

CHARTER TOWNSHIP OF DELHI

Holt, Michigan



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

YEAR ENDED DECEMBER 31, 2018

**CHARTER TOWNSHIP OF DELHI
 REPORT ON FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

C O N T E N T S

	<u>Page</u>
FINANCIAL SECTION.....	6
Independent auditor’s report.....	7 - 9
Management’s Discussion and Analysis	10 - 19
Basic financial statements	20
Government-wide financial statements.....	21
Statement of net position.....	22 - 23
Statement of activities	24
Fund financial statements	25
Balance sheet - governmental funds.....	26
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position	27
Statement of revenues, expenditures and changes in fund balances - governmental funds	28
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds.....	29
Proprietary fund.....	30
Statement of net position.....	31 - 32
Statement of revenues, expenses and changes in net position.....	33
Statement of cash flows.....	34 - 35
Fiduciary funds.....	36
Statement of net position	37
Statement of changes in net position	38
Notes to financial statements.....	39 - 78

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

C O N T E N T S (Continued)

	<u>Page</u>
FINANCIAL SECTION (Continued)	
Required supplementary information.....	79
Budgetary comparison schedule - general fund	80 - 81
Budgetary comparison schedule - fire fund special revenue	82
Budgetary comparison schedule - police fund special revenue.....	83
Schedule of changes in the net OPEB liability and related ratios	84
Schedule of Township contributions	85
Schedule of investment returns	86
Notes to the required supplementary information	87
Additional supplementary information	88
Nonmajor governmental fund types	
Combining balance sheet - nonmajor governmental funds.....	89
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	90
Special revenue funds	
Combining balance sheet - special revenue funds	91
Combining statement of revenues, expenditures, and changes in fund balances - special revenue funds.....	92
Schedule of revenues, expenditures and changes in fund balances - budget and actual - special revenue funds	94
Fiduciary funds	
Combining statement of fiduciary assets and liabilities - agency funds	95
Combining statement of changes in assets and liabilities - agency funds.....	96

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

C O N T E N T S (Continued)

	<u>Page</u>
FINANCIAL SECTION (Concluded)	
Brownfield Redevelopment Authority Component Unit	
Governmental funds balance sheet / Statement of net position	97
Governmental funds revenues, expenditures and changes in fund balances / Statement of activities	98
Downtown Development Authority Component Unit	
Governmental funds balance sheet / Statement of net position	99 - 100
Governmental funds revenues, expenditures and changes in fund balance / Statement of activities	101 - 102
General Fund	
Balance sheets	103
Statements of revenues, expenditures and changes in fund balance	104 - 105
Sewer Fund	
Statement of net position.....	106 - 107
Statement of revenues, expenses and changes in net position	109
Statement of cash flows	110 - 111
STATISTICAL SECTION (UNAUDITED)..... 112	
Description of statistical section	
Financial trends	
Net position by component	114
Changes in net position	115 - 116
Fund balance, governmental funds	117
Changes in fund balance - governmental funds	118

**CHARTER TOWNSHIP OF DELHI
REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR DECEMBER 31, 2018**

C O N T E N T S (Concluded)

STATISTICAL SECTION (UNAUDITED) (Concluded)

Revenue capacity

Assessed value and taxable value of property.....	119
Property tax rates direct and overlapping governments	120
Top ten principal taxpayers.....	121
Property tax levies and collections.....	122

Debt capacity

Ratios of outstanding debt by type.....	123
Ratios of general bonded debt outstanding	124
Computation of direct and overlapping debt.....	125
Legal debt margin information.....	126

Demographic and economic information

Demographic and economic statistics	127
Principal employers.....	128
Full-time equivalent township government employees by function	129

Operating information

Operating indicators by function.....	130
Capital asset statistics by function	131
Downtown Development Authority historical information	132

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Charter Township of Delhi, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, Michigan, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, as listed in the 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 activity, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Delhi, Michigan, as of December 31, 2018, 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.

Correction of Errors

As described in Note 15 to the basic financial statements, the Township recorded prior period adjustments to correct its accounting for accounts receivable, fixed assets, and deferred inflows. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 15 to the basic financial statements, the Township adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and OPEB schedules, as listed in the 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.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Delhi, Michigan's basic financial statements. The component unit fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the combining special revenue fund financial statements, the combining fiduciary fund financial statements, the component unit fund financial statements, the general fund financial statements, and the sewer fund financial statements (supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
Charter Township of Delhi, Michigan
Page 3

Other information - Statistical Section

The Statistical Section (other information) 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.

Siegfried Crandall P.C.

June 24, 2019

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, 2018.

For the year ended December 31, 2018, the Charter Township of Delhi implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. These changes are significant at the government-wide level.

Financial Highlights

Government-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 \$53,627,569 (*net position*). Of this amount, \$7,426,318 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's governmental activities net position decreased by \$565,188.
- The Township's business-type activity net position decreased by \$127,936.

Fund level activity:

- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$7,806,957, an increase of \$118,599 in comparison with the prior year. Approximately 78% of this total amount, or \$6,112,813 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 \$6,112,813 or 66% of total general fund expenditures and other financing uses.
- The primary government total debt increased by a net \$5,722,170 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 - 24 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 eight 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 five 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 26 - 29 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 31 - 35 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 37 - 38 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 40 - 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 80 - 111 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 \$53,627,569 at the close of the most recent year.

By far the largest portion of the Township’s net position (82%) 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 15,521,867	\$ 13,661,347	\$ 13,496,027	\$ 6,741,019	\$ 29,017,894	\$ 20,402,366
Capital assets, net	20,381,011	19,365,718	47,266,353	47,434,319	67,647,364	66,800,037
Total assets	<u>35,902,878</u>	<u>33,027,065</u>	<u>60,762,380</u>	<u>54,175,338</u>	<u>96,665,258</u>	<u>87,202,403</u>
Def. outflows of resources	6,372,679	4,162	2,514,078	44,940	8,886,757	49,102
Current liabilities	525,508	506,972	936,134	584,075	1,461,642	1,091,047
Noncurrent liabilities	14,328,723	6,880,542	26,592,765	17,617,058	40,921,488	24,497,600
Total liabilities	<u>14,854,231</u>	<u>7,387,514</u>	<u>27,528,899</u>	<u>18,201,133</u>	<u>42,383,130</u>	<u>25,588,647</u>
Def. inflows of resources	8,744,739	5,064,726	796,577	-	9,541,316	5,064,726
Net position:						
Net investment in capital assets	14,460,337	13,244,523	29,727,353	29,862,201	44,187,690	43,106,724
Restricted	204,972	187,658	1,808,589	1,670,346	2,013,561	1,858,004
Unrestricted	4,011,278	7,146,806	3,415,040	4,486,598	7,426,318	11,633,404
Total net position	<u>\$ 18,676,587</u>	<u>\$ 20,578,987</u>	<u>\$ 34,950,982</u>	<u>\$ 36,019,145</u>	<u>\$ 53,627,569</u>	<u>\$ 56,598,132</u>

*The 2017 figures have not been restated for the adoption of GASB 75. The adoption of GASB 75 resulted in restating the opening net position by lowering it approximately \$3.4 million.

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 decreased by \$693,124 during the current fiscal year. This was a combination of net position decreasing by \$565,188 in governmental activities and decreasing by \$127,936 in the business-type activities.

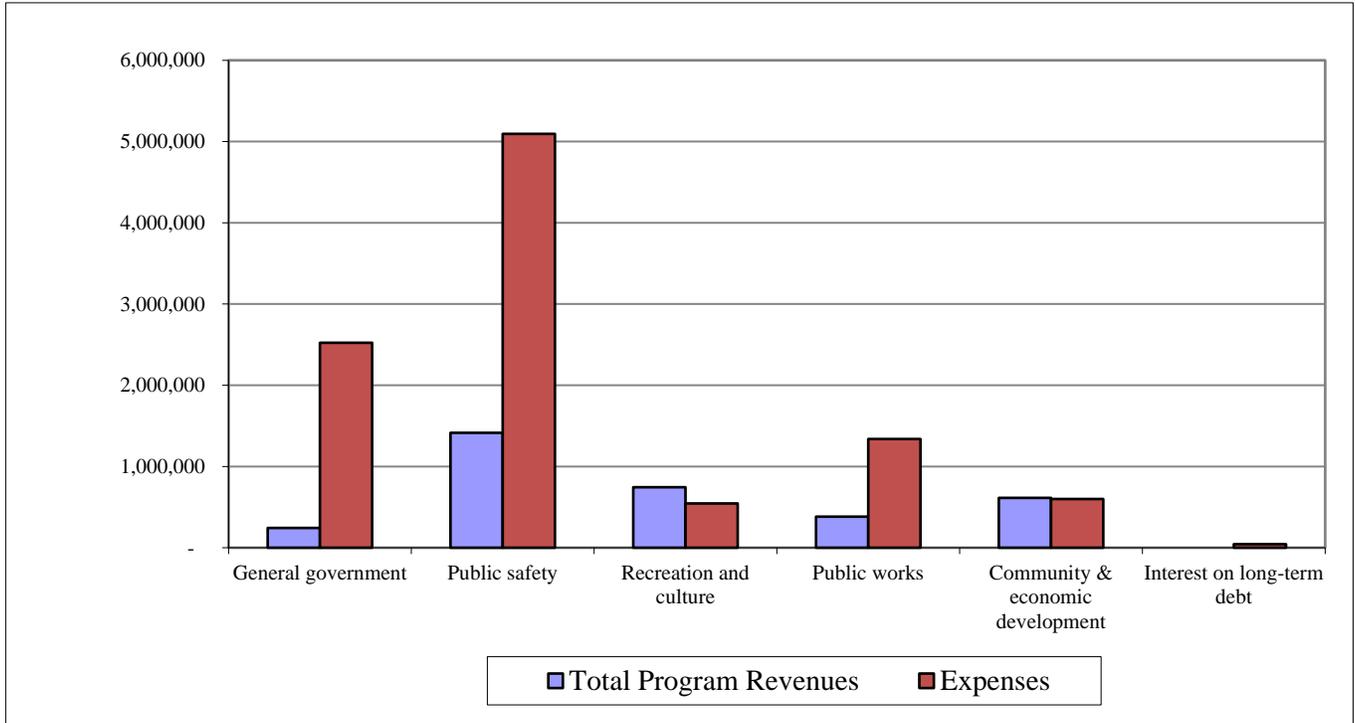
Charter Township of Delhi's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue:						
Program revenues:						
Charges for services	\$ 2,614,664	\$ 2,303,516	\$ 6,829,061	\$ 6,824,276	\$ 9,443,725	\$ 9,127,792
Operating grants and contributions	99,969	390,484	37,850	490,282	137,819	880,766
Capital grants and contributions	36,012	695,449	94,859	281,650	130,871	977,099
General revenues:						
Property taxes	5,113,918	5,380,580	-	-	5,113,918	5,380,580
State shared revenue	2,297,785	2,224,407	-	-	2,297,785	2,224,407
Unrestricted grants and contributions	451,399	479,944	-	-	451,399	479,944
Franchise fees	511,305	512,700	-	-	511,305	512,700
Interest	96,858	53,537	113,640	27,393	210,498	80,930
Other	29,524	41,333	-	-	29,524	41,333
Total revenues	11,251,434	12,081,950	7,075,410	7,623,601	18,326,844	19,705,551
Expenses:						
General government	2,998,745	2,572,299	-	-	2,998,745	2,572,299
Public safety	3,397,236	5,185,177	-	-	3,397,236	5,185,177
Health and welfare	2,141,638	-	-	-	2,141,638	-
Public works	945,177	2,187,743	-	-	945,177	2,187,743
Recreation and culture	1,396,472	674,903	-	-	1,396,472	674,903
Interest on long-term debt	150,933	116,785	-	-	150,933	116,785
Sewer	-	-	7,203,346	6,635,371	7,203,346	6,635,371
Community and economic development	786,421	768,412	-	-	786,421	768,412
Total expenses	11,816,622	11,505,319	7,203,346	6,635,371	19,019,968	18,140,690
Increase (decrease) in net position before transfers	(565,188)	576,631	(127,936)	988,230	(693,124)	1,564,861
Transfers	-	(2,539)	-	2,539	-	-
Increase (decrease) in net position	(565,188)	574,092	(127,936)	990,769	(693,124)	1,564,861
Net position - beginning of year, as restated	19,241,775	20,004,895	35,078,918	35,028,376	54,320,693	55,033,271
Net position - end of year	\$ 18,676,587	\$ 20,578,987	\$ 34,950,982	\$ 36,019,145	\$ 53,627,569	\$ 56,598,132

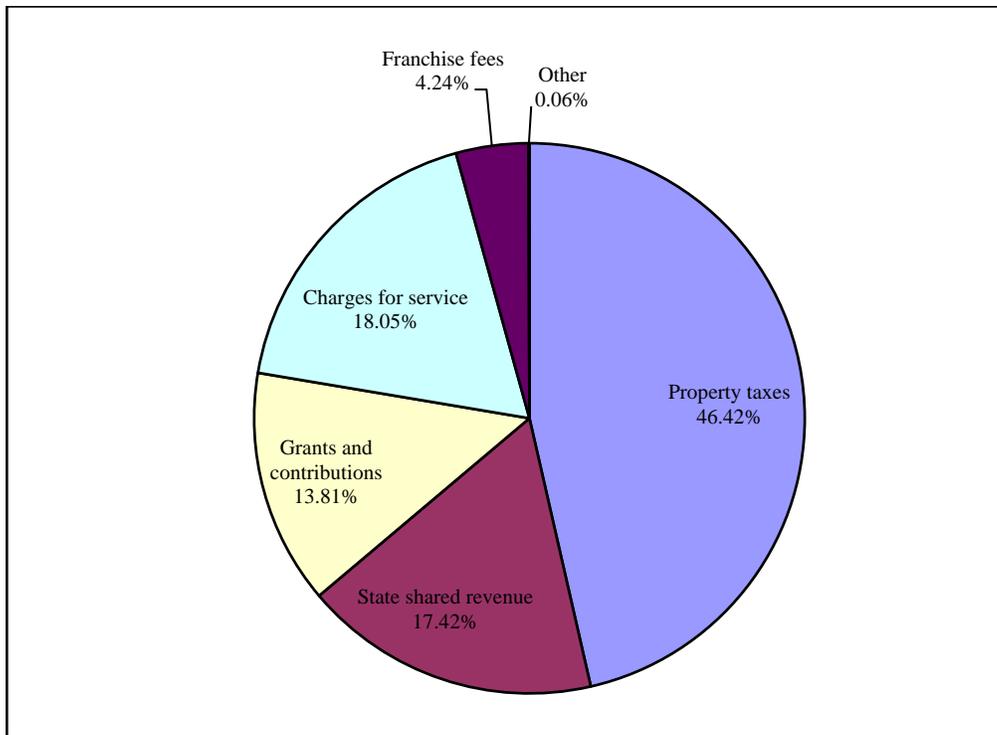
*The 2017 figures have not been restated for the adoption of GASB 75. The adoption of GASB 75 resulted in restating the opening net position by lowering it approximately \$3.4 million.

