

CHARTER TOWNSHIP OF DELHI

Holt, Michigan



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

YEAR ENDED DECEMBER 31, 2017

**CHARTER TOWNSHIP OF DELHI
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, State of Michigan as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2017, 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 basic financial statements. 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 basic financial statements.

The additional supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The additional supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information - Statistical Section

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

Manes Costeiran PC

May 18, 2018

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, 2017.

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 \$56,598,132 (*net position*). Of this amount, \$11,633,404 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 \$574,092.
- The Township's business-type activity net position increased by \$990,769.

Fund level activity:

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$7,439,472, a decrease of \$1,752,234 in comparison with the prior year. Approximately 60% of this total amount, or \$4,478,858 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 \$4,478,858 or 39% of total general fund expenditures and other financing uses.
- The primary government total debt decreased by a net \$1,412,862 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 Brownfield Redevelopment Authority - for which the Township is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 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 six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, 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 - 78 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 79 - 114 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 \$56,598,132 at the close of the most recent year.

By far the largest portion of the Township’s net position (76%) 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 13,661,347	\$ 15,198,076	\$ 6,741,019	\$ 8,100,548	\$ 20,402,366	\$ 23,298,624
Capital assets, net	19,365,718	17,487,527	47,434,319	46,151,223	66,800,037	63,638,750
Total assets	<u>33,027,065</u>	<u>32,685,603</u>	<u>54,175,338</u>	<u>54,251,771</u>	<u>87,202,403</u>	<u>86,937,374</u>
Def. outflows of resources	4,162	4,995	44,940	52,770	49,102	57,765
Current liabilities	506,972	643,322	584,075	475,655	1,091,047	1,118,977
Noncurrent liabilities	6,880,542	7,109,952	17,617,058	18,800,510	24,497,600	25,910,462
Total liabilities	<u>7,387,514</u>	<u>7,753,274</u>	<u>18,201,133</u>	<u>19,276,165</u>	<u>25,588,647</u>	<u>27,029,439</u>
Def. inflows of resources	5,064,726	4,932,429	-	-	5,064,726	4,932,429
Net position:						
Net investment in capital assets	13,244,523	12,530,200	29,862,201	28,382,079	43,106,724	40,912,279
Restricted	187,658	47,636	1,670,346	2,210,735	1,858,004	2,258,371
Unrestricted	7,146,806	7,427,059	4,486,598	4,435,562	11,633,404	11,862,621
Total net position	<u>\$ 20,578,987</u>	<u>\$ 20,004,895</u>	<u>\$ 36,019,145</u>	<u>\$ 35,028,376</u>	<u>\$ 56,598,132</u>	<u>\$ 55,033,271</u>

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

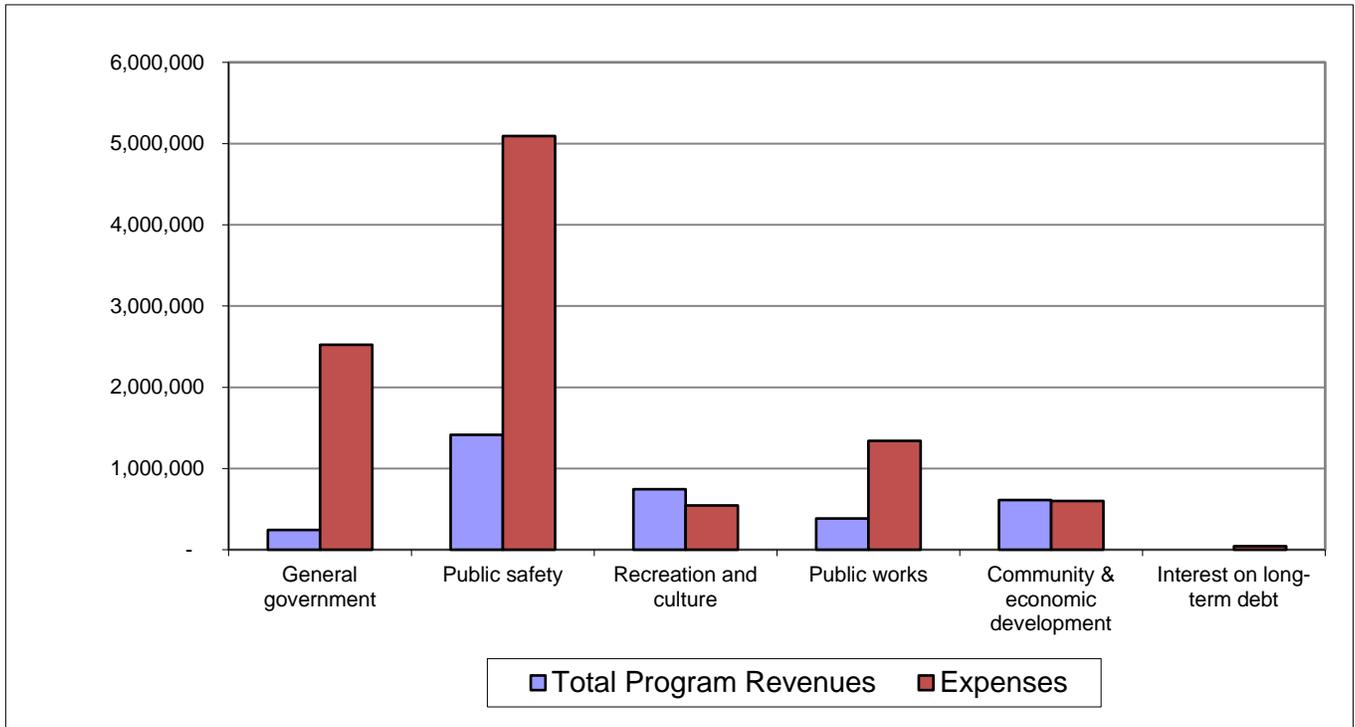
Primary government net position increased by \$1,564,861 during the current fiscal year. This was a combination of net position increasing by \$574,092 in governmental activities and increasing by \$990,769 in the business-type activities.

Charter Township of Delhi's Changes in Net Position

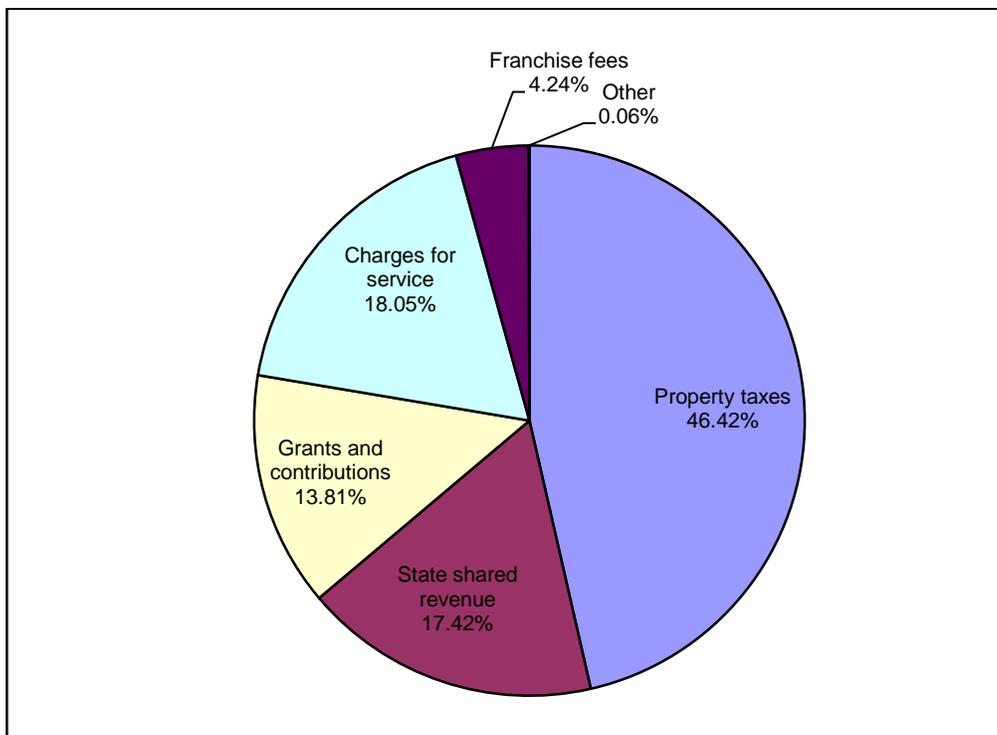
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue:						
Program revenues:						
Charges for services	\$ 2,303,516	\$ 2,727,339	\$ 6,824,276	\$ 6,899,241	\$ 9,127,792	\$ 9,626,580
Operating grants and contributions	390,484	234,361	490,282	369,978	880,766	604,339
Capital grants and contributions	695,449	65,087	281,650	185,508	977,099	250,595
General revenues:						
Property taxes	5,380,580	5,326,844	-	-	5,380,580	5,326,844
State shared revenue	2,224,407	2,055,703	-	-	2,224,407	2,055,703
Unrestricted grants and contributions	479,944	211,446	-	-	479,944	211,446
Franchise fees	512,700	515,564	-	-	512,700	515,564
Interest	53,537	16,097	27,393	12,603	80,930	28,700
Other	41,333	49,218	-	-	41,333	49,218
Total revenues	12,081,950	11,201,659	7,623,601	7,467,330	19,705,551	18,668,989
Expenses:						
General government	2,572,299	2,634,759	-	-	2,572,299	2,634,759
Public safety	5,185,177	5,150,293	-	-	5,185,177	5,150,293
Public works	2,187,743	1,014,184	-	-	2,187,743	1,014,184
Recreation and culture	674,903	1,189,328	-	-	674,903	1,189,328
Interest on long-term debt	116,785	65,643	-	-	116,785	65,643
Sewer	-	-	6,635,371	6,571,074	6,635,371	6,571,074
Community and economic development	768,412	768,857	-	-	768,412	768,857
Total expenses	11,505,319	10,823,064	6,635,371	6,571,074	18,140,690	17,394,138
Increase (decrease) in net position before transfers	576,631	378,595	988,230	896,256	1,564,861	1,274,851
Transfers	(2,539)	(76,972)	2,539	76,972	-	-
Increase (decrease) in net position	574,092	301,623	990,769	973,228	1,564,861	1,274,851
Net position - beginning of year	20,004,895	19,703,272	35,028,376	34,055,148	55,033,271	53,758,420
Net position - end of year	\$ 20,578,987	\$ 20,004,895	\$ 36,019,145	\$ 35,028,376	\$ 56,598,132	\$ 55,033,271

Governmental activities. Governmental activities increased the Township's net position by \$574,092 during 2017. Compared to 2016, governmental revenues increased by \$880,291 mainly due to capital contributions and unrestricted grants. Governmental expenditures increased by \$682,255 compared to 2016. The majority of the increase was caused by an increase in capital outlay caused by increased Township projects in 2017. Most of the remainder of the increase was in the recreation and culture category, caused by variance in staffing and Township activity.

Expenses and Program Revenues - Governmental Activities for the year ended December 31, 2017

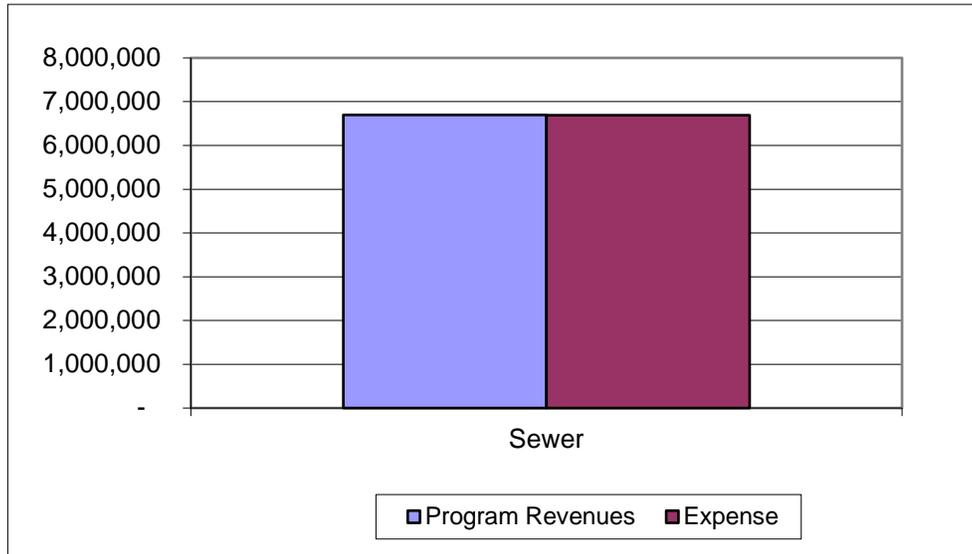


Revenues by Source - Governmental Activities for the year ended December 31, 2017



Business - type activities. Business - type activities increased the Township’s net position by \$990,769 during 2017, 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, 2017



Revenues by Source - Business type Activities

Almost 90% 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 balance of \$7,439,472, a decrease of \$1,752,234 in comparison with the prior year. Approximately 60% 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 \$4,478,858 while total fund balance was \$6,849,447. 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 39% of total general fund expenditures and other financing uses while total fund balance is 60% of total general fund expenditures and other financing uses.

The fund balance in the Township's General fund decreased by \$1,923,612 during the current year. Overall, compared to 2016, expenditures, including transfers out, increased \$1,599,660 and revenues and other financing sources decreased by \$2,319,481. Key factors for this are:

- Decrease in the proceeds from installment agreement
- Increased 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 \$36,019,145; an increase for the year of \$990,769. Other factors concerning the finances of this fund have already been addressed in the discussion of the Township's business-type activities.

General Fund Budgetary Highlights

During the year there was a net decrease of \$641,730 (5%) in appropriations (including operating transfers out) between the original and final amended budget. Increases in some expense line items were offset by decreases in others. Increases and decreases worth noting were:

- A decrease of \$903,360 in public works.
- An increase in capital outlay of \$820,660 related to the Honeywell Energy project.

Additionally, budgeted revenues (including other financing sources) increased by approximately \$169,170. Increases in some revenue line items were offset by decreases in others. Items worth noting are as follows:

- An increase of approximately \$310,450 for licenses and permits related to more building in the Township.
- An increase of \$151,130 for other revenue, caused by rebates related to energy projects within the Township.
- An decrease of \$601,430 in other financing sources due to issuing the bonds in a debt service fund.

