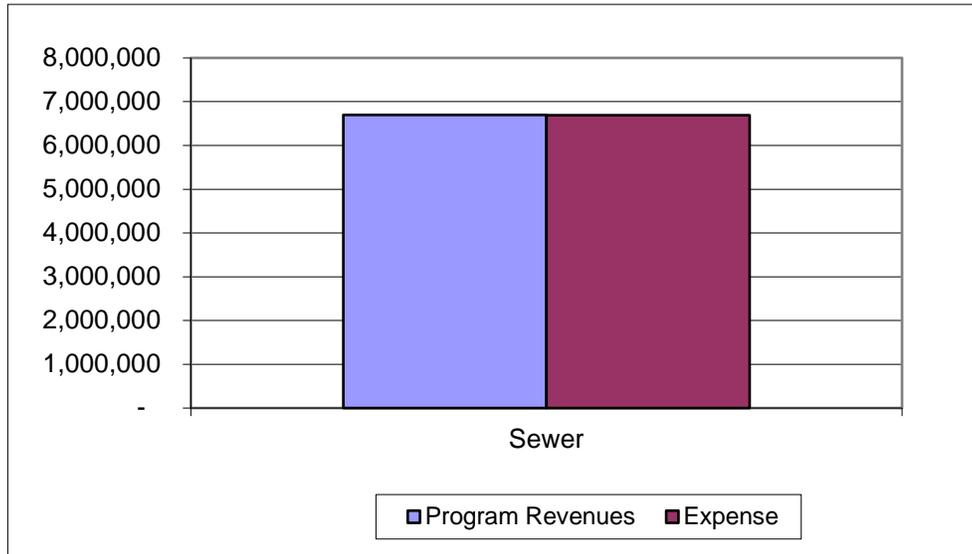


Revenues by Source - Governmental Activities for the year ended December 31, 2016



Business - type activities. Business - type activities increased the Township’s net position by \$973,228 during 2016, 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, 2016



Revenues by Source - Business type Activities

Almost 92% 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 \$9,191,706, an increase of \$1,582,148 in comparison with the prior year. Almost 33 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 \$3,070,429 while total fund balance was \$8,773,059. 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 31 percent of total general fund expenditures and other financing uses while total fund balance is 90 percent of total general fund expenditures and other financing uses.

The fund balance in the Township's General Fund increased by \$1,995,529 during the current year. Overall, compared to 2015, expenditures, including transfers out, increased \$2,106,986 and revenues and other financing sources increased by \$3,488,976. Key factors for this are:

- Proceeds from installment agreement
- Capital improvements

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 \$35,028,376; an increase for the year of \$973,228. 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 \$1,431,290 (15%) in appropriations (including operating transfers out) between the original and final amended budget. Increases and decreases worth noting were:

- An increase in \$1,418,210 in capital outlay for the energy improvement project and phase two of the RAM trail.

Additionally, budgeted revenues (including other financing sources) increased by approximately \$3,218,970. Increases in some revenue line items were offset by decreases in others. Items worth noting are as follows.

- An increase of approximately \$2,780,800 for installment purchase agreement to finance the energy improvement project.

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 \$1,114,506 and \$1,122,425 respectively, and \$2,127,190 and \$2,595,558 in expenditures respectively. The Fire and Police Funds had restricted property tax revenues of \$1,073,207 in each fund. Total revenues in these funds were not sufficient to fully fund fire and police operations, so therefore, the General Fund had to transfer \$992,921 and \$1,473,133 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, 2016, amounted to \$63,638,750 (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 \$109,920 (approximately 0.2%). The decrease is a result of depreciation expense exceeding net fixed asset investments.

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

- An ambulance was purchased under governmental activities
- Construction in process for governmental activities and business type activities increased approximately \$1,237,000. This mostly can be attributed to energy improvement project.

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

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land/Monuments	\$ 2,324,058	\$ 2,199,040	\$ 963,116	\$ 806,335	\$ 3,287,174	\$ 3,005,375
Easements	62,361	62,361	15,955	1,925	78,316	64,286
Infrastructure	350,668	432,533	29,783,086	30,687,680	30,133,754	31,120,213
Flowage rights	3,321,557	2,917,288	-	-	3,321,557	2,917,288
Buildings and improvements	4,329,002	4,236,983	13,785,078	14,482,277	18,114,080	18,719,260
Land improvements	5,343,048	5,560,219	288,212	315,812	5,631,260	5,876,031
Machinery and equipment	377,431	375,326	385,460	484,534	762,891	859,860
Furniture and office equipment	20,147	26,904	-	-	20,147	26,904
Computer equipment and programs	31,771	26,360	12,083	16,314	43,854	42,674
Vehicles	306,686	188,631	275,589	281,896	582,275	470,527
Construction in progress	1,020,798	9,334	642,644	417,078	1,663,442	426,412
Total	\$ 17,487,527	\$ 16,034,979	\$ 46,151,223	\$ 47,493,851	\$ 63,638,750	\$ 63,528,830

Additional information on the Township's capital assets can be found in the notes of this report.

Long - term debt. At the end of the current fiscal year, the primary government of the Township had total debt outstanding of \$25,910,462.

Delhi Charter Township's Outstanding Debt

	Governmental Activities		Business Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 1,314,586	\$ 1,466,341	\$ 4,010,175	\$ 4,442,456	\$ 5,324,761	\$ 5,908,797
Revenue bonds	-	-	13,320,000	14,145,000	13,320,000	14,145,000
Other long-term debt	5,795,366	2,848,285	1,470,335	-	7,265,701	2,848,285
Total	\$ 7,109,952	\$ 4,314,626	\$ 18,800,510	\$ 18,587,456	\$ 25,910,462	\$ 22,902,082

The Township's total bonded debt decreased by a net of \$1,409,036, to \$18,644,761 during 2016.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total state assessed value. The current debt limitation for the Township is \$79,002,665, which is significantly in excess of the Township's and Downtown Development Authority's outstanding general obligation debt of \$19,498,203.

Additional information on the Township's long-term debt can be found in the notes 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 2017 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2017 budget development.
- Contain health care costs by continuation of the Township's high deductible health plan 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.
- As a result of the 2013 sewer rate study recommendation, rates were increased by 3.7% in 2017.

During the current fiscal year, total fund balance in the General Fund increased to \$8,773,059. The Township has projected expenditures to exceed revenues in 2017 by \$3,649,070. 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, 2016**

	Primary government			Component units	
	Governmental activities	Business-type activities	Total	Downtown Development Authority	Local Site Remediation
ASSETS:					
Cash and cash equivalents	\$ 5,755,012	\$ 3,083,286	\$ 8,838,298	\$ 4,056,648	\$ 281,258
Investments	1,542,660	228,647	1,771,307	-	-
Receivables	6,086,231	1,569,996	7,656,227	2,670,909	198,163
Prepays	74,437	29,288	103,725	706	-
Restricted assets:					
Cash and cash equivalents	1,739,736	2,522,865	4,262,601	-	-
Investments	-	666,466	666,466	-	-
Capital assets not being depreciated	3,407,217	1,621,715	5,028,932	4,476,276	-
Capital assets being depreciated, net	14,080,310	44,529,508	58,609,818	3,956,380	-
TOTAL ASSETS	32,685,603	54,251,771	86,937,374	15,160,919	479,421
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	4,995	52,770	57,765	276,974	-
LIABILITIES:					
Accounts payable and accrued expenses	641,243	464,529	1,105,772	2,330,790	36,870
Escrow payable	-	11,126	11,126	-	-
Unearned revenue	2,079	-	2,079	-	-
Long-term liabilities:					
Due within one year	649,408	1,458,025	2,107,433	707,375	-
Due in more than one year	6,460,544	17,342,485	23,803,029	6,612,866	-
TOTAL LIABILITIES	7,753,274	19,276,165	27,029,439	9,651,031	36,870
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	4,932,429	-	4,932,429	1,077,010	155,348
NET POSITION:					
Net investment in capital assets	12,530,200	28,382,079	40,912,279	1,389,389	-
Restricted for neighborhood stabilization plan	7,160	-	7,160	-	-
Restricted for building department	40,476	-	40,476	-	-
Restricted for replacement	-	1,770,822	1,770,822	-	-
Restricted for debt service	-	439,913	439,913	-	-
Unrestricted	7,427,059	4,435,562	11,862,621	3,320,463	287,203
TOTAL NET POSITION	\$ 20,004,895	\$ 35,028,376	\$ 55,033,271	\$ 4,709,852	\$ 287,203

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

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

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	Local Site Remediation
Primary government:									
Governmental activities:									
General government	\$ 2,634,759	\$ 425,246	\$ 180,382	\$ -	\$ (2,029,131)	\$ -	\$ (2,029,131)	\$ -	\$ -
Public safety	5,150,293	773,277	38,950	27,117	(4,310,949)	-	(4,310,949)	-	-
Public works	1,014,184	565,710	13,382	-	(435,092)	-	(435,092)	-	-
Community and economic development	768,857	907,186	-	-	138,329	-	138,329	-	-
Recreation and culture	1,189,328	55,920	1,647	37,970	(1,093,791)	-	(1,093,791)	-	-
Interest on long-term debt	65,643	-	-	-	(65,643)	-	(65,643)	-	-
Total governmental activities	<u>10,823,064</u>	<u>2,727,339</u>	<u>234,361</u>	<u>65,087</u>	<u>(7,796,277)</u>	<u>-</u>	<u>(7,796,277)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	6,571,074	6,899,241	369,978	185,508	-	883,653	883,653	-	-
Total primary government	<u>\$ 17,394,138</u>	<u>\$ 9,626,580</u>	<u>\$ 604,339</u>	<u>\$ 250,595</u>	<u>(7,796,277)</u>	<u>883,653</u>	<u>(6,912,624)</u>	<u>-</u>	<u>-</u>
Component units:									
Local site remediation	\$ 137,397	\$ -	\$ -	\$ -	-	-	-	-	(137,397)
Downtown development	1,462,303	322,961	46,825	-	-	-	-	(1,092,517)	-
Total component units	<u>\$ 1,599,700</u>	<u>\$ 322,961</u>	<u>\$ 46,825</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,092,517)</u>	<u>(137,397)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					3,180,430	-	3,180,430	1,533,141	198,581
Property taxes, levied for fire					1,073,207	-	1,073,207	-	-
Property taxes, levied for police					1,073,207	-	1,073,207	-	-
State sources					2,055,703	-	2,055,703	-	-
Unrestricted grants and contributions					211,446	-	211,446	-	-
Franchise fees					515,564	-	515,564	-	-
Interest					16,097	12,603	28,700	9,547	-
Other					49,218	-	49,218	21,979	-
Transfers - internal activities					(76,972)	76,972	-	-	-
Total general revenues					<u>8,097,900</u>	<u>89,575</u>	<u>8,187,475</u>	<u>1,564,667</u>	<u>198,581</u>
Change in net position					301,623	973,228	1,274,851	472,150	61,184
Net position, beginning of year					19,703,272	34,055,148	53,758,420	4,237,702	226,019
Net position end of year					<u>\$ 20,004,895</u>	<u>\$ 35,028,376</u>	<u>\$ 55,033,271</u>	<u>\$ 4,709,852</u>	<u>\$ 287,203</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, 2016**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
ASSETS:					
Cash and cash equivalents	\$ 5,453,136	\$ 87,272	\$ 34,338	\$ 180,266	\$ 5,755,012
Investments	1,338,709	-	-	203,951	1,542,660
Receivables:					
Taxes	2,906,928	1,042,932	1,042,932	1,779	4,994,571
Special assessments	354,199	-	-	13,832	368,031
Other	278,892	17,324	2,863	-	299,079
Due from component unit	424,550	-	-	-	424,550
Prepays	39,226	35,211	-	-	74,437
Restricted cash and cash equivalents - capital projects	1,739,736	-	-	-	1,739,736
TOTAL ASSETS	\$ 12,535,376	\$ 1,182,739	\$ 1,080,133	\$ 399,828	\$ 15,198,076
LIABILITIES:					
Accounts payable	\$ 504,962	\$ 41,594	\$ 3,694	\$ 2,560	\$ 552,810
Accrued liabilities	38,511	29,495	-	-	68,006
Unearned revenue	2,079	-	-	-	2,079
TOTAL LIABILITIES	545,552	71,089	3,694	2,560	622,895
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	2,779,551	1,076,439	1,076,439	-	4,932,429
Unavailable revenue - ambulance fees	83,014	-	-	-	83,014
Unavailable revenue - special assessments	354,200	-	-	13,832	368,032
TOTAL DEFERRED INFLOWS OF RESOURCES	3,216,765	1,076,439	1,076,439	13,832	5,383,475
FUND BALANCES:					
Nonspendable:					
Prepays	39,226	35,211	-	-	74,437
Restricted:					
For neighborhood stabilization plan	7,160	-	-	-	7,160
For building department	40,476	-	-	-	40,476
For capital projects	1,956,698	-	-	-	1,956,698
Committed:					
For water improvement	-	-	-	334,256	334,256
For disaster contingency fund	10,000	-	-	-	10,000
Assigned for subsequent year expenditures	3,649,070	-	-	49,180	3,698,250
Unassigned	3,070,429	-	-	-	3,070,429
TOTAL FUND BALANCES	8,773,059	35,211	-	383,436	9,191,706
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 12,535,376	\$ 1,182,739	\$ 1,080,133	\$ 399,828	\$ 15,198,076

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, 2016**

Total governmental fund balances		\$ 9,191,706
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - related to deferred charge on refunding		4,995
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets not being depreciated	\$ 3,407,217	
Capital assets being depreciated, net	14,080,310	
		17,487,527
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, 2017		451,046
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		(6,702,058)
Compensated absences		(407,894)
Accrued interest		(20,427)
Net position of governmental activities		\$ 20,004,895