Governmental activities. Governmental activities decreased the Township's net position by \$565,188 during 2018. Compared to 2017, governmental revenues decreased by \$830,516 mainly due to capital contributions and unrestricted grants. Governmental expenditures increased by \$311,303 compared to 2017. The majority of the decrease in net position was caused by a decrease in capital outlay when compared to activity in 2017. Most of the remainder of the decrease was in the public works category, caused by variance in staffing and Township activity.

Expenses and Program Revenues - Governmental Activities for the year ended December 31, 2018

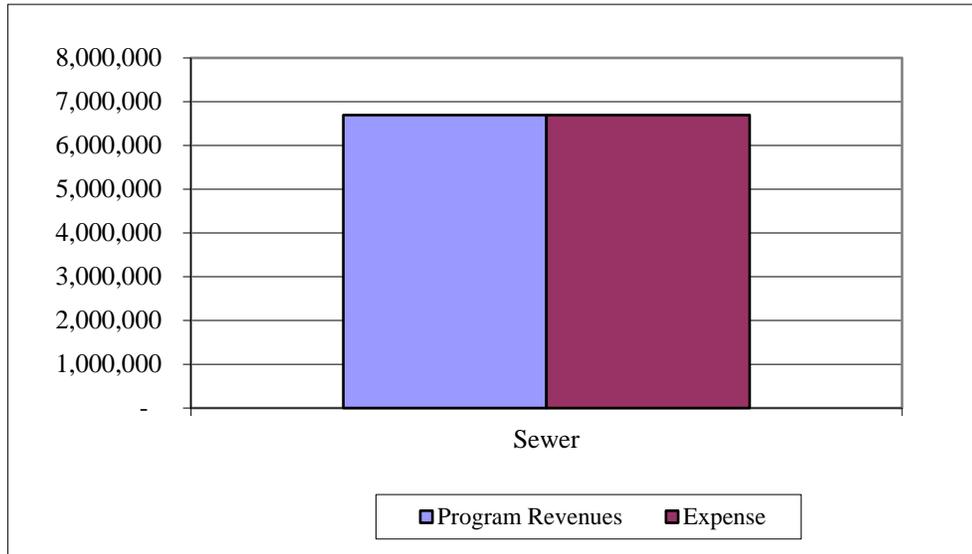


Revenues by Source - Governmental Activities for the year ended December 31, 2018



Business-type activities. Business-type activities decreased the Township’s net position by \$127,936 during 2018, due to the increased expenses for the implementation of GASB Statement 75.

Expenses and Program Revenues - Business-type Activities for the year ended December 31, 2018



Revenues by Source - Business-type Activities

Almost 97% 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 \$7,806,957, an increase of \$118,599 in comparison with the prior year. Approximately 78% 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 \$6,112,813 while total fund balance was \$7,272,578. 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 66% of total general fund expenditures and other financing uses while total fund balance is 79% of total general fund expenditures and other financing uses.

The fund balance in the Township's General fund increased by \$174,245 during the current year. Overall, compared to 2017, expenditures, including transfers out, decreased \$2,155,962 and revenues and other financing sources decreased by \$58,105. Key factors for this are:

- Decrease in the proceeds from installment agreement.
- Decreased 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 \$34,950,982, a decrease for the year of \$127,936. 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 \$790,490 (7%) 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 \$814,820 in public works.
- A decrease of \$115,600 in assessing.

Additionally, budgeted revenues (including other financing sources) increased by approximately \$695,840. Increases in some revenue line items were offset by decreases in others. Items worth noting are as follows:

- An increase of approximately \$133,000 for licenses and permits related to more building in the Township.
- An increase of \$322,670 for grants and revenue sharing.
- An increase of \$136,000 for tax revenue.

Fire Fund and Police Fund

These two funds account for a voter approved millage, which partially covers the costs of providing fire and police services to the Township. These funds had total revenues of \$1,152,425 and \$1,155,465 respectively, and \$2,744,218 and \$2,750,490 in expenditures, respectively. The fire and police funds had restricted property tax revenues of \$1,103,380 and \$1,103,184, respectively. Total revenues in these funds were not sufficient to fully fund fire and police operations, therefore, the general fund had to transfer \$1,573,898 and \$1,595,025, 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, 2018, amounted to \$67,647,364 (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 \$15,699 (approximately 0.02%). 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 building and improvements 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	
	2018	2017	2018	2017	2018	2017
Land/monuments	\$ 2,516,047	\$ 2,237,058	\$ 1,046,626	\$ 963,116	\$ 3,562,673	\$ 3,200,174
Easements	62,361	62,361	15,955	15,955	78,316	78,316
Infrastructure	-	278,768	27,938,895	28,824,825	27,938,895	29,103,593
Flowage rights	3,318,191	3,184,874	-	-	3,318,191	3,184,874
Buildings and improvements	7,050,587	6,675,563	13,592,064	14,462,981	20,642,651	21,138,544
Land improvements	6,601,394	6,990,892	246,558	276,378	6,847,952	7,267,270
Machinery and equipment	416,274	387,615	565,972	350,870	982,246	738,485
Furniture and office equipment	20,121	30,438	9,790	13,834	29,911	44,272
Computer equipment and programs	31,470	46,322	11,092	17,457	42,562	63,779
Vehicles	364,566	303,455	518,283	610,342	882,849	913,797
Construction in progress	-	-	3,321,118	1,898,561	3,321,118	1,898,561
Total	\$ 20,381,011	\$ 20,197,346	\$ 47,266,353	\$ 47,434,319	\$ 67,647,364	\$ 67,631,665

Additional information on the Township's capital assets can be found in Note 4 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 \$30,219,770.

Delhi Charter Township's Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 982,217	\$ 1,149,650	\$ 10,418,785	\$ 3,472,485	\$ 11,401,002	\$ 4,622,135
Revenue bonds	-	-	11,620,000	12,475,000	11,620,000	12,475,000
Other long-term debt	5,641,269	5,730,892	1,557,499	1,669,573	7,198,768	7,400,465
Total	\$ 6,623,486	\$ 6,880,542	\$ 23,596,284	\$ 17,617,058	\$ 30,219,770	\$ 24,497,600

The Township's total bonded debt increased by a net of \$5,923,867, to \$23,021,002 during 2018.

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 \$54,003,217, which is significantly in excess of the Township's and Downtown Development Authority's outstanding general obligation debt of \$30,941,168.

Additional information on the Township's long-term debt can be found in Note 6 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 2019 fiscal year:

- The emphasis on reducing costs while providing quality services to our citizens continued to be a major consideration in the 2019 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.

During the current fiscal year, total fund balance in the general fund increased by \$174,245. The Township has projected expenditures to exceed revenues in 2019 by \$633,130. 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, 2018**

	Primary government			Component units	
	Governmental activities	Business-type activities	Total	Downtown Development Authority	Brownfield Redevelopment Authority
ASSETS:					
Cash and cash equivalents	\$ 5,363,559	\$ 2,363,206	\$ 7,726,765	\$ 5,121,560	\$ 265,144
Investments	4,937,423	1,590,361	6,527,784	824,150	-
Receivables, net	4,386,132	1,694,352	6,080,484	715,239	2,646
Due from primary government	-	-	-	135,437	167,297
Due from component unit	484,481	-	484,481	-	-
Prepays	64,406	19,344	83,750	241	-
Restricted assets:					
Cash and cash equivalents	285,866	7,118,941	7,404,807	268,857	-
Investments	-	709,823	709,823	1,218,988	-
Capital assets not being depreciated	2,578,408	4,383,699	6,962,107	3,562,643	-
Capital assets being depreciated, net	17,802,603	42,882,654	60,685,257	3,027,489	-
TOTAL ASSETS	35,902,878	60,762,380	96,665,258	14,874,604	435,087
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charge on refunding	3,329	37,109	40,438	207,732	-
Other postemployment benefits related items	6,369,350	2,476,969	8,846,319	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,372,679	2,514,078	8,886,757	207,732	-

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

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2018**

	<u>Primary government</u>			<u>Component units</u>	
	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>	<u>Brownfield Redevelopment Authority</u>
LIABILITIES:					
Accounts payable and accrued expenses	\$ 525,508	\$ 744,500	\$ 1,270,008	\$ 2,736,529	\$ 44,025
Escrow payable	-	56,197	56,197	-	-
Due to primary government	-	-	-	484,481	-
Due to component unit	-	135,437	135,437	-	-
Net other postemployment benefits liability	7,705,237	2,996,481	10,701,718	-	-
Long-term liabilities:					
Due within one year	665,676	1,906,877	2,572,553	777,676	-
Due in more than one year	5,957,810	21,689,407	27,647,217	12,025,471	-
TOTAL LIABILITIES	<u>14,854,231</u>	<u>27,528,899</u>	<u>42,383,130</u>	<u>16,024,157</u>	<u>44,025</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	6,696,398	-	6,696,398	1,293,443	167,297
Other postemployment benefits related items	2,048,341	796,577	2,844,918	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,744,739</u>	<u>796,577</u>	<u>9,541,316</u>	<u>1,293,443</u>	<u>167,297</u>
NET POSITION:					
Net investment in capital assets	14,460,337	29,727,353	44,187,690	(4,517,438)	-
Restricted for building department	204,972	-	204,972	-	-
Restricted for replacement	-	1,401,710	1,401,710	-	-
Restricted for debt service	-	406,879	406,879	-	-
Unrestricted	4,011,278	3,415,040	7,426,318	2,282,174	223,765
TOTAL NET POSITION (DEFICIT)	<u>\$ 18,676,587</u>	<u>\$ 34,950,982</u>	<u>\$ 53,627,569</u>	<u>\$ (2,235,264)</u>	<u>\$ 223,765</u>

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

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

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	\$ 2,998,745	\$ 751,422	\$ 67,289	\$ -	\$ (2,180,034)	\$ -	\$ (2,180,034)	\$ -	\$ -
Public safety	3,397,236	147,241	26,288	-	(3,223,707)	-	(3,223,707)	-	-
Health and welfare	2,141,638	713,518	-	-	(1,428,120)	-	(1,428,120)	-	-
Public works	945,177	304,817	5,045	-	(635,315)	-	(635,315)	-	-
Community and economic development	786,421	632,455	-	-	(153,966)	-	(153,966)	-	-
Recreation and culture	1,396,472	65,211	1,347	-	(1,329,914)	-	(1,329,914)	-	-
Interest on long-term debt	150,933	-	-	36,012	(114,921)	-	(114,921)	-	-
Total governmental activities	<u>11,816,622</u>	<u>2,614,664</u>	<u>99,969</u>	<u>36,012</u>	<u>(9,065,977)</u>	<u>-</u>	<u>(9,065,977)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Sewer	7,203,346	6,829,061	37,850	94,859	-	(241,576)	(241,576)	-	-
Total primary government	<u>\$ 19,019,968</u>	<u>\$ 9,443,725</u>	<u>\$ 137,819</u>	<u>\$ 130,871</u>	<u>(9,065,977)</u>	<u>(241,576)</u>	<u>(9,307,553)</u>	<u>-</u>	<u>-</u>
Component units:									
Brownfield redevelopment	\$ 194,089	\$ -	\$ -	\$ -	-	-	-	-	(194,089)
Downtown development	8,480,721	7,442	3,000	-	-	-	-	(8,470,279)	-
Total component units	<u>\$ 8,674,810</u>	<u>\$ 7,442</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,470,279)</u>	<u>(194,089)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					2,907,354	-	2,907,354	1,623,298	82,360
Property taxes, levied for fire					1,103,380	-	1,103,380	-	-
Property taxes, levied for police					1,103,184	-	1,103,184	-	-
State sources					2,297,785	-	2,297,785	-	-
Unrestricted grants and contributions					451,399	-	451,399	-	-
Franchise fees					511,305	-	511,305	-	-
Interest					96,858	113,640	210,498	125,583	-
Other					29,524	-	29,524	34,976	27,806
Total general revenues					<u>8,500,789</u>	<u>113,640</u>	<u>8,614,429</u>	<u>1,783,857</u>	<u>110,166</u>
Change in net position					(565,188)	(127,936)	(693,124)	(6,686,422)	(83,923)
Net position, beginning of year, as restated					19,241,775	35,078,918	54,320,693	4,451,158	307,688
Net position, end of year					<u>\$ 18,676,587</u>	<u>\$ 34,950,982</u>	<u>\$ 53,627,569</u>	<u>\$ (2,235,264)</u>	<u>\$ 223,765</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, 2018**