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 \$1,155,672 and \$1,124,479 respectively, and \$2,417,177 and \$2,670,212 in expenditures respectively. The fire and police funds had restricted property tax revenues of \$1,078,957 and \$1,078,774, respectively. Total revenues in these funds were not sufficient to fully fund fire and police operations, so therefore, the general fund had to transfer \$1,276,809 and \$1,545,733 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, 2017, amounted to \$66,800,037 (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 \$3,161,290 (approximately 5%). The increase is a result of net fixed asset investments exceeding depreciation expense.

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

- This mostly can be attributed to trail work in the governmental activities.
- Additional construction in progress in the business type activities for building and improvements for the sewer system.

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

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land/monuments	\$ 2,237,058	\$ 2,324,058	\$ 963,116	\$ 963,116	\$ 3,200,174	\$ 3,287,174
Easements	62,361	62,361	15,955	15,955	78,316	78,316
Infrastructure	278,768	350,668	28,824,825	29,783,086	29,103,593	30,133,754
Flowage rights	3,184,874	3,321,557	-	-	3,184,874	3,321,557
Buildings and improvements	5,843,935	4,329,002	14,462,981	13,785,078	20,306,916	18,114,080
Land improvements	6,990,892	5,343,048	276,378	288,212	7,267,270	5,631,260
Machinery and equipment	387,615	377,431	350,870	385,459	738,485	762,890
Furniture and office equipment	30,438	20,147	13,834	-	44,272	20,147
Computer equipment and programs	46,322	31,771	17,457	12,083	63,779	43,854
Vehicles	303,455	306,686	610,342	275,586	913,797	582,272
Construction in progress	-	1,020,798	1,898,561	642,645	1,898,561	1,663,443
Total	\$ 19,365,718	\$ 17,487,527	\$ 47,434,319	\$ 46,151,220	\$ 66,800,037	\$ 63,638,747

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 \$24,497,600.

Delhi Charter Township's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 1,149,650	\$ 1,314,586	\$ 3,472,485	\$ 4,010,175	\$ 4,622,135	\$ 5,324,761
Revenue bonds	-	-	12,475,000	13,320,000	12,475,000	13,320,000
Other long-term debt	5,730,892	5,795,366	1,669,573	1,470,335	7,400,465	7,265,701
Total	\$ 6,880,542	\$ 7,109,952	\$ 17,617,058	\$ 18,800,510	\$ 24,497,600	\$ 25,910,462

The Township's total bonded debt decreased by a net of \$1,547,626, to \$17,097,136 during 2017.

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% of its total state assessed value. The current debt limitation for the Township is \$82,139,788, which is significantly in excess of the Township's and Downtown Development Authority's outstanding general obligation debt of \$25,143,565.

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 2018 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2018 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 and efficiency.
- As a result of the 2013 sewer rate study recommendation, rates were increased by 3.5% in 2018.

During the current fiscal year, total fund balance in the general fund decreased to \$6,849,447. The Township has projected expenditures to exceed revenues in 2018 by \$1,814,050. 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
YEAR ENDED DECEMBER 31, 2017**

	Primary government			Component units	
	Governmental activities	Business-type activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
ASSETS:					
Cash and cash equivalents	\$ 2,383,146	\$ 1,648,278	\$ 4,031,424	\$ 3,049,644	\$ 343,184
Investments	4,254,492	1,465,933	5,720,425	807,655	-
Receivables	6,608,324	1,887,405	8,495,729	2,738,608	33,349
Prepays	129,519	69,057	198,576	1,724	-
Restricted assets:					
Cash and cash equivalents	285,866	1,463,363	1,749,229	27,122	-
Investments	-	206,983	206,983	6,330,213	-
Capital assets not being depreciated	2,299,419	2,877,632	5,177,051	4,590,744	-
Capital assets being depreciated, net	17,066,299	44,556,687	61,622,986	3,762,892	-
TOTAL ASSETS	33,027,065	54,175,338	87,202,403	21,308,602	376,533
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	4,162	44,940	49,102	242,354	-
LIABILITIES:					
Accounts payable and accrued expenses	428,663	518,603	947,266	2,440,594	35,496
Escrow payable	-	65,472	65,472	-	-
Unearned revenue	78,309	-	78,309	-	-
Long-term liabilities:					
Due within one year	635,718	1,552,691	2,188,409	743,868	-
Due in more than one year	6,244,824	16,064,367	22,309,191	12,813,979	-
TOTAL LIABILITIES	7,387,514	18,201,133	25,588,647	15,998,441	35,496
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	5,064,726	-	5,064,726	1,101,357	33,349
NET POSITION:					
Net investment in capital assets	13,244,523	29,862,201	43,106,724	1,395,478	-
Restricted for building department	187,658	-	187,658	-	-
Restricted for replacement	-	1,192,361	1,192,361	-	-
Restricted for debt service	-	477,985	477,985	-	-
Unrestricted	7,146,806	4,486,598	11,633,404	3,055,680	307,688
TOTAL NET POSITION	\$ 20,578,987	\$ 36,019,145	\$ 56,598,132	\$ 4,451,158	\$ 307,688

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

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Functions/programs	Expenses	Program revenues		Net (expense) revenue and changes in net position					
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government		Component units		
					Governmental activities	Business-type activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
Primary government:									
Governmental activities:									
General government	\$ 2,572,299	\$ 153,844	\$ 67,574	\$ -	\$ (2,350,881)	\$ -	\$ (2,350,881)	\$ -	\$ -
Public safety	5,185,177	879,340	64,083	4,600	(4,237,154)	-	(4,237,154)	-	-
Public works	2,187,743	433,268	155,211	298,233	(1,301,031)	-	(1,301,031)	-	-
Community and economic development	768,412	769,210	-	-	798	-	798	-	-
Recreation and culture	674,903	67,854	103,616	185,127	(318,306)	-	(318,306)	-	-
Interest on long-term debt	116,785	-	-	207,489	90,704	-	90,704	-	-
Total governmental activities	<u>11,505,319</u>	<u>2,303,516</u>	<u>390,484</u>	<u>695,449</u>	<u>(8,115,870)</u>	<u>-</u>	<u>(8,115,870)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	6,635,371	6,824,276	490,282	281,650	-	960,837	960,837	-	-
Total primary government	<u>\$ 18,140,690</u>	<u>\$ 9,127,792</u>	<u>\$ 880,766</u>	<u>\$ 977,099</u>	<u>(8,115,870)</u>	<u>960,837</u>	<u>(7,155,033)</u>	<u>-</u>	<u>-</u>
Component units:									
Brownfield redevelopment	200,245	-	-	-	-	-	-	-	(200,245)
Downtown development	1,915,810	9,472	3,000	-	-	-	-	(1,903,338)	-
Total component units	<u>\$ 2,116,055</u>	<u>\$ 9,472</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,903,338)</u>	<u>(200,245)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					3,222,849	-	3,222,849	1,511,335	208,100
Property taxes, levied for fire					1,078,957	-	1,078,957	-	-
Property taxes, levied for police					1,078,774	-	1,078,774	-	-
State sources					2,224,407	-	2,224,407	-	-
Unrestricted grants and contributions					479,944	-	479,944	70,000	-
Franchise fees					512,700	-	512,700	-	-
Interest					53,537	27,393	80,930	51,694	-
Other					41,333	-	41,333	11,615	12,630
Transfers - internal activities					(2,539)	2,539	-	-	-
Total general revenues					<u>8,689,962</u>	<u>29,932</u>	<u>8,719,894</u>	<u>1,644,644</u>	<u>220,730</u>
Change in net position					574,092	990,769	1,564,861	(258,694)	20,485
Net position, beginning of year					20,004,895	35,028,376	55,033,271	4,709,852	287,203
Net position end of year					<u>\$ 20,578,987</u>	<u>\$ 36,019,145</u>	<u>\$ 56,598,132</u>	<u>\$ 4,451,158</u>	<u>\$ 307,688</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, 2017**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
ASSETS:					
Cash and cash equivalents	\$ 1,959,124	\$ 82,859	\$ 34,819	\$ 306,344	\$ 2,383,146
Investments	4,048,304	-	-	206,188	4,254,492
Receivables:					
Taxes	3,011,824	1,065,002	1,065,002	26,411	5,168,239
Special assessments	307,421	-	-	310,978	618,399
Other	372,636	13,456	1,630	-	387,722
Due from component unit	433,964	-	-	-	433,964
Prepays	73,015	56,504	-	-	129,519
Restricted cash and cash equivalents - capital projects	285,866	-	-	-	285,866
TOTAL ASSETS	\$ 10,492,154	\$ 1,217,821	\$ 1,101,451	\$ 849,921	\$ 13,661,347
LIABILITIES:					
Accounts payable	\$ 293,522	\$ 27,940	\$ 1,391	\$ 5,422	\$ 328,275
Accrued liabilities	39,936	33,317	-	-	73,253
Unearned revenue	78,309	-	-	-	78,309
Due to other funds	1,697	-	-	-	1,697
TOTAL LIABILITIES	413,464	61,257	1,391	5,422	481,534
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	2,864,606	1,100,060	1,100,060	-	5,064,726
Unavailable revenue - ambulance fees	57,216	-	-	-	57,216
Unavailable revenue - special assessments	307,421	-	-	310,978	618,399
TOTAL DEFERRED INFLOWS OF RESOURCES	3,229,243	1,100,060	1,100,060	310,978	5,740,341
FUND BALANCES:					
Nonspendable:					
Prepays	73,015	56,504	-	-	129,519
Restricted:					
For building department	187,658	-	-	-	187,658
For Sycamore trail	285,866	-	-	-	285,866
For capital projects	-	-	-	57,864	57,864
Committed:					
For debt service	-	-	-	59,908	59,908
For water improvement	-	-	-	393,109	393,109
For disaster contingency fund	10,000	-	-	-	10,000
Assigned for subsequent year expenditures	1,814,050	-	-	22,640	1,836,690
Unassigned	4,478,858	-	-	-	4,478,858
TOTAL FUND BALANCES	6,849,447	56,504	-	533,521	7,439,472
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,492,154	\$ 1,217,821	\$ 1,101,451	\$ 849,921	\$ 13,661,347

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, 2017**

Total governmental fund balances		\$ 7,439,472
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows of resources - related to deferred charge on refunding		4,162
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets not being depreciated	\$ 2,299,419	
Capital assets being depreciated, net	<u>17,066,299</u>	
		19,365,718
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, 2018		675,615
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		(6,469,087)
Compensated absences		(411,455)
Accrued interest		<u>(25,438)</u>
Net position of governmental activities		<u><u>\$ 20,578,987</u></u>

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

CHARTER TOWNSHIP OF DELHI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
REVENUES:					
Taxes	\$3,222,849	\$1,078,957	\$1,078,774	\$ 198,057	\$ 5,578,637
Special assessments	-	-	-	9,432	9,432
Grants and revenue sharing	2,598,080	31,260	6,772	-	2,636,112
Intergovernmental	133,313	-	-	-	133,313
Licenses and permits	659,866	-	-	-	659,866
Charges for services	1,570,130	-	-	103,974	1,674,104
Franchise fees	512,700	-	-	-	512,700
Fines and forfeitures	18,846	-	38,933	-	57,779
Interest and rentals	51,300	-	-	2,237	53,537
Other	660,500	45,455	-	1,779	707,734
Total revenue	9,427,584	1,155,672	1,124,479	315,479	12,023,214
EXPENDITURES:					
Current:					
General government	2,116,375	-	-	-	2,116,375
Public safety	-	2,369,240	2,670,212	-	5,039,452
Public works	787,515	-	-	440,060	1,227,575
Community and economic development	781,810	-	-	-	781,810
Recreation and culture	783,752	-	-	-	783,752
Other	520,027	-	-	-	520,027
Debt service:					
Principal	531,817	-	-	64,935	596,752
Interest	194,552	-	-	8,399	202,951
Capital outlay	2,826,943	47,937	-	-	2,874,880
Total expenditures	8,542,791	2,417,177	2,670,212	513,394	14,143,574
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	884,793	(1,261,505)	(1,545,733)	(197,915)	(2,120,360)
OTHER FINANCING SOURCES (USES):					
Proceeds from the sale of capital assets	1,600	2,400	-	-	4,000
Proceeds from capital lease	12,537	3,589	-	-	16,126
Proceeds from the issuance of bonds	-	-	-	348,000	348,000
Transfers in	-	1,276,809	1,545,733	147,581	2,970,123
Transfers out	(2,822,542)	-	-	(147,581)	(2,970,123)
Total other financing sources (uses)	(2,808,405)	1,282,798	1,545,733	348,000	368,126
Net change in fund balances	(1,923,612)	21,293	-	150,085	(1,752,234)
FUND BALANCES:					
Beginning of year	8,773,059	35,211	-	383,436	9,191,706
End of year	\$6,849,447	\$ 56,504	\$ -	\$ 533,521	\$ 7,439,472

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

CHARTER TOWNSHIP OF DELHI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

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

Net change in fund balances - total governmental funds \$(1,752,234)

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	2,873,076
Depreciation expense	(894,231)
Realized loss on disposal of capital assets	(100,654)

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 special assessment bonds	(348,000)
Proceeds from capital lease	(16,126)
Deferred charge on refunding	(833)
Reductions of principal on long-term debt	597,097

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	(451,046)
Accrued revenue end of the year - primarily special assessments due in the future	675,615

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	20,427
Accrued interest payable end of the year	(25,438)

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	407,894
Accrued compensated absences end of the year	(411,455)

Change in net position of governmental activities	\$ 574,092
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PROPRIETARY FUND

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 DECEMBER 31, 2017**

	Business-type activities- Enterprise fund
ASSETS	Sewer fund
CURRENT ASSETS:	
Cash and cash equivalents	\$ 1,648,278
Investments	1,465,933
Receivables:	
Special assessments	404,810
Other	1,482,595
Prepays	69,057
	<hr/>
TOTAL CURRENT ASSETS	5,070,673
NONCURRENT ASSETS:	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	477,985
Replacement cash and cash equivalents	985,378
Replacement investments	206,983
Property, plant and equipment not being depreciated	2,877,632
Property, plant and equipment net of accumulated depreciation	44,556,687
	<hr/>
TOTAL NONCURRENT ASSETS	49,104,665
	<hr/>
TOTAL ASSETS	54,175,338
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding	44,940
	<hr/>