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 OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	<u>General</u>	<u>Special revenue funds</u>		<u>Total nonmajor funds</u>	<u>Total governmental funds</u>
		<u>Fire fund</u>	<u>Police fund</u>		
REVENUES:					
Taxes	\$3,180,069	\$1,073,207	\$1,073,207	\$ 361	\$ 5,326,844
Grants and revenue sharing	2,083,853	39,162	-	37,970	2,160,985
Intergovernmental	140,471	-	-	-	140,471
Licenses and permits	782,673	-	-	-	782,673
Charges for services	1,381,437	-	-	142,250	1,523,687
Franchise fees	515,564	-	-	-	515,564
Fines and forfeitures	17,807	-	49,218	-	67,025
Interest and rentals	336,188	-	-	1,234	337,422
Other	492,249	2,137	-	1,778	496,164
Total revenue	<u>8,930,311</u>	<u>1,114,506</u>	<u>1,122,425</u>	<u>183,593</u>	<u>11,350,835</u>
EXPENDITURES:					
Current:					
General government	2,374,929	-	-	-	2,374,929
Public safety	-	2,109,830	2,595,558	92,614	4,798,002
Public works	795,100	-	-	4,904	800,004
Community and economic development	796,021	-	-	-	796,021
Recreation and culture	837,782	-	-	-	837,782
Other	563,166	-	-	-	563,166
Debt service:					
Principal	330,322	-	-	62,438	392,760
Interest	143,376	-	-	19,482	162,858
Capital outlay	1,458,923	17,361	-	186,055	1,662,339
Total expenditures	<u>7,299,619</u>	<u>2,127,191</u>	<u>2,595,558</u>	<u>365,493</u>	<u>12,387,861</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,630,692</u>	<u>(1,012,685)</u>	<u>(1,473,133)</u>	<u>(181,900)</u>	<u>(1,037,026)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from installment purchase agreement	2,613,930	-	-	-	2,613,930
Proceeds from the issuance of bonds	-	-	-	414,585	414,585
Payments to escrow agent	-	-	-	(409,341)	(409,341)
Transfers in	216,961	992,921	1,473,133	-	2,683,015
Transfers out	(2,466,054)	-	-	(216,961)	(2,683,015)
Total other financing sources (uses)	<u>364,837</u>	<u>992,921</u>	<u>1,473,133</u>	<u>(211,717)</u>	<u>2,619,174</u>
Net change in fund balances	<u>1,995,529</u>	<u>(19,764)</u>	<u>-</u>	<u>(393,617)</u>	<u>1,582,148</u>
FUND BALANCES:					
Beginning of year	6,777,530	54,975	-	777,053	7,609,558
End of year	<u>\$8,773,059</u>	<u>\$ 35,211</u>	<u>\$ -</u>	<u>\$ 383,436</u>	<u>\$ 9,191,706</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 OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

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

Net change in fund balances - total governmental funds \$ 1,582,148

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	2,328,371
Depreciation expense	(872,527)
Realized loss on disposal of capital assets	(3,296)

Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it is a reduction of liabilities):

Proceeds from issuance of bonds	(414,585)
Proceeds from issuance of general assessment obligations	(527,757)
Proceeds from installment purchase agreement	(2,613,930)
Deferred charge on refunding	4,995
Payments to escrow agent	409,341
Reductions of principal on long-term debt	393,011
Amortization of bond discounts	(5,689)

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	(382,366)
Accrued revenue end of the year - primarily special assessments due in the future	451,046

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:	
Accrued interest payable beginning of the year	9,005
Accrued interest payable end of the year	(20,427)

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	372,177
Accrued compensated absences end of the year	(407,894)

Change in net position of governmental activities \$ 301,623

PROPRIETARY FUND

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 DECEMBER 31, 2016**

	Business-type activities- <u>Enterprise fund</u> <u>Sewer fund</u>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 3,083,286
Investments	228,647
Receivables:	
Special assessments	385,749
Other	1,184,247
Prepays	29,288
Restricted cash and cash equivalents - capital projects	<u>978,596</u>
TOTAL CURRENT ASSETS	<u>5,889,813</u>
NONCURRENT ASSETS:	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	439,913
Replacement cash and cash equivalents	1,104,356
Replacement investments	666,466
Property, plant and equipment not being depreciated	1,621,715
Property, plant and equipment net of accumulated depreciation	<u>44,529,508</u>
TOTAL NONCURRENT ASSETS	<u>48,361,958</u>
TOTAL ASSETS	<u>54,251,771</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding	<u>52,770</u>

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

LIABILITIES AND NET POSITION	Business-type activities- Enterprise fund
	<u>Sewer fund</u>
CURRENT LIABILITIES:	
Accounts payable	\$ 199,279
Accrued liabilities	155,766
Interest payable	109,484
Escrow payable	11,126
Current portion of long-term debt	<u>1,458,025</u>
TOTAL CURRENT LIABILITIES	1,933,680
LONG-TERM LIABILITIES , net of current portion:	
Due in more than one year	<u>17,342,485</u>
TOTAL LIABILITIES	<u>19,276,165</u>
NET POSITION:	
Net investment in capital assets	28,382,079
Restricted for:	
Replacement	1,770,822
Debt service	439,913
Unrestricted	<u>4,435,562</u>
TOTAL NET POSITION	<u><u>\$ 35,028,376</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, 2016**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
OPERATING REVENUES:	
Charges for services	\$ 6,002,167
Permits and fees	815,792
State grant	369,978
Other operating revenue	<u>147,442</u>
Total operating revenues	<u>7,335,379</u>
OPERATING EXPENSES:	
Costs of sales and services	3,651,067
Depreciation	<u>2,467,984</u>
Total operating expenses	<u>6,119,051</u>
Operating income	<u>1,216,328</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest and rentals	23,415
Amortization of bond discount	(5,904)
Bond issuance cost	(29,062)
Interest expense	<u>(417,057)</u>
Total non-operating revenues (expenses)	<u>(428,608)</u>
Net income before capital contributions	787,720
CAPITAL CONTRIBUTIONS	<u>185,508</u>
Change in net position	973,228
NET POSITION:	
Beginning of year	<u>34,055,148</u>
End of year	<u><u>\$ 35,028,376</u></u>

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

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016**

	Business-type activities- Enterprise fund
	Sewer fund
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	
Cash flows from operating activities:	
Cash received from customers	\$ 7,332,247
Cash payments to suppliers for goods and services	(2,185,933)
Cash payments to employees for services	(1,433,915)
	3,712,399
Cash flows from capital and related financing activities:	
Purchase of capital assets	(995,796)
Deferred loss on refunding	(52,770)
Proceeds from bonds	4,046,752
Interest payments, bond issuance costs and amortization	(455,711)
Principal payments	(3,833,698)
	(1,291,223)
Cash flows from investing activities:	
Proceeds from investments	(6,222)
Interest and rental earnings	23,415
	17,193
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,438,369
CASH AND CASH EQUIVALENTS:	
Beginning of year	3,167,782
End of year	\$ 5,606,151
Statement of net assets classification of cash and cash equivalents:	
Cash and cash equivalents	\$ 3,161,210
Restricted cash and cash equivalents	2,444,941
	\$ 5,606,151

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, 2016**

	<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	\$ 1,216,328
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	2,467,984
Loss on disposal of capital assets	55,948
(Increase) decrease in assets:	
Special assessments receivable	15,180
Other receivables	(18,312)
Prepaid expenses	36,566
Increase (decrease) in liabilities:	
Accounts payable	(42,078)
Accrued liabilities	(10,287)
Retainage payable	(8,930)
Total adjustments	<u>2,496,071</u>
Net cash provided by operating activities	<u><u>\$ 3,712,399</u></u>

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

FIDUCIARY FUNDS

**CHARTER TOWNSHIP OF DELHI
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Other post employment benefit trust fund	Private Purpose Trust	
	Retiree health benefits	Cemetery	Agency funds
ASSETS:			
Cash and cash equivalents	\$ -	\$ 70,768	\$ 16,576,649
Investments	3,399,746	-	-
Interest receivable	-	771	-
Taxes receivable	-	-	14,884,629
TOTAL ASSETS	3,399,746	71,539	31,461,278
LIABILITIES:			
Accounts payable	-	415	-
Due to other governments	-	-	31,135,300
Undistributed receipts	-	-	325,978
TOTAL LIABILITIES	-	415	31,461,278
NET POSITION:			
Restricted - funds held in trust	\$ 3,399,746	\$ 71,124	\$ -

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, 2016**

	Other post employment benefit trust fund	Private Purpose Trust
	Retiree health benefits	Cemetery
ADDITIONS:		
Contributions	\$ 988,149	\$ -
Investment earnings - net	122,501	566
Total additions	1,110,650	566
DEDUCTIONS:		
Cemetery perpetual care	-	236
Change in net position	1,110,650	330
NET POSITION:		
Beginning of year	2,289,096	70,794
End of year	\$ 3,399,746	\$ 71,124

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 Local Site Remediation Revolving fund is organized pursuant to Section 8 of the State of Michigan’s Brownfield Redevelopment Financing Act (Public Act 381 of 1996, as amended by Public Act 145 of 2000 and Public Act 502 of 2012). The primary purpose of the Fund is to clean up environmentally challenged properties in the Township and prepare them for desirable and productive re-uses. Financing of these activities will consist of monies appropriated or otherwise made available from public or private sources. The members of the Board of Directors of the Fund are appointed by the Township Board. No separate audit report is issued for this Fund.

**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 Local Site Remediation Revolving fund 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 Local Site Remediation Revolving fund is not, nevertheless they are shown in separate columns in the government wide financial statements.

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

D. Basis of Presentation - Fund Financial Statements

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

The government reports the following major governmental funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following nonmajor fund types:

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Concluded)

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

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

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

F. Budgetary Information

1. Budgetary Basis of Accounting

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Budgetary Information (Concluded)

1. Budgetary Basis of Accounting (Concluded)

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

The budget was amended during the year with supplemental appropriations. The budget was approved prior to December 31, 2016. 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 pooled 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 valued 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. Unspent financing proceeds have been restricted for the governmental activities.

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 one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded 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. On the statement of net position the Township reports unavailable revenues from property taxes. These amounts are property taxes levied for the next fiscal year.

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies (Concluded)

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

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

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

11. Comparative Data/Reclassifications

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

12. Use of Estimates

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

The Township is permitted by state statute to levy taxes up to \$5.00 per \$1,000 of taxable valuation for general government services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. In 2016 the Township levied \$4.3094 per \$1,000 for general governmental purposes, \$1.5000 per \$1,000 for Police services, and \$1.5000 per \$1,000 for Fire and Emergency Medical Services on the December 31, 2015 levy (recognized as revenue in 2016) for a total of \$7.3094 per \$1,000.

The Downtown Development and Local Site Remediation Revolving fund, which are component units, also receive property tax revenue from the July 1 and December 1 tax levies. The December 1 tax revenues are recognized in the following fiscal year. The July 1 tax revenues are recognized in the year in which they are levied.

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, 2016, the Township had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Weighted average maturity (years)</u>	<u>Standard & Poor's rating</u>	<u>%</u>
U.S. Agency:				
Federal Home Loan	\$ 107,741	0.4833	AA+	3.0%
Municipal bonds:				
Flat Rock Community Schools	109,817	1.3122	AA1 - Moody	3.0%
Riverview	121,212	2.7945	A+	3.4%
Reeths Puffer Public Schools	65,175	2.2977	AA1 - Moody	1.8%
Kalamazoo Public Schools	125,106	1.3122	AA-	3.5%
Pickney Community Schools	99,886	2.2968	AA-	2.8%
Whitmore Lake Public Schools	120,778	2.2977	AA-	3.3%
MI Class	2,756,065	0.0027	AAA	76.3%
Certificates of Deposit:				
Wells Fargo Sioux	103,374	4.4334	N/A	2.9%
Total fair value	<u>\$ 3,609,154</u>			<u>100.0%</u>
Portfolio weighted average maturity		<u>1.9145</u>		

1 day maturity equals 0.0027, one year equals 1.00

The Township voluntarily invests excess funds in pooled short-term investment funds which included money market funds. One of the pooled investment funds utilized by the Township is MI CLASS. MI CLASS is an external pooled investment fund of “qualified” investments for Michigan townships. MI CLASS is not regulated nor is it registered with the SEC. MI CLASS reports as of December 31, 2016 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, 2016, \$30,619,565 of the Township's bank balance of \$32,220,171 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, 2016 was \$32,914,841.

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.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Fair value measurement. The Township is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Township reports their investments according to the following levels:

U.S. Agency:	
Federal Home Loan	\$ 107,741
Municipal bonds:	
Flat Rock Community Schools	109,817
Riverview	121,212
Reeths Puffer Public Schools	65,175
Kalamazoo Public Schools	125,106
Pickney Community Schools	99,886
Whitmore Lake Public Schools	120,778
MI Class	2,756,065
Certificates of Deposit:	
Wells Fargo Sioux	103,374
Total fair value	\$ 3,609,154

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

Summary of deposit and investments balances. The following is a reconciliation of deposit and investment balances as of December 31, 2016.

Deposits (including deposits in transit at year end)	\$ 32,912,591
Investments	3,609,154
Cash on hand	2,250
	<u>\$ 36,523,995</u>
Cash and cash equivalents:	
Township wide - unrestricted	\$ 8,838,298
Township wide - restricted	4,262,601
Component units	4,337,906
Cemetery fund (a private purpose trust)	70,768
Agency funds (fiduciary funds)	16,576,649
Investments:	
Township wide - unrestricted	1,771,307
Township wide - restricted	666,466
	<u>\$ 36,523,995</u>

Other post-employment benefits

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

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Concluded)

The System's investments are held with an insurance company administered trust fund. Following is a summary of the System's investments as of December 31, 2016:

	Other post employment benefit trust fund (Level 2)
Balanced funds	\$ 1,611,957
Stable value	<u>1,787,789</u>
	<u><u>\$ 3,399,746</u></u>

NOTE 3 - RECEIVABLES

Receivables at December 31, 2016 consist of the following:

Governmental Activities	Business-type Activities																										
<table style="width: 100%; border-collapse: collapse;"> <tr><td>General</td><td style="text-align: right;">\$ 205,195</td></tr> <tr><td>Special assessment</td><td style="text-align: right;">368,031</td></tr> <tr><td>Ambulance</td><td style="text-align: right;">83,014</td></tr> <tr><td>Due from DDA</td><td style="text-align: right;">424,550</td></tr> <tr><td>Property taxes</td><td style="text-align: right;">4,994,571</td></tr> <tr><td>Other</td><td style="text-align: right;"><u>10,870</u></td></tr> <tr><td></td><td style="text-align: right;"><u><u>\$ 6,086,231</u></u></td></tr> </table>	General	\$ 205,195	Special assessment	368,031	Ambulance	83,014	Due from DDA	424,550	Property taxes	4,994,571	Other	<u>10,870</u>		<u><u>\$ 6,086,231</u></u>	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Service</td><td style="text-align: right;">\$ 1,103,759</td></tr> <tr><td>General</td><td style="text-align: right;">76,008</td></tr> <tr><td>Property taxes</td><td style="text-align: right;">366,767</td></tr> <tr><td>Special assessment</td><td style="text-align: right;">18,982</td></tr> <tr><td>Other</td><td style="text-align: right;"><u>4,480</u></td></tr> <tr><td></td><td style="text-align: right;"><u><u>\$ 1,569,996</u></u></td></tr> </table>	Service	\$ 1,103,759	General	76,008	Property taxes	366,767	Special assessment	18,982	Other	<u>4,480</u>		<u><u>\$ 1,569,996</u></u>
General	\$ 205,195																										
Special assessment	368,031																										
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	<u><u>\$ 1,569,996</u></u>																										
Downtown Development Authority	Local Site Remediation																										
<table style="width: 100%; border-collapse: collapse;"> <tr><td>Due from Township</td><td style="text-align: right;">\$ 2,668,728</td></tr> <tr><td>General</td><td style="text-align: right;"><u>2,181</u></td></tr> <tr><td></td><td style="text-align: right;"><u><u>\$ 2,670,909</u></u></td></tr> </table>	Due from Township	\$ 2,668,728	General	<u>2,181</u>		<u><u>\$ 2,670,909</u></u>	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Due from Township</td><td style="text-align: right;">\$ 198,163</td></tr> <tr><td></td><td style="text-align: right;"><u>-</u></td></tr> <tr><td></td><td style="text-align: right;"><u><u>\$ 198,163</u></u></td></tr> </table>	Due from Township	\$ 198,163		<u>-</u>		<u><u>\$ 198,163</u></u>														
Due from Township	\$ 2,668,728																										
General	<u>2,181</u>																										
	<u><u>\$ 2,670,909</u></u>																										
Due from Township	\$ 198,163																										
	<u>-</u>																										
	<u><u>\$ 198,163</u></u>																										

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

The capital assets are as follows:

	Balance January 1, 2016	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2016
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,184,040	\$ 111,702	\$ 3,296	\$ 2,292,446
Monuments	15,000	16,612	-	31,612
Easements	62,361	-	-	62,361
Construction in process	9,334	1,020,798	9,334	1,020,798
Total capital assets, not being depreciated	<u>2,270,735</u>	<u>1,149,112</u>	<u>12,630</u>	<u>3,407,217</u>
Capital assets, being depreciated:				
Buildings and improvements	7,785,159	290,770	-	8,075,929
Land improvements and sidewalks	7,523,357	53,206	-	7,576,563
Machinery and equipment	1,395,209	91,399	3,900	1,482,708
Furniture and office equipment	577,802	-	3,800	574,002
Flowage rights	3,443,600	527,758	-	3,971,358
Infrastructure (road improvements)	1,959,083	-	-	1,959,083
Computer equipment and programs	258,439	14,635	86,730	186,344
Vehicles	2,216,979	210,825	-	2,427,804
Total capital assets, being depreciated	<u>25,159,628</u>	<u>1,188,593</u>	<u>94,430</u>	<u>26,253,791</u>
Less accumulated depreciation for:				
Buildings and improvements	3,548,176	198,751	-	3,746,927
Land improvements and sidewalks	1,963,138	270,377	-	2,233,515
Machinery and equipment	1,019,883	89,294	3,900	1,105,277
Furniture and office equipment	550,898	6,757	3,800	553,855
Flowage rights	526,312	123,489	-	649,801
Infrastructure (road improvements)	1,526,550	81,865	-	1,608,415
Computer equipment and programs	232,079	9,224	86,730	154,573
Vehicles	2,028,348	92,770	-	2,121,118
Total accumulated depreciation	<u>11,395,384</u>	<u>872,527</u>	<u>94,430</u>	<u>12,173,481</u>
Total capital assets, being depreciated, net	<u>13,764,244</u>	<u>316,066</u>	<u>-</u>	<u>14,080,310</u>
Total	<u>\$ 16,034,979</u>	<u>\$ 1,465,178</u>	<u>\$ 12,630</u>	<u>\$ 17,487,527</u>

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

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance January 1, 2016	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2016
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 806,335	\$ 156,781	\$ -	\$ 963,116
Easements	1,925	14,030	-	15,955
Construction in process	417,078	505,544	279,978	642,644
Total capital assets, not being depreciated	1,225,338	676,355	279,978	1,621,715
Sewage disposal plant and equipment	30,134,304	374,060	-	30,508,364
Sewer mains	50,569,557	325,927	-	50,895,484
Outfall lines	1,141,390	-	-	1,141,390
Land improvements	518,632	7,300	-	525,932
Furniture and office equipment	127,055	-	-	127,055
Computer equipment	314,512	-	-	314,512
Vehicles	991,274	77,640	150,886	918,028
Machinery and equipment	1,121,378	-	133,638	987,740
Maintenance facility	1,430,686	-	-	1,430,686
Total capital assets, being depreciated	86,348,788	784,927	284,524	86,849,191
Less accumulated depreciation for:				
Sewage disposal plant and equipment	16,582,489	1,035,316	-	17,617,805
Sewer mains	20,538,866	1,206,683	-	21,745,549
Outfall lines	484,401	23,838	-	508,239
Land improvements	202,820	34,900	-	237,720
Furniture and office equipment	127,055	-	-	127,055
Computer equipment	298,198	4,231	-	302,429
Vehicles	709,378	51,539	118,478	642,439
Machinery and equipment	636,844	75,534	110,098	602,280
Maintenance facility	500,224	35,943	-	536,167
Total accumulated depreciation	40,080,275	2,467,984	228,576	42,319,683
Total capital assets, being depreciated, net	46,268,513	(1,683,057)	55,948	44,529,508
Total	\$ 47,493,851	\$ (1,006,702)	\$ 335,926	\$ 46,151,223

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

NOTE 4 - CAPITAL ASSETS (Concluded)

	Balance January 1, 2016	Additions/ Reclassifications	Deletions/ Reclassifications	Balance December 31, 2016
Component unit:				
Downtown Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 4,394,674	\$ 355,721	\$ 279,721	\$ 4,470,674
Construction in process	-	5,602	-	5,602
Total capital assets, not being depreciated	<u>4,394,674</u>	<u>361,323</u>	<u>279,721</u>	<u>4,476,276</u>
Capital assets, being depreciated:				
Buildings	1,051,920	58,740	-	1,110,660
Land improvements	6,385,361	6,974	23,619	6,368,716
Infrastructure (road improvements)	1,294,495	-	-	1,294,495
Machinery and equipment	107,009	-	-	107,009
Furniture and office equipment	76,020	5,629	-	81,649
Total capital assets, being depreciated	<u>8,914,805</u>	<u>71,343</u>	<u>23,619</u>	<u>8,962,529</u>
Less accumulated depreciation for:				
Buildings	296,131	26,519	-	322,650
Land improvements	2,967,939	318,574	18,108	3,268,405
Infrastructure (road improvements)	1,268,906	3,412	-	1,272,318
Machinery and equipment	59,059	7,697	-	66,756
Furniture and office equipment	76,020	-	-	76,020
Total accumulated depreciation	<u>4,668,055</u>	<u>356,202</u>	<u>18,108</u>	<u>5,006,149</u>
Total capital assets, being depreciated, net	<u>4,246,750</u>	<u>(284,859)</u>	<u>5,511</u>	<u>3,956,380</u>
Total	<u>\$ 8,641,424</u>	<u>\$ 76,464</u>	<u>\$ 285,232</u>	<u>\$ 8,432,656</u>

Depreciation expense was charged to functions/programs of the primary government at December 31, 2016 as follows:

Governmental activities:	
General government	\$ 72,432
Public safety	131,878
Public works	299,784
Community development	3,762
Recreation and culture	364,671
Total governmental activities	<u>\$ 872,527</u>
Business type activities:	
Sewer	<u>\$ 2,467,984</u>
Component unit:	
Downtown Development Authority	<u>\$ 356,202</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, 2016 is as follows:

	Transfer in			Total transfers out
	General Fund	Fire Fund	Police Fund	
Transfer out:				
General Fund	\$ -	\$ 992,921	\$ 1,473,133	\$ 2,466,054
Capital Projects Fund	216,961	-	-	216,961
	<u>\$ 216,961</u>	<u>\$ 992,921</u>	<u>\$ 1,473,133</u>	<u>\$ 2,683,015</u>

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.

<p>\$414,585, 2016 Refunding Bonds, for the purpose of refunding the 2011 LTGO bonds. The Township issued bonds totaling \$2,490,000 of which 16.65% (\$414,585) was for water improvement (governmental activities) and 83.35% (\$2,075,415) was for sanitary sewer (business type activities). The bonds are due in annual installments of \$64,935 to \$73,260 through 2022, interest at 1.65%.</p>	\$ 414,586
<p>\$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.</p>	<u>900,000</u> <u>\$ 1,314,586</u>

**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>\$ 2,668,771</u>	2033	Imputed at 4%

Installment Purchase Agreement

The Township entered into an installment purchase agreement related to the energy improvement project. The Township allocated 64% to the governmental activities and 36% to the sanitary sewer (business type activities). This obligation is summarized as follows:

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 2,613,930</u>	2031	3.24%

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>\$ 100,166</u>	2019	3.49%

Capital lease

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

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest Rate</u>
Governmental activities	<u>\$ 4,605</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 \$150,000 to \$180,000 through 2024, interest at 2.35%.	\$ 1,305,000
\$2,075,415, 2016 Refunding Bonds, for the purpose of refunding the 2011 LTGO bonds. The Township issued bonds totaling \$2,490,000 of which 16.65% (\$414,585) was for water improvement (governmental activities) and 83.35% (\$2,075,415) was for sanitary sewer (business type activities). The bonds are due in annual installments of \$325,065 to \$366,740 through 2022, interest at 1.65%.	2,075,415
\$501,002, 2016 Refunding Bonds, for the purpose of refunding the 2008 DDA general obligation bonds. The Township issued bonds totaling \$5,000,000 of which 10.02% (\$501,002) was for sanitary sewer (business type activities) and 89.98% (\$4,498,998) was for downtown development (DDA component unit). The bonds are due in annual installments of \$78,156 to \$89,178 through 2024, interest at 1.60%.	501,002
\$1,000,000, 2008 DDA general obligation bonds, due in annual installments for \$539,880 to \$787,325 through 2018, interest at 4.00% to 4.125%. The Township issued one bond issue for \$9,980,000, of which \$1,000,000 was for sanitary sewer and \$8,980,000 was for downtown development (DDA component unit). The Township refunded these bonds in 2016, which will continue to be paid for \$62,625 to \$66,133 through 2018, at the same rate of interest of 4.00%.	128,758
	\$ 4,010,175

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 \$480,000 to \$570,000 due annually through 2028.	\$ 6,285,000
\$8,400,000, 2010 Sanitary Sewer revenue bonds, draws to December 31, 2013, interest paid semi-annually at 2.5%. Principal payments ranging from \$365,000 to \$525,000 due annually through 2032.	7,035,000
	\$ 13,320,000

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

NOTE 6 - LONG-TERM DEBT (Continued)

Installment Purchase Agreement

The Township entered into an installment purchase agreement related to the energy improvement project. The Township allocated 64% to the governmental activities and 36% to the sanitary sewer (business type activities). This obligation is summarized as follows:

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year Due</u>	<u>Interest Rate</u>
Business-type activities	<u>\$ 1,470,335</u>	2031	3.24%

Downtown Development Authority (Component Unit)

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

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in annual installments of \$80,000 to \$85,000 through 2018, interest at 4.40% to 4.50%.	\$ 165,000
\$8,980,000, 2008 DDA general obligation bonds, due in annual installments for \$539,880 to \$787,325 through 2018, interest at 4.00% to 4.125%. The Township issued one bond issue for \$9,980,000, of which \$1,000,000 was for sanitary sewer and \$8,980,000 was for downtown development (DDA component unit). The Township refunded these bonds in 2016, which will continue to be paid for \$562,375 to \$593,868 through 2018, at the same rate of interest of 4.00%.	1,156,243
\$4,498,998, 2016 Refunding Bonds, for the purpose of refunding the 2008 DDA general obligation bonds. The Township issued bonds totaling \$5,000,000 of which 10.02% (\$501,002) was for sanitary sewer (business type activities) and 89.98% (\$4,498,998) was for downtown development (DDA component unit). The bonds are due in annual installments of \$701,844 to \$800,822 through 2024, interest at 1.60%.	4,498,998
\$1,500,000, 2016 DDA general obligation bonds, due in annual installments of \$65,000 to \$105,000 through 2035, interest at 1.22% to 3.85%.	1,500,000
	\$ 7,320,241

**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, 2016:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,472,030	\$ 414,585	\$ 572,029	\$ 1,314,586	\$ 164,935
General assessment payable	2,336,148	527,757	195,134	2,668,771	195,134
Discount	(5,689)	-	(5,689)	-	-
Installment purchase agreement	133,500	2,613,930	33,334	2,714,096	167,263
Capital lease	6,460	-	1,855	4,605	2,076
Compensated absences	372,177	35,717	-	407,894	120,000
	<u>\$ 4,314,626</u>	<u>\$ 3,591,989</u>	<u>\$ 796,663</u>	<u>\$ 7,109,952</u>	<u>\$ 649,408</u>
Business-type activities:					
General obligation bonds	\$ 4,470,287	\$ 2,576,417	\$ 3,036,529	\$ 4,010,175	\$ 537,690
Revenue bonds	14,145,000	-	825,000	13,320,000	845,000
Installment purchase agreement	-	1,470,335	-	1,470,335	75,335
Discount	(27,831)	-	(27,831)	-	-
	<u>\$ 18,587,456</u>	<u>\$ 4,046,752</u>	<u>\$ 3,833,698</u>	<u>\$ 18,800,510</u>	<u>\$ 1,458,025</u>
Component unit:					
General obligation bonds	\$ 6,147,684	\$ 5,998,998	\$ 4,826,441	\$ 7,320,241	\$ 707,375
Land contracts	69,864	-	69,864	-	-
	<u>\$ 6,217,548</u>	<u>\$ 5,998,998</u>	<u>\$ 4,896,305</u>	<u>\$ 7,320,241</u>	<u>\$ 707,375</u>
	<u>\$ 29,119,630</u>	<u>\$ 13,637,739</u>	<u>\$ 9,526,666</u>	<u>\$ 33,230,703</u>	<u>\$ 2,814,808</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, 2016, are as follows:

Year ending December 31	Governmental activities		Business-type activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 529,408	\$ 231,185	\$ 1,458,025	\$ 405,219	\$ 707,375	\$ 189,293
2018	535,823	215,584	1,486,100	366,576	743,868	142,091
2019	540,272	197,464	1,526,724	335,013	766,844	113,717
2020	512,264	179,881	1,568,030	304,199	784,840	101,460
2021	545,329	162,738	1,601,468	272,557	803,337	88,916
2022 - 2026	2,187,126	556,771	6,476,963	908,918	2,703,977	251,449
2027 - 2031	1,662,433	203,892	4,158,200	307,333	420,000	120,790
2032 - 2035	189,403	13,635	525,000	6,563	390,000	38,501
	<u>\$ 6,702,058</u>	<u>\$ 1,761,150</u>	<u>\$ 18,800,510</u>	<u>\$ 2,906,378</u>	<u>\$ 7,320,241</u>	<u>\$ 1,046,217</u>

On June 9, 2016, the Township issued general obligations bonds of \$2,490,000 with an interest rate of 1.65% to advance refund a portion of the Township's 2011 bonds with interest rates of 2.10% to 3.65%. The bonds mature at various times through September 1, 2022. After paying issuance costs of \$31,494, the net proceeds were \$2,458,506. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are paid in full. 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. The Township issued one bond issue for \$2,490,000 of which 83.35% (\$2,075,415) was for sanitary sewer (business type activities) and 16.65% (\$414,585) was for water improvement (governmental activities). As a result of the advance refunding, the Township reduced its total debt requirements by \$149,327, creating an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$104,809.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - LONG-TERM DEBT (Concluded)

Additionally, on July 19, 2016, the Township issued general obligation bonds of \$5,000,000 with an interest rate of 1.60% to advance refund the Township's 2008 bonds with interest rates of 4.00% to 4.125%. The bonds mature at various times through November 1, 2024. After paying issuance costs of \$45,182, the net proceeds were \$4,954,818. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are paid in full. 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. The Township issued one bond issue for \$5,000,000, of which \$4,498,998 was for downtown development (DDA component unit) and \$501,002 was for sanitary sewer. The bond refunded will be paid on until 2018, with payments for the 2016 Refunding bonds beginning in 2019. As a result of the advance refunding, the Township reduced its total debt requirements by \$372,670, creating an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$240,125.