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
ASSETS:					
Cash and cash equivalents	\$ 3,009,446	\$ 776,743	\$ 643,865	\$ 933,505	\$ 5,363,559
Investments	4,726,984	-	-	210,439	4,937,423
Receivables, net:					
Taxes	1,568,114	499,394	499,394	500,710	3,067,612
Special assessments	260,391	-	-	246,632	507,023
Other, net	807,264	217	4,016	-	811,497
Due from component unit	484,481	-	-	-	484,481
Prepays	25,797	38,609	-	-	64,406
Restricted cash and cash equivalents - capital projects	285,866	-	-	-	285,866
TOTAL ASSETS	\$ 11,168,343	\$ 1,314,963	\$ 1,147,275	\$ 1,891,286	\$ 15,521,867
LIABILITIES:					
Accounts payable	\$ 310,588	\$ 79,688	\$ 1,947	\$ 572	\$ 392,795
Accrued liabilities	48,748	51,338	-	-	100,086
TOTAL LIABILITIES	359,336	131,026	1,947	572	492,881
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	3,257,429	1,145,328	1,145,328	1,148,313	6,696,398
Unavailable revenue - ambulance fees	18,609	-	-	-	18,609
Unavailable revenue - special assessments	260,391	-	-	246,631	507,022
TOTAL DEFERRED INFLOWS OF RESOURCES	3,536,429	1,145,328	1,145,328	1,394,944	7,222,029
FUND BALANCES:					
Nonspendable:					
Prepays	25,797	38,609	-	-	64,406
Restricted:					
For building department	204,972	-	-	-	204,972
For Sycamore trail	285,866	-	-	-	285,866
Committed:					
For debt service	-	-	-	109,200	109,200
For water improvement	-	-	-	386,570	386,570
For disaster contingency fund	10,000	-	-	-	10,000
Assigned for subsequent year expenditures	633,130	-	-	-	633,130
Unassigned	6,112,813	-	-	-	6,112,813
TOTAL FUND BALANCES	7,272,578	38,609	-	495,770	7,806,957
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 11,168,343	\$ 1,314,963	\$ 1,147,275	\$ 1,891,286	\$ 15,521,867

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, 2018**

Total governmental fund balances	\$ 7,806,957
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows of resources - related to deferred charge on refunding	3,329
Deferred outflows of resources - related to other postemployment benefits	6,369,350
Deferred inflows of resources - related to other postemployment benefits	(2,048,341)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets not being depreciated	\$ 2,578,408
Capital assets being depreciated, net	<u>17,802,603</u>
	20,381,011
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, 2019	525,631
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	(6,209,869)
Net other postemployment benefits liability	(7,705,237)
Compensated absences	(413,617)
Accrued interest	<u>(32,627)</u>
Net position of governmental activities	<u><u>\$ 18,676,587</u></u>

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

CHARTER TOWNSHIP OF DELHI
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	Special revenue funds		Total nonmajor funds	Total governmental funds
		Fire fund	Police fund		
REVENUES:					
Taxes	\$ 3,364,838	\$ 1,103,380	\$ 1,103,184	\$ 25,791	\$ 5,597,193
Special assessments	374,124	-	-	10,221	384,345
Intergovernmental	2,689,186	48,891	22,757	-	2,760,834
Licenses and permits	1,018,245	-	-	-	1,018,245
Charges for services	1,540,271	-	-	40,581	1,580,852
Fines and forfeitures	36,180	-	29,524	-	65,704
Interest and rentals	92,607	-	-	4,251	96,858
Other	268,165	154	-	4,782	273,101
Total revenue	9,383,616	1,152,425	1,155,465	85,626	11,777,132
EXPENDITURES:					
Current:					
General government	2,334,714	-	-	-	2,334,714
Public safety	-	443,779	2,750,490	-	3,194,269
Health and welfare	-	2,141,638	-	-	2,141,638
Public works	626,817	-	-	26,750	653,567
Community and economic development	771,515	-	-	-	771,515
Recreation and culture	909,431	-	-	-	909,431
Other	574,306	-	-	-	574,306
Debt service:					
Principal	452,825	-	-	75,433	528,258
Interest	215,468	-	-	21,194	236,662
Capital outlay	155,372	158,801	-	-	314,173
Total expenditures	6,040,448	2,744,218	2,750,490	123,377	11,658,533
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,343,168	(1,591,793)	(1,595,025)	(37,751)	118,599
OTHER FINANCING SOURCES (USES):					
Transfers in	-	1,573,898	1,595,025	60,868	3,229,791
Transfers out	(3,168,923)	-	-	(60,868)	(3,229,791)
Total other financing sources (uses)	(3,168,923)	1,573,898	1,595,025	-	-
Net change in fund balances	174,245	(17,895)	-	(37,751)	118,599
FUND BALANCES:					
Beginning of year, as restated	7,098,333	56,504	-	533,521	7,688,358
End of year	\$ 7,272,578	\$ 38,609	\$ -	\$ 495,770	\$ 7,806,957

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

**CHARTER TOWNSHIP OF DELHI
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018**

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

Net change in fund balances - total governmental funds	\$ 118,599
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	1,513,343
Realized loss on disposal of capital assets	(217,832)
Depreciation expense	(1,111,846)
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	(270,000)
Deferred charge on refunding	(833)
Reductions of principal on long-term debt	529,218
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	(675,615)
Accrued revenue end of the year - primarily special assessments due in the future	525,631
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	25,438
Accrued interest payable end of the year	(32,627)
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:	
Other postemployment benefit related items	(966,502)
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	411,455
Accrued compensated absences end of the year	(413,617)
Change in net position of governmental activities	<u><u>\$ (565,188)</u></u>

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

PROPRIETARY FUND

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 DECEMBER 31, 2018**

	<u>Business-type activities- Enterprise fund</u> <u>Sewer fund</u>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 2,363,206
Investments	1,590,361
Receivables:	
Special assessments	471,261
Other	1,223,091
Prepays	19,344
Restricted cash and cash equivalents - capital projects	<u>6,020,175</u>
TOTAL CURRENT ASSETS	<u>11,687,438</u>
NONCURRENT ASSETS:	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	406,879
Replacement cash and cash equivalents	691,887
Replacement investments	709,823
Property, plant and equipment not being depreciated	4,383,699
Property, plant and equipment net of accumulated depreciation	<u>42,882,654</u>
TOTAL NONCURRENT ASSETS	<u>49,074,942</u>
TOTAL ASSETS	<u>60,762,380</u>
DEFERRED OUTFLOW OF RESOURCES:	
Other postemployment benefit related items	2,476,969
Deferred charge on refunding	<u>37,109</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,514,078</u>

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

	Business-type activities- Enterprise fund
	Sewer fund
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES:	
Accounts payable	\$ 445,319
Accrued liabilities	173,879
Interest payable	125,302
Escrow payable	56,197
Due to component unit	135,437
Current portion of long-term debt	<u>1,906,877</u>
TOTAL CURRENT LIABILITIES	2,843,011
LONG-TERM LIABILITIES , net of current portion:	
Net other postemployment benefits liability	2,996,481
Due in more than one year	<u>21,689,407</u>
TOTAL LONG-TERM LIABILITIES	<u>24,685,888</u>
TOTAL LIABILITIES	<u>27,528,899</u>
DEFERRED INFLOWS OF RESOURCES:	
Other postemployment benefits related items	<u>796,577</u>
NET POSITION:	
Net investment in capital assets	29,727,353
Restricted for:	
Replacement	1,401,710
Debt service	406,879
Unrestricted	<u>3,415,040</u>
TOTAL NET POSITION	<u><u>\$ 34,950,982</u></u>

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

**CHARTER TOWNSHIP OF DELHI
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2018**

	Business-type activities- Enterprise fund
	Sewer fund
OPERATING REVENUES:	
Charges for services	\$ 6,464,361
Permits and fees	210,627
Other operating revenue	142,511
	6,817,499
OPERATING EXPENSES:	
Costs of sales and services	3,943,810
Depreciation	2,598,058
	6,541,868
Operating income	275,631
NON-OPERATING REVENUES (EXPENSES):	
Interest and rentals	125,202
Intergovernmental	37,850
Amortization of bond discount	(7,831)
Bond issuance cost	(168,648)
Interest expense	(484,999)
	(498,426)
Net loss before capital contributions	(222,795)
CAPITAL CONTRIBUTIONS	94,859
Change in net position	(127,936)
NET POSITION:	
Beginning of year, as restated	35,078,918
End of year	\$ 34,950,982

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, 2018**

	<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	\$ 7,010,552
Cash payments to suppliers for goods and services	(1,732,302)
Cash payments to employees for services	(1,464,235)
Net cash provided by operating activities	<u>3,814,015</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(2,335,233)
Intergovernmental	37,850
Deferred loss on refunding	7,831
Proceeds from bonds	7,531,917
Interest payments, bond issuance costs and amortization	(631,117)
Principal payments	(1,552,691)
Net cash provided by capital and related financing activities	<u>3,058,557</u>
Cash flows from investing activities:	
Purchase of investments	(627,268)
Interest and rental earnings	125,202
Net cash used by investing activities	<u>(502,066)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,370,506
CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>3,111,641</u>
End of year	<u><u>\$ 9,482,147</u></u>
Statement of net assets classification of cash and cash equivalents:	
Cash and cash equivalents	\$ 2,363,206
Restricted cash and cash equivalents	<u>7,118,941</u>
	<u><u>\$ 9,482,147</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, 2018**

	<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	\$ 275,631
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation and amortization	2,598,058
(Increase) in assets:	
Special assessments receivable	(66,451)
Other receivables	259,504
Prepaid expenses	49,713
Increase in liabilities:	
Accounts payable	179,816
Accrued liabilities	15,720
Other postemployment benefits liability	375,862
Due to other funds	135,437
Retainage payable	(9,275)
Total adjustments	<u>3,538,384</u>
Net cash provided by operating activities	<u>\$ 3,814,015</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, 2018**

	Other post employment benefit trust fund	Private purpose trust	
	Retiree health benefits	Cemetery	Agency funds
ASSETS:			
Cash and cash equivalents	\$ -	\$ 69,931	\$ 12,769,032
Investments	3,917,633	-	-
Interest receivable	-	684	-
Taxes receivable	-	-	519,400
TOTAL ASSETS	3,917,633	70,615	13,288,432
LIABILITIES:			
Accounts payable	-	192	-
Due to other funds	-	-	-
Due to other governments	-	-	12,989,416
Undistributed receipts	-	-	299,016
TOTAL LIABILITIES	-	192	13,288,432
NET POSITION:			
Restricted - funds held in trust	<u>\$ 3,917,633</u>	<u>\$ 70,423</u>	<u>\$ -</u>

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

**CHARTER TOWNSHIP OF DELHI
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2018**

	<u>Other post employment benefit trust fund</u>	<u>Private purpose trust</u>
	<u>Retiree health benefits</u>	<u>Cemetery</u>
ADDITIONS:		
Investment earnings	\$ -	\$ 1,100
DEDUCTIONS:		
Investment losses and fees	117,491	-
Cemetery perpetual care	-	2,279
Total deductions	<u>117,491</u>	<u>2,279</u>
Change in net position	<u>(117,491)</u>	<u>(1,179)</u>
NET POSITION:		
Beginning of year	<u>4,035,124</u>	<u>71,602</u>
End of year	<u><u>\$ 3,917,633</u></u>	<u><u>\$ 70,423</u></u>

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 unit 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 two discretely presented component units. The Downtown Development Authority of the Charter Township of Delhi is considered to be a major component unit, while the Brownfield 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 fund:

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

Additionally, the government reports the following nonmajor fund types:

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

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

Debt service fund - the *debt service fund* accounts for the debt related to the River Pointe special assessment district.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 government reports as fiduciary funds the other postemployment benefit trust fund, the private purpose trust fund, and two agency funds.

The *other postemployment 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 funds. The capital projects fund is appropriated on a project-length basis. Other funds do not have appropriated budgets.

Budgets are 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 require 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, 2018. The Township does not consider the amendments to be significant. Violations, if any, are noted in the required supplementary information sections.

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

1. Cash, Cash Equivalents and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Cash, Cash Equivalents and Investments (Concluded)

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.

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. Receivable amounts reflected in the financial statements related to ambulance services are net of any applicable allowance for doubtful collections, which is based on historical collection patterns. 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.

**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

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.

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

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

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

6. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and the OPEB expense, information about the fiduciary net position of the Retiree Health Care Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For the purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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

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 two items that qualify for reporting in this category. These are the deferred charge on refunding and the deferred outflows for other postemployment benefit related items. 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. Deferred outflows for other postemployment benefits relate to differences between projected and actual earnings on plan investments and differences in assumptions. These amounts are deferred and recognized as an outflow of resources in the period to which they apply.

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 four types of items, which arise only under a modified accrual basis of accounting that qualify for reporting in this category. The Township reports unavailable revenues from property taxes, special assessments, ambulance fees and other postemployment benefits related items. 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. The Township also reports deferred inflow related items for other postemployment benefit related items in the government-wide and proprietary fund statements of net position. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

8. Net Position Flow Assumption

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

**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)**

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).

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.

**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)

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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Revenues and Expenditures/Expenses (Continued)

2. Property Taxes (Concluded)

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 2018, 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, 2017 levy (recognized as revenue in 2018) 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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

H. Revenues and Expenditures/Expenses (Concluded)

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.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of December 31, 2018, the Township had the following investments:

<u>Investment type</u>	<u>Fair value</u>	<u>Weighted average maturity (years)</u>	<u>Standard & Poor's rating</u>	<u>%</u>
U.S. Agency:				
Federal Home Loan	\$ 236,989	4.7507	AAA	1.8%
Municipal bonds:				
Riverview Community Schools	120,012	0.5344	A+	0.8%
Reeths Puffer Public Schools	64,825	0.2363	AA1 - Moody	0.5%
Pickney Community Schools	99,615	0.3621	AA	0.7%
Whitmore Lake Public Schools	119,664	0.4400	AA	0.8%
MI Class	13,068,256	0.0027	AAA	92.5%
Certificates of Deposit:				
Wells Fargo Sioux	414,395	4.4334	N/A	2.9%
Total fair value	<u>\$ 14,123,756</u>			<u>100.0%</u>
Portfolio weighted average maturity		<u>0.1328</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 municipalities. MI CLASS is not regulated nor is it registered with the SEC. MI CLASS reports as of December 31, 2018, 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, 2018, \$26,413,471 of the Township's bank balance of \$27,867,118 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, 2018 was \$28,780,535.