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

LIABILITIES AND NET POSITION	Business-type activities- Enterprise fund
	Sewer fund
CURRENT LIABILITIES:	
Accounts payable	\$ 265,503
Accrued liabilities	158,159
Interest payable	94,941
Escrow payable	65,472
Current portion of long-term debt	<u>1,552,691</u>
TOTAL CURRENT LIABILITIES	2,136,766
LONG-TERM LIABILITIES , net of current portion:	
Due in more than one year	<u>16,064,367</u>
TOTAL LIABILITIES	<u>18,201,133</u>
NET POSITION:	
Net investment in capital assets	29,862,201
Restricted for:	
Replacement	1,192,361
Debt service	477,985
Unrestricted	<u>4,486,598</u>
TOTAL NET POSITION	<u>\$ 36,019,145</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, 2017**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
OPERATING REVENUES:	
Charges for services	\$ 6,189,806
Permits and fees	463,442
State grant	452,272
Federal grant	38,010
Other operating revenue	<u>155,972</u>
Total operating revenues	<u>7,299,502</u>
OPERATING EXPENSES:	
Costs of sales and services	3,770,388
Depreciation	<u>2,460,360</u>
Total operating expenses	<u>6,230,748</u>
Operating income	<u>1,068,754</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest and rentals	38,955
Amortization of bond discount	(7,831)
Interest expense	<u>(390,759)</u>
Total non-operating revenues (expenses)	<u>(359,635)</u>
Net income before capital contributions	709,119
CAPITAL CONTRIBUTIONS	<u>281,650</u>
Change in net position	990,769
NET POSITION:	
Beginning of year	<u>35,028,376</u>
End of year	<u><u>\$ 36,019,145</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, 2017**

	<u>Business-type activities- Enterprise fund</u>
	<u>Sewer fund</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	
Cash flows from operating activities:	
Cash received from customers	\$ 6,982,093
Cash payments to suppliers for goods and services	(2,273,314)
Cash payments to employees for services	<u>(1,375,287)</u>
Net cash provided by operating activities	<u>3,333,492</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(3,500,399)
Deferred loss on refunding	7,830
Proceeds from bonds	275,005
Interest payments, bond issuance costs and amortization	(413,133)
Principal payments	<u>(1,458,457)</u>
Net cash used by capital and related financing activities	<u>(5,089,154)</u>
Cash flows from investing activities:	
Purchase of investments	(777,803)
Interest and rental earnings	<u>38,955</u>
Net cash used by by investing activities	<u>(738,848)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,494,510)
CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>5,606,151</u>
End of year	<u><u>\$ 3,111,641</u></u>
Statement of net assets classification of cash and cash equivalents:	
Cash and cash equivalents	\$ 1,648,278
Restricted cash and cash equivalents	<u>1,463,363</u>
	<u><u>\$ 3,111,641</u></u>

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

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS (Concluded)
 YEAR ENDED DECEMBER 31, 2017**

	<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	\$ 1,068,754
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	2,460,360
Loss on disposal of capital assets	38,593
(Increase) in assets:	
Special assessments receivable	(19,061)
Other receivables	(298,348)
Prepaid expenses	(39,769)
Increase in liabilities:	
Accounts payable	66,224
Accrued liabilities	2,393
Retainage payable	54,346
Total adjustments	<u>2,264,738</u>
Net cash provided by operating activities	<u><u>\$ 3,333,492</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, 2017**

	Other post employment benefit trust fund	Private purpose trust	
	Retiree health benefits	Cemetery	Agency funds
ASSETS:			
Cash and cash equivalents	\$ -	\$ 71,114	\$ 17,889,798
Investments	4,035,124	-	-
Interest receivable	-	663	-
Taxes receivable	-	-	14,204,379
	TOTAL ASSETS	71,777	32,094,177
LIABILITIES:			
Accounts payable	-	175	-
Due to other governments	-	-	31,793,505
Undistributed receipts	-	-	300,672
	TOTAL LIABILITIES	175	32,094,177
NET POSITION:			
Restricted - funds held in trust	\$ 4,035,124	\$ 71,602	\$ -

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, 2017**

	Other post employment benefit trust fund	Private purpose trust
	Retiree health benefits	Cemetery
ADDITIONS:		
Contributions - employer	\$ 476,141	\$ -
Investment earnings	295,695	715
Total additions	771,836	715
DEDUCTIONS:		
Benefit payments	136,458	
Cemetery perpetual care	-	237
Total deductions	136,458	237
Change in net position	635,378	478
NET POSITION:		
Beginning of year	3,399,746	71,124
End of year	\$ 4,035,124	\$ 71,602

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Concluded)

The Delhi Township Brownfield Redevelopment Authority 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

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

C. Basis of Presentation - Government-wide Financial Statements

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

As discussed earlier, the Township has three discretely presented component units. The Downtown Development Authority of the Charter Township of Delhi is considered to be a major component unit, while the Brownfield is not, nevertheless it is 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 fund is the water improvement fund.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The 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.

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.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2017. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

**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

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 3 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 16 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.

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.

**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)**

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, consequently, 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 has 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 2017, the Township levied \$4.2981 per \$1,000 for general governmental purposes, \$1.4961 per \$1,000 for police services, and \$1.4961 per \$1,000 for fire and emergency medical services on the December 31, 2016 levy (recognized as revenue in 2017) for a total of \$7.2903 per \$1,000.

The Downtown Development and the Brownfield Redevelopment Authority, 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 are charges to customers for sales and services. The fund also recognizes 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, 2017, the Township had the following investments:

Investment Type	Fair value	Weighted average maturity (years)	Standard & Poor's rating	%
U.S. Agency:				
Federal Home Loan	\$ 107,870	4.7507	AA+	0.9%
Municipal bonds:				
Flat Rock Community Schools	109,856	0.2288	AA1 - Moody	0.9%
Riverview	120,476	0.5344	A+	1.0%
Reeths Puffer Public Schools	64,795	0.2363	AA1 - Moody	0.5%
Kalamazoo Public Schools	124,651	0.3413	AA-	1.0%
Pickney Community Schools	99,298	0.3621	AA-	0.8%
Whitmore Lake Public Schools	120,241	0.4400	AA-	1.0%
MI Class	11,544,656	0.0027	AAA	93.1%
Certificates of Deposit:				
Wells Fargo Sioux	<u>102,782</u>	4.4334	N/A	<u>0.8%</u>
Total fair value	<u><u>\$ 12,394,625</u></u>			<u><u>100.0%</u></u>
Portfolio weighted average maturity		<u><u>0.1328</u></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, 2017, 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, 2017, \$26,383,232 of the Township's bank balance of \$27,836,880 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, 2017 was \$27,829,616.

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 Township'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	\$ 107,870
Municipal bonds:	
Flat Rock Community Schools	109,856
Riverview	120,476
Reeths Puffer Public Schools	64,795
Kalamazoo Public Schools	124,651
Pickney Community Schools	99,298
Whitmore Lake Public Schools	120,241
MI Class	11,544,656
Certificates of Deposit:	
Wells Fargo Sioux	102,782
Total fair value	\$ 12,394,625

**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, 2017.

Deposits (including deposits in transit at year end)	\$ 27,829,616
Investments	12,394,625
Cash on hand	2,550
	<u>\$ 40,226,791</u>
Cash and cash equivalents:	
Township-wide - unrestricted	\$ 4,031,424
Township-wide - restricted	1,749,229
Component units - unrestricted	3,392,828
Component units - restricted	27,122
Cemetery fund (a private purpose trust)	71,114
Agency funds (fiduciary funds)	17,889,798
Investments:	
Township-wide - unrestricted	5,720,425
Township-wide - restricted	206,983
Component units - unrestricted	807,655
Component units - restricted	6,330,213
	<u>\$ 40,226,791</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, 2017:

	Other post employment benefit trust fund (Level 2)
Balanced funds	\$ 2,136,711
Stable value	1,898,413
	\$ 4,035,124

NOTE 3 - RECEIVABLES

Receivables at December 31, 2017 consist of the following:

Governmental activities	Business-type activities
General	Service
\$ 324,055	\$ 1,177,845
Special assessment	General
618,399	301,091
Ambulance	Property taxes
57,216	387,648
Due from DDA	Special assessment
433,964	17,162
Property taxes	Other
5,143,318	3,659
Due from fiduciary fund	\$ 1,887,405
24,921	
Other	
6,451	
\$ 6,608,324	
Downtown Development Authority	Brownfield Redevelopment Authority
Due from Township	Due from Township
\$ 2,736,185	\$ 33,349
General	
2,423	
\$ 2,738,608	

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

NOTE 4 - CAPITAL ASSETS

The capital assets are as follows:

	Balance January 1, 2017	Additions/ reclassifications	Deletions/ reclassifications	Balance December 31, 2017
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,292,446	\$ -	\$ 87,000	\$ 2,205,446
Monuments	31,612	-	-	31,612
Easements	62,361	-	-	62,361
Construction in process	1,020,798	-	1,020,798	-
Total capital assets, not being depreciated	<u>3,407,217</u>	<u>-</u>	<u>1,107,798</u>	<u>2,299,419</u>
Capital assets, being depreciated:				
Buildings and improvements	8,075,929	1,719,915	58,735	9,737,109
Land improvements and sidewalks	7,576,563	1,930,251	3,090	9,503,724
Machinery and equipment	1,482,708	117,639	72,752	1,527,595
Furniture and office equipment	574,002	16,128	-	590,130
Flowage rights	3,971,358	-	-	3,971,358
Infrastructure (road improvements)	1,959,083	-	-	1,959,083
Computer equipment and programs	186,344	27,000	8,621	204,723
Vehicles	2,427,804	82,941	38,073	2,472,672
Total capital assets, being depreciated	<u>26,253,791</u>	<u>3,893,874</u>	<u>181,271</u>	<u>29,966,394</u>
Less accumulated depreciation for:				
Buildings and improvements	3,746,927	204,982	58,735	3,893,174
Land improvements and sidewalks	2,233,515	282,407	3,090	2,512,832
Machinery and equipment	1,105,277	93,803	59,100	1,139,980
Furniture and office equipment	553,855	5,837	-	559,692
Flowage rights	649,801	136,683	-	786,484
Infrastructure (road improvements)	1,608,415	71,900	-	1,680,315
Computer equipment and programs	154,573	12,448	8,620	158,401
Vehicles	2,121,118	86,171	38,072	2,169,217
Total accumulated depreciation	<u>12,173,481</u>	<u>894,231</u>	<u>167,617</u>	<u>12,900,095</u>
Total capital assets, being depreciated, net	<u>14,080,310</u>	<u>2,999,643</u>	<u>13,654</u>	<u>17,066,299</u>
Total	<u>\$ 17,487,527</u>	<u>\$ 2,999,643</u>	<u>\$ 1,121,452</u>	<u>\$ 19,365,718</u>

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

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance January 1, 2017	Additions/ reclassifications	Deletions/ reclassifications	Balance December 31, 2017
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 963,116	\$ -	\$ -	\$ 963,116
Easements	15,955	-	-	15,955
Construction in process	642,645	1,748,327	492,411	1,898,561
Total capital assets, not being depreciated	1,621,716	1,748,327	492,411	2,877,632
Sewage disposal plant and equipment	30,508,364	1,711,798	-	32,220,162
Sewer mains	50,895,484	281,650	-	51,177,134
Outfall lines	1,141,390	-	-	1,141,390
Land improvements	525,932	23,224	-	549,156
Furniture and office equipment	127,055	14,853	4,744	137,164
Computer equipment	314,512	10,672	16,878	308,306
Vehicles	918,028	439,850	247,418	1,110,460
Machinery and equipment	987,739	44,089	28,109	1,003,719
Maintenance facility	1,430,686	-	-	1,430,686
Total capital assets, being depreciated	86,849,190	2,526,136	297,149	89,078,177
Less accumulated depreciation for:				
Sewage disposal plant and equipment	17,617,805	997,952	-	18,615,757
Sewer mains	21,745,549	1,216,073	-	22,961,622
Outfall lines	508,239	23,838	-	532,077
Land improvements	237,720	35,058	-	272,778
Furniture and office equipment	127,055	1,019	4,744	123,330
Computer equipment	302,429	5,298	16,878	290,849
Vehicles	642,442	66,501	208,825	500,118
Machinery and equipment	602,280	78,678	28,109	652,849
Maintenance facility	536,167	35,943	-	572,110
Total accumulated depreciation	42,319,686	2,460,360	258,556	44,521,490
Total capital assets, being depreciated, net	44,529,504	65,776	38,593	44,556,687
Total	\$ 46,151,220	\$ 1,814,103	\$ 531,004	\$ 47,434,319

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

NOTE 4 - CAPITAL ASSETS (Concluded)

	Balance January 1, 2017	Additions/ reclassifications	Deletions/ reclassifications	Balance December 31, 2017
Component unit:				
Downtown Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 4,470,674	\$ 114,679	\$ -	\$ 4,585,353
Construction in process	5,602	5,391	5,602	5,391
Total capital assets, not being depreciated	<u>4,476,276</u>	<u>120,070</u>	<u>5,602</u>	<u>4,590,744</u>
Capital assets, being depreciated:				
Buildings	1,110,660	100,926	-	1,211,586
Land improvements	6,368,716	60,492	-	6,429,208
Infrastructure (road improvements)	1,294,495	-	-	1,294,495
Machinery and equipment	107,009	-	-	107,009
Furniture and office equipment	81,649	-	-	81,649
Total capital assets, being depreciated	<u>8,962,529</u>	<u>161,418</u>	<u>-</u>	<u>9,123,947</u>
Less accumulated depreciation for:				
Buildings	322,650	30,091	-	352,741
Land improvements	3,268,405	313,898	-	3,582,303
Infrastructure (road improvements)	1,272,318	3,412	-	1,275,730
Machinery and equipment	66,756	6,379	-	73,135
Furniture and office equipment	76,020	1,126	-	77,146
Total accumulated depreciation	<u>5,006,149</u>	<u>354,906</u>	<u>-</u>	<u>5,361,055</u>
Total capital assets, being depreciated, net	<u>3,956,380</u>	<u>(193,488)</u>	<u>-</u>	<u>3,762,892</u>
Total	<u>\$ 8,432,656</u>	<u>\$ (73,418)</u>	<u>\$ 5,602</u>	<u>\$ 8,353,636</u>

Depreciation expense was charged to functions/programs of the primary government at December 31, 2017 as follows:

Governmental activities:	
General government	\$ 174,445
Public safety	115,836
Public works	208,583
Community development	5,757
Recreation and culture	389,610
Total governmental activities	<u>\$ 894,231</u>
Business type activities:	
Sewer	<u>\$ 2,460,360</u>
Component unit:	
Downtown Development Authority	<u>\$ 354,906</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, 2017 is as follows:

	Transfer in			Capital projects fund	Total transfers out
	General fund	Fire fund	Police fund		
Transfer out:					
General fund	\$ -	\$ 1,276,809	\$ 1,545,733	\$ -	\$ 2,822,542
Debt service fund	-	-	-	147,581	147,581
	\$ -	\$ 1,276,809	\$ 1,545,733	\$ 147,581	\$ 2,970,123

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 general 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.