Advance refunding

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. As of the year ended December 31, 2016, \$10,940,000 of bonds outstanding from a prior advance refunding was considered defeased.

Debt service commitment

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

As of December 31, 2016, these commitments totaled \$988,825 and are payable through 2024, with \$118,810 due in the next year.

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

NOTE 7 - CONTRIBUTED CAPITAL

During the current year, the Township received a capital contribution for their governmental activities. This capital was used to purchase thermal cameras for public safety. The contribution amounted to \$10,000. 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.

Additionally, during the current year, the Township received a capital contribution for their business type activities. This capital was recorded for the donation of the rights to Prestwick sewer. The contribution amounted to \$185,508. 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, plus the Township can match up to 2.50% of the employee's contribution.

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

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

The Township's total payroll in 2016 was \$4,477,245. Contributions were calculated using the base salary amount of \$3,844,092. The Township made the required 10% contribution total \$384,409.

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 \$4,139. The deferred compensation is only available to the employees upon retirement, termination, becoming permanently disabled, or death.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS

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

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

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Township. Retirees receiving benefits contribute to the cost of the premiums based on the number of years of service. The Township’s share of costs ranges from 75% to 100% of the monthly premiums, based on years of service. The Township will provide 100% of life insurance. The Township is also required to contribute at a rate that is based on an actuarial valuation that is prepared in accordance within certain parameters, in addition to a pay-as-you-go basis for retiree health care cost. The Township contributed \$125,475 for their portion of shared costs with retiree’s premiums. At August 31, 2013, the date of the latest actuarial valuation, participants in the Plan consisted of:

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

Funding progress. For the year ended December 31, 2016 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 \$611,521 in the year ended December 31, 2016 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, 2016 was \$3,399,746.

Annual required contribution (recommended)	\$ 611,521
Amounts contributed:	
Payments of current expenses	<u>(611,521)</u>
Change in net OPEB obligation	-
OPEB obligation:	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Concluded)

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

Year ending December 31,	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
2014	\$ 629,129	100.0%	\$ -
2015	618,464	100.0%	-
2016	611,521	100.0%	-

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

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

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

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

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

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The Township and its component units are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township and its component units carry commercial insurance to cover any losses that may result from the above described activities. No settlements have incurred in excess of coverage in 2016 or any of the prior three years.

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

NOTE 12 - NATURE AND PURPOSE OF RESTRICTIONS OF NET POSITION

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

NOTE 13 - BUILDING DEPARTMENT

The Township records the results of building department operations in the general fund. In accordance with Michigan Public Act 245 of 1999, the Township is required to maintain an accounting system that separately accumulates revenues and expenditures related to the building department function. For the year ended December 31, 2016, activity in the building department is as follows:

Building department deficit at January 1, 2016	<u>\$ (299,538)</u>
Revenues:	
Trade permits	<u>702,877</u>
Expenditures:	
Salaries and benefits	257,909
Supplies and other	89,084
Allocation of building costs	<u>15,870</u>
	<u>362,863</u>
Building department surplus at December 31, 2016	<u><u>\$ 40,476</u></u>

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

NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

NOTE 15 - TAX ABATEMENTS

Industrial Facilities Tax (IFT)

The Township entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Tax Exemption (IFT) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. The IFT on new plant and new industrial property is computed at 50% of the taxes levied. The Township can elect to freeze the taxable values for rehabilitation properties. The Township can recoup the taxes abated if the terms of the contract are not met.

For the year ended December 31, 2016, the Township abated property tax revenue for general operations and emergency services totaling \$13,558 under this program. This amount does not include the portion of the Township's IFT captured by the Downtown Development Authority, a component unit, which amounted to \$20,035.

For the year ended December 31, 2016, the Downtown Development Authority abated property tax revenue for general operations totaling \$96,334 under this program. This amount includes the portion of the IFT captured from the Township.

Payment In Lieu of Taxes – PILOT

Under the provisions of the State Housing Development Authority Act 346 of 1966, as amended, the Township has agreements with four tax exempt properties in which they pay a service fee in return for supplying public services. The Act applies to multiple unit housing for citizens of low income and the elderly. A taxable value was estimated for each property, and the service fee paid was subtracted from a calculated tax based on those estimates. The total tax abatements for the Township are \$87,332.

There are no significant abatements made by other governments that reduce the Township's tax revenues.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 16 - UPCOMING ACCOUNTING PRONOUNCEMENT

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

REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 3,056,000	\$ 3,172,200	\$ 3,180,069	\$ 7,869
Grants and revenue sharing	2,171,000	2,023,440	2,083,853	60,413
Intergovernmental	140,900	140,900	140,471	(429)
Licenses and permits	228,600	763,740	782,673	18,933
Charges for services	1,436,500	1,394,680	1,381,437	(13,243)
Franchise fees	478,250	515,350	515,564	214
Fines and forfeitures	18,000	17,810	17,807	(3)
Interest and rentals	20,740	28,740	336,188	307,448
Other	475,570	489,170	492,249	3,079
Total revenues	<u>8,025,560</u>	<u>8,546,030</u>	<u>8,930,311</u>	<u>384,281</u>
EXPENDITURES:				
Current:				
General government:				
Legislative - Board of Trustees	101,980	107,010	102,561	4,449
Manager	343,430	340,590	337,206	3,384
Accounting	144,210	144,030	134,839	9,191
Clerk	325,260	320,420	315,835	4,585
Information technology	260,390	206,870	185,991	20,879
Treasurer	265,900	265,390	256,732	8,658
Assessing	417,290	330,760	326,048	4,712
Elections	89,430	134,730	134,286	444
Building and grounds	579,690	587,810	581,431	6,379
Total general government	<u>2,527,580</u>	<u>2,437,610</u>	<u>2,374,929</u>	<u>62,681</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Concluded)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXPENDITURES (Concluded):				
Current (Concluded):				
Public works	\$ 1,043,030	\$ 944,630	\$ 795,100	\$ 149,530
Community and economic development	732,180	847,370	796,021	51,349
Recreation and culture:				
Parks administration	269,700	250,890	247,651	3,239
Parks	513,380	536,440	522,001	14,439
Recreation	65,780	74,540	68,130	6,410
Total recreation and culture	848,860	861,870	837,782	24,088
Other	519,500	579,800	563,166	16,634
Debt service:				
Principal	439,850	332,840	330,322	2,518
Interest	25,620	154,970	143,376	11,594
Total debt service	465,470	487,810	473,698	14,112
Capital outlay	713,240	2,121,450	1,458,923	662,527
Total expenditures	6,849,860	8,280,540	7,299,619	980,921
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,175,700	265,490	1,630,692	1,365,202
OTHER FINANCING SOURCES (USES):				
Proceeds from the sale of capital assets	99,850	17,550	-	(17,550)
Proceeds from installment purchase agreement	-	2,780,800	2,613,930	(166,870)
Transfers in	-	-	216,961	216,961
Transfers in (out)	(2,624,170)	(2,624,780)	(2,466,054)	158,726
Total other financing sources (uses)	(2,524,320)	173,570	364,837	191,267
Net change in fund balance	(1,348,620)	439,060	1,995,529	1,556,469
FUND BALANCE:				
Beginning of year	6,777,530	6,777,530	6,777,530	-
End of year	\$ 5,428,910	\$ 7,216,590	\$ 8,773,059	\$ 1,556,469

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2016**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,060,700	\$ 1,072,500	\$ 1,073,207	\$ 707
Grants and revenue sharing	38,400	33,950	39,162	5,212
Other	17,000	1,900	2,137	237
Total revenues	<u>1,116,100</u>	<u>1,108,350</u>	<u>1,114,506</u>	<u>6,156</u>
EXPENDITURES:				
Current:				
Public safety	2,238,650	2,200,210	2,109,830	90,380
Capital outlay	20,000	57,700	17,361	40,339
Total expenditures	<u>2,258,650</u>	<u>2,257,910</u>	<u>2,127,191</u>	<u>130,719</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,142,550)</u>	<u>(1,149,560)</u>	<u>(1,012,685)</u>	<u>136,875</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,142,550	1,149,560	992,921	(156,639)
Net change in fund balance	-	-	(19,764)	(19,764)
FUND BALANCE:				
Beginning of year	<u>54,975</u>	<u>54,975</u>	<u>54,975</u>	<u>-</u>
End of year	<u><u>\$ 54,975</u></u>	<u><u>\$ 54,975</u></u>	<u><u>\$ 35,211</u></u>	<u><u>\$ (19,764)</u></u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2016**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,060,700	\$ 1,072,500	\$ 1,073,207	\$ 707
Fines and forfeitures	55,000	48,000	49,218	1,218
Total revenues	<u>1,115,700</u>	<u>1,120,500</u>	<u>1,122,425</u>	<u>1,925</u>
EXPENDITURES:				
Current:				
Public safety	2,597,320	2,595,720	2,595,558	162
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,481,620)</u>	<u>(1,475,220)</u>	<u>(1,473,133)</u>	<u>2,087</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,481,620	1,475,220	1,473,133	(2,087)
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, 2016**

The historical information required to be disclosed 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
12/31/2014	August 31, 2013	\$ 629,129	629,129	100.0%	\$ -
12/31/2015	August 31, 2013	618,464	618,464	100.0%	-
12/31/2016	August 31, 2013	611,521	611,521	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, 2016**

	Special revenue	Capital Projects	Total nonmajor governmental funds
ASSETS:			
Cash and cash equivalents	\$ 180,266	\$ -	\$ 180,266
Investments	203,951	-	203,951
Taxes receivable	1,779	-	1,779
Special assessments receivable	13,832	-	13,832
TOTAL ASSETS	\$ 399,828	\$ -	\$ 399,828
LIABILITIES:			
Accounts payable	\$ 2,560	\$ -	\$ 2,560
TOTAL LIABILITIES	2,560	-	2,560
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - special assessments	13,832	-	13,832
TOTAL DEFERRED INFLOWS OF RESOURCES	13,832	-	13,832
FUND BALANCES:			
Committed:			
For water improvement	334,256	-	334,256
Assigned for subsequent year expenditures	49,180	-	49,180
TOTAL FUND BALANCES	383,436	-	383,436
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 399,828	\$ -	\$ 399,828

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016**

	Special revenue	Capital Projects	Total nonmajor governmental funds
REVENUES:			
Taxes	\$ 361	\$ -	\$ 361
Grants and revenue sharing	-	37,970	37,970
Charges for services	142,250	-	142,250
Interest and rentals	1,234	-	1,234
Other	1,778	-	1,778
	<u>145,623</u>	<u>37,970</u>	<u>183,593</u>
EXPENDITURES:			
Current:			
Public safety	92,614	-	92,614
Public works	4,904	-	4,904
Debt service:			
Principal	62,438	-	62,438
Interest	19,482	-	19,482
Capital outlay	186,017	38	186,055
	<u>365,455</u>	<u>38</u>	<u>365,493</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES			
	<u>(219,832)</u>	<u>37,932</u>	<u>(181,900)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from the issuance of bonds	414,585	-	414,585
Payments to escrow agent	(409,341)	-	(409,341)
Transfers out	-	(216,961)	(216,961)
	<u>5,244</u>	<u>(216,961)</u>	<u>(211,717)</u>
Net change in fund balances	(214,588)	(179,029)	(393,617)
FUND BALANCES:			
Beginning of year	598,024	179,029	777,053
End of year	<u>\$ 383,436</u>	<u>\$ -</u>	<u>\$ 383,436</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)**

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2016	2015
ASSETS:				
Cash and cash equivalents	\$ 180,266	\$ -	\$ 180,266	\$ 408,662
Investments	203,951	-	203,951	202,772
Taxes receivable	1,779	-	1,779	1,744
Special assessments receivable	13,832	-	13,832	14,867
TOTAL ASSETS	\$ 399,828	\$ -	\$ 399,828	\$ 628,045
LIABILITIES:				
Accounts payable	\$ 2,560	\$ -	\$ 2,560	\$ 15,154
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	-	-	-	-
Unavailable revenue - special assessments	13,832	-	13,832	14,867
TOTAL DEFERRED INFLOWS OF RESOURCES	13,832	-	13,832	14,867
FUND BALANCES:				
Restricted:				
Fire equipment, training and apparatus	-	-	-	191,565
Committed:				
For water improvement	334,256	-	334,256	266,839
Assigned for subsequent year expenditures	49,180	-	49,180	139,620
TOTAL FUND BALANCES	383,436	-	383,436	598,024
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 399,828	\$ -	\$ 399,828	\$ 628,045

CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2016
(with comparative totals for the year ended December 31, 2015)