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.

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.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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:

	Level 2
U.S. Agency:	
Federal Home Loan	\$ 236,989
Municipal bonds:	
Riverview Community Schools	120,012
Reeths Puffer Public Schools	64,825
Pickney Community Schools	99,615
Whitmore Lake Public Schools	119,664
MI Class	13,068,256
Certificates of Deposit:	
Wells Fargo Sioux	414,395
Total fair value	\$ 14,123,756

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Summary of deposit and investments balances. The following is a reconciliation of deposit and investment balances as of December 31, 2018.

Deposits (including deposits in transit at year end)	\$ 28,780,535
Investments	14,123,756
Cash on hand	2,550
	<u>\$ 42,906,841</u>
Cash and cash equivalents:	
Township-wide - unrestricted	\$ 7,726,765
Township-wide - restricted	7,404,807
Component units - unrestricted	5,386,704
Component units - restricted	268,857
Cemetery fund (a private purpose trust)	69,931
Agency funds (fiduciary funds)	12,769,032
Investments:	
Township-wide - unrestricted	6,527,784
Township-wide - restricted	709,823
Component units - unrestricted	824,150
Component units - restricted	1,218,988
	<u>\$ 42,906,841</u>

Other postemployment benefits

The Charter Township of Delhi's Other Postemployment 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 statutes. 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, 2018:

	Other post employment benefit trust fund (Level 2)
Balanced funds	\$ 2,168,598
Stable value	1,749,035
	\$ 3,917,633

NOTE 3 - RECEIVABLES

Receivables at December 31, 2018 consist of the following:

Governmental activities	Business-type activities
General	Service
\$ 706,885	\$ 1,190,925
Special assessment	General
507,023	23,330
Ambulance	Special assessment
90,334	471,261
Taxes receivable	Other
3,067,612	8,836
Other	\$ 1,694,352
\$ 4,386,132	
Downtown Development Authority	Brownfield Redevelopment Authority
Taxes receivable	General
\$ 707,595	\$ 2,646
General	
7,644	
\$ 715,239	

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS

The capital assets are as follows:

	Balance January 1, 2018	Additions/ reclassifications	Deletions/ reclassifications	Balance December 31, 2018
Primary government:				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,205,446	\$ 278,989	\$ -	\$ 2,484,435
Monuments	31,612	-	-	31,612
Easements	62,361	-	-	62,361
Total capital assets, not being depreciated	<u>2,299,419</u>	<u>278,989</u>	<u>-</u>	<u>2,578,408</u>
Capital assets, being depreciated:				
Buildings and improvements	10,612,507	659,181	-	11,271,688
Land improvements and sidewalks	9,503,724	3,244	-	9,506,968
Machinery and equipment	1,527,595	143,128	10,536	1,660,187
Furniture and office equipment	590,130	-	64,861	525,269
Flowage rights	3,971,358	270,000	-	4,241,358
Infrastructure (road improvements)	1,959,083	-	1,959,083	-
Computer equipment and programs	204,723	-	-	204,723
Vehicles	2,472,672	158,801	-	2,631,473
Total capital assets, being depreciated	<u>30,841,792</u>	<u>1,234,354</u>	<u>2,034,480</u>	<u>30,041,666</u>
Less accumulated depreciation for:				
Buildings and improvements	3,936,944	284,157	-	4,221,101
Land improvements and sidewalks	2,512,832	392,742	-	2,905,574
Machinery and equipment	1,139,980	114,469	10,536	1,243,913
Furniture and office equipment	559,692	10,317	64,861	505,148
Flowage rights	786,484	136,683	-	923,167
Infrastructure (road improvements)	1,680,315	60,936	1,741,251	-
Computer equipment and programs	158,401	14,852	-	173,253
Vehicles	2,169,217	97,690	-	2,266,907
Total accumulated depreciation	<u>12,943,865</u>	<u>1,111,846</u>	<u>1,816,648</u>	<u>12,239,063</u>
Total capital assets, being depreciated, net	<u>17,897,927</u>	<u>122,508</u>	<u>217,832</u>	<u>17,802,603</u>
Total	<u>\$ 20,197,346</u>	<u>\$ 401,497</u>	<u>\$ 217,832</u>	<u>\$ 20,381,011</u>

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

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance January 1, 2018	Additions/ reclassifications	Deletions/ reclassifications	Balance December 31, 2018
Primary government:				
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 963,116	\$ 83,510	\$ -	\$ 1,046,626
Easements	15,955	-	-	15,955
Construction in process	1,898,561	1,422,557	-	3,321,118
Total capital assets, not being depreciated	<u>2,877,632</u>	<u>1,506,067</u>	<u>-</u>	<u>4,383,699</u>
Sewage disposal plant and equipment	32,220,162	8,353	-	32,228,515
Sewer mains	51,177,134	360,182	-	51,537,316
Outfall lines	1,141,390	-	-	1,141,390
Land improvements	549,156	6,905	-	556,061
Furniture and office equipment	137,164	-	22,135	115,029
Computer equipment	308,306	-	-	308,306
Vehicles	1,110,460	-	-	1,110,460
Machinery and equipment	1,003,719	304,635	18,450	1,289,904
Buildings	-	243,950	-	243,950
Maintenance facility	1,430,686	-	-	1,430,686
Total capital assets, being depreciated	<u>89,078,177</u>	<u>924,025</u>	<u>40,585</u>	<u>89,961,617</u>
Less accumulated depreciation for:				
Sewage disposal plant and equipment	18,615,757	1,083,822	-	19,699,579
Sewer mains	22,961,622	1,222,274	-	24,183,896
Outfall lines	532,077	23,838	-	555,915
Land improvements	272,778	36,725	-	309,503
Furniture and office equipment	123,330	4,044	22,135	105,239
Computer equipment	290,849	6,365	-	297,214
Vehicles	500,118	92,059	-	592,177
Machinery and equipment	652,849	89,533	18,450	723,932
Buildings	-	3,455	-	3,455
Maintenance facility	572,110	35,943	-	608,053
Total accumulated depreciation	<u>44,521,490</u>	<u>2,598,058</u>	<u>40,585</u>	<u>47,078,963</u>
Total capital assets, being depreciated, net	<u>44,556,687</u>	<u>(1,674,033)</u>	<u>-</u>	<u>42,882,654</u>
Total	<u>\$ 47,434,319</u>	<u>\$ (167,966)</u>	<u>\$ -</u>	<u>\$ 47,266,353</u>

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CAPITAL ASSETS (Concluded)

	Balance January 1, 2018	Additions/ reclassifications	Deletions/ reclassifications	Balance December 31, 2018
Component unit:				
Downtown Development Authority:				
Capital assets, not being depreciated:				
Land	\$ 4,585,353	\$ -	\$ 1,140,574	\$ 3,444,779
Construction in process	5,391	113,038	565	117,864
Total capital assets, not being depreciated	<u>4,590,744</u>	<u>113,038</u>	<u>1,141,139</u>	<u>3,562,643</u>
Capital assets, being depreciated:				
Buildings	1,211,586	269,167	1,006,609	474,144
Land improvements	6,429,208	-	318,277	6,110,931
Infrastructure (road improvements)	1,294,495	-	-	1,294,495
Machinery and equipment	107,009	-	-	107,009
Furniture and office equipment	81,649	14,850	76,020	20,479
Total capital assets, being depreciated	<u>9,123,947</u>	<u>284,017</u>	<u>1,400,906</u>	<u>8,007,058</u>
Less accumulated depreciation for:				
Buildings	352,741	27,264	356,428	23,577
Land improvements	3,582,303	316,152	318,277	3,580,178
Infrastructure (road improvements)	1,275,730	18,765	-	1,294,495
Machinery and equipment	73,135	5,437	-	78,572
Furniture and office equipment	77,146	1,621	76,020	2,747
Total accumulated depreciation	<u>5,361,055</u>	<u>369,239</u>	<u>750,725</u>	<u>4,979,569</u>
Total capital assets, being depreciated, net	<u>3,762,892</u>	<u>(85,222)</u>	<u>650,181</u>	<u>3,027,489</u>
Total	<u>\$ 8,353,636</u>	<u>\$ 27,816</u>	<u>\$ 1,791,320</u>	<u>\$ 6,590,132</u>

Depreciation expense was charged to functions/programs of the primary government at December 31, 2018 as follows:

Governmental activities:	
General government	\$ 287,530
Public safety	124,449
Public works	197,619
Community development	6,506
Recreation and culture	495,742
Total governmental activities	<u>\$ 1,111,846</u>
Business type activities:	
Sewer	<u>\$ 2,598,058</u>
Component unit:	
Downtown Development Authority	<u>\$ 369,239</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, 2018 is as follows:

	Transfer in				Total transfers out
	General fund	Fire fund	Police fund	Debt service fund	
Transfer out:					
General fund	\$ -	\$ 1,573,898	\$ 1,595,025	\$ -	\$ 3,168,923
Capital projects fund	-	-	-	60,868	60,868
	<u>\$ -</u>	<u>\$ 1,573,898</u>	<u>\$ 1,595,025</u>	<u>\$ 60,868</u>	<u>\$ 3,229,791</u>

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

NOTE 6 - LONG-TERM DEBT

General Obligation Bonds

The 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%.	\$ 282,217
\$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.	700,000
Total general obligation bonds	982,217
\$348,000, Special Assessment bonds, due in annual installments of \$8,000 to \$25,000 through 2032, at interest of 2.84%.	340,000
	\$ 1,322,217

Other Long-term Debt

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

Purpose	Amount	Fiscal year obligations extend through	Interest rate
Governmental activities	\$ 2,535,003	2037	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	\$ 2,342,400	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, \$2,323 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest rate</u>
Governmental activities	<u>\$ 206</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, \$5,228 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

<u>Purpose</u>	<u>Amount</u>	<u>Fiscal year obligations extend through</u>	<u>Interest rate</u>
Governmental activities	<u>\$ 10,043</u>	2020	2.48%

**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%.	\$ 1,005,000
\$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%.	1,412,783
\$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
\$7,500,000, 2018 Sanitary Sewer general obligation bonds, for the purpose of acquiring, constructing and installing improvements to the Sanitary Sewer system, as well as rehabilitation, repair and replacement of the Township's publicly owned treatment works, due in annual installments of \$155,000 to \$525,000 through 2037, interest at 3% to 3.5%.	7,500,000
Total enterprise general obligation bonds	10,418,785
Bond premium	31,917
	<u>\$ 10,450,702</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, interest payable at 1.625%. Interest payments due semi-annually. Principal payments ranging from \$485,000 to \$570,000 due annually through 2028.	\$ 5,320,000
\$8,400,000, 2010 Sanitary Sewer revenue bonds, interest paid semi-annually at 2.5%. Principal payments ranging from \$370,000 to \$525,000 due annually through 2032.	6,300,000
	\$ 11,620,000

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	\$ 1,317,600	2031	3.24%
Business-type activities - Vactor purchase	202,986	2021	2.84%
Total installment purchase agreements	\$ 1,520,586		
Purpose	Amount	Fiscal year Due	Interest Rate
Business-type activities	\$ 4,996	2020	2.48%

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, \$2,631 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:

<p>\$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%.</p>	<p>\$ 4,498,998</p>
<p>\$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%.</p>	<p>1,370,000</p>
<p>\$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.</p>	<p style="border-top: 1px solid black;">6,750,000</p>
<p>Total general obligation bonds</p>	<p>12,618,998</p>
<p>Bond premium</p>	<p style="border-top: 1px solid black;">184,149</p>
	<p style="border-top: 3px double black; border-bottom: 3px double black;">\$ 12,803,147</p>

**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, 2018:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 1,149,650	\$ -	\$ 167,433	\$ 982,217	\$ 167,433
General assessments payable	2,473,637	270,000	208,634	2,535,003	20,000
Installment purchase agreement	2,480,000	-	137,600	2,342,400	208,634
Special assessment bonds	348,000	-	8,000	340,000	144,000
Capital lease - copier	2,529	-	2,323	206	206
Capital lease - telephone	15,271	-	5,228	10,043	5,403
Compensated absences	411,455	2,162	-	413,617	120,000
	<u>\$ 6,880,542</u>	<u>\$ 272,162</u>	<u>\$ 529,218</u>	<u>\$ 6,623,486</u>	<u>\$ 665,676</u>
Business-type activities:					
General obligation bonds	\$ 3,472,485	\$ 7,500,000	\$ 553,700	\$ 10,418,785	\$ 880,724
Revenue bonds	12,475,000	-	855,000	11,620,000	875,000
Installment purchase agreement	1,661,947	-	141,360	1,520,586	146,776
Capital lease - telephone	7,626	-	2,631	4,996	2,697
Bond premium	-	31,917	-	31,917	1,680
	<u>\$ 17,617,058</u>	<u>\$ 7,531,917</u>	<u>\$ 1,552,691</u>	<u>\$ 23,596,284</u>	<u>\$ 1,906,877</u>
Component unit:					
General obligation bonds	\$ 13,362,866	\$ -	\$ 743,868	\$ 12,618,998	\$ 766,844
Bond premium	194,981	-	10,832	184,149	10,832
	<u>\$ 13,557,847</u>	<u>\$ -</u>	<u>\$ 754,700</u>	<u>\$ 12,803,147</u>	<u>\$ 777,676</u>
	<u>\$ 38,055,447</u>	<u>\$ 7,804,079</u>	<u>\$ 2,836,609</u>	<u>\$ 43,022,917</u>	<u>\$ 3,350,229</u>

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

NOTE 6 - LONG-TERM DEBT (Concluded)

The annual requirements to amortize all long-term debt outstanding, exclusive of compensated absences as of December 31, 2018, are as follows:

Year ending December 31	Governmental activities		Business-type activities		Component Units	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 545,676	\$ 217,618	\$ 1,905,197	\$ 572,171	\$ 766,844	\$ 326,261
2020	550,404	199,285	1,952,974	530,122	784,840	314,004
2021	583,829	180,847	1,991,034	487,009	803,337	301,460
2022	591,894	161,651	1,971,409	442,989	830,331	288,340
2023	512,882	142,221	1,635,775	399,889	852,825	274,789
2024 - 2028	2,072,757	464,391	7,629,378	1,456,309	3,585,821	1,125,256
2029 - 2033	1,245,652	120,105	4,498,600	644,671	3,560,000	602,781
2034 - 2037	106,775	8,442	1,980,000	155,925	1,435,000	76,509
	<u>\$ 6,209,869</u>	<u>\$ 1,494,560</u>	<u>\$ 23,564,367</u>	<u>\$ 4,689,085</u>	<u>\$ 12,618,998</u>	<u>\$ 3,309,400</u>

On June 7, 2018, the Township issued general obligation bonds - limited tax for the purpose of paying all or a portion of the cost of acquiring, constructing and installing certain improvements to the Township's sanitary sewer collection system, as well as the rehabilitation, repair and replacement of the Township's publicly owned treatment works. The bonds are payable from the sewer fund. The bonds were issued at a discount of \$31,917, with a face value of \$7,500,000. Total proceeds were, therefore, \$7,468,083. The bonds carry interest rates ranging from 3.0% to 3.5%, payable over the next 19 years.