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

NOTE 6 - LONG-TERM DEBT (Continued)

\$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 \$67,433 to \$73,260 through 2022, interest at 1.65%.	\$ 349,650
\$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.	<u>800,000</u>
Total general obligation bonds	1,149,650
\$348,000, Special Assessment bonds, due in annual installments of \$8,000 to \$25,000 through 2032, at interest of 2.84%.	<u>348,000</u>
	<u><u>\$ 1,497,650</u></u>

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:

Purpose	Amount	obligations extend through	Interest rate
Governmental activities	\$ 2,473,637	2033	Imputed at 4%

Installment Purchase Agreements

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:

Purpose	Amount	Fiscal year Due	Interest rate
Governmental activities	\$ 2,480,000	2031	3.24%

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

NOTE 6 - LONG-TERM DEBT (Continued)

Capital Leases

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 5 year estimated useful life. This year, \$2,076 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</u>	<u>Interest rate</u>
Governmental activities	<u>\$ 2,529</u>	2019	11.317%

The government has entered into a lease agreement as lessee for financing the acquisition of telephones at a value of \$16,126. The phones have a 4 year estimated useful life. This year, \$855 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>obligations extend through</u>	<u>Interest rate</u>
Governmental activities	<u>\$ 15,271</u>	2020	2.98% - 4.34%

**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%.	\$ 1,155,000
\$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 \$337,568 to \$366,740 through 2022, interest at 1.65%.	1,750,350
\$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 \$66,133 through 2018, at the same rate of interest of 4.00%.	66,133
	<u>\$ 3,472,485</u>

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

NOTE 6 - LONG-TERM DEBT (Continued)

State Revolving Loan Fund Revenue Bonds

\$9,850,000, 2007 sanitary sewer revenue bonds, draws to December 31, 2011 of \$9,850,000, interest payable at 1.625%. Interest payments due semi-annually. Principal payments ranging from \$485,000 to \$570,000 due annually through 2028.	\$ 5,805,000
\$8,400,000, 2010 Sanitary Sewer revenue bonds, draws to December 31, 2013, interest paid semi-annually at 2.5%. Principal payments ranging from \$370,000 to \$525,000 due annually through 2032.	6,670,000
	\$ 12,475,000

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:

Purpose	Amount	Fiscal year Due	Interest Rate
Business-type activities - Energy bond	\$ 1,395,000	2031	3.24%
Business-type activities - Vactor purchase	266,946	2021	2.84%
Total installment purchase agreements	\$ 1,661,946		

Capital Lease

The government has entered into a lease agreement as lessee for financing the acquisition of telephones at a value of \$8,058. The phones have a 4 year estimated useful life. This year, \$431 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.

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

NOTE 6 - LONG-TERM DEBT (Continued)

Downtown Development Authority (Component Unit)

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

\$990,000, 2003 general obligation bonds to finance Downtown Development Authority costs of constructing a building, due in an annual installment of \$85,000 through 2018, interest at 4.50%.	\$ 85,000
\$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 \$593,868 through 2018, at the same rate of interest of 4.00%.	593,868
\$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%.	1,435,000
\$6,750,000, 2017 DDA Downtown Development bonds, due in annual installments of \$595,000 to \$615,000 through 2035, interest at 3.0% to 3.50%. The bonds were issued at a premium for total proceeds of \$6,944,981	<u>6,750,000</u>
Total general obligation bonds	<u>13,362,866</u>
Bond premium	<u>194,981</u>
	<u><u>\$ 13,557,847</u></u>

**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, 2017:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,314,586	\$ -	\$ 164,936	\$ 1,149,650	\$ 167,433
Special assessment bonds	-	348,000	-	348,000	8,000
General assessment payable	2,668,771	-	195,134	2,473,637	195,134
Installment purchase agreement	2,714,096	-	234,096	2,480,000	137,600
Capital lease - copier	4,605	-	2,076	2,529	2,323
Capital lease - telephone	-	16,126	855	15,271	5,228
Compensated absences	407,894	3,561	-	411,455	120,000
	<u>\$ 7,109,952</u>	<u>\$ 367,687</u>	<u>\$ 597,097</u>	<u>\$ 6,880,542</u>	<u>\$ 635,718</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 4,010,175	\$ -	\$ 537,690	\$ 3,472,485	\$ 553,700
Revenue bonds	13,320,000	-	845,000	12,475,000	855,000
Installment purchase agreement	1,470,335	266,947	75,335	1,661,946	141,360
Capital lease - telephone	-	8,058	432	7,627	2,631
	<u>\$ 18,800,510</u>	<u>\$ 275,005</u>	<u>\$ 1,458,457</u>	<u>\$ 17,617,058</u>	<u>\$ 1,552,691</u>
Component unit:					
General obligation bonds	\$ 7,320,241	\$ 6,750,000	\$ 707,375	\$ 13,362,866	\$ 743,868
Bond premium	-	194,981	-	194,981	-
	<u>\$ 7,320,241</u>	<u>\$ 6,944,981</u>	<u>\$ 707,375</u>	<u>\$ 13,557,847</u>	<u>\$ 743,868</u>
	<u>\$ 33,230,703</u>	<u>\$ 7,587,673</u>	<u>\$ 2,762,929</u>	<u>\$ 38,055,447</u>	<u>\$ 2,932,277</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, 2017, are as follows:

Year ending December 31	Governmental activities		Business-type activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 515,718	\$ 238,817	\$ 1,552,691	\$ 382,841	\$ 743,868	\$ 354,634
2019	532,176	215,633	1,595,197	349,562	766,844	326,261
2020	536,904	197,886	1,637,974	317,019	784,840	314,004
2021	570,329	180,033	1,671,034	283,636	803,337	301,460
2022	578,394	170,553	1,641,409	258,601	830,331	288,340
2023 - 2027	2,115,985	553,996	5,968,554	834,085	3,748,646	1,214,371
2028 - 2032	1,498,493	181,916	3,550,199	243,937	3,530,000	713,543
2033 - 2035	121,088	12,771	-	-	2,155,000	23,485
	<u>\$ 6,469,087</u>	<u>\$ 1,751,605</u>	<u>\$ 17,617,058</u>	<u>\$ 2,669,681</u>	<u>\$ 13,362,866</u>	<u>\$ 3,536,098</u>

On April 5, 2017, the Township issued special assessment debt to provide funds for the construction of streets in new residential developments. These bonds will be repaid from amounts levied against the property owners benefited by this construction. Those amounts, including interest, are 100% pledged to pay the scheduled principal and interest payments on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at a time a debt service payment is due, the Township must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. The bonds have a stated rate of interest of 2.84% and are payable in equal installment of principal over the next 15 years.

Additionally, on August 9, 2017, the Downtown Development Authority issued general obligation bonds - limited tax for the purpose of developing and improving certain lands, infrastructure and improvements within the downtown district. The bonds are payable from tax increment revenues captured by the Downtown Development Authority in the development area from ad valorem and certain specific taxes. The bonds were issued at a premium of \$194,981, with a face value of \$6,750,000. Total proceeds were, therefore, \$6,994,981. The bonds carry interest rates ranging from 3.0% to 3.5%, payable over the next 28 years.

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

NOTE 6 - LONG-TERM DEBT (Concluded)

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, 2017, \$10,055,000 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, 2017, these commitments totaled \$870,015 and are payable through 2024, with \$116,720 due in the next year.

NOTE 7 - CONTRIBUTED CAPITAL

During the current year, the Township received a capital contribution for their component unit. This capital was in the form of land, which will be used for the Downtown Development Authority. The contribution was valued at \$70,000. 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 Wilby Estates sewer. The contribution amounted to \$281,650. 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.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

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 3 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 2 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 2017 was \$4,529,945. Contributions were calculated using the base salary amount of \$4,018,938. The Township made the required 10% contribution total \$401,894.

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 \$4,026. 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 life and, in some cases, health insurance through the Delhi Charter Township Retiree Health Care Plan (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 2 years. The information provided is the results of the most recent actuarial valuation with a measurement date of September 30, 2016, with roll forward procedures performed with a measurement date of December 31, 2017.

Plan Description

Plan Administration. The Plan provides other post-employment benefits (OPEB) for all of its full time employees through a single-employment defined benefit plan. The purpose of the Plan is to provide health and life insurance benefits to all employees who were hired prior to January 1, 2010 and retire from the Township with a minimum 10 years of service, and life insurance benefits to all employees who were hired after January 1, 2010 and retire from the Township with a minimum 10 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.

The management of the Plan is vested in the Township Board of Trustees, which consists of 7 members. The trustees have authorized township administration to oversee the operations of the trust.

Plan membership. At December 31, 2017, the plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	16
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>59</u>
Total	<u><u>75</u></u>

Benefits provided. The Plan is to provide health care and life insurance benefits to retirees. As noted in the plan description, employees hired before January 1, 2010 that have 10 years or more of service are eligible for both health care and life insurance. Employees hired after January 1, 2010 who have 10 years or more of service are eligible for life insurance benefits only. Benefits are provided through a third-party insurer and the cost of benefits is determined by the schedule of shared participation rates, where the Plan covers the Township portion, and the member is liable for the remainder. The Township Board of Trustees has the authority to establish and amend benefit provisions.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Contributions. 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 related to health insurance benefits 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 current rate is 4.90% of annual covered payroll. The Township contributed \$136,458 for their portion of the shared costs of retiree premiums.

Investments

Investment policy. The Plan's policy in regards to the allocation of invested assets is established and may be amended by the Plan's board by a majority vote of its members. It is the policy of the Plan's board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2017:

Asset class	Target allocation
Domestic equity	25%
International equity	10%
Fixed income	10%
Money market	55%
	100%

Rate of return. For the year ended December 31, 2017, the annual money-weighted rate of return on investments, net of investment expense was 7.3%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Liability

Funding progress. For the year ended December 31, 2017, the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of September 30, 2016. 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 24 years. Based on that valuation, the Township contributed \$476,141 for the year ended December 31, 2017, which represents 100% of the annual required contribution. The value of the Plan's assets at the end of December 31, 2017, was \$4,035,124.

	Township
Annual required contribution (recommended)	\$ 476,141
Amounts contributed:	
Payments of current expenses (ARC and retiree premiums)	(476,141)
Decrease in net OPEB obligation	-
OPEB obligation (prepayment):	
Beginning of year	-
End of year	\$ -

The annual OPEB costs, the percentage contributed to the Plan, and the net OPEB obligation for the current and preceding 2 years is as follows:

	Fiscal year ending December 31,		
	2015	2016	2017
Annual OPEB costs	\$ 618,464	\$ 611,521	\$ 476,141
Percentage contributed	100.0%	100.0%	100.0%

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

The funding progress of the Plan as of the most recent valuation date of September 30, 2016, is as follows:

	Township
Actuarial accrued liability (AAL)	\$ 6,868,944
Actuarial value of plan assets - 9/30/2016	2,900,544
Unfunded actuarial accrued liability (UAAL)	\$ 3,968,400
Funded ratio (actuarial value of plan assets/AAL)	42.2%
Covered payroll (active plan members)	\$ 2,784,198
UAAL as a percentage of covered payroll	142.5%

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.

The components of the net OPEB liability of the Township at December 31, 2017, were as follows:

	Township
Total OPEB liability	\$ 7,393,077
Plan fiduciary net position	(4,035,124)
Net OPEB liability (asset)	\$ 3,357,953
Plan fiduciary net position as a percentage of the total OPEB liability	54.6%

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2016, with roll forward procedures and a measurement date of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2% - 2.5%
Salary increases	4% - 17%, average, including inflation
Investment rate of return	7%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	9% trend, gradually decreasing to 4.0% in year 10

Mortality rates were based on the RP - 2000 Mortality Table projected 20 years with Scale BB.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocations as of December 31, 2017, are summarized in the following table:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Domestic equity	6.86%
International equity	8.45%
Fixed income	3.30%
Money market	0.00%

Discount rate. The discount rate used to measure total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Township contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Concluded)

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%):

	1% Decrease (6.0%)	Discount rate (7.0%)	1% Increase (8.0%)
Net OPEB liability	\$ 4,405,547	\$ 3,357,953	\$ 2,492,321

Sensitivity of the Net OPEB liability to changes in the healthcare trend rates. The following presents the net OPEB liability of the Township, as well as what the Township's net OPEB liability would be if it were calculated using a healthcare cost trend rates that is 1-percentage-point lower (8.0%) or 1-percentage-point higher (10.0%):

	1% Decrease (8.0%)	Healthcare cost trend rates (9.0%)	1% Increase (10.0%)
Net OPEB liability	\$ 2,451,831	\$ 3,357,953	\$ 4,428,788

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 2017 or any of the prior 3 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.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

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, 2017, activity in the building department is as follows:

Building department surplus at January 1, 2017	<u>\$ 40,476</u>
Revenues:	
Trade permits	<u>573,884</u>
Expenditures:	
Salaries and benefits	221,845
Supplies and other	191,175
Allocation of building costs	<u>13,681</u>
	<u>426,701</u>
Building department surplus at December 31, 2017	<u><u>\$ 187,659</u></u>

NOTE 14 - SEGMENT INFORMATION - ENTERPRISE FUNDS

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

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

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, 2017, the Township abated property tax revenue for general operations and emergency services totaling \$12,371 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 \$14,379.

For the year ended December 31, 2017, the Downtown Development Authority abated property tax revenue for general operations totaling \$70,748 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 4 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 \$77,039.