	Water improvement fund	Fire equipment, training and apparatus fund	Totals	
			2016	2015
REVENUES:				
Taxes	\$ -	\$ 361	\$ 361	\$ 347,983
Charges for services	142,250	-	142,250	60,686
Interest and rentals	1,179	55	1,234	833
Other	1,778	-	1,778	2,044
Total revenues	145,207	416	145,623	411,546
EXPENDITURES:				
Current:				
Public safety	-	92,614	92,614	317,031
Public works	4,904	-	4,904	2,365
Debt service:				
Principal	62,438	-	62,438	61,605
Interest	19,482	-	19,482	15,462
Capital outlay	-	186,017	186,017	21,544
Total expenditures	86,824	278,631	365,455	418,007
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	58,383	(278,215)	(219,832)	(6,461)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	6,850
Proceeds from the issuance of bonds	414,585	-	414,585	-
Payments to escrow agent	(409,341)	-	(409,341)	-
Total other financing sources (uses)	5,244	-	5,244	6,850
Net change in fund balances	63,627	(278,215)	(214,588)	389
FUND BALANCES:				
Beginning of year	319,809	278,215	598,024	597,635
End of year	\$ 383,436	\$ -	\$ 383,436	\$ 598,024

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**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2016**

	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	\$ -	\$ -	\$ -	\$ 530	\$ 361	\$ (169)
Charges for services	142,250	142,250	-	-	-	-
Interest and rentals	1,000	1,179	179	50	55	5
Other	1,770	1,778	8	-	-	-
Total revenues	145,020	145,207	187	580	416	(164)
EXPENDITURES:						
Current:						
Public safety	-	-	-	92,775	92,614	161
Public works	44,580	4,904	39,676	-	-	-
Debt service:						
Principal	62,440	62,438	2	-	-	-
Interest	13,190	19,482	(6,292)	-	-	-
Capital outlay	-	-	-	186,020	186,017	3
Total expenditures	120,210	86,824	33,386	278,795	278,631	164

	<u>Water Improvement Fund</u>			<u>Fire Equipment, Training and Apparatus Fund</u>		
	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 24,810</u>	<u>\$ 58,383</u>	<u>\$ 33,573</u>	<u>\$ (278,215)</u>	<u>\$ (278,215)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):						
Proceeds from the issuance of bonds	414,580	414,585	5			
Payments to escrow agent	<u>(415,810)</u>	<u>(409,341)</u>	<u>6,469</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,230)</u>	<u>5,244</u>	<u>6,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	23,580	63,627	40,047	(278,215)	(278,215)	-
FUND BALANCES:						
Beginning of year	<u>319,809</u>	<u>319,809</u>	<u>-</u>	<u>278,215</u>	<u>278,215</u>	<u>-</u>
End of year	<u><u>\$ 343,389</u></u>	<u><u>\$ 383,436</u></u>	<u><u>\$ 40,047</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2016
(with comparative totals for December 31, 2015)

	Trust and Agency	Tax collection fund	Totals	
			2016	2015
ASSETS:				
Cash and cash equivalents	\$ 42,379	\$ 16,534,270	\$ 16,576,649	\$ 16,460,987
Taxes receivable	283,599	14,601,030	14,884,629	14,775,738
TOTAL ASSETS	\$ 325,978	\$ 31,135,300	\$ 31,461,278	\$ 31,236,725
LIABILITIES:				
Due to other governments	\$ -	\$ 31,135,300	\$ 31,135,300	\$ 30,932,050
Undistributed receipts	325,978	-	325,978	304,675
TOTAL LIABILITIES	\$ 325,978	\$ 31,135,300	\$ 31,461,278	\$ 31,236,725

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2016

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Trust and Agency				
Assets:				
Cash and cash equivalents	\$ 44,624	\$ 2,318,195	\$ 2,320,440	\$ 42,379
Taxes receivable	260,051	117,239	93,691	283,599
	<u>\$ 304,675</u>	<u>\$ 2,435,434</u>	<u>\$ 2,414,131</u>	<u>\$ 325,978</u>
Liabilities:				
Undistributed receipts	\$ 304,675	\$ 1,119,388	\$ 1,098,085	\$ 325,978
Current Tax				
Assets:				
Cash and cash equivalents	\$ 16,416,363	\$ 40,070,151	\$ 39,952,244	\$ 16,534,270
Taxes receivable	14,515,687	40,934,977	40,849,634	14,601,030
	<u>\$ 30,932,050</u>	<u>\$ 81,005,128</u>	<u>\$ 80,801,878</u>	<u>\$ 31,135,300</u>
Liabilities:				
Due to other governments	\$ 30,932,050	\$ 45,126,900	\$ 44,923,650	\$ 31,135,300
Totals				
Assets:				
Cash and cash equivalents	\$ 16,460,987	\$ 42,388,346	\$ 42,272,684	\$ 16,576,649
Taxes receivable	14,775,738	41,052,216	40,943,325	14,884,629
	<u>\$ 31,236,725</u>	<u>\$ 83,440,562</u>	<u>\$ 83,216,009</u>	<u>\$ 31,461,278</u>
Liabilities:				
Undistributed receipts	\$ 304,675	\$ 1,119,388	\$ 1,098,085	\$ 325,978
Due to other governments	30,932,050	45,126,900	44,923,650	31,135,300
	<u>\$ 31,236,725</u>	<u>\$ 46,246,288</u>	<u>\$ 46,021,735</u>	<u>\$ 31,461,278</u>

**CHARTER TOWNSHIP OF DELHI
LOCAL SITE REMEDIATION REVOLVING FUND COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Governmental fund balance sheet		Statement of net position
	Local site remediation fund	Adjustments	
ASSETS:			
Cash and cash equivalents	\$ 281,258	\$ -	\$ 281,258
Taxes receivable	198,163	-	198,163
Total assets	\$ 479,421	-	479,421
LIABILITIES:			
Accounts payable	\$ 36,870	-	36,870
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	155,348	-	155,348
FUND BALANCES:			
Unassigned	61,184	(61,184)	-
Restricted	226,019	(226,019)	-
Total fund balances	287,203	(287,203)	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 479,421		
NET POSITION:			
Unrestricted		287,203	287,203
Total net position		\$ 287,203	\$ 287,203

**CHARTER TOWNSHIP OF DELHI
LOCAL SITE REMEDIATION REVOLVING FUND COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

	Governmental funds revenues, expenditures and changes in fund balances		
	Local site remediation fund	Adjustments	Statement of activities
REVENUES:			
Property taxes	\$ 198,581	\$ -	\$ 198,581
EXPENDITURES/EXPENSES:			
Community and economic development	137,397	-	137,397
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	61,184	-	61,184
Changes in fund balances / net position	61,184	-	61,184
FUND BALANCES/NET POSITION:			
Beginning of year	226,019	-	226,019
End of year	<u>\$ 287,203</u>	<u>\$ -</u>	<u>\$ 287,203</u>

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	<u>Governmental funds balance sheet</u>				
	Downtown Development General Operating	2008 Bond Debt Retirement	Total	Adjustments	Statement of Net Position
ASSETS:					
Cash and cash equivalents	\$ 4,056,648	\$ -	\$ 4,056,648	\$ -	\$ 4,056,648
Taxes receivable	2,668,728	-	2,668,728	-	2,668,728
Other receivables	2,181	-	2,181	-	2,181
Prepays	704	-	704	2	706
Capital assets not being depreciated	-	-	-	4,476,276	4,476,276
Capital assets being depreciated, net	-	-	-	3,956,380	3,956,380
TOTAL ASSETS	\$ 6,728,261	\$ -	\$ 6,728,261	8,432,658	15,160,919
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	-	-	-	276,974	276,974
LIABILITIES:					
Accounts payable	\$ 18,356	\$ -	\$ 18,356	-	18,356
Accrued liabilities	6,438	-	6,438	-	6,438
Interest payable	-	-	-	59,869	59,869
Due to other governments	1,821,577	-	1,821,577	-	1,821,577
Due to primary government	424,550	-	424,550	-	424,550
Long-term liabilities:					
Due within one year	-	-	-	707,375	707,375
Due in more than one year	-	-	-	6,612,866	6,612,866
TOTAL LIABILITIES	2,270,921	-	2,270,921	7,380,110	9,651,031

Governmental funds balance sheet

	Downtown Development General Operating	2008 Bond Debt Retirement	Total	Adjustments	Statement of Net Position
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	\$ 1,077,010	\$ -	\$ 1,077,010	\$ -	\$ 1,077,010
FUND BALANCES:					
Nonspendable:					
Prepays	704	-	704	(704)	-
Unassigned	3,379,626	-	3,379,626	(3,379,626)	-
TOTAL FUND BALANCES	3,380,330	-	3,380,330	(3,380,330)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,728,261	\$ -	\$ 6,728,261		
NET POSITION:					
Net investment in capital assets				1,389,389	1,389,389
Unrestricted				3,320,465	3,320,463
Total net position				\$ 4,709,852	\$ 4,709,852

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
DECEMBER 31, 2016**

	Governmental funds revenues, expenditures and changes in fund balances				
	Downtown Development General Operating	2008 Bond Debt Retirement	Total	Adjustments	Statement of Activities
REVENUES:					
Property taxes	\$ 1,533,141	\$ -	\$ 1,533,141	\$ -	\$ 1,533,141
Grants	46,825	-	46,825	-	46,825
Other	21,979	-	21,979	-	21,979
Interest and rentals	332,508	-	332,508	-	332,508
Total revenues	<u>1,934,453</u>	<u>-</u>	<u>1,934,453</u>	<u>-</u>	<u>1,934,453</u>
EXPENDITURES/EXPENSES:					
Current:					
Community and economic development	468,124	-	468,124	350,599	818,723
Debt service:					
Principal	149,863	539,880	689,743	(689,743)	-
Interest	101,217	238,807	340,024	18,324	358,348
Capital outlay	427,063	-	427,063	(427,063)	-
Loss on disposal of property	-	-	-	285,232	285,232
Total expenditures/expenses	<u>1,146,267</u>	<u>778,687</u>	<u>1,924,954</u>	<u>(462,651)</u>	<u>1,462,303</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>788,186</u>	<u>(778,687)</u>	<u>9,499</u>	<u>462,651</u>	<u>472,150</u>

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

	Downtown Development General Operating	2008 Bond Debt Retirement	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of bonds	\$ 5,998,998	\$ -	\$ 5,998,998	\$ (5,998,998)	\$ -
Payment to escrow agent	(4,483,537)	-	(4,483,537)	4,483,537	-
Transfers in	-	778,687	778,687	(778,687)	-
Transfers out	(778,687)	-	(778,687)	778,687	-
Total other financing sources (uses)	<u>736,774</u>	<u>778,687</u>	<u>1,515,461</u>	<u>(1,515,461)</u>	<u>-</u>
Net change in fund balances/net position	1,524,960	-	1,524,960	(1,052,810)	472,150
FUND BALANCES/NET POSITION:					
Beginning of year	<u>1,855,370</u>	<u>-</u>	<u>1,855,370</u>	<u>2,382,332</u>	<u>4,237,702</u>
End of year	<u>\$ 3,380,330</u>	<u>\$ -</u>	<u>\$ 3,380,330</u>	<u>\$ 1,329,522</u>	<u>\$ 4,709,852</u>

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
BALANCE SHEETS
DECEMBER 31, 2016 AND 2015**

	2016	2015
ASSETS:		
Cash and cash equivalents	\$ 5,453,136	\$ 5,304,462
Investments	1,338,709	1,210,861
Receivables:		
Taxes	2,906,928	2,891,228
Special assessments	354,199	239,107
Other	278,892	235,419
Due from component unit	424,550	453,540
Prepays	39,226	64,550
Restricted cash and cash equivalents - capital projects	1,739,736	-
	TOTAL ASSETS	\$ 10,399,167
	\$ 12,535,376	\$ 10,399,167
LIABILITIES:		
Accounts payable	\$ 504,962	\$ 439,373
Accrued liabilities	38,511	29,736
Unearned revenue	2,079	72,006
	TOTAL LIABILITIES	541,115
	545,552	541,115
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	2,779,551	2,750,993
Unavailable revenue - ambulance fees	83,014	90,420
Unavailable revenue - special assessments	354,200	239,109
	TOTAL DEFERRED INFLOWS OF RESOURCES	3,080,522
	3,216,765	3,080,522
FUND BALANCE:		
Nonspendable:		
Prepays	39,226	64,550
Restricted:		
For neighborhood stabilization plan	7,160	15,532
For building department	40,476	-
For capital projects	1,956,698	-
Committed:		
Disaster contingency fund	10,000	10,000
Assigned for subsequent year expenditures	3,649,070	1,348,620
Unassigned	3,070,429	5,338,828
	TOTAL FUND BALANCE	6,777,530
	8,773,059	6,777,530
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 12,535,376	\$ 10,399,167

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
REVENUES:		
Taxes	\$ 3,180,069	\$ 2,978,812
Grants and revenue sharing	2,083,853	2,046,677
Intergovernmental	140,471	143,493
Licenses and permits	782,673	505,784
Charges for services	1,381,437	1,556,182
Franchise fees	515,564	494,517
Fines and forfeitures	17,807	22,616
Interest and rentals	336,188	24,466
Other	492,249	496,534
	8,930,311	8,269,081
Total revenues		
EXPENDITURES:		
Current:		
General government:		
Legislative - Board of Trustees	102,561	103,882
Manager	337,206	330,417
Accounting	134,839	133,457
Clerk	315,835	263,704
Information technology	185,991	207,648
Treasurer	256,732	248,533
Assessing	326,048	372,310
Elections	134,286	34,472
Building and grounds	581,431	426,497
Cemetery	-	104,753
	2,374,929	2,225,673
Total general government		

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Concluded)
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
EXPENDITURES (Concluded):		
Current (Concluded):		
Public works	\$ 795,100	\$ 667,510
Community and economic development	796,021	604,369
Recreation and culture	837,782	707,045
Other	563,166	486,476
Debt service	473,698	332,789
Capital outlay	1,458,923	560,691
Total expenditures	7,299,619	5,584,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,630,692	2,684,528
OTHER FINANCING SOURCES (USES):		
Proceeds from the sale of capital assets	-	3,145
Proceeds from installment purchase agreement	2,613,930	-
Transfers in	216,961	-
Transfers out	(2,466,054)	(2,074,134)
Total other financing sources (uses)	364,837	(2,070,989)
Net change in fund balance	1,995,529	613,539
FUND BALANCE:		
Beginning of year	6,777,530	6,163,991
End of year	\$ 8,773,059	\$ 6,777,530