Bond Defeasance

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, 2018, \$9,140,000 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, 2018, these commitments totaled \$753,295 and are payable through 2024, with \$114,630 due in the next year.

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

NOTE 7 - CAPITAL CONTRIBUTIONS

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 Aspen Houses sewer. The contribution amounted to \$94,859. Currently, accounting principles generally accepted in the United States of America calls for this capital contribution to be recorded as revenue in the proprietary fund and the government-wide 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 2018 was \$4,804,284. Contributions were calculated using the base salary amount of \$4,804,284. The Township made the required 10% contribution plus a 2.5% match, for a total contribution of \$462,226.

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 \$3,762. 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 POSTEMPLOYMENT 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 postemployment 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 result of the most recent actuarial valuation, as of September 30, 2018. This was rolled forward to the measurement date of December 31, 2018.

Plan Description

Plan Administration. The Plan provides other postemployment benefits (OPEB) for all of its full time employees through a single-employer 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, 2018, the plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	17
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>61</u>
Total	<u><u>78</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.

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

NOTE 10 - OTHER POSTEMPLOYMENT 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 7.2% of annual covered payroll. The Township contributed \$194,329 for their portion of the shared costs of retiree premiums.

Net OPEB Liability

The Township's net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2018, rolled forward to the measurement date.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2018, rolled forward to a measurement date of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	Included in the investment rate of return
Salary increases	3.5% average, including inflation
Investment rate of return	3.81%, net of OPEB plan investment expense, including inflation
	20 year Aa Municipal Bond rate of 3.64%
Healthcare cost trend rates	Pre 65 - 8.5% graded 0.25% to 4.50% per annum Medicare eligible - 7.0% graded 0.25% to 4.5% per annum

The mortality rate for the fire personnel was the Public Safety 2010 Employee and Healthy Retiree, headcount weighted. The rate for all other employees was the Public General 2010 Employee and Healthy Retiree, headcount weighted.

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

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2018:

<u>Asset class</u>	<u>Target allocation</u>
Fixed income	11.0%
Large Cap	28.0%
Mid Cap	1.6%
Small Cap	0.6%
International Stock	6.8%
Cash	52.0%
	<u>100%</u>

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates 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 allocation as of September 30, 2018 are summarized in the following table:

<u>Asset class</u>	<u>Long-term expected real rate of return</u>
Fixed income	2.99%
Large Cap	10.03%
Mid Cap	10.50%
Small Cap	11.27%
International Stock	5.21%
Cash	0.16%

Rate of return. For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense was (2.8%). 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 POSTEMPLOYMENT BENEFITS (Continued)

Discount rate. The discount rate used to measure the total OPEB liability was 3.81%. The projections of cash flows used to determine the discount rate assumed that the Township will continue to make recommended contributions until fully funded. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), the projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB liability.

Annual OPEB Cost and Net OPEB Liability

Funding progress. For the year ended December 31, 2018, the Township has estimated the cost of providing retiree health care benefits through an actuarial valuation as of September 30, 2018, rolled forward to the measurement date of December 31, 2018. 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 \$194,329 for the year ended December 31, 2018, which represents 25.9% of the annual required contribution. The value of the Plan's assets at the end of December 31, 2018, was \$3,917,633.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability (a) - (b)
Balances at 12/31/2017	\$ 7,393,077	\$ 4,035,124	\$ 3,357,953
Changes for the year:			
Service cost	282,418	-	282,418
Interest	530,482	-	530,482
Difference between expected and actual experience	(3,308,420)	-	3,308,420
Change in actuarial assumptions	9,916,123	-	9,916,123
Contributions - employer	-	-	-
Contributions/benefits paid from general operating funds	-	194,329	(194,329)
Net investment income (loss)	-	(116,841)	116,841
Benefit payments	(194,329)	(194,329)	-
Administrative expenses	-	(650)	650
Net changes	7,226,274	(117,491)	7,343,765
Balances at 12/31/2018	\$ 14,619,351	\$ 3,917,633	\$ 10,701,718

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

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 (2.81%) or 1-percentage-point higher (4.81%):

	<u>1% Decrease</u>	<u>Discount rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 13,481,034</u>	<u>\$ 10,701,718</u>	<u>\$ 8,515,382</u>

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 (7.5%) or 1-percentage-point higher (9.5%):

	<u>1% Decrease</u>	<u>trend rates</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 8,331,779</u>	<u>\$ 10,701,718</u>	<u>\$ 13,756,323</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Township recognized OPEB expense of \$1,536,693. At December 31, 2018, the Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Difference between expected and actual experience	\$ -	\$ 2,844,918
Change of assumptions	8,526,897	-
Net difference between projected and actual earnings on OPEB plan investments	319,422	-
	<u>\$ 8,846,319</u>	<u>\$ 2,844,918</u>

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

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Concluded)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended December 31,</u>	
2019	\$ 1,005,579
2020	1,005,579
2021	1,005,579
2022	1,005,581
2023	925,724
Thereafter	1,053,359

Payable to the OPEB Plan

At December 31, 2018, the Township did not have an outstanding amount of contributions to the Plan required for the year ended December 31, 2018.

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 2018 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, 2018, activity in the building department is as follows:

Building department surplus at January 1, 2018	\$ 187,659
Revenues:	
Trade permits	414,067
Expenditures:	
Salaries and benefits	250,251
Supplies and other	133,530
Allocation of building costs	12,973
	396,754
Building department surplus at December 31, 2018	\$ 204,972

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 - PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS

The General fund beginning fund balance was adjusted by a total of \$248,886 as a result of various adjustments, as noted below. Beginning net position has also been restated by \$1,080,514 in the governmental activities due to the items noted below.

	General fund	Government-wide statements
Fund balance/net position as of January 1, 2018	\$ 6,849,447	\$ 20,578,987
Prior period adjustment - understated accounts receivable	505,573	505,573
Prior period adjustment - overstated deferred inflow (ambulance fees)	57,216	57,216
Prior period adjustment - understated fixed assets	-	831,628
Prior period adjustment - understated deferred inflow (streetlights)	(313,903)	(313,903)
Fund balance/net position as of January 1, 2018 (as restated)	<u>\$ 7,098,333</u>	<u>\$ 21,659,501</u>

For the year ended December 31, 2018, the Township implemented the following new pronouncement: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Summary:

GASB Statement No. 75 requires governments that participate in defined benefit other postemployment benefit (OPEB) plans to report in the statement of net position in 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. The Statement requires single employers to record a liability and expense for the plan. The Statement also will improve the comparability and consistency of how governments calculate the OPEB liabilities and expense.

	Governmental activities	Business-type activities
Net position as previously restated January 1, 2018	\$ 21,659,501	\$ 36,019,145
Adoption of GASB Statement 75:		
Net Other Postemployment Benefits Liability	<u>(2,417,726)</u>	<u>(940,227)</u>
Net position as restated January 1, 2018	<u>\$ 19,241,775</u>	<u>\$ 35,078,918</u>

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 16 - 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, 2018, the Township abated property tax revenue for general operations and emergency services totaling \$9,441 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 \$10,793.

For the year ended December 31, 2018, the Downtown Development Authority abated property tax revenue for general operations totaling \$54,971 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 \$90,062.

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

Brownfield

The Township's tax revenues have been reduced by tax abatements throughout the Township related to Brownfield districts. Management has determined these amounts to be immaterial to the financial statements.

CHARTER TOWNSHIP OF DELHI
NOTES TO FINANCIAL STATEMENTS

NOTE 18 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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.

Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued by the GASB in March 2018 and will be effective for the Township's 2019 year end. The objective of this Statement is to improve the information that is disclosed in notes to the governmental financials statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit assets pledged as collateral for the debt, and the terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration causes. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

REQUIRED SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 3,227,400	\$ 3,363,400	\$ 3,364,838	\$ 1,438
Special assessments	364,960	379,770	374,124	(5,646)
Intergovernmental	2,323,120	2,645,790	2,689,186	43,396
Licenses and permits	858,700	991,950	1,018,245	26,295
Charges for services	1,528,210	1,551,070	1,540,271	(10,799)
Fines and forfeitures	20,000	33,600	36,180	2,580
Interest and rentals	25,000	77,000	92,607	15,607
Other	212,000	212,650	268,165	55,515
Total revenues	<u>8,559,390</u>	<u>9,255,230</u>	<u>9,383,616</u>	<u>128,386</u>
EXPENDITURES:				
Current:				
General government:				
Legislative - Board of Trustees	109,420	105,920	103,751	2,169
Manager	360,630	394,320	389,923	4,397
Accounting	151,540	148,550	142,183	6,367
Clerk	345,070	323,790	315,237	8,553
Information technology	264,000	251,280	239,451	11,829
Treasurer	284,840	262,480	249,884	12,596
Assessing	396,900	281,300	264,623	16,677
Elections	100,190	83,140	83,101	39
Building and grounds	617,570	558,880	546,561	12,319
Total general government	<u>2,630,160</u>	<u>2,409,660</u>	<u>2,334,714</u>	<u>74,946</u>

CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (Concluded)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget</u>
EXPENDITURES (Concluded):				
Current (Concluded):				
Public works	\$ 1,458,790	\$ 643,970	\$ 626,817	\$ 17,153
Community and economic development	777,200	810,320	771,515	38,805
Recreation and culture:				
Parks administration	278,630	270,780	266,621	4,159
Parks	588,700	620,500	590,370	30,130
Recreation	67,400	56,370	52,440	3,930
Total recreation and culture	934,730	947,650	909,431	38,219
Other	511,050	622,970	574,306	48,664
Debt service:				
Principal	472,190	452,700	452,825	(125)
Interest	209,660	215,470	215,468	2
Total debt service	681,850	668,170	668,293	(123)
Capital outlay	141,500	156,530	155,372	1,158
Total expenditures	7,135,280	6,259,270	6,040,448	218,822
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,424,110</u>	<u>2,995,960</u>	<u>3,343,168</u>	<u>347,208</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,238,160)	(3,323,680)	(3,168,923)	154,757
Net change in fund balance	(1,814,050)	(327,720)	174,245	501,965
FUND BALANCE:				
Beginning of year, as restated	7,098,333	7,098,333	7,098,333	-
End of year	<u>\$ 5,284,283</u>	<u>\$ 6,770,613</u>	<u>\$ 7,272,578</u>	<u>\$ 501,965</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FIRE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2018**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,102,310	\$ 1,103,150	\$ 1,103,380	\$ 230
Intergovernmental	31,700	48,880	48,891	11
Other	20,000	50	154	104
Total revenues	<u>1,154,010</u>	<u>1,152,080</u>	<u>1,152,425</u>	<u>345</u>
EXPENDITURES:				
Current:				
Public safety	447,730	463,216	443,779	19,437
Health and welfare	2,160,710	2,235,434	2,141,638	93,796
Capital outlay	180,000	175,000	158,801	16,199
Total expenditures	<u>2,788,440</u>	<u>2,873,650</u>	<u>2,744,218</u>	<u>129,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(1,634,430)</u>	<u>(1,721,570)</u>	<u>(1,591,793)</u>	<u>129,777</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,634,430	1,721,570	1,573,898	(147,672)
Net change in fund balance	-	-	(17,895)	(17,895)
FUND BALANCE:				
Beginning of year	56,504	56,504	56,504	-
End of year	<u>\$ 56,504</u>	<u>\$ 56,504</u>	<u>\$ 38,609</u>	<u>\$ (17,895)</u>

**CHARTER TOWNSHIP OF DELHI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
POLICE FUND SPECIAL REVENUE
YEAR ENDED DECEMBER 31, 2018**

	Original budget	Final budget	Actual	Variance with final budget
REVENUES:				
Taxes	\$ 1,102,310	\$ 1,102,880	\$ 1,103,184	\$ 304
Intergovernmental	6,700	22,750	22,757	7
Fines and forfeitures	50,000	30,000	29,524	(476)
Total revenues	<u>1,159,010</u>	<u>1,155,630</u>	<u>1,155,465</u>	<u>(165)</u>
EXPENDITURES:				
Current:				
Public safety	<u>2,762,740</u>	<u>2,757,740</u>	<u>2,750,490</u>	<u>7,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,603,730)</u>	<u>(1,602,110)</u>	<u>(1,595,025)</u>	<u>7,085</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>1,603,730</u>	<u>1,602,110</u>	<u>1,595,025</u>	<u>(7,085)</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 POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST 10 YEARS**