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 PRONOUNCEMENTS

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 No. 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.

Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, was issued by the GASB in January 2017 and will be effective for the Township's 2019 year end. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017 and will be effective for the Township's 2020 year end. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 3,173,000	\$ 3,221,800	\$ 3,222,849	\$ 1,049
Grants and revenue sharing	2,256,770	2,521,140	2,598,080	76,940
Intergovernmental	138,810	133,810	133,313	(497)
Licenses and permits	320,700	631,150	659,866	28,716
Charges for services	1,493,460	1,485,710	1,570,130	84,420
Franchise fees	515,300	514,200	512,700	(1,500)
Fines and forfeitures	18,000	19,000	18,846	(154)
Interest and rentals	29,300	38,000	51,300	13,300
Other	485,710	636,840	660,500	23,660
Total revenues	<u>8,431,050</u>	<u>9,201,650</u>	<u>9,427,584</u>	<u>225,934</u>
EXPENDITURES:				
Current:				
General government:				
Legislative - Board of Trustees	107,930	102,580	101,979	601
Manager	346,760	339,600	337,235	2,365
Accounting	146,840	145,730	137,367	8,363
Clerk	337,110	302,790	301,943	847
Information technology	271,940	223,140	214,709	8,431
Treasurer	271,860	266,400	252,309	14,091
Assessing	392,500	318,860	295,306	23,554
Elections	13,200	38,810	32,704	6,106
Building and grounds	639,690	471,660	442,823	28,837
Total general government	<u>2,527,830</u>	<u>2,209,570</u>	<u>2,116,375</u>	<u>93,195</u>

CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Concluded)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	Original budget	Final budget	Actual	Variance with final budget
EXPENDITURES (Concluded):				
Current (Concluded):				
Public works	\$ 1,890,680	\$ 857,320	\$ 787,515	\$ 69,805
Community and economic development	755,150	815,400	781,810	33,590
Recreation and culture:				
Parks administration	266,800	256,410	250,568	5,842
Parks	572,310	489,260	485,761	3,499
Recreation	65,780	54,210	47,423	6,787
Total recreation and culture	904,890	799,880	783,752	16,128
Other	550,500	534,650	520,027	14,623
Debt service:				
Principal	478,850	532,780	531,817	963
Interest	252,810	194,550	194,552	(2)
Total debt service	731,660	727,330	726,369	961
Capital outlay	2,346,300	3,172,060	2,826,943	345,117
Total expenditures	9,707,010	9,116,210	8,542,791	573,419
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,275,960)	85,440	884,793	799,353
OTHER FINANCING SOURCES (USES):				
Proceeds from the sale of capital assets	80,000	1,600	1,600	-
Proceeds from capital lease	-	14,370	12,537	(1,833)
Proceeds from the issuance of bonds	537,400	-	-	-
Transfers in (out)	(2,990,510)	(2,939,580)	(2,822,542)	117,038
Total other financing sources (uses)	(2,373,110)	(2,923,610)	(2,808,405)	115,205
Net change in fund balance	(3,649,070)	(2,838,170)	(1,923,612)	914,558
FUND BALANCE:				
Beginning of year	8,773,059	8,773,059	8,773,059	-
End of year	<u>\$ 5,123,989</u>	<u>\$ 5,934,889</u>	<u>\$ 6,849,447</u>	<u>\$ 914,558</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2017**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,069,650	\$ 1,077,500	\$ 1,078,957	\$ 1,457
Grants and revenue sharing	38,400	31,370	31,260	(110)
Other	17,000	45,450	45,455	5
Total revenues	<u>1,125,050</u>	<u>1,154,320</u>	<u>1,155,672</u>	<u>1,352</u>
EXPENDITURES:				
Current:				
Public safety	2,546,330	2,498,280	2,369,240	129,040
Capital outlay	20,000	48,670	47,937	733
Total expenditures	<u>2,566,330</u>	<u>2,546,950</u>	<u>2,417,177</u>	<u>129,773</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,441,280)</u>	<u>(1,392,630)</u>	<u>(1,261,505)</u>	<u>131,125</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	2,400	2,400	-
Proceeds from capital lease	-	3,670	3,589	(81)
Transfers in	1,441,280	1,386,560	1,276,809	(109,751)
Total other financing sources (uses)	<u>1,441,280</u>	<u>1,392,630</u>	<u>1,282,798</u>	<u>(109,832)</u>
Net change in fund balance	-	-	21,293	21,293
FUND BALANCE:				
Beginning of year	<u>35,211</u>	<u>35,211</u>	<u>35,211</u>	<u>-</u>
End of year	<u>\$ 35,211</u>	<u>\$ 35,211</u>	<u>\$ 56,504</u>	<u>\$ 21,293</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2017**

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
REVENUES:				
Taxes	\$ 1,069,650	\$ 1,077,500	\$ 1,078,774	\$ 1,274
Grants and revenue sharing	-	6,770	6,772	2
Fines and forfeitures	55,000	40,000	38,933	(1,067)
Total revenues	<u>1,124,650</u>	<u>1,124,270</u>	<u>1,124,479</u>	<u>209</u>
EXPENDITURES:				
Current:				
Public safety	<u>2,673,880</u>	<u>2,677,290</u>	<u>2,670,212</u>	<u>7,078</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,549,230)</u>	<u>(1,553,020)</u>	<u>(1,545,733)</u>	<u>7,287</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>1,549,230</u>	<u>1,553,020</u>	<u>1,545,733</u>	<u>(7,287)</u>
Net change in fund balance	-	-	-	-
FUND BALANCE:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST 10 YEARS**

	2017
Total OPEB liability:	
Service cost	\$ 131,237
Interest	488,071
Changes of benefit terms	-
Difference between expected and actual experience	(64,833)
Changes of assumptions	-
Benefit payments including employee refunds	(136,458)
Other	-
	418,017
Net change in total OPEB liability	418,017
Total OPEB liability beginning	6,975,060
Total OPEB liability ending	\$ 7,393,077
Plan fiduciary net position:	
Contributions-employer	\$ 476,141
Contributions-nonemployer	-
Net investment income	295,695
Benefit payments including employee refunds	(136,458)
Administrative expense	-
	635,378
Net change in plan fiduciary net position	635,378
Plan fiduciary net position beginning	3,399,746
Plan fiduciary net position ending	\$ 4,035,124
Employer net OPEB liability	\$ 3,357,953
Plan fiduciary net position as a percentage of the total pension liability	54.58%
Covered employee payroll	\$ 2,784,198
Employer's net OPEB liability as a percentage of covered employee payroll	120.61%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
FOR THE LAST 10 YEARS**

	2017
Actuarial determined contributions	\$ 476,141
Contributions in relation to the actuarially determined contribution	476,141
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ 2,784,198
Contributions as a percentage of covered employee payroll	17.10%

Note - contributions relates to contributions made by the Township

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF INVESTMENT RETURNS
FOR THE LAST 10 YEARS**

Annual money-weighted rate of return, net of investment expense	<u>2017</u> <u><u>7.3</u></u>
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This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, reporting units should present information for those years for which information is available.

CHARTER TOWNSHIP OF DELHI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFIT PLAN

Notes to the Schedule of Changes in the Township's Net OPEB Liability and Related Ratios

Benefit changes - There were no benefit changes

Changes of assumptions - There were no changes in assumptions

Notes to the Schedule of the Township's Contributions

Valuation date:

Actuarially determined contribution rates are calculated as of December 31, 2 years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age
Amortization method	Level percent, closed
Amortization period	24 years
Asset valuation method	Market value of assets
Inflation	2% - 2.5%
Healthcare cost trend rates	9.0% trend, gradually decreasing to 4.0% in year 10
Salary increases	4.0% - 17.0%, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense, including inflation
Retirement age	Experience based table of rates that are specific to the type of eligibility condition
Mortality	The RP - 2000 Mortality Table projected 20 years with Scale BB.

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POSTRETIREMENT HEALTHCARE PLAN FUNDING PROGRESS
LAST 3 YEARS**

The historical information required to be disclosed is as follows:

Actuarial valuation date	(1) Actuarial value of assets	(2) Actuarial accrued liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded ratio (1) / (2)	(5) Annual covered payroll	(6) UAAL as a % of payroll [(2) - (1)] / (5)
8/31/2010	\$ 532,747	\$ 3,647,677	\$ 3,114,930	14.6%	\$ 4,030,000	77.0%
8/31/2013	1,402,990	6,896,399	5,493,409	20.3%	4,227,000	130.0%
9/30/2016	2,900,544	6,868,944	3,968,400	42.2%	2,784,198	142.5%

Schedule of employer contributions:

Year ended December	Actual valuation date	Annual required contribution	Percentage contributed
2015	August 31, 2013	\$ 618,464	100.0%
2016	August 31, 2013	611,521	100.0%
2017	September 30, 2016	476,141	100.0%

ADDITIONAL SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Debt service</u>	<u>Total nonmajor governmental funds</u>
ASSETS:				
Cash and cash equivalents	\$ 208,071	\$ 63,286	\$ 34,987	\$ 306,344
Investments	206,188	-	-	206,188
Taxes receivable	1,490	-	24,921	26,411
Special assessments receivable	12,745	-	298,233	310,978
TOTAL ASSETS	<u>\$ 428,494</u>	<u>\$ 63,286</u>	<u>\$ 358,141</u>	<u>\$ 849,921</u>
LIABILITY:				
Accounts payable	\$ -	\$ 5,422	\$ -	\$ 5,422
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - special assessments	12,745	-	298,233	310,978
FUND BALANCES:				
Restricted:				
Capital projects	-	57,864	-	57,864
Committed:				
For debt service	-	-	59,908	59,908
For water improvement	393,109	-	-	393,109
Assigned for subsequent year expenditures	22,640	-	-	22,640
TOTAL FUND BALANCES	<u>415,749</u>	<u>57,864</u>	<u>59,908</u>	<u>533,521</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 428,494</u>	<u>\$ 63,286</u>	<u>\$ 59,908</u>	<u>\$ 849,921</u>

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Debt service</u>	<u>Total nonmajor governmental funds</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 198,057	\$ 198,057
Special assessments	-	-	9,432	9,432
Charges for services	103,974	-	-	103,974
Interest and rentals	2,237	-	-	2,237
Other	1,779	-	-	1,779
Total revenues	<u>107,990</u>	<u>-</u>	<u>207,489</u>	<u>315,479</u>
EXPENDITURES:				
Current:				
Public works	2,343	437,717	-	440,060
Debt service:				
Principal	64,935	-	-	64,935
Interest	8,399	-	-	8,399
Total expenditures	<u>75,677</u>	<u>437,717</u>	<u>-</u>	<u>513,394</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>32,313</u>	<u>(437,717)</u>	<u>207,489</u>	<u>(197,915)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from the issuance of bonds	-	348,000	-	348,000
Transfers in	-	147,581	-	147,581
Transfers out	-	-	(147,581)	(147,581)
Total other financing sources (uses)	<u>-</u>	<u>495,581</u>	<u>(147,581)</u>	<u>348,000</u>
Net change in fund balances	32,313	57,864	59,908	150,085
FUND BALANCES:				
Beginning of year	<u>383,436</u>	<u>-</u>	<u>-</u>	<u>383,436</u>
End of year	<u>\$ 415,749</u>	<u>\$ 57,864</u>	<u>\$ 59,908</u>	<u>\$ 533,521</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017
(with comparative totals for December 31, 2016)**

	Water improvement fund	Totals	
		2017	2016
ASSETS:			
Cash and cash equivalents	\$ 208,071	\$ 208,071	\$ 180,266
Investments	206,188	206,188	203,951
Taxes receivable	1,490	1,490	1,779
Special assessments receivable	12,745	12,745	13,832
TOTAL ASSETS	\$ 428,494	\$ 428,494	\$ 399,828
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 2,560
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - special assessments	12,745	12,745	13,832
FUND BALANCES:			
Committed:			
For water improvement	393,109	393,109	334,256
Assigned for subsequent year expenditures	22,640	22,640	49,180
TOTAL FUND BALANCES	415,749	415,749	383,436
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 428,494	\$ 428,494	\$ 399,828

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017
(with comparative totals for the year ended December 31, 2016)**

	Water improvement fund	Totals	
		2017	2016
REVENUES:			
Taxes	\$ -	\$ -	\$ 361
Charges for services	103,974	103,974	142,250
Interest and rentals	2,237	2,237	1,234
Other	1,779	1,779	1,778
Total revenues	<u>107,990</u>	<u>107,990</u>	<u>145,623</u>
EXPENDITURES:			
Current:			
Public safety	-	-	92,614
Public works	2,343	2,343	4,904
Debt service:			
Principal	64,935	64,935	62,438
Interest	8,399	8,399	19,482
Capital outlay	-	-	186,017
Total expenditures	<u>75,677</u>	<u>75,677</u>	<u>365,455</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>32,313</u>	<u>32,313</u>	<u>(219,832)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from the issuance of bonds	-	-	414,585
Payments to escrow agent	-	-	(409,341)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,244</u>
Net change in fund balances	32,313	32,313	(214,588)
FUND BALANCES:			
Beginning of year	<u>383,436</u>	<u>383,436</u>	<u>598,024</u>
End of year	<u>\$ 415,749</u>	<u>\$ 415,749</u>	<u>\$ 383,436</u>

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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, 2017**

	Water Improvement Fund		
	Final budget	Actual	Variance with final budget
REVENUES:			
Charges for services	\$ 102,970	\$ 103,974	\$ 1,004
Interest and rentals	2,100	2,237	137
Other	1,770	1,779	9
Total revenues	106,840	107,990	1,150
EXPENDITURES:			
Current:			
Public works	2,450	2,343	107
Debt service:			
Principal	64,940	64,935	5
Interest	8,510	8,399	111
Total expenditures	75,900	75,677	223
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	30,940	32,313	1,373
FUND BALANCES:			
Beginning of year	383,436	383,436	-
End of year	\$ 414,376	\$ 415,749	\$ 1,373

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2017
(with comparative totals for December 31, 2016)