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**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2016 AND 2015**

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,083,286	\$ 1,827,504
Investments	228,647	225,516
Receivables:		
Special assessments	385,749	400,929
Other	1,184,247	1,165,935
Prepays	29,288	65,854
Restricted cash and cash equivalents - capital projects	978,596	-
	5,889,813	3,685,738
NONCURRENT ASSETS:		
Restricted cash, cash equivalents and investments:		
Debt service cash and cash equivalents	439,913	441,956
Replacement cash and cash equivalents	1,104,356	898,322
Replacement investments	666,466	663,375
Property, plant and equipment not being depreciated	1,621,715	1,225,338
Property, plant and equipment net of accumulated depreciation	44,529,508	46,268,513
	48,361,958	49,497,504
	54,251,771	53,183,242
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge on refunding	52,770	-

LIABILITIES AND NET POSITION	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 199,279	\$ 241,357
Accrued liabilities	155,766	166,053
Interest payable	109,484	113,172
Escrow payable	11,126	20,056
Current portion of long-term debt	<u>1,458,025</u>	<u>1,342,682</u>
TOTAL CURRENT LIABILITIES	1,933,680	1,883,320
LONG-TERM LIABILITIES , net of current portion:		
Due in more than one year	<u>17,342,485</u>	<u>17,244,774</u>
TOTAL LIABILITIES	<u>19,276,165</u>	<u>19,128,094</u>
NET POSITION:		
Net investment in capital assets	28,382,079	28,906,395
Restricted for:		
Replacement	1,770,822	1,561,697
Debt service	439,913	441,956
Unrestricted	<u>4,435,562</u>	<u>3,145,100</u>
TOTAL NET POSITION	<u><u>\$ 35,028,376</u></u>	<u><u>\$ 34,055,148</u></u>

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
OPERATING REVENUES:		
Charges for services	\$ 6,002,167	\$ 5,691,531
Permits and fees	815,792	228,630
State grant	369,978	543,905
Other operating revenue	147,442	213,146
Total operating revenues	7,335,379	6,677,212
OPERATING EXPENSES:		
Costs of sales and services	3,651,067	3,775,585
Depreciation	2,467,984	2,470,310
Total operating expenses	6,119,051	6,245,895
Operating income	1,216,328	431,317
NON-OPERATING REVENUES (EXPENSES):		
Interest and rentals	23,415	19,575
Amortization of bond discount	(5,904)	(3,976)
Bond issuance cost	(29,062)	-
Interest expense	(417,057)	(439,671)
Total non-operating revenues (expenses)	(428,608)	(424,072)
Net income before capital contributions and transfers	787,720	7,245
CAPITAL CONTRIBUTIONS	185,508	-
Change in net position	973,228	7,245
NET POSITION:		
Beginning of year	34,055,148	34,047,903
End of year	\$ 35,028,376	\$ 34,055,148

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash flows from operating activities:		
Cash received from customers	\$ 7,332,247	\$ 6,817,544
Cash payments to suppliers for goods and services	(2,185,933)	(2,575,209)
Cash payments to employees for services	(1,433,915)	(1,353,172)
Net cash provided by operating activities	3,712,399	2,889,163
Cash flows from capital and related financing activities:		
Purchase of capital assets	(995,796)	(743,475)
Deferred loss on refunding	(52,770)	-
Proceeds from bonds	4,046,752	-
Interest payments, bond issuance costs and amortization	(455,711)	(445,827)
Principal payments	(3,833,698)	(1,310,008)
Net cash used by capital and related financing activities	(1,291,223)	(2,499,310)
Cash flows from investing activities:		
Proceeds (purchases) from maturities of investments	(6,222)	1,127
Interest and rental earnings	23,415	19,574
Net cash provided by investing activities	17,193	20,701
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,438,369	410,554
CASH AND CASH EQUIVALENTS:		
Beginning of year	3,167,782	2,757,228
End of year	\$ 5,606,151	\$ 3,167,782
Statement of net position classification of cash and cash equivalents:		
Cash and cash equivalents	\$ 3,161,210	\$ 1,827,504
Restricted cash and cash equivalents	2,444,941	1,340,278
	\$ 5,606,151	\$ 3,167,782

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016	2015
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income	\$ 1,216,328	\$ 431,317
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	2,467,984	2,470,310
Loss on disposal of capital assets	55,948	14,090
(Increase) decrease in assets:		
Special assessments receivable	15,180	54,868
Other receivables	(18,312)	85,464
Prepaid expenses	36,566	(41,961)
Increase (decrease) in liabilities:		
Accounts payable	(42,078)	(167,638)
Accrued liabilities	(10,287)	22,657
Retainage payable	(8,930)	20,056
Total adjustments	2,496,071	2,457,846
Net cash provided by operating activities	\$ 3,712,399	\$ 2,889,163

**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									
	2007	2008	2009	2010	2011	2012*	2013	2014	2015	2016
Governmental activities										
Net Investment in capital assets	\$ 4,298,842	\$ 5,141,128	\$ 8,580,733	\$ 9,359,465	\$ 9,506,445	\$ 9,338,276	\$ 9,240,592	\$ 11,382,486	\$ 12,271,559	\$ 12,530,200
Restricted	1,845,176	82,188	59,126	5,624	321,446	360,521	221,139	109,406	207,097	47,636
Unrestricted	3,388,481	4,039,122	2,655,541	2,590,604	4,046,689	5,495,044	6,435,260	6,814,859	7,224,616	7,427,059
Total governmental activities net assets	\$ 9,532,499	\$ 9,262,438	\$ 11,295,400	\$ 11,955,693	\$ 13,874,580	\$ 15,193,841	\$ 15,896,991	\$ 18,306,751	\$ 19,703,272	\$ 20,004,895
Business-type activities										
Net Investment in capital assets	\$ 32,052,918	\$ 33,175,333	\$ 32,927,591	\$ 32,029,945	\$ 31,909,548	\$ 30,925,575	\$ 29,992,625	\$ 29,341,287	\$ 28,906,395	\$ 28,382,079
Restricted	3,439,345	2,618,428	2,841,822	2,001,776	2,131,149	1,986,773	1,607,237	1,818,393	2,003,653	2,210,735
Unrestricted	3,376,243	2,799,900	1,824,266	2,459,230	1,526,359	1,567,896	2,204,402	2,888,223	3,145,100	4,435,562
Total business-type activities net assets	\$ 38,868,506	\$ 38,593,661	\$ 37,593,679	\$ 36,490,951	\$ 35,567,056	\$ 34,480,244	\$ 33,804,264	\$ 34,047,903	\$ 34,055,148	\$ 35,028,376
Primary government										
Net Investment in capital assets	\$ 36,351,760	\$ 38,316,461	\$ 41,508,324	\$ 41,389,410	\$ 41,415,993	\$ 40,263,851	\$ 39,233,217	\$ 40,723,773	\$ 41,177,954	\$ 40,912,279
Restricted	5,284,521	2,700,616	2,900,948	2,007,400	2,452,595	2,347,294	1,828,376	1,927,799	2,210,750	2,258,371
Unrestricted	6,764,724	6,839,022	4,479,807	5,049,834	5,573,048	7,062,940	8,639,662	9,703,082	10,369,716	11,862,621
Total primary government net assets	\$ 48,401,005	\$ 47,856,099	\$ 48,889,079	\$ 48,446,644	\$ 49,441,636	\$ 49,674,085	\$ 49,701,255	\$ 52,354,654	\$ 53,758,420	\$ 55,033,271

* 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General governmental	\$ 2,310,105	\$ 2,327,244	\$ 2,162,616	\$ 2,286,907	\$ 2,087,161	\$ 2,219,150	\$ 2,146,777	\$ 2,640,347	\$ 2,522,117	\$ 2,634,759
Public Safety	4,083,262	4,346,453	4,503,054	4,309,039	4,430,295	4,667,246	4,733,732	4,861,571	5,093,843	5,150,293
Public Works	467,234	797,885	1,214,437	633,727	702,533	816,169	1,028,423	1,434,952	1,338,862	1,014,184
Community development	-	-	-	652,920	613,856	557,885	604,597	575,816	598,818	768,857
Recreation & culture	823,026	847,934	918,737	952,510	935,756	944,672	916,303	985,792	545,141	1,189,328
Other governmental activities	16,410	-	-	-	-	-	-	-	-	-
Interest on long-term debt	103,955	91,009	76,276	60,120	44,561	27,004	44,517	66,406	44,405	65,643
Total governmental activities	<u>7,803,992</u>	<u>8,410,525</u>	<u>8,875,120</u>	<u>8,895,223</u>	<u>8,814,162</u>	<u>9,232,126</u>	<u>9,474,349</u>	<u>10,564,884</u>	<u>10,143,186</u>	<u>10,823,064</u>
Business-type activities:										
Sewer	5,493,927	5,700,904	6,114,406	6,209,025	6,161,026	6,346,950	5,987,572	6,167,726	6,694,003	6,571,074
Community Development	698,192	686,645	661,871	-	-	-	-	-	-	-
Total business-type activities	<u>6,192,119</u>	<u>6,387,549</u>	<u>6,776,277</u>	<u>6,209,025</u>	<u>6,161,026</u>	<u>6,346,950</u>	<u>5,987,572</u>	<u>6,167,726</u>	<u>6,694,003</u>	<u>6,571,074</u>
Total primary government expenses	<u>\$ 13,996,111</u>	<u>\$ 14,798,074</u>	<u>\$ 15,651,397</u>	<u>\$ 15,104,248</u>	<u>\$ 14,975,188</u>	<u>\$ 15,579,076</u>	<u>\$ 15,461,921</u>	<u>\$ 16,732,610</u>	<u>\$ 16,837,189</u>	<u>\$ 17,394,138</u>
Program revenues										
Charges for services:										
General government	\$ 813,504	\$ 892,589	\$ 902,289	\$ 907,325	\$ 946,334	\$ 929,505	\$ 83,918	\$ 85,102	\$ 126,180	\$ 425,246
Public safety	590,840	677,948	648,678	739,988	800,662	867,842	808,024	876,863	915,315	773,277
Public works	-	-	-	345,410	346,808	333,912	327,757	666,419	382,656	565,710
Community development	-	-	-	351,602	380,862	322,069	380,729	420,521	613,318	907,186
Recreation and culture	152,570	134,870	133,835	109,304	103,555	128,332	85,616	65,277	68,178	55,920
Operating grants and contributions	217,929	155,846	97,136	168,765	422,216	478,110	510,414	656,031	571,146	234,361
Capital grants and contributions	258,803	421,038	3,396,484	271,422	109,207	217,544	51,017	2,003,455	704,259	65,087
Total governmental activities program revenues	<u>2,033,646</u>	<u>2,282,291</u>	<u>5,178,422</u>	<u>2,893,816</u>	<u>3,109,644</u>	<u>3,277,314</u>	<u>2,247,475</u>	<u>4,773,668</u>	<u>3,381,052</u>	<u>3,026,787</u>
Business-type activities:										
Charges for services:										
Sewer	5,010,784	4,802,468	4,866,048	5,042,106	5,116,198	5,282,019	5,303,826	5,898,351	6,080,205	6,899,241
Community development	412,815	280,151	322,203	-	-	-	-	-	-	-
Operating grants and contributions	493,867	389,390	309,131	30,109	10,069	-	-	420,011	606,298	369,978
Capital grants and contributions	322,539	401,403	145,768	46,604	31,475	-	-	64,800	-	185,508
Total business-type activities program revenues	<u>6,240,005</u>	<u>5,873,412</u>	<u>5,643,150</u>	<u>5,118,819</u>	<u>5,157,742</u>	<u>5,282,019</u>	<u>5,303,826</u>	<u>6,383,162</u>	<u>6,686,503</u>	<u>7,454,727</u>
Total primary government program revenues	<u>\$ 8,273,651</u>	<u>\$ 8,155,703</u>	<u>\$ 10,821,572</u>	<u>\$ 8,012,635</u>	<u>\$ 8,267,386</u>	<u>\$ 8,559,333</u>	<u>\$ 7,551,301</u>	<u>\$ 11,156,830</u>	<u>\$ 10,067,555</u>	<u>\$ 10,481,514</u>
Net (Expense)/Revenue										
Governmental activities	(5,770,346)	(6,128,234)	(3,696,698)	(6,001,407)	(5,704,518)	(5,954,812)	(7,226,874)	(5,791,216)	(6,762,134)	(7,796,277)
Business-type activities	47,886	(514,137)	(1,133,127)	(1,090,206)	(1,003,284)	(1,064,931)	(683,746)	215,436	(7,500)	883,653
Total primary government net expense	<u>\$ (5,722,460)</u>	<u>\$ (6,642,371)</u>	<u>\$ (4,829,825)</u>	<u>\$ (7,091,613)</u>	<u>\$ (6,707,802)</u>	<u>\$ (7,019,743)</u>	<u>\$ (7,910,620)</u>	<u>\$ (5,575,780)</u>	<u>\$ (6,769,634)</u>	<u>\$ (6,912,624)</u>

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

Schedule 2
Unaudited

	Fiscal Year Ended									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Property taxes	\$ 3,482,728	\$ 3,631,229	\$ 3,726,355	\$ 3,642,755	\$ 5,393,489	\$ 5,131,573	\$ 5,311,408	\$ 5,350,366	\$ 5,414,764	\$ 5,326,844
State shared revenues	1,765,856	1,762,721	1,553,811	1,474,950	1,888,513	1,913,989	1,978,618	2,026,020	2,031,646	2,055,703
Grants & contributions not restricted to specific programs	536,536	545,943	505,290	558,432	324,964	226,239	192,934	365,077	316,893	211,446
Unrestricted investment earnings	306,428	179,694	77,351	36,518	16,439	9,694	3,650	5,721	7,102	16,097
Gain (loss) on sale of capital assets	162,393	(26,128)	-	-	-	-	-	-	-	-
Intra-entity transfer	(122,486)	(235,286)	(133,145)	49,224	-	-	-	(18,599)	(6,267)	(76,972)
Other	-	-	-	-	-	-	443,210	472,391	494,517	564,782
Total governmental activities	6,131,455	5,858,173	5,729,662	5,761,879	7,623,405	7,281,495	7,929,820	8,200,976	8,258,655	8,097,900
Business-type activities:										
Investment earnings	-	-	-	-	24,339	15,264	7,766	9,604	8,478	12,603
Other	-	-	-	-	-	-	-	-	-	-
Intra-entity transfer	122,486	235,286	133,145	(49,224)	-	-	-	18,599	6,267	76,972
Grants and contributions not restricted to specific programs	258,278	4,006	-	36,702	55,050	-	-	-	-	-
Total business-type activities	380,764	239,292	133,145	(12,522)	79,389	15,264	7,766	28,203	14,745	89,575
Total primary government	\$ 6,512,219	\$ 6,097,465	\$ 5,862,807	\$ 5,749,357	\$ 7,702,794	\$ 7,296,759	\$ 7,937,586	\$ 8,229,179	\$ 8,273,400	\$ 8,187,475
Change in Net Position										
Governmental activities	\$ 361,109	\$ (270,061)	\$ 2,032,964	\$ (239,528)	\$ 1,918,887	\$ 1,326,683	\$ 702,946	\$ 2,409,760	\$ 1,496,521	\$ 301,623
Business-type activities	428,650	(274,845)	(999,982)	(1,102,728)	(923,895)	(1,049,667)	(675,980)	243,639	7,245	973,228
Total primary government	\$ 789,759	\$ (544,906)	\$ 1,032,982	\$ (1,342,256)	\$ 994,992	\$ 277,016	\$ 26,966	\$ 2,653,399	\$ 1,503,766	\$ 1,274,851

The Community Development activity became an enterprise fund in 2005 and was reclassified back to the General Fund in 2010.