	2018	2017
Total OPEB liability:		
Service cost	\$ 282,418	\$ 131,237
Interest	530,482	488,071
Changes of benefit terms	-	-
Difference between expected and actual experience	(3,308,420)	(64,833)
Changes of assumptions	9,916,123	-
Benefit payments including employee refunds	(194,329)	(136,458)
Other	-	-
	7,226,274	418,017
Net change in total OPEB liability	7,226,274	418,017
Total OPEB liability beginning	7,393,077	6,975,060
Total OPEB liability ending	\$ 14,619,351	\$ 7,393,077
Plan fiduciary net position:		
Contributions-employer	\$ -	\$ 476,141
Contributions/benefit payments made from general operating fund	194,329	-
Net investment income (loss)	(116,841)	295,695
Benefit payments including employee refunds	(194,329)	(136,458)
Administrative expense	(650)	-
	(117,491)	635,378
Net change in plan fiduciary net position	(117,491)	635,378
Plan fiduciary net position beginning	4,035,124	3,399,746
Plan fiduciary net position ending	\$ 3,917,633	\$ 4,035,124
Employer net OPEB liability	\$ 10,701,718	\$ 3,357,953
Plan fiduciary net position as a percentage of the total pension liability	26.80%	54.58%
Covered employee payroll	\$ 2,685,506	\$ 2,784,198
Employer's net OPEB liability as a percentage of covered employee payroll	398.50%	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 POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
FOR THE LAST 10 YEARS**

	2018	2017
Actuarial determined contributions	\$ 749,993	\$ 476,141
Contributions in relation to the actuarially determined contribution	194,329	476,141
Contribution deficiency (excess)	\$ 555,664	\$ -
Covered employee payroll	\$ 2,685,506	\$ 2,784,198
Contributions as a percentage of covered employee payroll	7.24%	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 POSTEMPLOYMENT BENEFIT PLAN
 SCHEDULE OF INVESTMENT RETURNS
 FOR THE LAST 10 YEARS**

	2018	2017
Annual money-weighted rate of return, net of investment expense	<u>(2.8)%</u>	<u>7.30%</u>

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 POSTEMPLOYMENT 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 – The change in assumption is related to this being the first valuation performed by Watkins Ross.

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:

Valuation date	September 30, 2018
Measurement date	December 31, 2018
Actuarial cost method	Entry age
Amortization method	Level percent
Amortization period	30 years
Asset valuation method	Market value of assets
Inflation	Included in the investment rate of return
Healthcare cost trend rates	Pre 65 - 8.5% graded 0.25% to 4.50% per annum Medicare eligible-7.0% graded 0.25% to 4.50% per annum
Salary increases	3.50%
Investment rate of return	3.81%, net of OPEB plan investment expense, including inflation.
Retirement age	Experience based table of rates that are specific to the type of eligibility condition.

ADDITIONAL SUPPLEMENTARY INFORMATION

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018**

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Debt service</u>	<u>Total nonmajor governmental funds</u>
ASSETS:				
Cash and cash equivalents	\$ 824,305	\$ -	\$ 109,200	\$ 933,505
Investments	210,439	-	-	210,439
Taxes receivable	500,710	-	-	500,710
Special assessments receivable	11,604	-	235,028	246,632
TOTAL ASSETS	<u>\$ 1,547,058</u>	<u>\$ -</u>	<u>\$ 344,228</u>	<u>\$ 1,891,286</u>
LIABILITY:				
Accounts payable	\$ 572	\$ -	\$ -	\$ 572
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	1,148,313	-	-	1,148,313
Unavailable revenue - special assessments	11,603	-	235,028	246,631
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,159,916</u>	<u>-</u>	<u>235,028</u>	<u>1,394,944</u>
FUND BALANCES:				
Committed:				
For debt service	-	-	109,200	109,200
For water improvement	386,570	-	-	386,570
TOTAL FUND BALANCES	<u>386,570</u>	<u>-</u>	<u>109,200</u>	<u>495,770</u>
TOTAL LIABILITIES DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,547,058</u>	<u>\$ -</u>	<u>\$ 344,228</u>	<u>\$ 1,891,286</u>

**CHARTER TOWNSHIP OF DELHI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2018**

	<u>Special revenue</u>	<u>Capital projects</u>	<u>Debt service</u>	<u>Total nonmajor governmental funds</u>
REVENUES:				
Taxes	\$ -	\$ -	\$ 25,791	\$ 25,791
Special assessments	-	-	10,221	10,221
Charges for services	40,581	-	-	40,581
Interest and rentals	4,251	-	-	4,251
Other	1,778	3,004	-	4,782
Total revenues	<u>46,610</u>	<u>3,004</u>	<u>36,012</u>	<u>85,626</u>
EXPENDITURES:				
Current:				
Public works	2,587	-	24,163	26,750
Debt service:				
Principal	67,433	-	8,000	75,433
Interest	5,769	-	15,425	21,194
Total expenditures	<u>75,789</u>	<u>-</u>	<u>47,588</u>	<u>123,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>(29,179)</u>	<u>3,004</u>	<u>(11,576)</u>	<u>(37,751)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	60,868	60,868
Transfers out	-	(60,868)	-	(60,868)
Total other financing sources (uses)	<u>-</u>	<u>(60,868)</u>	<u>60,868</u>	<u>-</u>
Net change in fund balances	(29,179)	(57,864)	49,292	(37,751)
FUND BALANCES:				
Beginning of year	<u>415,749</u>	<u>57,864</u>	<u>59,908</u>	<u>533,521</u>
End of year	<u>\$ 386,570</u>	<u>\$ -</u>	<u>\$ 109,200</u>	<u>\$ 495,770</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2018
(with comparative totals for December 31, 2017)**

	Water improvement fund	Parks and recreation	Fire equipment	Totals	
				2018	2017
ASSETS:					
Cash and cash equivalents	\$ 176,130	\$ 432,315	\$ 215,860	\$ 824,305	\$ 208,071
Investments	210,439	-	-	210,439	206,188
Taxes receivable	-	333,799	166,911	500,710	1,490
Special assessments receivable	11,604	-	-	11,604	12,745
TOTAL ASSETS	<u>\$ 398,173</u>	<u>\$ 766,114</u>	<u>\$ 382,771</u>	<u>\$ 1,547,058</u>	<u>\$ 428,494</u>
LIABILITIES:					
Accounts payable	\$ -	\$ 572	\$ -	\$ 572	\$ -
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	-	765,542	382,771	1,148,313	-
Unavailable revenue - special assessments	11,603	-	-	11,603	12,745
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,603</u>	<u>765,542</u>	<u>382,771</u>	<u>1,159,916</u>	<u>12,745</u>
FUND BALANCES:					
Committed:					
For water improvement	386,570	-	-	386,570	415,749
TOTAL FUND BALANCES	<u>386,570</u>	<u>-</u>	<u>-</u>	<u>386,570</u>	<u>415,749</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 398,173</u>	<u>\$ 766,114</u>	<u>\$ 382,771</u>	<u>\$ 1,547,058</u>	<u>\$ 428,494</u>

**CHARTER TOWNSHIP OF DELHI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2018
(with comparative totals for the year ended December 31, 2017)**

	Water improvement fund	Parks and recreation	Fire equipment	Totals	
				2018	2017
REVENUES:					
Charges for services	\$ 40,581	\$ -	\$ -	\$ 40,581	\$ 103,974
Interest and rentals	4,251	-	-	4,251	2,237
Other	1,778	-	-	1,778	1,779
Total revenues	<u>46,610</u>	<u>-</u>	<u>-</u>	<u>46,610</u>	<u>107,990</u>
EXPENDITURES:					
Current:					
Public works	2,587	-	-	2,587	2,343
Debt service:					
Principal	67,433	-	-	67,433	64,935
Interest	5,769	-	-	5,769	8,399
Total expenditures	<u>75,789</u>	<u>-</u>	<u>-</u>	<u>75,789</u>	<u>75,677</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u>(29,179)</u>	<u>-</u>	<u>-</u>	<u>(29,179)</u>	<u>32,313</u>
FUND BALANCES:					
Beginning of year	<u>415,749</u>	<u>-</u>	<u>-</u>	<u>415,749</u>	<u>383,436</u>
End of year	<u><u>\$ 386,570</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 386,570</u></u>	<u><u>\$ 415,749</u></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, 2018**

	Water improvement fund			Parks and recreation			Fire equipment, training and apparatus fund		
	Final budget	Actual	Variance with final budget	Final budget	Actual	Variance with final budget	Final budget	Actual	Variance with final budget
REVENUES:									
Charges for services	\$ 40,000	\$ 40,581	\$ 581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rentals	4,200	4,251	51	-	-	-	-	-	-
Other	1,770	1,778	8	-	-	-	-	-	-
Total revenues	45,970	46,610	640	-	-	-	-	-	-
EXPENDITURES:									
Current:									
Public works	2,800	2,587	213	-	-	-	-	-	-
Debt service:									
Principal	67,440	67,433	7	-	-	-	-	-	-
Paying agent fees	100	-	100	-	-	-	-	-	-
Interest	5,860	5,769	91	-	-	-	-	-	-
Total expenditures	76,200	75,789	411	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,230)	(29,179)	1,051	-	-	-	-	-	-
FUND BALANCES:									
Beginning of year	415,749	415,749	-	-	-	-	-	-	-
End of year	\$ 385,519	\$ 386,570	\$ 1,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2018
(with comparative totals for December 31, 2017)

	Trust and agency	Tax collection fund	Totals	
			2018	2017
ASSETS:				
Cash and cash equivalents	\$ 62,310	\$ 12,706,722	\$ 12,769,032	\$ 17,889,798
Taxes receivable	236,706	282,694	519,400	14,204,379
TOTAL ASSETS	<u>\$ 299,016</u>	<u>\$ 12,989,416</u>	<u>\$ 13,288,432</u>	<u>\$ 32,094,177</u>
LIABILITIES:				
Due to other governments	\$ -	\$ 12,989,416	\$ 12,989,416	\$ 31,793,505
Undistributed receipts	299,016	-	299,016	300,672
TOTAL LIABILITIES	<u>\$ 299,016</u>	<u>\$ 12,989,416</u>	<u>\$ 13,288,432</u>	<u>\$ 32,094,177</u>

CHARTER TOWNSHIP OF DELHI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2018

	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Trust and Agency				
Assets:				
Cash and cash equivalents	\$ 63,739	\$ 2,509,065	\$ 2,510,494	\$ 62,310
Taxes receivable	236,933	121,211	121,438	236,706
	<u>\$ 300,672</u>	<u>\$ 2,630,276</u>	<u>\$ 2,631,932</u>	<u>\$ 299,016</u>
Liabilities:				
Undistributed receipts	\$ 300,672	\$ 1,278,319	\$ 1,279,975	\$ 299,016
Current Tax				
Assets:				
Cash and cash equivalents	\$ 9,556,602	\$ 29,545,869	\$ 26,395,749	\$ 12,706,722
Taxes receivable	13,967,446	29,668,129	43,352,881	282,694
	<u>\$ 23,524,048</u>	<u>\$ 59,213,998</u>	<u>\$ 69,748,630</u>	<u>\$ 12,989,416</u>
Liabilities:				
Due to other governments	\$ 23,524,048	\$ 41,132,262	\$ 51,666,894	\$ 12,989,416
Totals				
Assets:				
Cash and cash equivalents	\$ 9,620,341	\$ 32,054,934	\$ 28,906,243	\$ 12,769,032
Taxes receivable	14,204,379	29,789,340	43,474,319	519,400
	<u>\$ 23,824,720</u>	<u>\$ 61,844,274</u>	<u>\$ 72,380,562</u>	<u>\$ 13,288,432</u>
Liabilities:				
Undistributed receipts	\$ 300,672	\$ 1,278,319	\$ 1,279,975	\$ 299,016
Due to other governments	23,524,048	41,132,262	51,666,894	12,989,416
	<u>\$ 23,824,720</u>	<u>\$ 42,410,581</u>	<u>\$ 52,946,869</u>	<u>\$ 13,288,432</u>

**CHARTER TOWNSHIP OF DELHI
BROWNFIELD REDEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	<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	\$ 42,211	\$ 222,933	\$ 265,144	\$ -	\$ 265,144
Due from primary government	163,060	4,237	167,297	-	167,297
Accounts receivable	-	2,646	2,646	-	2,646
Total assets	<u>\$ 205,271</u>	<u>\$ 229,816</u>	<u>\$ 435,087</u>	<u>-</u>	<u>435,087</u>
LIABILITIES:					
Accounts payable	<u>\$ 31,064</u>	<u>\$ 12,961</u>	<u>\$ 44,025</u>	<u>-</u>	<u>44,025</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	<u>163,060</u>	<u>4,237</u>	<u>167,297</u>	<u>-</u>	<u>167,297</u>
FUND BALANCES:					
Assigned for subsequent year expenditures	-	64,250	64,250	(64,250)	-
Unassigned	<u>11,147</u>	<u>148,368</u>	<u>159,515</u>	<u>(159,515)</u>	<u>-</u>
Total fund balances	<u>11,147</u>	<u>212,618</u>	<u>223,765</u>	<u>(223,765)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 205,271</u>	<u>\$ 229,816</u>	<u>\$ 435,087</u>		
NET POSITION:					
Unrestricted				<u>223,765</u>	<u>223,765</u>
Total net position				<u>\$ 223,765</u>	<u>\$ 223,765</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, 2018**

	Governmental funds revenues, expenditures and changes in fund balances				Statement of activities
	Brownfield Redevelopment Authority	Local Brownfield revolving fund	Total	Adjustments	
REVENUES:					
Property taxes	\$ 77,934	\$ 4,426	\$ 82,360	\$ -	\$ 82,360
Intergovernmental	-	27,806	27,806	-	27,806
Total	<u>77,934</u>	<u>32,232</u>	<u>110,166</u>	<u>-</u>	<u>110,166</u>
EXPENDITURES/EXPENSES:					
Community and economic development	<u>66,833</u>	<u>127,256</u>	<u>194,089</u>	<u>-</u>	<u>194,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,101	(95,024)	(83,923)	-	(83,923)
FUND BALANCES/NET POSITION:					
Beginning of year	46	307,642	307,688	-	307,688
End of year	<u>\$ 11,147</u>	<u>\$ 212,618</u>	<u>\$ 223,765</u>	<u>\$ -</u>	<u>\$ 223,765</u>