	Trust and agency	Tax collection fund	Totals	
			2017	2016
ASSETS:				
Cash and cash equivalents	\$ 63,739	\$ 17,826,059	\$ 17,889,798	\$ 16,576,649
Taxes receivable	236,933	13,967,446	14,204,379	14,884,629
TOTAL ASSETS	\$ 300,672	\$ 31,793,505	\$ 32,094,177	\$ 31,461,278
LIABILITIES:				
Due to other governments	\$ -	\$ 31,793,505	\$ 31,793,505	\$ 31,135,300
Undistributed receipts	300,672	-	300,672	325,978
TOTAL LIABILITIES	\$ 300,672	\$ 31,793,505	\$ 32,094,177	\$ 31,461,278

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Trust and Agency				
Assets:				
Cash and cash equivalents	\$ 42,379	\$ 2,410,959	\$ 2,389,599	\$ 63,739
Taxes receivable	283,599	120,500	167,166	236,933
	<u>\$ 325,978</u>	<u>\$ 2,531,459</u>	<u>\$ 2,556,765</u>	<u>\$ 300,672</u>
Liabilities:				
Undistributed receipts	\$ 325,978	\$ 1,155,034	\$ 1,180,340	\$ 300,672
Current Tax				
Assets:				
Cash and cash equivalents	\$ 16,534,270	\$ 41,710,258	\$ 40,418,469	\$ 17,826,059
Taxes receivable	14,601,030	41,745,222	42,378,806	13,967,446
	<u>\$ 31,135,300</u>	<u>\$ 83,455,480</u>	<u>\$ 82,797,275</u>	<u>\$ 31,793,505</u>
Liabilities:				
Due to other governments	\$ 31,135,300	\$ 83,455,480	\$ 82,797,275	\$ 31,793,505
Totals				
Assets:				
Cash and cash equivalents	\$ 16,576,649	\$ 44,121,217	\$ 42,808,068	\$ 17,889,798
Taxes receivable	14,884,629	41,865,722	42,545,972	14,204,379
	<u>\$ 31,461,278</u>	<u>\$ 85,986,939</u>	<u>\$ 85,354,040</u>	<u>\$ 32,094,177</u>
Liabilities:				
Undistributed receipts	\$ 325,978	\$ 1,155,034	\$ 1,180,340	\$ 300,672
Due to other governments	31,135,300	83,455,480	82,797,275	31,793,505
	<u>\$ 31,461,278</u>	<u>\$ 84,610,514</u>	<u>\$ 83,977,615</u>	<u>\$ 32,094,177</u>

**CHARTER TOWNSHIP OF DELHI
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	<u>Governmental fund balance sheet</u>				
	<u>Brownfield Redevelopment Authority</u>	<u>Local Brownfield revolving fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of net position</u>
ASSETS:					
Cash and cash equivalents	\$ 2,439	\$ 340,745	\$ 343,184	\$ -	\$ 343,184
Taxes receivable	30,164	3,185	33,349	-	33,349
Total assets	<u>\$ 32,603</u>	<u>\$ 343,930</u>	<u>\$ 376,533</u>	<u>-</u>	<u>376,533</u>
LIABILITIES:					
Accounts payable	\$ 2,393	33,103	35,496	-	35,496
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	30,164	3,185	33,349	-	33,349
FUND BALANCES:					
Assigned for subsequent year expenditures	-	73,500	73,500	(73,500)	-
Unassigned	46	234,188	234,188	(234,188)	-
Total fund balances	<u>46</u>	<u>307,688</u>	<u>307,688</u>	<u>(307,688)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,603</u>	<u>\$ 343,976</u>	<u>\$ 376,533</u>		
NET POSITION:					
Unrestricted				307,688	307,688
Total net position				<u>\$ 307,688</u>	<u>\$ 307,688</u>

**CHARTER TOWNSHIP OF DELHI
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	Governmental funds revenues, expenditures and changes in fund balances				
	Brownfield Redevelopment Authority	Local Brownfield revolving fund	Total	Adjustments	Statement of activities
REVENUES:					
Property taxes	\$ 8,616	\$ 199,484	\$ 208,100	\$ -	\$ 208,100
Other	-	12,630	12,630	-	12,630
Total	8,616	212,114	220,730	-	220,730
EXPENDITURES/EXPENSES:					
Community and economic development	8,570	191,675	200,245	-	200,245
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	46	20,439	20,485	-	20,485
FUND BALANCES/NET POSITION:					
Beginning of year	-	287,203	287,203	-	287,203
End of year	\$ 46	\$ 307,642	\$ 307,688	\$ -	\$ 307,688

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Governmental funds balance sheet

	Downtown development general operating	2008 Bond debt retirement	2016 Refunding bonds	DDA Bond	2017 Bond	Total	Adjustments	Statement of net position
ASSETS:								
Cash and cash equivalents	\$ 3,049,644	\$ -	\$ -	\$ -	\$ -	\$ 3,049,644	\$ -	\$ 3,049,644
Investments	807,655	-	-	-	-	807,655	-	807,655
Taxes receivable	2,736,185	-	-	-	-	2,736,185	-	2,736,185
Other receivables	2,423	-	-	-	-	2,423	-	2,423
Prepays	1,724	-	-	-	-	1,724	-	1,724
Restricted assets:								
Cash and cash equivalents	27,122	-	-	-	-	27,122	-	27,122
Investments	6,330,213	-	-	-	-	6,330,213	-	6,330,213
Capital assets not being depreciated	-	-	-	-	-	-	4,590,744	4,590,744
Capital assets being depreciated, net	-	-	-	-	-	-	3,762,892	3,762,892
TOTAL ASSETS	\$ 12,954,966	\$ -	\$ -	\$ -	\$ -	\$ 12,954,966	8,353,636	21,308,602
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred charge on refunding	-	-	-	-	-	-	242,354	242,354
LIABILITIES:								
Accounts payable	\$ 79,180	\$ -	\$ -	\$ -	\$ -	\$ 79,180	-	79,180
Accrued liabilities	5,678	-	-	-	-	5,678	-	5,678
Interest payable	-	-	-	-	-	-	59,106	59,106
Due to other governments	1,862,666	-	-	-	-	1,862,666	-	1,862,666
Due to primary government	433,964	-	-	-	-	433,964	-	433,964
Long-term liabilities:								
Due within one year	-	-	-	-	-	-	743,868	743,868
Due in more than one year	-	-	-	-	-	-	12,813,979	12,813,979
TOTAL LIABILITIES	2,381,488	-	-	-	-	2,381,488	13,616,953	15,998,441

Governmental funds balance sheet

	Downtown development general operating	2008 Bond debt retirement	2016 Refunding bonds	DDA Bond	2017 Bond	Total	Adjustments	Statement of net position
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue - property taxes	\$ 1,101,357	\$ -	\$ -	\$ -	\$ -	\$ 1,101,357	\$ -	\$ 1,101,357
FUND BALANCES:								
Nonspendable:								
Prepays	1,724	-	-	-	-	1,724	(1,724)	-
Restricted								
Capital projects	6,357,335	-	-	-	-	6,357,335	(6,357,335)	-
Assigned for subsequent year expenditures	882,625	-	-	-	-	882,625	(882,625)	-
Unassigned	2,230,437	-	-	-	-	2,230,437	(2,230,437)	-
TOTAL FUND BALANCES	9,472,121	-	-	-	-	9,472,121	(9,472,121)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 12,954,966	\$ -	\$ -	\$ -	\$ -	\$ 12,954,966		
NET POSITION:								
Net investment in capital assets							1,395,478	1,395,478
Unrestricted							3,055,680	3,055,680
Total net position							\$ 4,451,158	\$ 4,451,158

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
DECEMBER 31, 2017**

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

	Downtown development general operating	2008 Bond debt retirement	2016 Refunding bonds	DDA Bond	2017 Bond	Total	Adjustments	Statement of activities
REVENUES:								
Property taxes	\$ 1,511,335	\$ -	\$ -	\$ -	\$ -	\$1,511,335	\$ -	\$ 1,511,335
Grants and contributions	3,000	-	-	-	-	3,000	-	3,000
Other	11,615	-	-	-	-	11,615	70,000	81,615
Interest and rentals	61,166	-	-	-	-	61,166	-	61,166
Total revenues	<u>1,587,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,587,116</u>	<u>70,000</u>	<u>1,657,116</u>
EXPENDITURES/EXPENSES:								
Current:								
Community and economic development	1,233,015	-	-	-	-	1,233,015	288,853	1,521,868
Debt service:								
Principal	80,000	562,375	65,000	-	-	707,375	(707,375)	-
Interest	123,170	46,700	43,819	92,379	48,413	354,481	33,859	388,340
Capital outlay	145,435	-	-	-	-	145,435	(145,435)	-
Loss on disposal of property	-	-	-	-	-	-	5,602	5,602
Total expenditures/expenses	<u>1,581,620</u>	<u>609,075</u>	<u>108,819</u>	<u>92,379</u>	<u>48,413</u>	<u>2,440,306</u>	<u>(524,496)</u>	<u>1,915,810</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES								
	<u>5,496</u>	<u>(609,075)</u>	<u>(108,819)</u>	<u>(92,379)</u>	<u>(48,413)</u>	<u>(853,190)</u>	<u>594,496</u>	<u>(258,694)</u>

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

	Downtown Development general operating	2008 Bond debt retirement	2010 Refunding bonds	DDA Bond	2017 Bond	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES):								
Proceeds from issuance of bonds	\$ 6,750,000	\$ -	\$ -	\$ -	\$ -	\$6,750,000	\$(6,750,000)	\$ -
Bond premium	194,981	-	-	-	-	194,981	(194,981)	-
Payment to escrow agent	-	-	-	-	-	-	-	-
Transfers in	-	609,075	108,819	92,379	48,413	858,686	(858,686)	-
Transfers out	(858,686)	-	-	-	-	(858,686)	858,686	-
Total other financing sources (uses)	<u>6,086,295</u>	<u>609,075</u>	<u>108,819</u>	<u>92,379</u>	<u>48,413</u>	<u>6,944,981</u>	<u>(6,944,981)</u>	<u>-</u>
Net change in fund balances/net position	6,091,791	-	-	-	-	6,091,791	(6,350,485)	(258,694)
FUND BALANCES/NET POSITION:								
Beginning of year	<u>3,380,330</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,380,330</u>	<u>1,329,522</u>	<u>4,709,852</u>
End of year	<u>\$ 9,472,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$9,472,121</u>	<u>\$(5,020,963)</u>	<u>\$ 4,451,158</u>

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016**

	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 1,959,124	\$ 5,591,668
Investments	4,048,304	1,338,709
Receivables:		
Taxes	3,011,824	2,906,928
Special assessments	307,421	354,199
Other	372,636	278,892
Due from component unit	433,964	424,550
Prepays	73,015	39,226
Restricted cash and cash equivalents - capital projects	-	1,601,204
Restricted cash and cash equivalents - Sycamore Trail	285,866	-
TOTAL ASSETS	\$ 10,492,154	\$ 12,535,376
LIABILITIES:		
Accounts payable	\$ 293,522	\$ 504,962
Accrued liabilities	39,936	38,511
Unearned revenue	78,309	2,079
Due to other governments	1,697	-
TOTAL LIABILITIES	413,464	545,552
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	2,864,606	2,779,551
Unavailable revenue - ambulance fees	57,216	83,014
Unavailable revenue - special assessments	307,421	354,200
TOTAL DEFERRED INFLOWS OF RESOURCES	3,229,243	3,216,765
FUND BALANCE:		
Nonspendable:		
Prepays	73,015	39,226
Restricted:		
For neighborhood stabilization plan	-	7,160
For building department	187,658	-
For Sycamore Trail	285,866	-
For capital projects	-	1,601,204
Committed:		
Disaster contingency fund	10,000	10,000
Assigned for subsequent year expenditures	1,814,050	1,348,620
Unassigned	4,478,858	5,766,849
TOTAL FUND BALANCE	6,849,447	8,773,059
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 10,492,154	\$ 12,535,376

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
REVENUES:		
Taxes	\$ 3,222,849	\$ 3,180,069
Grants and revenue sharing	2,598,080	2,083,853
Intergovernmental	133,313	140,471
Licenses and permits	659,866	782,673
Charges for services	1,570,130	1,381,437
Franchise fees	512,700	515,564
Fines and forfeitures	18,846	17,807
Interest and rentals	51,300	336,188
Other	660,500	492,249
	9,427,584	8,930,311
Total revenues		
EXPENDITURES:		
Current:		
General government:		
Legislative - Board of Trustees	101,979	102,561
Manager	337,235	337,206
Accounting	137,367	134,839
Clerk	301,943	315,835
Information technology	214,709	185,991
Treasurer	252,309	256,732
Assessing	295,306	326,048
Elections	32,704	134,286
Building and grounds	442,823	581,431
	2,116,375	2,374,929
Total general government		

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Concluded)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
EXPENDITURES (Concluded):		
Current (Concluded):		
Public works	\$ 787,515	\$ 828,506
Community and economic development	781,810	796,021
Recreation and culture	783,752	837,782
Other	520,027	563,166
Debt service	726,369	473,698
Capital outlay	2,826,943	1,425,517
Total expenditures	8,542,791	7,299,619
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	884,793	1,630,692
OTHER FINANCING SOURCES (USES):		
Proceeds from the sale of capital assets	1,600	-
Proceeds from capital lease	12,537	-
Proceeds from installment purchase agreement	-	2,613,930
Transfers in	-	216,961
Transfers out	(2,822,542)	(2,466,054)
Total other financing sources (uses)	(2,808,405)	364,837
Net change in fund balance	(1,923,612)	1,995,529
FUND BALANCE:		
Beginning of year	8,773,059	6,777,530
End of year	\$ 6,849,447	\$ 8,773,059

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**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF NET POSITION
DECEMBER 31, 2017 AND 2016**

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,648,278	\$ 3,161,210
Investments	1,465,933	228,647
Receivables:		
Special assessments	404,810	385,749
Other	1,482,595	1,184,247
Prepays	69,057	29,288
Restricted cash and cash equivalents - capital projects	-	900,672
TOTAL CURRENT ASSETS	5,070,673	5,889,813
NONCURRENT ASSETS:		
Restricted cash, cash equivalents and investments:		
Debt service cash and cash equivalents	477,985	439,913
Replacement cash and cash equivalents	985,378	1,104,356
Replacement investments	206,983	666,466
Property, plant and equipment not being depreciated	2,877,632	1,621,715
Property, plant and equipment net of accumulated depreciation	44,556,687	44,529,508
TOTAL NONCURRENT ASSETS	49,104,665	48,361,958
TOTAL ASSETS	54,175,338	54,251,771
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge on refunding	44,940	52,770