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

Schedule 3
Unaudited

	Fiscal Year Ended									
	2007	2008	2009	2010	2011*	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 131,422	\$ 43,263	\$ 118,449	\$ 29,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,757,433	2,542,428	1,949,051	1,767,891	-	-	-	-	-	-
Nonspendable	-	-	-	-	52,906	106,973	48,109	29,712	64,550	39,226
Restricted	-	-	-	-	40,045	30,349	22,826	20,575	15,532	2,004,334
Committed	-	-	-	-	10,000	10,000	10,000	10,000	10,000	10,000
Assigned for subsequent years expenditures	-	-	-	-	-	-	697,910	993,250	1,348,620	3,649,070
Unassigned	-	-	-	-	3,874,217	5,236,188	5,504,378	5,110,454	5,338,828	3,070,429
Total general fund	\$ 2,888,855	\$ 2,585,691	\$ 2,067,500	\$ 1,796,961	\$ 3,977,168	\$ 5,383,510	\$ 6,283,223	\$ 6,163,991	\$ 6,777,530	\$ 8,773,059
All other Governmental Funds										
Reserved	\$ 26,276	\$ 4,672	\$ 14,603	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:										
Special revenue funds	1,693,348	981,313	734,765	687,489	-	-	-	-	-	-
Debt service funds	125,552	82,187	59,126	5,624	-	-	-	-	-	-
Nonspendable in construction fund	-	-	-	-	-	-	588,517	-	-	-
Restricted in construction fund	-	-	-	-	-	-	290,969	-	179,029	-
Nonspendable in special revenue funds	-	-	-	-	39,266	33,247	29,105	19,807	54,975	35,211
Restricted in special revenue funds	-	-	-	-	281,401	330,172	198,313	88,831	191,565	-
Committed in special revenue funds	-	-	-	-	417,637	367,710	306,982	277,224	266,839	334,256
Assigned for subsequent years expenditures	-	-	-	-	-	-	61,329	231,580	139,620	49,180
Unassigned in special revenue funds	-	-	-	-	(39,266)	(31,747)	-	-	-	-
Total all other governmental funds	\$ 1,845,176	\$ 1,068,172	\$ 808,494	\$ 693,163	\$ 699,038	\$ 699,382	\$ 1,475,215	\$ 617,442	\$ 832,028	\$ 418,647

* New Fund Balance categories

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

Schedule 4
Unaudited

	Fiscal Year Ended									
	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013*	12/31/2014	12/31/2015	12/31/2016
Revenues										
Taxes	\$ 3,482,728	\$ 3,631,229	\$ 3,726,355	\$ 3,642,755	\$ 5,393,489	\$ 5,131,573	\$ 5,311,408	\$ 5,350,366	\$ 5,414,764	\$ 5,326,844
Grants and Revenue Sharing	-	-	-	-	-	-	2,098,959	2,381,840	2,334,526	2,160,985
Special assessments	309,267	413,635	345,481	353,122	357,591	368,660	-	-	-	-
Intergovernmental-Local	-	-	-	-	-	-	95,031	159,610	143,493	140,471
Intergovernmental	2,054,131	2,034,967	1,832,749	1,939,042	2,275,689	2,372,618	-	-	-	-
Licenses and permits	16,969	15,965	16,526	206,255	226,356	181,376	252,148	304,387	505,784	782,673
Charges for services	1,612,695	1,656,817	1,644,706	1,852,940	1,936,354	1,942,533	1,405,769	1,488,674	1,616,868	1,523,687
Franchise Fees	-	-	-	-	-	-	443,210	472,391	494,517	515,564
Fines and Forfeitures	-	-	-	-	-	-	78,387	79,227	79,247	67,025
Interest and Rentals	395,285	227,839	89,122	39,751	16,751	9,694	20,802	23,388	25,299	337,422
Other	651,883	771,323	699,737	715,166	739,263	733,966	628,821	760,332	771,291	496,164
Total revenues	8,522,958	8,751,775	8,354,676	8,749,031	10,945,493	10,740,420	10,334,535	11,020,215	11,385,789	11,350,835
Expenditures										
General government	2,145,159	2,157,101	2,018,484	2,104,089	1,959,161	2,022,682	1,963,113	2,187,982	2,225,673	2,374,929
Public safety	3,881,356	4,102,659	4,191,856	3,951,764	4,165,152	4,438,719	4,534,015	4,639,103	4,943,200	4,798,002
Public works	467,234	787,877	542,762	536,245	496,722	686,620	864,688	1,253,563	669,875	800,004
Community development	-	-	-	588,014	608,433	553,021	605,837	574,711	604,369	796,021
Recreation and culture	694,297	706,826	767,951	725,571	712,694	746,417	702,820	761,143	707,045	837,782
Other	204,589	333,332	323,535	348,663	321,261	386,527	389,846	559,533	486,476	563,166
Debt service										
Principal	504,763	521,389	553,967	705,239	241,897	183,765	219,262	364,215	365,341	392,760
Interest and issuance costs	100,592	87,808	73,415	57,262	66,755	26,598	44,165	62,278	44,515	162,858
Capital outlay	255,292	902,863	531,272	167,278	321,559	289,385	537,743	1,477,912	647,425	1,662,339
Total expenditures	8,253,282	9,599,855	9,003,242	9,184,125	8,893,634	9,333,734	9,861,489	11,880,440	10,693,919	12,387,861
Excess of revenues over (under) expenditures	269,676	(848,080)	(648,566)	(435,094)	2,051,859	1,406,686	473,046	(860,225)	691,870	(1,037,026)
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	-	-	-	-	1,200,000	-	-	2,613,930
Capital Lease	-	-	-	-	-	-	-	9,480	-	-
Issuance of refunding debt	-	-	-	-	721,779	-	-	-	-	414,585
Payment to refunded bond escrow agent	-	-	-	-	(687,645)	-	-	-	-	(409,341)
Proceeds from sale of capital assets	173,145	3,200	3,840	-	100,089	-	2,500	-	9,995	-
Transfers in	592,477	595,388	692,348	84,243	1,388,301	1,625,456	1,834,690	1,897,611	2,074,134	2,683,015
Transfers out	(714,963)	(830,674)	(825,493)	(35,019)	(1,388,301)	(1,625,456)	(1,834,690)	(1,897,611)	(2,074,134)	(2,683,015)
Total other financing sources (uses)	50,659	(232,086)	(129,305)	49,224	134,223	-	1,202,500	9,480	9,995	2,619,174
Net change in fund balances	\$ 320,335	\$ (1,080,166)	\$ (777,871)	\$ (385,870)	\$ 2,186,082	\$ 1,406,686	\$ 1,675,546	\$ (850,745)	\$ 701,865	\$ 1,582,148
Debt service as a percentage of noncapital expenditures	7.6%	7.0%	7.4%	8.5%	10.8%	2.3%	2.8%	4.1%	4.1%	8.7%

* 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
2007	\$ 2,468,072	\$ 121,108,641	\$ 14,121,340	\$ 606,104,452	\$ -	\$ 46,577,255	\$ 790,379,760	5.3064	\$ 890,124,785	89%
2008	2,514,938	126,663,528	16,032,179	615,416,841	-	52,132,300	812,759,786	5.3455	903,051,000	90%
2009	2,575,559	129,201,749	15,211,328	592,190,424	-	45,226,200	784,405,260	5.4039	835,843,650	94%
2010	2,504,049	123,516,681	13,641,928	549,152,400	-	48,597,700	737,412,758	7.8094	771,940,775	96%
2011	2,525,723	118,189,772	22,133,866	531,477,428	-	39,901,800	714,228,589	7.8094	739,999,851	97%
2012	2,573,066	118,370,473	24,493,165	497,480,929	-	49,847,700	692,765,333	7.8094	713,338,371	97%
2013	2,607,530	117,915,661	16,435,749	500,274,316	-	48,047,853	685,281,109	7.8094	710,930,773	96%
2014	2,672,068	121,823,664	14,897,412	505,737,261	-	50,095,615	695,226,020	7.8094	727,820,340	96%
2015	2,714,652	125,404,328	11,941,007	519,585,279	-	52,571,300	712,216,566	7.3094	760,094,300	94%
2016	2,722,763	127,575,883	13,116,318	528,771,656	-	46,701,500	718,888,120	7.2903	790,026,650	91%

Personal Property by Category-Taxable Value

	Commercial	Industrial	Utility
2007	36,017,505	715,400	9,844,350
2008	25,205,100	16,380,500	10,546,700
2009	23,557,300	11,015,500	10,653,400
2010	22,660,900	14,787,900	11,148,900
2011	20,533,200	11,240,900	8,127,700
2012	21,060,600	17,414,800	11,372,300
2013	21,446,800	15,224,553	11,376,500
2014	20,255,800	16,374,015	13,465,800
2015	22,260,400	16,523,600	13,787,300
2016	24,367,000	8,189,000	14,145,500

Source: Township Assessing Department

**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
2007	4.3094	0.0000	0.0000	0.4846	0.5124	5.3064	13.1538	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	44.2555
2008	4.3094	0.0000	0.0000	0.4846	0.5515	5.3455	14.1009	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2417
2009	4.3094	0.0000	0.0000	0.5000	0.5945	5.4039	14.0811	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	45.2803
2010	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.0739	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	47.6786
2011	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.1133	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	47.7180
2012	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7533	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.3580
2013	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	14.7633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.3680
2014	4.3094	1.5000	1.5000	0.5000	0.0000	7.8094	15.2633	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.8680
2015	4.3094	1.5000	1.5000	0.0000	0.0000	7.3094	15.0933	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.1980
2016	4.2981	1.4961	1.4961	0.0000	0.0000	7.2903	15.3330	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.4186

Non-homestead Holt school operating millage

2007	17.3171
2008	17.3171
2009	17.3171
2010	17.3171
2011	17.3171
2012	17.3171
2013	17.3171
2014	17.3171
2015	18.0000
2016	18.0000

Source: Township Assessing Department

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

Schedule 7
Unaudited

Taxpayer	2016			2007		
	State Equalized Value	Rank	Percentage of Total Twp. SEV	State Equalized Value	Rank	Percentage of Total Twp. SEV
Consumers Energy	\$ 12,205,800	1	1.5%	\$ 10,046,350	2	1.1%
Woodland Lakes Investment Group	7,331,100	2	0.9%	7,268,500	4	0.8%
Comcast	7,062,200	3	0.9%			
Dart Container Corp of MI	6,982,500	4	0.9%	5,512,050	5	0.6%
Aspen Lakes Estates II LLC	6,158,472	5	0.8%			
RSDC of Michigan, LLC	5,934,600	6	0.7%	28,639,200	1	3.1%
Parker Hannifin Corp	5,031,400	7	0.6%	3,929,400	10	0.4%
Bondarenko Ltd LLC	4,439,800	8	0.6%	5,076,350	7	0.5%
Theroux Development Co.	4,163,200	9	0.5%	5,397,900	6	0.6%
TMT Delhi LLC	2,968,000	10	0.4%			
Tailor Steel				9,502,350	3	1.0%
MPT Lansing LLC				4,364,950	8	0.5%
DTN Enterprises				3,995,050	9	0.4%

Source: Township Tax Data Base

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

Schedule 8
Unaudited

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 4,308,253	\$ 4,297,110	99.7%	\$ 9,777	\$ 4,306,887	100.0%
2008	4,436,174	4,422,146	99.7%	9,660	4,431,806	99.9%
2009	4,336,310	4,325,485	99.8%	6,358	4,331,842	99.9%
2010	5,872,671	5,852,639	99.7%	14,189	5,866,828	99.9%
2011	5,663,616	5,643,714	99.6%	15,055	5,658,769	99.9%
2012	5,614,077	5,594,097	99.6%	16,061	5,610,158	99.9%
2013	5,343,452	5,109,083	95.6%	11,273	5,120,356	95.8%
2014	5,430,658	5,244,671	96.6%	12,174	5,256,845	96.8%
2015	5,229,524	5,066,873	96.9%	5,132	5,072,005	97.0%
2016	5,247,805	5,089,664	97.0%	-	5,089,664	97.0%

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	Installment Purchase Agreement	Notes Payable			
2007	\$ 2,178,303	\$ 120,771	\$ 182,265	\$ 400,088	\$ 6,931,697	\$ 435,229	\$ 1,280,410	\$ -	\$ 3,405,000	\$ 14,933,763	2.11%	576
2008	1,732,511	90,578	170,108	366,834	7,557,490	314,422	7,687,569	-	2,800,000	20,719,512	2.95%	795
2009	1,254,220	60,386	157,959	333,501	7,123,696	209,614	9,305,624	-	2,160,000	20,605,000	2.85%	790
2010	734,266	30,193	2,109,291	300,168	6,669,563	104,807	10,084,919	-	1,480,000	21,513,207	3.00%	834
2011	711,789	-	1,987,532	266,834	6,316,448	-	11,179,870	-	765,000	21,227,473	3.08%	829
2012	653,514	-	1,961,961	233,500	5,871,128	-	16,033,333	-	-	24,753,436	3.36%	959
2013	1,794,407	-	1,835,140	200,166	5,413,630	-	15,507,997	-	-	24,751,340	3.20%	953
2014	1,641,752	-	2,504,894	166,833	4,970,295	-	14,955,000	-	-	24,238,774	3.21%	934
2015	1,478,490	-	2,336,148	133,500	4,470,287	-	14,145,000	-	-	22,563,425	2.91%	867
2016	1,314,586	-	2,668,771	2,714,096	4,010,174	-	13,320,000	1,470,335	-	25,497,962	3.20%	973

* Based on population estimates.