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS BALANCE SHEET / STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Governmental funds balance sheet								
	Downtown development general operating	2008 Bond debt retirement	2016 Development Bond	DDA Refunding Bond	2017 Bond	Total	Adjustments	Statement of net position
ASSETS:								
Cash and cash equivalents	\$ 5,121,560	\$ -	\$ -	\$ -	\$ -	\$ 5,121,560	\$ -	\$ 5,121,560
Investments	824,150	-	-	-	-	824,150	-	824,150
Taxes receivable	707,595	-	-	-	-	707,595	-	707,595
Other receivables	7,644	-	-	-	-	7,644	-	7,644
Due from primary government	135,437	-	-	-	-	135,437	-	135,437
Prepays	241	-	-	-	-	241	-	241
Restricted assets:								
Cash and cash equivalents	268,857	-	-	-	-	268,857	-	268,857
Investments	1,218,988	-	-	-	-	1,218,988	-	1,218,988
Capital assets not being depreciated	-	-	-	-	-	-	3,562,643	3,562,643
Capital assets being depreciated, net	-	-	-	-	-	-	3,027,489	3,027,489
TOTAL ASSETS	\$ 8,284,472	\$ -	\$ -	\$ -	\$ -	\$ 8,284,472	6,590,132	14,874,604
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred charge on refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	207,732	207,732
LIABILITIES:								
Accounts payable	452,896	-	-	-	-	452,896	-	452,896
Accrued liabilities	6,860	-	-	-	-	6,860	-	6,860
Interest payable	-	-	-	-	-	-	54,377	54,377
Due to other governments	2,222,396	-	-	-	-	2,222,396	-	2,222,396
Due to primary government	484,481	-	-	-	-	484,481	-	484,481
Undistributed receipts	-	-	-	-	-	-	-	-
Long-term liabilities:								
Due within one year	-	-	-	-	-	-	777,676	777,676
Due in more than one year	-	-	-	-	-	-	12,025,471	12,025,471
TOTAL LIABILITIES	3,166,633	-	-	-	-	3,166,633	12,857,524	16,024,157

Governmental funds balance sheet

	Downtown development general operating	2008 Bond debt retirement	2016 Development Bond	DDA Refunding Bond	2017 Bond	Total	Adjustments	Statement of net position
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue - property taxes	\$ 1,293,443	\$ -	\$ -	\$ -	\$ -	\$ 1,293,443	\$ -	\$ 1,293,443
FUND BALANCES:								
Nonspendable:								
Prepays	241	-	-	-	-	241	(241)	-
Restricted								
Capital projects	1,487,845	-	-	-	-	1,487,845	(1,487,845)	-
Assigned for subsequent year expenditures	411,810	-	-	-	-	411,810	(411,810)	-
Unassigned	1,924,500	-	-	-	-	1,924,500	(1,924,500)	-
TOTAL FUND BALANCES	3,824,396	-	-	-	-	3,824,396	(3,824,396)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,284,472	\$ -	\$ -	\$ -	\$ -	\$ 8,284,472		
NET POSITION:								
Net investment in capital assets							(4,517,438)	(4,517,438)
Unrestricted							2,282,174	2,282,174
Total net position							<u>\$ (2,235,264)</u>	<u>\$ (2,235,264)</u>

**CHARTER TOWNSHIP OF DELHI
DOWNTOWN DEVELOPMENT AUTHORITY COMPONENT UNIT
GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
DECEMBER 31, 2018**

**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	\$ 1,623,298	\$ -	\$ -	\$ -	\$ -	\$ 1,623,298	\$ -	\$ 1,623,298
Intergovernmental	3,000	-	-	-	-	3,000	-	3,000
Other	34,976	-	-	-	-	34,976	-	34,976
Interest and rentals	133,025	-	-	-	-	133,025	-	133,025
Total revenues	<u>1,794,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,794,299</u>	<u>-</u>	<u>1,794,299</u>
EXPENDITURES/EXPENSES:								
Current:								
Community and economic development	5,739,031	-	-	-	-	5,739,031	358,407	6,097,438
Debt service:								
Principal	85,000	593,868	65,000	-	-	743,868	(743,868)	-
Interest and fees	4,325	23,755	43,026	71,984	213,044	356,134	29,893	386,027
Capital outlay	602,991	-	-	-	-	602,991	(397,055)	205,936
Loss on disposal of property	-	-	-	-	-	-	1,791,320	1,791,320
Total expenditures/expenses	<u>6,431,347</u>	<u>617,623</u>	<u>108,026</u>	<u>71,984</u>	<u>213,044</u>	<u>7,442,024</u>	<u>1,038,697</u>	<u>8,480,721</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	<u>(4,637,048)</u>	<u>(617,623)</u>	<u>(108,026)</u>	<u>(71,984)</u>	<u>(213,044)</u>	<u>(5,647,725)</u>	<u>(1,038,697)</u>	<u>(6,686,422)</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):								
Transfers in	\$ -	\$ 617,623	\$ 108,026	\$ 71,984	\$ 213,044	\$ 1,010,677	\$ (1,010,677)	\$ -
Transfers out	(1,010,677)	-	-	-	-	(1,010,677)	1,010,677	-
Total other financing sources (uses)	(1,010,677)	617,623	108,026	71,984	213,044	-	-	-
Net change in fund balances/net position	(5,647,725)	-	-	-	-	(5,647,725)	(1,038,697)	(6,686,422)
FUND BALANCES/NET POSITION:								
Beginning of year	9,472,121	-	-	-	-	9,472,121	(5,020,963)	4,451,158
End of year	<u>\$ 3,824,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,824,396</u>	<u>\$ (6,059,660)</u>	<u>\$ (2,235,264)</u>

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017**

	2018	2017
ASSETS:		
Cash and cash equivalents	\$ 3,009,446	\$ 4,970,948
Investments	4,726,984	4,048,304
Receivables:		
Taxes	1,568,114	-
Special assessments	260,391	307,421
Other	807,264	372,636
Due from component unit	484,481	433,964
Prepays	25,797	73,015
Restricted cash and cash equivalents - capital projects	285,866	285,866
	\$ 11,168,343	\$ 10,492,154
LIABILITIES:		
Accounts payable	\$ 310,588	\$ 293,522
Accrued liabilities	48,748	39,936
Unearned revenue	-	78,309
Due to other governments	-	1,697
	359,336	413,464
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	3,257,429	2,864,606
Unavailable revenue - ambulance fees	18,609	57,216
Unavailable revenue - special assessments	260,391	307,421
	3,536,429	3,229,243
FUND BALANCE:		
Nonspendable:		
Prepays	25,797	73,015
Restricted:		
For building department	204,972	187,658
For Sycamore Trail	285,866	285,866
Committed:		
Disaster contingency fund	10,000	10,000
Assigned for subsequent year expenditures	633,130	1,814,050
Unassigned	6,112,813	4,478,858
	7,272,578	6,849,447
	\$ 11,168,343	\$ 10,492,154

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
REVENUES:		
Taxes	\$ 3,364,838	\$ 3,222,849
Special assessments	374,124	375,945
Intergovernmental	2,689,186	2,731,393
Licenses and permits	1,018,245	1,172,566
Charges for services	1,540,271	1,570,130
Fines and forfeitures	36,180	18,846
Interest and rentals	92,607	51,300
Other	268,165	284,555
	9,383,616	9,427,584
EXPENDITURES:		
Current:		
General government:		
Legislative - Board of Trustees	103,751	101,979
Manager	389,923	337,235
Accounting	142,183	137,367
Clerk	315,237	301,943
Information technology	239,451	214,709
Treasurer	249,884	252,309
Assessing	264,623	295,306
Elections	83,101	32,704
Building and grounds	546,561	442,823
	2,334,714	2,116,375

**CHARTER TOWNSHIP OF DELHI
GENERAL FUND
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Concluded)
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
EXPENDITURES (Concluded):		
Current (Concluded):		
Public works	\$ 626,817	\$ 787,515
Community and economic development	771,515	781,810
Recreation and culture	909,431	783,752
Other	574,306	520,027
Debt service	668,293	726,369
Capital outlay	155,372	2,826,943
Total expenditures	6,040,448	8,542,791
EXCESS OF REVENUES OVER EXPENDITURES	3,343,168	884,793
OTHER FINANCING SOURCES (USES):		
Proceeds from the sale of capital assets	-	1,600
Proceeds from capital lease	-	12,537
Transfers out	(3,168,923)	(2,822,542)
Total other financing sources (uses)	(3,168,923)	(2,808,405)
Net change in fund balance	174,245	(1,923,612)
FUND BALANCE:		
Beginning of year, as restated	7,098,333	8,773,059
End of year	\$ 7,272,578	\$ 6,849,447

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**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	2018
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 2,363,206
Investments	1,590,361
Receivables:	
Special assessments	471,261
Other	1,223,091
Prepays	19,344
Restricted cash and cash equivalents - bond proceeds	6,020,175
TOTAL CURRENT ASSETS	11,687,438
NONCURRENT ASSETS:	
Restricted cash, cash equivalents and investments:	
Debt service cash and cash equivalents	406,879
Replacement cash and cash equivalents	691,887
Replacement investments	709,823
Property, plant and equipment not being depreciated	4,383,699
Property, plant and equipment net of accumulated depreciation	42,882,654
TOTAL NONCURRENT ASSETS	49,074,942
TOTAL ASSETS	60,762,380
DEFERRED OUTFLOW OF RESOURCES:	
Other postemployment benefit related items	2,476,969
Deferred charge on refunding	37,109
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,514,078

	<u>2018</u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES:	
Accounts payable	\$ 445,319
Accrued liabilities	173,879
Interest payable	125,302
Escrow payable	56,197
Due to component unit	135,437
Current portion of long-term debt	<u>1,906,877</u>
TOTAL CURRENT LIABILITIES	2,843,011
LONG-TERM LIABILITIES, net of current portion:	
Net other postemployment benefits liability	2,996,481
Due in more than one year	<u>21,689,407</u>
TOTAL LONG-TERM LIABILITIES	<u>24,685,888</u>
TOTAL LIABILITIES	<u>27,528,899</u>
DEFERRED INFLOWS OF RESOURCES:	
Other postemployment benefit related items	<u>796,577</u>
NET POSITION:	
Net investment in capital assets	29,727,353
Restricted for:	
Replacement	1,401,710
Debt service	406,879
Unrestricted	<u>3,415,040</u>
TOTAL NET POSITION	<u><u>\$ 34,950,982</u></u>

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2018**

	2018
OPERATING REVENUES:	
Charges for services	\$ 6,464,361
Permits and fees	210,627
Other operating revenue	142,511
Total operating revenues	6,817,499
OPERATING EXPENSES:	
Costs of sales and services	3,943,810
Depreciation	2,598,058
Total operating expenses	6,541,868
Operating income	275,631
NON-OPERATING REVENUES (EXPENSES):	
Interest and rentals	125,202
Intergovernmental	37,850
Amortization of bond discount	(7,831)
Bond issuance cost	(168,648)
Interest expense	(484,999)
Total non-operating revenues (expenses)	(498,426)
Net income before capital contributions and transfers	(222,795)
CAPITAL CONTRIBUTIONS	94,859
Change in net position	(127,936)
NET POSITION:	
Beginning of year	35,078,918
End of year	\$ 34,950,982

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

	2018
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS:	
Cash flows from operating activities:	
Cash received from customers	\$ 7,010,552
Cash payments to suppliers for goods and services	(1,732,302)
Cash payments to employees for services	(1,464,235)
Net cash provided by operating activities	3,814,015
Cash flows from capital and related financing activities:	
Purchase of capital assets	(2,335,233)
Intergovernmental	37,850
Deferred loss on refunding	7,831
Proceeds from bonds	7,531,917
Interest payments, bond issuance costs and amortization	(631,117)
Principal payments	(1,552,691)
Net cash provided by capital and related financing activities	3,058,557
Cash flows from investing activities:	
Proceeds (purchases) from maturities of investments	(627,268)
Interest and rental earnings	125,202
Net cash used by investing activities	(502,066)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,370,506
CASH AND CASH EQUIVALENTS:	
Beginning of year	3,111,641
End of year	\$ 9,482,147
Statement of net position classification of cash and cash equivalents:	
Cash and cash equivalents	\$ 2,363,206
Restricted cash and cash equivalents	7,118,941
	\$ 9,482,147

**CHARTER TOWNSHIP OF DELHI
SEWER FUND
STATEMENT OF CASH FLOWS (Concluded)
YEAR ENDED DECEMBER 31, 2018**

	2018
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income	\$ 275,631
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	2,598,058
(Increase) decrease in assets:	
Special assessments receivable	(66,451)
Other receivables	259,504
Prepaid expenses	49,713
Increase (decrease) in liabilities:	
Accounts payable	179,816
Accrued liabilities	15,720
Other postemployment benefit liability	375,862
Due to other funds	135,437
Retainage payable	(9,275)
Total adjustments	3,538,384
Net cash provided by operating activities	\$ 3,814,015

**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									
	2009	2010	2011	2012*	2013	2014	2015	2016	2017	2018
Governmental activities										
Net Investment in capital assets	\$ 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	\$ 14,460,337
Restricted	59,126	5,624	321,446	360,521	221,139	109,406	207,097	47,636	187,658	204,972
Unrestricted	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	4,011,278
Total governmental activities net position	\$ 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	\$ 18,676,587
Business-type activities										
Net Investment in capital assets	\$ 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	\$ 29,727,353
Restricted	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	1,808,589
Unrestricted	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	3,415,040
Total business-type activities net position	\$ 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	\$ 34,950,982
Primary government										
Net Investment in capital assets	\$ 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	\$ 44,187,690
Restricted	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	2,013,561
Unrestricted	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	7,426,318
Total primary government net position	\$ 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	\$ 53,627,569