LIABILITIES AND NET POSITION	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 265,503	\$ 199,279
Accrued liabilities	158,159	155,766
Interest payable	94,941	109,484
Escrow payable	65,472	11,126
Current portion of long-term debt	<u>1,552,691</u>	<u>1,458,025</u>
TOTAL CURRENT LIABILITIES	2,136,766	1,933,680
LONG-TERM LIABILITIES , net of current portion:		
Due in more than one year	<u>16,064,367</u>	<u>17,342,485</u>
TOTAL LIABILITIES	<u>18,201,133</u>	<u>19,276,165</u>
NET POSITION:		
Net investment in capital assets	29,862,201	28,382,079
Restricted for:		
Replacement	1,192,361	1,770,822
Debt service	477,985	439,913
Unrestricted	<u>4,486,598</u>	<u>4,435,562</u>
TOTAL NET POSITION	<u><u>\$ 36,019,145</u></u>	<u><u>\$ 35,028,376</u></u>

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
OPERATING REVENUES:		
Charges for services	\$ 6,189,806	\$ 6,002,167
Permits and fees	463,442	815,792
State grant	452,272	369,978
Federal grant	38,010	-
Other operating revenue	155,972	147,442
Total operating revenues	7,299,502	7,335,379
OPERATING EXPENSES:		
Costs of sales and services	3,770,388	3,651,067
Depreciation	2,460,360	2,467,984
Total operating expenses	6,230,748	6,119,051
Operating income	1,068,754	1,216,328
NON-OPERATING REVENUES (EXPENSES):		
Interest and rentals	38,955	23,415
Amortization of bond discount	(7,831)	(5,904)
Bond issuance cost	-	(29,062)
Interest expense	(390,759)	(417,057)
Total non-operating revenues (expenses)	(359,635)	(428,608)
Net income before capital contributions and transfers	709,119	787,720
CAPITAL CONTRIBUTIONS	281,650	185,508
Change in net position	990,769	973,228
NET POSITION:		
Beginning of year	35,028,376	34,055,148
End of year	\$ 36,019,145	\$ 35,028,376

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:		
Cash flows from operating activities:		
Cash received from customers	\$ 6,982,093	\$ 7,332,247
Cash payments to suppliers for goods and services	(2,273,314)	(2,185,933)
Cash payments to employees for services	(1,375,287)	(1,433,915)
Net cash provided by operating activities	3,333,492	3,712,399
Cash flows from capital and related financing activities:		
Purchase of capital assets	(3,500,399)	(995,796)
Deferred loss on refunding	7,830	(52,770)
Proceeds from bonds	275,005	4,046,752
Interest payments, bond issuance costs and amortization	(413,133)	(455,711)
Principal payments	(1,458,457)	(3,833,698)
Net cash used by capital and related financing activities	(5,089,154)	(1,291,223)
Cash flows from investing activities:		
Proceeds (purchases) from maturities of investments	(777,803)	(6,222)
Interest and rental earnings	38,955	23,415
Net cash provided by investing activities	(738,848)	17,193
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,494,510)	2,438,369
CASH AND CASH EQUIVALENTS:		
Beginning of year	5,606,151	3,167,782
End of year	\$ 3,111,641	\$ 5,606,151
Statement of net position classification of cash and cash equivalents:		
Cash and cash equivalents	\$ 1,648,278	\$ 3,161,210
Restricted cash and cash equivalents	1,463,363	2,444,941
	\$ 3,111,641	\$ 5,606,151

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENTS OF CASH FLOWS (Concluded)
YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income	\$ 1,068,754	\$ 1,216,328
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	2,460,360	2,467,984
Loss on disposal of capital assets	38,593	55,948
(Increase) decrease in assets:		
Special assessments receivable	(19,061)	15,180
Other receivables	(298,348)	(18,312)
Prepaid expenses	(39,769)	36,566
Increase (decrease) in liabilities:		
Accounts payable	66,224	(42,078)
Accrued liabilities	2,393	(10,287)
Retainage payable	54,346	(8,930)
Total adjustments	2,264,738	2,496,071
Net cash provided by operating activities	\$ 3,333,492	\$ 3,712,399

**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									
	2008	2009	2010	2011	2012*	2013	2014	2015	2016	2017
Governmental activities										
Net Investment in capital assets	\$ 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	\$13,244,523
Restricted	82,188	59,126	5,624	321,446	360,521	221,139	109,406	207,097	47,636	187,658
Unrestricted	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	7,146,806
Total governmental activities net position	\$ 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	\$20,578,987
Business-type activities										
Net Investment in capital assets	\$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	\$29,862,201
Restricted	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	1,670,346
Unrestricted	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	4,486,598
Total business-type activities net position	\$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	\$36,019,145
Primary government										
Net Investment in capital assets	\$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	\$43,106,724
Restricted	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	1,858,004
Unrestricted	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	11,633,404
Total primary government net position	\$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	\$56,598,132

* 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General governmental	\$ 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	\$ 2,572,299
Public Safety	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	5,185,177
Public Works	797,885	1,214,437	633,727	702,533	816,169	1,028,423	1,434,952	1,338,862	1,014,184	2,187,743
Community development	-	-	652,920	613,856	557,885	604,597	575,816	598,818	768,857	768,412
Recreation & culture	847,934	918,737	952,510	935,756	944,672	916,303	985,792	545,141	1,189,328	674,903
Interest on long-term debt	91,009	76,276	60,120	44,561	27,004	44,517	66,406	44,405	65,643	116,785
Total governmental activities	<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>	<u>11,505,319</u>
Business-type activities:										
Sewer	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	6,635,371
Community Development	686,645	661,871	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>6,635,371</u>
Total primary government expenses	<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>	<u>\$ 18,140,690</u>
Program revenues										
Charges for services:										
General government	\$ 892,589	\$ 902,289	\$ 907,325	\$ 946,334	\$ 929,505	\$ 83,918	\$ 85,102	\$ 126,180	\$ 425,246	\$ 153,844
Public safety	677,948	648,678	739,988	800,662	867,842	808,024	876,863	915,315	773,277	879,340
Public works	-	-	345,410	346,808	333,912	327,757	666,419	382,656	565,710	433,268
Community development	-	-	351,602	380,862	322,069	380,729	420,521	613,318	907,186	769,210
Recreation and culture	134,870	133,835	109,304	103,555	128,332	85,616	65,277	68,178	55,920	67,854
Operating grants and contributions	155,846	97,136	168,765	422,216	478,110	510,414	656,031	571,146	234,361	390,484
Capital grants and contributions	421,038	3,396,484	271,422	109,207	217,544	51,017	2,003,455	704,259	65,087	695,449
Total governmental activities program revenues	<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>	<u>3,389,449</u>
Business-type activities:										
Charges for services:										
Sewer	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	6,824,276
Community development	280,151	322,203	-	-	-	-	-	-	-	-
Operating grants and contributions	389,390	309,131	30,109	10,069	-	-	420,011	606,298	369,978	490,282
Capital grants and contributions	401,403	145,768	46,604	31,475	-	-	64,800	-	185,508	281,650
Total business-type activities program revenues	<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>	<u>7,596,208</u>
Total primary government program revenues	<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>	<u>\$ 10,985,657</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (8,115,870)
Business-type activities	(514,137)	(1,133,127)	(1,090,206)	(1,003,284)	(1,064,931)	(683,746)	215,436	(7,500)	883,653	960,837
Total primary government net expense	<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>	<u>\$ (7,155,033)</u>

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

Schedule 2
Unaudited

	Fiscal Year Ended									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 5,380,580
State shared revenues	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	2,224,407
Grants & contributions not restricted to specific programs	545,943	505,290	558,432	324,964	226,239	192,934	365,077	316,893	211,446	479,944
Unrestricted investment earnings	179,694	77,351	36,518	16,439	9,694	3,650	5,721	7,102	16,097	53,537
Gain (loss) on sale of capital assets	(26,128)	-	-	-	-	-	-	-	-	-
Intra-entity transfer	(235,286)	(133,145)	49,224	-	-	-	(18,599)	(6,267)	(76,972)	(2,539)
Other	-	-	-	-	-	443,210	472,391	494,517	564,782	554,033
Total governmental activities	<u>5,858,173</u>	<u>5,729,662</u>	<u>5,761,879</u>	<u>7,623,405</u>	<u>7,281,495</u>	<u>7,929,820</u>	<u>8,200,976</u>	<u>8,258,655</u>	<u>8,097,900</u>	<u>8,689,962</u>
Business-type activities:										
Investment earnings	-	-	-	24,339	15,264	7,766	9,604	8,478	12,603	27,393
Other	-	-	-	-	-	-	-	-	-	-
Intra-entity transfer	235,286	133,145	(49,224)	-	-	-	18,599	6,267	76,972	2,539
Grants and contributions not restricted to specific programs	4,006	-	36,702	55,050	-	-	-	-	-	-
Total business-type activities	<u>239,292</u>	<u>133,145</u>	<u>(12,522)</u>	<u>79,389</u>	<u>15,264</u>	<u>7,766</u>	<u>28,203</u>	<u>14,745</u>	<u>89,575</u>	<u>29,932</u>
Total primary government	<u>\$ 6,097,465</u>	<u>\$ 5,862,807</u>	<u>\$ 5,749,357</u>	<u>\$ 7,702,794</u>	<u>\$ 7,296,759</u>	<u>\$ 7,937,586</u>	<u>\$ 8,229,179</u>	<u>\$ 8,273,400</u>	<u>\$ 8,187,475</u>	<u>\$ 8,719,894</u>
Change in Net Position										
Governmental activities	\$ (270,061)	\$ 2,032,964	\$ (239,528)	\$ 1,918,887	\$ 1,326,683	\$ 702,946	\$ 2,409,760	\$ 1,496,521	\$ 301,623	\$ 574,092
Business-type activities	(274,845)	(999,982)	(1,102,728)	(923,895)	(1,049,667)	(675,980)	243,639	7,245	973,228	990,769
Total primary government	<u>\$ (544,906)</u>	<u>\$ 1,032,982</u>	<u>\$ (1,342,256)</u>	<u>\$ 994,992</u>	<u>\$ 277,016</u>	<u>\$ 26,966</u>	<u>\$ 2,653,399</u>	<u>\$ 1,503,766</u>	<u>\$ 1,274,851</u>	<u>\$ 1,564,861</u>

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

Schedule 3
Unaudited

	Fiscal Year End									
	2008	2009	2010	2011*	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 43,263	\$ 118,449	\$ 29,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,542,428	1,949,051	1,767,891	-	-	-	-	-	-	-
Nonspendable	-	-	-	52,906	106,973	48,109	29,712	64,550	39,226	73,015
Restricted	-	-	-	40,045	30,349	22,826	20,575	15,532	2,004,334	473,524
Committed	-	-	-	10,000	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	1,814,050
Unassigned	-	-	-	3,874,217	5,236,188	5,504,378	5,110,454	5,338,828	3,070,429	4,478,858
Total general fund	<u>\$ 2,585,691</u>	<u>\$ 2,067,500</u>	<u>\$ 1,796,961</u>	<u>\$ 3,977,168</u>	<u>\$ 5,383,510</u>	<u>\$ 6,283,223</u>	<u>\$ 6,163,991</u>	<u>\$ 6,777,530</u>	<u>\$ 8,773,059</u>	<u>\$ 6,849,447</u>
All other Governmental Funds										
Reserved	\$ 4,672	\$ 14,603	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	981,313	734,765	687,489	-	-	-	-	-	-	-
Debt service funds	82,187	59,126	5,624	-	-	-	-	-	-	-
Nonspendable in construction fund	-	-	-	-	-	588,517	-	-	-	-
Restricted in construction fund	-	-	-	-	-	290,969	-	179,029	-	57,864
Nonspendable in special revenue funds	-	-	-	39,266	33,247	29,105	19,807	54,975	35,211	56,504
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	393,109
Committed for debt service fund	-	-	-	-	-	-	-	-	-	59,908
Assigned for subsequent years expenditures	-	-	-	-	-	61,329	231,580	139,620	49,180	22,640
Unassigned in special revenue funds	-	-	-	(39,266)	(31,747)	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,068,172</u>	<u>\$ 808,494</u>	<u>\$ 693,163</u>	<u>\$ 699,038</u>	<u>\$ 699,382</u>	<u>\$ 1,475,215</u>	<u>\$ 617,442</u>	<u>\$ 832,028</u>	<u>\$ 418,647</u>	<u>\$ 590,025</u>