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

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

Schedule 10
Unaudited

Fiscal Year	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES			Total Primary Government	Total Bonded Debt as a Percentage of Taxable Value ¹	Total Governmental Activities G.O. Debt Per Capita ²	Per Capita Income
	General Obligation	Special Assessment	General Obligation	Revenue	Special Assessment				
	Debt	Bonds	Bonds	Bonds	Bonds				
2007	\$ 2,178,303	\$ 120,771	\$ 6,931,698	\$ 1,280,410	\$ 435,229	\$ 10,946,411	1.38%	\$ 84	\$ 27,256
2008	1,732,511	90,578	7,557,490	7,687,569	314,421	17,382,569	2.14%	66.46	26,935
2009	1,254,221	60,385	7,123,696	9,305,624	209,614	17,953,540	2.29%	48.09	27,768
2010	734,266	30,193	6,669,564	10,084,919	104,807	17,623,749	2.39%	28.38	27,768
2011	711,789	-	6,316,448	11,179,870	-	18,208,107	2.55%	27.79	26,912
2012	653,514	-	5,871,128	16,033,333	-	22,557,975	3.26%	25.31	28,540
2013	1,794,407	-	5,413,630	15,507,997	-	22,716,034	3.31%	69.12	29,837
2014	1,641,752	-	4,970,295	14,955,000	-	21,567,047	3.10%	63.23	29,064
2015	1,478,490	-	4,470,287	14,145,000	-	20,093,777	2.82%	56.80	29,745
2016	1,314,586	-	4,010,174	13,320,000	-	18,644,760	2.59%	50.18	30,397

GOVERNMENTAL ACTIVITIES
GENERAL BONDED DEBT

Fiscal Year	General Obligation	Special Assessment	General Bonded Debt as a Percentage of Taxable Value ¹	General Bonded Debt Per Capita ²
	Bonds	Bonds	Total	
2007	\$ 2,178,303	\$ 120,771	\$ 2,299,074	0.29%
2008	1,732,511	90,578	1,823,089	0.22%
2009	1,254,221	60,385	1,314,606	0.17%
2010	734,266	30,193	764,459	0.10%
2011	711,789	-	711,789	0.10%
2012	653,514	-	653,514	0.09%
2013	1,794,407	-	1,794,407	0.26%
2014	1,641,752	-	1,641,752	0.24%
2015	1,478,490	-	1,478,490	0.21%
2016	1,314,586	-	1,314,586	0.18%

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, 2016**

Schedule 11
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 56,799,384	83.92%	\$ 47,666,043
Mason School District	11,580,000	9.90%	1,146,420
Lansing School District	85,980,000	0.04%	34,392
Eaton Rapids School District	42,449,452	1.48%	628,252
Ingham County	27,425,896	9.82%	2,693,223
Ingham Intermediate School District	1,670,000	8.34%	139,278
Eaton Intermediate School District	550,000	0.29%	1,595
Lansing Community College	68,125,000	6.81%	<u>4,639,313</u>
Subtotal, overlapping debt			56,948,515
 Delhi Charter Township direct debt	 1,314,586	 100.00%	 <u>1,314,586</u>
 Total direct and overlapping debt			 <u><u>\$ 58,263,101</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 89,012,479	\$ 90,305,100	\$ 83,584,365	\$ 77,184,731	\$ 75,707,465	\$ 71,302,823	\$ 71,936,018	\$ 73,423,610	\$ 76,789,658	\$ 79,002,665
Total net debt applicable to limit	17,079,653	25,284,342	22,991,615	22,629,459	20,614,366	18,250,046	17,697,318	16,668,880	14,629,513	19,498,203
Legal debt margin	71,932,826	65,020,758	60,592,750	54,555,272	55,093,099	53,052,777	54,238,700	56,754,730	62,160,145	59,504,462
Total net debt applicable to the limit as a percentage of debt limit	19.19%	28.00%	27.51%	29.32%	27.23%	25.60%	24.60%	22.70%	19.05%	24.68%

Legal Debt Margin Calculation for Fiscal Year 2016

2016 State Equalized Valuation (SEV)	790,026,650
Legal Debt Limit (10% of SEV)	<u>79,002,665</u>
Direct General Obligation Debt	\$ 32,822,808
Less:	
Capital Lease	(4,605)
Revenue Bonds	<u>(13,320,000)</u>
Net Direct Debt	<u>19,498,203</u>
Debt Limit Margin	<u>\$ 59,504,462</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
2007	25,925	\$ 706,612	\$ 27,256	36.7	5,998	3.9%
2008	26,070	702,195	26,935	36.7	5,973	5.0%
2009	26,078	724,134	27,768	38.5	5,862	7.4%
2010	25,877	718,553	27,768	37.2	5,862	6.8%
2011	25,610	689,216	26,912	37.7	5,892	5.8%
2012	25,817	736,817	28,540	38.2	5,781	5.6%
2013	25,959	774,539	29,837	38.9	5,743	4.7%
2014	25,964	754,618	29,064	39.5	5,687	6.4%
2015	26,028	774,203	29,745	38.9	5,625	2.5%
2016	26,199	796,371	30,397	40.3	5,546	2.6%

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 TEN YEARS AGO**

Schedule 14
Unaudited

Employer	2016			2007		
	Approx. No. Employed	Rank	% of Total Employment	Approx. No. Employed	Rank	% of Total Employment
Holt Public Schools	822	1	5%	855	1	n/a
Dakkota Integrated Interiors	392	2	2%	167	4	n/a
Orchid Stealth	275	3	2%	150	5	n/a
RSDC of Michigan, LLC	244	4	1%	300	2	n/a
Granger Construction	220	5	1%	271	3	n/a
Kroger	164	6	1%			
Magna Powertrain (MPT)	150	7	1%			
Keller Williams Real Estate	147	8	1%			
NexCare-Holt Senior Care	130	9	1%			
Block Imaging	117	10	1%			
Davenport Masonry				104	6	n/a
Martin Luther Holt Home				97	7	n/a
Parker Hannifin Corp				97	7	n/a
Lansing Christian School				80	8	n/a
Molded Plastics				65	9	n/a
Dart Container				43	10	n/a

Source: Phone calls
Total Township employment from American Factfinder 5 year survey estimates

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

Schedule 15
Unaudited

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	19.94	19.32	17.82	17.82	18.17	16.17	16.25	16.30	16.00	19.50
Public Safety										
Police										
Officers *	21.00	21.00	21.00	18.00	19.00	19.00	19.00	19.00	19.00	19.70
Civilians *	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Fire										
Firefighters and officers	17.66	18.31	18.81	17.96	17.96	19.00	20.30	22.00	21.50	22.90
Civilians	1.50	1.80	1.80	1.80	1.80	1.00	1.00	1.00	1.00	1.00
Public Works	29.60	26.60	26.30	22.55	23.80	25.10	25.10	25.10	24.10	22.80
Community Development	7.50	7.85	6.80	6.80	6.00	6.00	6.00	6.00	6.50	6.50
Recreation and Culture	5.80	5.80	5.80	5.80	9.43	9.32	10.50	11.80	11.90	11.90
Total	104.50	102.18	99.83	92.23	97.66	97.09	99.65	102.70	101.50	105.80

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fire										
Number of Calls	2,122	2,287	2,182	2,324	2,410	2,577	2,672	3,040	3,342	3,293
Inspections	1,004	1,000	375	1,129	826	800	613	273	13	302
Burning/Recreational Permits	2,069	1,288	356	317	271	220	286	402	289	350
Police										
Number of Traffic Accidents	969	842	669	507	288	455	411	549	566	512
Number of Written Complaints	4,729	4,621	4,667	4,125	4,044	2,535	2,605	2,511	2,887	2,435
Number of Miles Driven	153,791	150,075	146,832	115,671	113,913	117,023	126,542	127,890	130,344	134,929
Vehicle Stops	7,849	8,041	8,754	5,869	5,867	5,512	5,432	5,911	5,479	4,707
Accounting										
Number of W-2's processed	314	362	300	303	225	273	180	273	245	328
Number of payroll checks processed	2,346	2,353	1,932	1,459	1,189	1,442	1,179	1,100	995	1,101
Number of payroll direct deposits	n/a	1,463	1,685	2,063	2,085	2,038	2,250	2,571	2,190	2,280
Number of purchase orders processed	795	734	593	458	432	444	435	457	441	431
Number of accounts payable checks processed	2,881	2,767	2,585	2,156	2,283	2,376	2,165	2,149	2,069	1,959
Number of accounts payable ACHs sent		39	40	224	513	482	476	527	606	707
Assessing										
Number of Field Inspections	899	1,381	364	679	1,188	464	499	663	275	2,222
Clerk's Office										
Number of FOIA requests	65	37	29	37	26	85	44	30	32	52
Number of web site visitors	NA	160,803	169,404	162,009	161,755	188,699	181,666	213,665	205,542	229,065
Number of Facebook likes	NA	NA	NA	655	761	972	1,229	1,398	1,847	5,261
Number of Twitter followers	NA	NA	NA	601	782	1,080	1,258	1,386	1,597	1,697
Number of notarized items	100+	150+	200+	200+	300	300	350	350	400	400
Elections										
Number of Registered Voters	17,016	17,929	17,542	17,425	17,891	18,572	18,602	18,401	18,930	19,540
Number of Permanent Absentee Voters	2,010	2,294	2,206	2,584	2,490	2,819	2,648	2,951	2,965	3,804
Treasurer's Office										
Monthly Average No. of Sewer Bills mailed	7,157	7,195	7,257	7,225	7,087	7,043	6,922	6,758	6,697	6,664
Monthly Average No. of Sewer Bills Emailed	-	-	-	-	116	208	342	548	655	761
Number of Tax Bills-Two billings/year beg, 2003	20,110	20,278	20,382	20,494	20,412	20,743	21,181	20,715	20,697	20,741
Recreation and Culture										
Number of Athletic Teams	231	259	254	248	253	233	231	196	199	171
Number of Sr. Citizens Trips	9	8	8	11	11	10	10	-	-	-
Wastewater										
Average daily sewage treatment (millions of gallons per day)	2.45	2.54	2.68	2.15	2.35	2.10	2.32	2.20	2.13	2.51
Community Development										
	Total permits = Trade + Bldg. + SESC									
Permits Issued	1,629	986	1,194	1,229	1,207	1,180	1,166	1,427	1,992	2,325
Code Enforcement Complaints	585	530	563	583	579	422	499	523	732	561

Source: Various Township Departments

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

Schedule 17
Unaudited

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Recreation and Culture										
Parks Acreage	120	120	120	120	120	120	120	124	124	125
Parks	9	9	9	9	9	9	9	11	11	11
Senior Center	1	1	1	1	1	1	1	1	1	1
Buildings	2	2	2	2	2	2	2	2	2	2
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Sewer										
Sanitary Sewers (miles)	124.44	124.43	124.54	124.54	124.54	125.62	125.64	125.81	125.81	126.05
Maximum daily treatment capacity (millions of gallons)	4	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
General Government										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Community Service Center	1	1	1	1	1	1	1	1	1	1

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

Schedule 18
Unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxable Value-Ad Valorem	\$ 224,269,239	\$ 238,602,015	\$ 227,057,132	\$ 214,579,630	\$ 221,574,763	\$ 206,199,563	\$ 209,406,132	\$ 209,156,252	\$ 211,844,001	\$ 209,933,722
Base Value	48,663,625	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,650,975	48,663,625	48,663,625
Captured Value	175,605,614	189,951,040	178,406,157	165,928,655	172,923,788	157,548,588	160,755,157	160,505,277	163,180,376	161,270,097
*Revenue shared with Township	154,344	168,833	176,761	169,826	316,446	304,938	275,632	276,671	284,264	415,891
*Revenue shared with other entities	608,850	665,869	735,201	705,432	1,079,582	1,270,429	1,188,895	782,377	1,259,201	1,166,677
Revenues										
Tax Revenue	\$ 3,481,027	\$ 3,401,772	\$ 3,624,633	\$ 3,440,887	\$ 2,433,722	\$ 2,226,781	\$ 2,207,667	\$ 2,247,120	\$ 2,357,679	\$ 1,533,141
Other	332,307	269,444	108,921	45,128	232,818	47,358	51,922	45,108	52,207	401,312
Total Revenue	3,813,334	3,671,216	3,733,554	3,486,015	2,666,540	2,274,139	2,259,589	2,292,228	2,409,886	1,934,453
Expenditures										
Community & Economic Development	1,884,356	3,986,582	1,576,478	4,297,057	1,216,214	985,280	586,009	558,820	466,104	468,124
Debt Service	116,551	120,039	118,388	107,236	89,325	133,943	136,505	162,032	163,488	251,080
Capital Outlay	821,227	11,367,077	1,964,396	14,150	-	11,298	20,397	150,826	69,649	427,063
Total Expenditures	2,822,134	15,473,698	3,659,262	4,418,443	1,305,539	1,130,521	742,911	871,678	699,241	1,146,267
Other Financing Sources (uses)										
Sale of Capital Assets	-	-	-	-	-	-	77,454	-	-	-
Land Contract	-	-	-	-	-	-	-	75,000	-	-
Bond Proceeds	-	8,995,149	-	2,540,000	-	-	-	-	-	5,998,998
Bond Escrow Payments	-	-	-	-	-	-	-	-	-	(4,483,537)
Transfers Out to Debt Service Funds	(333,386)	(448,709)	(1,084,832)	(1,034,238)	(1,254,338)	(1,266,236)	(1,283,286)	(1,292,238)	(1,296,639)	(778,687)
Total other financing sources (uses)	(333,386)	8,546,440	(1,084,832)	1,505,762	(1,254,338)	(1,266,236)	(1,205,832)	(1,217,238)	(1,296,639)	736,774
Change in net position	657,814	(3,256,042)	(1,010,540)	573,334	106,663	(122,618)	310,846	203,312	414,006	1,524,960
Fund Balance										
Beginning of the year	3,978,595	4,636,409	1,380,367	369,827	943,161	1,049,824	927,206	1,238,052	1,441,364	1,855,370
End of the year	\$ 4,636,409	\$ 1,380,367	\$ 369,827	\$ 943,161	\$ 1,049,824	\$ 927,206	\$ 1,238,052	\$ 1,441,364	\$ 1,855,370	\$ 3,380,330

*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%