* New Fund Balance categories

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

Schedule 4
Unaudited

	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013*	12/31/2014	12/31/2015	12/31/2016	12/31/2017
Revenues										
Taxes	\$ 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	\$ 5,578,637
Grants and Revenue Sharing	-	-	-	-	-	2,098,959	2,381,840	2,334,526	2,160,985	2,636,112
Special assessments	413,635	345,481	353,122	357,591	368,660	-	-	-	-	-
Intergovernmental-Local	-	-	-	-	-	95,031	159,610	143,493	140,471	133,313
Intergovernmental	2,034,967	1,832,749	1,939,042	2,275,689	2,372,618	-	-	-	-	-
Licenses and permits	15,965	16,526	206,255	226,356	181,376	252,148	304,387	505,784	782,673	659,866
Charges for services	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	1,674,104
Franchise Fees	-	-	-	-	-	443,210	472,391	494,517	515,564	512,700
Fines and Forfeitures	-	-	-	-	-	78,387	79,227	79,247	67,025	57,779
Interest and Rentals	227,839	89,122	39,751	16,751	9,694	20,802	23,388	25,299	337,422	53,537
Other	771,323	699,737	715,166	739,263	733,966	628,821	760,332	771,291	496,164	717,166
Total revenues	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	12,023,214
Expenditures										
General government	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	2,116,375
Public safety	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	5,039,452
Public works	787,877	542,762	536,245	496,722	686,620	864,688	1,253,563	669,875	800,004	1,227,575
Community development	-	-	588,014	608,433	553,021	605,837	574,711	604,369	796,021	781,810
Recreation and culture	706,826	767,951	725,571	712,694	746,417	702,820	761,143	707,045	837,782	783,752
Other	333,332	323,535	348,663	321,261	386,527	389,846	559,533	486,476	563,166	520,027
Debt service										
Principal	521,389	553,967	705,239	241,897	183,765	219,262	364,215	365,341	392,760	596,752
Interest and issuance costs	87,808	73,415	57,262	66,755	26,598	44,165	62,278	44,515	162,858	202,951
Capital outlay	902,863	531,272	167,278	321,559	289,385	537,743	1,477,912	647,425	1,662,339	2,874,880
Total expenditures	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	14,143,574
Excess of revenues over (under) expenditures	(848,080)	(648,566)	(435,094)	2,051,859	1,406,686	473,046	(860,225)	691,870	(1,037,026)	(2,120,360)
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	-	-	-	1,200,000	-	-	2,613,930	348,000
Capital Lease	-	-	-	-	-	-	9,480	-	-	16,126
Issuance of refunding debt	-	-	-	721,779	-	-	-	-	414,585	-
Payment to refunded bond escrow agent	-	-	-	(687,645)	-	-	-	-	(409,341)	-
Proceeds from sale of capital assets	3,200	3,840	-	100,089	-	2,500	-	9,995	-	4,000
Transfers in	595,388	692,348	84,243	1,388,301	1,625,456	1,834,690	1,897,611	2,074,134	2,683,015	2,970,123
Transfers out	(830,674)	(825,493)	(35,019)	(1,388,301)	(1,625,456)	(1,834,690)	(1,897,611)	(2,074,134)	(2,683,015)	(2,970,123)
Total other financing sources (uses)	(232,086)	(129,305)	49,224	134,223	-	1,202,500	9,480	9,995	2,619,174	368,126
Net change in fund balances	\$ (1,080,166)	\$ (777,871)	\$ (385,870)	\$ 2,186,082	\$ 1,406,686	\$ 1,675,546	\$ (850,745)	\$ 701,865	\$ 1,582,148	\$ (1,752,234)
Debt service as a percentage of noncapital expenditures	7.0%	7.4%	8.5%	10.8%	2.3%	2.8%	4.1%	4.1%	8.7%	7.1%

* Change in revenue classifications

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

Schedule 5
Unaudited

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	Value as a Percentage of Assessed Value
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%
2017	2,979,763	129,554,977	14,762,839	544,710,494	-	41,803,400	733,811,473	7.2903	821,397,875	89%

Personal Property by Category-Taxable Value

	Commercial	Industrial	Utility
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
2017	23,607,500	4,135,500	14,060,400

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		Holt School District Debt Service Millage	Total School Millage
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	4.3094	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
2017	4.2981	1.4961	1.4961	0.0000	0.0000	7.2903	15.3402	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.4258
Non-homestead Holt school operating millage														
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													
2017	18.0000													

Source: Township Assessing Department

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

Schedule 7
Unaudited

Taypayer	2017			2008		
	State Equalized Value	Rank	Percentage of Total Twp Taxable Value	State Equalized Value	Rank	Percentage of Total Twp Taxable Value
Consumers Energy	\$ 12,334,000	1	1.7%	\$ 10,693,404	2	1.3%
Dart Container Corp of MI	7,704,000	2	1.0%	5,014,782	6	0.6%
Woodland Lakes Investment Group	7,676,000	3	1.0%	7,298,654	4	0.9%
Comcast	6,650,200	4	0.9%			
RSDC of Michigan, LLC	5,787,800	5	0.8%	27,206,000	1	3.2%
Bondarenko Ltd LLC	4,715,900	6	0.6%	4,281,233	7	0.5%
Theroux Development Co.	4,161,500	7	0.6%	3,488,349	10	0.4%
Aspen Lakes Estates II LLC	3,639,800	8	0.5%			
DTN Enterprises/Aspen Ridge Apts	3,015,400	9	0.4%	5,535,960	5	0.7%
TMT Delhi LLC	2,970,400	10	0.4%			
Tailor Steel				8,989,700	3	1.1%
Stealth Medical Technologies				4,248,800	8	0.5%
Parker Hannifin Corp				3,520,850	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
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%	14,193	5,866,832	99.9%
2011	5,663,616	5,643,714	99.6%	15,085	5,658,799	99.9%
2012	5,614,077	5,594,097	99.6%	16,573	5,610,671	99.9%
2013	5,343,452	5,109,083	95.6%	12,168	5,121,251	95.8%
2014	5,430,658	5,244,671	96.6%	12,698	5,257,369	96.8%
2015	5,229,524	5,066,873	96.9%	6,706	5,073,579	97.0%
2016	5,247,805	5,089,664	97.0%	4,770	5,094,434	97.1%
2017	5,359,223	5,203,092	97.1%	-	5,203,092	97.1%

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			
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
2017	1,149,651	348,000	2,473,637	2,479,999	3,472,485	-	12,475,000	1,661,947	-	24,060,719	3.01%	912

* 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 Debt	Special Assessment Bonds	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds				
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
2017	1,149,651	348,000	3,472,485	12,475,000	-	17,445,136	2.38%	43.56	30,301

GOVERNMENTAL ACTIVITIES
GENERAL BONDED DEBT

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	General Bonded Debt as a Percentage of Taxable Value ¹	General Bonded Debt Per Capita ²
2008	\$ 1,732,511	\$ 90,578	0.22%	69.93
2009	1,254,221	60,385	0.17%	50.41
2010	734,266	30,193	0.10%	29.54
2011	711,789	-	0.10%	27.79
2012	653,514	-	0.09%	25.31
2013	1,794,407	-	0.26%	69.12
2014	1,641,752	-	0.24%	63.23
2015	1,478,490	-	0.21%	56.80
2016	1,314,586	-	0.18%	50.18
2017	1,149,651	348,000	0.20%	56.74

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, 2017**

Schedule 11
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 59,485,144	84.19%	\$ 50,080,543
Mason School District	9,780,000	9.61%	939,858
Lansing School District	79,105,000	0.05%	39,553
Eaton Rapids School District	40,243,171	1.74%	700,231
Ingham County	44,665,716	9.73%	4,345,974
Ingham Intermediate School District	1,503,000	8.11%	121,893
Eaton Intermediate School District	350,000	0.33%	1,155
Lansing Community College	72,875,000	6.66%	4,853,475
Subtotal, overlapping debt			<u>61,082,682</u>
Delhi Charter Township direct debt	1,149,651	100.00%	1,149,651
Total direct and overlapping debt			<u>\$ 62,232,333</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 82,139,788
Total net debt applicable to limit	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	24,795,565
Legal debt margin	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	57,344,223
Total net debt applicable to the limit as a percentage of debt limit	28.00%	27.51%	29.32%	27.23%	25.60%	24.60%	22.70%	19.05%	24.68%	30.19%

Legal Debt Margin Calculation for Fiscal Year 2017

2017 State Equalized Valuation (SEV)	\$ 821,397,875
	<u> x 10%</u>
Legal Debt Limit (10% of SEV)	\$ 82,139,788
Direct General Obligation Debt	\$ 37,643,991
Less:	
Capital Lease	(25,426)
Special Assessment Bonds	(348,000)
Revenue Bonds	<u>(12,475,000)</u>
Net Direct Debt	<u>24,795,565</u>
Debt Limit Margin	<u>\$ 57,344,223</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
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	3.5%
2015	26,028	774,203	29,745	38.9	5,625	2.7%
2016	26,199	796,371	30,397	40.3	5,546	2.6%
2017	26,394	799,765	30,301	40.1	5,522	3.1%

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	2017			2008		
	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment
Holt Public Schools	852	1	7%	850	1	n/a
Dakkota Integrated Interiors	392	2	3%	537	2	n/a
Granger Construction	310	3	2%	170	3	n/a
Orchid Stealth	250	4	2%	153	4	n/a
RSDC of Michigan, LLC	234	5	2%			
Kroger	181	6	1%	100	8	n/a
Keller Williams Real Estate	165	7	1%			
Magna Powertrain (MPT)	150	8	1%			
NexCare-Holt Senior Care	124	9	1%			
Block Imaging	120	10	1%			
Delhi Charter Township				134	5	n/a
Shiffer Mason Contractors				125	6	n/a
Martin Luther Holt Home				108	7	n/a
Parker Hannifin Corp				90	9	n/a
Davenport Masonry				65	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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	19.32	17.82	17.82	18.17	16.17	16.25	16.30	16.00	19.50	21.30
Public Safety										
Police										
Officers *	21.00	21.00	18.00	19.00	19.00	19.00	19.00	19.00	19.70	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	18.31	18.81	17.96	17.96	19.00	20.30	22.00	21.50	22.90	26.70
Civilians	1.80	1.80	1.80	1.80	1.00	1.00	1.00	1.00	1.00	1.00
Public Works	26.60	26.30	22.55	23.80	25.10	25.10	25.10	24.10	22.80	22.60
Community Development	7.85	6.80	6.80	6.00	6.00	6.00	6.00	6.50	6.50	5.00
Recreation and Culture	5.80	5.80	5.80	9.43	9.32	10.50	11.80	11.90	11.90	11.00
Total	102.18	99.83	92.23	97.66	97.09	99.65	102.70	101.50	105.80	108.80

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fire										
Number of Calls	2,287	2,182	2,324	2,410	2,577	2,672	3,040	3,342	3,293	3,599
Inspections	1,000	375	1,129	826	800	613	273	13	302	315
Burning/Recreational Permits	1,288	356	317	271	220	286	402	289	350	375
Police										
Number of Traffic Accidents	842	669	507	288	455	411	549	566	512	460
Number of Written Complaints	4,621	4,667	4,125	4,044	2,535	2,605	2,511	2,887	2,435	2,715
Number of Miles Driven	150,075	146,832	115,671	113,913	117,023	126,542	127,890	130,344	134,929	134,892
Vehicle Stops	8,041	8,754	5,869	5,867	5,512	5,432	5,911	5,479	4,707	3,757
Accounting										
Number of W-2's processed	362	300	303	225	273	180	273	245	328	263
Number of payroll checks processed	2,353	1,932	1,459	1,189	1,442	1,179	1,100	995	1,101	760
Number of payroll direct deposits	1,463	1,685	2,063	2,085	2,038	2,250	2,571	2,190	2,280	2,266
Number of purchase orders processed	734	593	458	432	444	435	457	441	431	377
Number of accounts payable checks processed	2,767	2,585	2,156	2,283	2,376	2,165	2,149	2,069	1,959	1,928
Number of accounts payable ACHs sent	39	40	224	513	482	476	527	606	707	679
Assessing										
Number of Field Inspections	1,381	364	679	1,188	464	499	663	275	2,222	1,281
Clerk's Office										
Number of FOIA requests	37	29	37	26	85	44	30	32	52	61
Number of web site visitors	160,803	169,404	162,009	161,755	188,699	181,666	213,665	205,542	229,065	203,002
Number of Facebook likes	NA	NA	655	761	972	1,229	1,398	1,847	5,261	6,497
Number of Twitter followers	NA	NA	601	782	1,080	1,258	1,386	1,597	1,697	1,775
Number of notarized items	150+	200+	200+	300	300	350	350	400	400	400
Passports issued	-	-	-	-	-	-	-	-	-	689
Elections										
Number of Registered Voters	17,929	17,542	17,425	17,891	18,572	18,602	18,401	18,930	19,540	19,352
Number of Permanent Absentee Voters	2,294	2,206	2,584	2,490	2,819	2,648	2,951	2,965	3,804	3,786
Treasurer's Office										
Montly Average No. of Sewer Bills mailed	7,195	7,257	7,225	7,087	7,043	6,922	6,758	6,697	6,664	6,716
Montly Average No. of Sewer Bills Emailed	-	-	-	116	208	342	548	655	761	785
Number of Tax Bills-Two billings/year	20,278	20,382	20,494	20,412	20,743	21,181	20,715	20,697	20,741	20,957
Recreation and Culture										
Number of Athletic Teams	259	254	248	253	233	231	196	199	171	161
Wastewater										
Average daily sewage treatment (millions of gallons per day)	2.54	2.68	2.15	2.35	2.10	2.32	2.20	2.13	2.51	2.63
Community Development										
Permits Issued	986	1,194	1,229	1,207	1,180	1,166	1,427	1,992	2,325	2,059
Code Enforcement Complaints	530	563	583	579	422	499	523	732	561	369

Source: Various Township Departments

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

Schedule 17
Unaudited

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	124	124	125	125
Parks	9	9	9	9	9	9	11	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)	124.43	124.54	124.54	124.54	125.62	125.64	125.81	125.81	126.05	126.54
Maximum daily treatment capacity (millions of gallons)	4.5	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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Taxable Value-Ad Valorem	\$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	\$214,220,450
Base Value	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	48,663,625
Captured Value	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	165,556,825
*Revenue shared with Township	168,833	176,761	169,826	316,446	304,938	275,632	276,671	284,264	415,891	423,570
*Revenue shared with other entities	665,869	735,201	705,432	1,079,582	1,270,429	1,188,895	782,377	1,259,201	1,166,677	1,818,175
Revenues										
Tax Revenue	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	1,511,335
Other	269,444	108,921	45,128	232,818	47,358	51,922	45,108	52,207	401,312	75,781
Total Revenue	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	1,587,116
Expenditures										
Community & Economic Development	3,986,582	1,576,478	4,297,057	1,216,214	985,280	586,009	558,820	466,104	468,124	1,233,015
Debt Service	120,039	118,388	107,236	89,325	133,943	136,505	162,032	163,488	251,080	203,170
Capital Outlay	11,367,077	1,964,396	14,150	-	11,298	20,397	150,826	69,649	427,063	145,435
Total Expenditures	15,473,698	3,659,262	4,418,443	1,305,539	1,130,521	742,911	871,678	699,241	1,146,267	1,581,620
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	6,944,981
Bond Escrow Payments	-	-	-	-	-	-	-	-	(4,483,537)	-
Transfers Out to Debt Service Funds	(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)	(858,686)
Total other financing sources (uses)	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	6,086,295
Change in net position	(3,256,042)	(1,010,540)	573,334	106,663	(122,618)	310,846	203,312	414,006	1,524,960	6,091,791
Fund Balance										
Beginning 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
End of the year	\$ 1,380,367	\$ 369,827	\$ 943,161	\$ 1,049,824	\$ 927,206	\$ 1,238,052	\$ 1,441,364	\$ 1,855,370	\$ 3,380,330	\$ 9,472,121

*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%