* 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General governmental	\$ 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	\$ 2,998,745
Public Safety	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	3,397,236
Health and Welfare	-	-	-	-	-	-	-	-	-	2,141,638
Public Works	1,214,437	633,727	702,533	816,169	1,028,423	1,434,952	1,338,862	1,014,184	2,187,743	945,177
Community development	-	652,920	613,856	557,885	604,597	575,816	598,818	768,857	768,412	786,421
Recreation & culture	918,737	952,510	935,756	944,672	916,303	985,792	545,141	1,189,328	674,903	1,396,472
Interest on long-term debt	76,276	60,120	44,561	27,004	44,517	66,406	44,405	65,643	116,785	150,933
Total governmental activities	<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>	<u>11,816,622</u>
Business-type activities:										
Sewer	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	7,203,346
Community Development	661,871	-	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>7,203,346</u>
Total primary government expenses	<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>	<u>\$ 19,019,968</u>
Program revenues										
Charges for services:										
General government	\$ 902,289	\$ 907,325	\$ 946,334	\$ 929,505	\$ 83,918	\$ 85,102	\$ 126,180	\$ 425,246	\$ 153,844	\$ 751,422
Public safety	648,678	739,988	800,662	867,842	808,024	876,863	915,315	773,277	879,340	147,241
Health and Welfare	-	-	-	-	-	-	-	-	-	713,518
Public works	-	345,410	346,808	333,912	327,757	666,419	382,656	565,710	433,268	304,817
Community development	-	351,602	380,862	322,069	380,729	420,521	613,318	907,186	769,210	632,455
Recreation and culture	133,835	109,304	103,555	128,332	85,616	65,277	68,178	55,920	67,854	65,211
Operating grants and contributions	97,136	168,765	422,216	478,110	510,414	656,031	571,146	234,361	390,484	99,969
Capital grants and contributions	3,396,484	271,422	109,207	217,544	51,017	2,003,455	704,259	65,087	695,449	36,012
Total governmental activities program revenues	<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>	<u>2,750,645</u>
Business-type activities:										
Charges for services:										
Sewer	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	6,829,061
Community development	322,203	-	-	-	-	-	-	-	-	-
Operating grants and contributions	309,131	30,109	10,069	-	-	420,011	606,298	369,978	490,282	37,850
Capital grants and contributions	145,768	46,604	31,475	-	-	64,800	-	185,508	281,650	94,859
Total business-type activities program revenues	<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>	<u>6,961,770</u>
Total primary government program revenues	<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>	<u>\$ 9,712,415</u>
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (9,065,977)
Business-type activities	(1,133,127)	(1,090,206)	(1,003,284)	(1,064,931)	(683,746)	215,436	(7,500)	883,653	960,837	(241,576)
Total primary government net expense	<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>	<u>\$ (9,307,553)</u>

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

Schedule 2
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 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	\$ 5,113,918
State shared revenues	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	2,297,785
Grants & contributions not restricted to specific programs	505,290	558,432	324,964	226,239	192,934	365,077	316,893	211,446	479,944	451,399
Unrestricted investment earnings	77,351	36,518	16,439	9,694	3,650	5,721	7,102	16,097	53,537	96,858
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Intra-entity transfer	(133,145)	49,224	-	-	-	(18,599)	(6,267)	(76,972)	(2,539)	-
Other	-	-	-	-	443,210	472,391	494,517	564,782	554,033	540,829
Total governmental activities	5,729,662	5,761,879	7,623,405	7,281,495	7,929,820	8,200,976	8,258,655	8,097,900	8,689,962	8,500,789
Business-type activities:										
Investment earnings	-	-	24,339	15,264	7,766	9,604	8,478	12,603	27,393	113,640
Intra-entity transfer	133,145	(49,224)	-	-	-	18,599	6,267	76,972	2,539	-
Grants and contributions not restricted to specific programs	-	36,702	55,050	-	-	-	-	-	-	-
Total business-type activities	133,145	(12,522)	79,389	15,264	7,766	28,203	14,745	89,575	29,932	113,640
Total primary government	\$ 5,862,807	\$ 5,749,357	\$ 7,702,794	\$ 7,296,759	\$ 7,937,586	\$ 8,229,179	\$ 8,273,400	\$ 8,187,475	\$ 8,719,894	\$ 8,614,429
Change in Net Position										
Governmental activities	\$ 2,032,964	\$ (239,528)	\$ 1,918,887	\$ 1,326,683	\$ 702,946	\$ 2,409,760	\$ 1,496,521	\$ 301,623	\$ 574,092	\$ (565,188)
Business-type activities	(999,982)	(1,102,728)	(923,895)	(1,049,667)	(675,980)	243,639	7,245	973,228	990,769	(127,936)
Total primary government	\$ 1,032,982	\$ (1,342,256)	\$ 994,992	\$ 277,016	\$ 26,966	\$ 2,653,399	\$ 1,503,766	\$ 1,274,851	\$ 1,564,861	\$ (693,124)

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

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

Schedule 3
Unaudited

	Fical Year End									
	2009	2010	2011*	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 118,449	\$ 29,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,949,051	1,767,891	-	-	-	-	-	-	-	-
Nonspendable	-	-	52,906	106,973	48,109	29,712	64,550	39,226	73,015	25,797
Restricted	-	-	40,045	30,349	22,826	20,575	15,532	2,004,334	473,524	490,838
Committed	-	-	10,000	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	633,130
Unassigned	-	-	3,874,217	5,236,188	5,504,378	5,110,454	5,338,828	3,070,429	4,478,858	6,112,813
Total general fund	<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>	<u>\$ 7,272,578</u>
All other Governmental Funds										
Reserved	\$ 14,603	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	734,765	687,489	-	-	-	-	-	-	-	-
Debt service funds	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	38,609
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	386,570
Committed for debt service fund	-	-	-	-	-	-	-	-	59,908	109,200
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>\$ 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>	<u>\$ 534,379</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

	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013*	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Revenues										
Taxes	\$ 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	\$ 5,597,193
Grants and Revenue Sharing	-	-	-	-	2,098,959	2,381,840	2,334,526	2,160,985	2,636,112	-
Special assessments	345,481	353,122	357,591	368,660	-	-	-	-	-	384,345
Intergovernmental-Local	-	-	-	-	95,031	159,610	143,493	140,471	133,313	-
Intergovernmental	1,832,749	1,939,042	2,275,689	2,372,618	-	-	-	-	-	2,760,834
Licenses and permits	16,526	206,255	226,356	181,376	252,148	304,387	505,784	782,673	659,866	1,018,245
Charges for services	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	1,580,852
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	65,704
Interest and Rentals	89,122	39,751	16,751	9,694	20,802	23,388	25,299	337,422	53,537	96,858
Other	699,737	715,166	739,263	733,966	628,821	760,332	771,291	496,164	717,166	273,101
Total revenues	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	11,777,132
Expenditures										
General government	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	2,334,714
Public safety	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	3,194,269
Health and Welfare	-	-	-	-	-	-	-	-	-	2,141,638
Public works	542,762	536,245	496,722	686,620	864,688	1,253,563	669,875	800,004	1,227,575	653,567
Community development	-	588,014	608,433	553,021	605,837	574,711	604,369	796,021	781,810	771,515
Recreation and culture	767,951	725,571	712,694	746,417	702,820	761,143	707,045	837,782	783,752	909,431
Other	323,535	348,663	321,261	386,527	389,846	559,533	486,476	563,166	520,027	574,306
Debt service										-
Principal	553,967	705,239	241,897	183,765	219,262	364,215	365,341	392,760	596,752	528,258
Interest and issuance costs	73,415	57,262	66,755	26,598	44,165	62,278	44,515	162,858	202,951	236,662
Capital outlay	531,272	167,278	321,559	289,385	537,743	1,477,912	647,425	1,662,339	2,874,880	314,173
Total expenditures	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	11,658,533
Excess of revenues over (under) expenditures	(648,566)	(435,094)	2,051,859	1,406,686	473,046	(860,225)	691,870	(1,037,026)	(2,120,360)	118,599
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	3,840	-	100,089	-	2,500	-	9,995	-	4,000	-
Transfers in	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	3,229,791
Transfers out	(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)	(3,229,791)
Total other financing sources (uses)	(129,305)	49,224	134,223	-	1,202,500	9,480	9,995	2,619,174	368,126	-
Net change in fund balances	\$ (777,871)	\$ (385,870)	\$ 2,186,082	\$ 1,406,686	\$ 1,675,546	\$ (850,745)	\$ 701,865	\$ 1,582,148	\$ (1,752,234)	\$ 118,599
Debt service as a percentage of noncapital expenditures	7.4%	8.5%	10.8%	2.3%	2.8%	4.1%	4.1%	8.7%	7.1%	6.7%

* Change in revenue classifications

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

Schedule 5
 Unaudited

Fiscal Year Ended December 31	Agricultural Property	Commercial Property	Industrial Property	Residential Property	Personal Property	Total Taxable Value	Total Direct Tax Rate	Assessed Value	Taxable Value as a Percentage of Assessed Value
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%
2018	2,967,285	137,701,092	14,573,574	566,858,128	42,736,200	764,836,279	7.2903	845,331,600	90%

Personal Property by Category-Taxable Value

	Commercial	Industrial	Utility
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
2018	23,624,900	2,834,600	16,276,700

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	Parks, Trails, Rec Millage	Debt Service Millage	Total Township Millage	Ingham County Millage	Ingham Intermediate School Millage	Lansing Community College Millage	State Education Tax	Holt School District			
											Operating Millage	Debt Service Millage	Total School Millage		
2009	4.3094	0.0000	0.0000	0.5000	0.0000	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	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	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	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	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	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	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	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	0.0000	7.2903	15.3402	5.9881	3.8072	6.0000	0.0000	10.0000	10.0000	48.4258
2018	4.2981	1.4961	1.4961	0.5000	1.0000	0.0000	8.7903	16.6060	5.9987	3.8072	6.0000	0.0000	10.0000	10.0000	51.2022
Non-homestead Holt school operating millage															
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														
2018	18.0000														

Source: Township Assessing Department

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

Schedule 7
Unaudited

Taypayer	2018			2009		
	State Equalized Value	Rank	Percentage of Total Twp Taxable Value	State Equalized Value	Rank	Percentage of Total Twp Taxable Value
Consumers Energy	\$ 14,643,800	1	1.9%	\$ 10,802,889	2	1.3%
Dart Container Corp of MI	7,802,300	2	1.0%	5,328,056	5	0.6%
Woodland Lakes Investment Group	7,663,900	3	1.0%	7,151,900	3	0.9%
Willoughby Estates II, LLC	6,555,600	4	0.9%			
RSDC of Michigan, LLC	5,881,100	5	0.8%	27,357,100	1	3.3%
Comcast	5,840,600	6	0.8%			
Bondarenko Ltd LLC	4,761,500	7	0.6%	4,265,079	6	0.5%
Theroux Development Co.	4,173,600	8	0.5%	3,623,208	8	0.4%
Aspen Lakes Estates I LLC	3,680,300	9	0.5%	3,001,008	10	
DTN Enterprises/Aspen Ridge Apts	3,043,200	10	0.4%			
MPT Lansing LLC				5,384,623	4	0.7%
Parker Hannifin Corp				4,515,000	7	0.5%
Orchid Orthopedic Solutions				3,468,600	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
2009	\$ 4,436,174	\$ 4,422,146	99.7%	\$ 9,660	\$ 4,431,806	99.9%
2010	4,336,310	4,325,485	99.8%	6,358	4,331,842	99.9%
2011	5,872,671	5,852,639	99.7%	14,193	5,866,832	99.9%
2012	5,663,616	5,643,714	99.6%	15,085	5,658,799	99.9%
2013	5,614,077	5,594,097	99.6%	16,584	5,610,681	99.9%
2014	5,343,452	5,109,083	95.6%	12,317	5,121,400	95.8%
2015	5,430,658	5,244,671	96.6%	14,714	5,259,385	96.8%
2016	5,229,524	5,066,873	96.9%	9,387	5,076,260	97.1%
2017	5,247,805	5,089,664	97.0%	7,488	5,097,152	97.1%
2018	5,359,223	5,203,092	97.1%	5,451	5,208,543	97.2%

Note: 12/31 Tax levy is for following fiscal year.

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			
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
2018	982,217	340,000	2,535,003	2,342,400	10,418,785	-	11,620,000	1,520,586	-	29,758,991	3.57%	1,111

* 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				
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
2018	982,217	340,000	11,944,368	11,620,000	-	24,886,585	3.25%	36.68	31,155

GOVERNMENTAL ACTIVITIES
GENERAL BONDED DEBT

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Total	General Bonded Debt as a Percentage of Taxable Value ¹	General Bonded Debt Per Capita ²
2009	\$ 1,254,221	\$ 60,385	\$ 1,314,606	0.17%	50.41
2010	734,266	30,193	764,459	0.10%	29.54
2011	711,789	-	711,789	0.10%	27.79
2012	653,514	-	653,514	0.09%	25.31
2013	1,794,407	-	1,794,407	0.26%	69.12
2014	1,641,752	-	1,641,752	0.24%	63.23
2015	1,478,490	-	1,478,490	0.21%	56.80
2016	1,314,586	-	1,314,586	0.18%	50.18
2017	1,149,651	348,000	1,497,651	0.20%	56.74
2018	982,217	340,000	1,322,217	0.17%	49.38

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, 2018**

Schedule 11
Unaudited

Jurisdiction	Net General Bonded Debt Outstanding	Percent Applicable to Delhi	Amount Applicable to Delhi
Holt School District	\$ 57,522,477	84.33%	\$ 48,508,705
Mason School District	40,500,000	10.00%	4,050,000
Lansing School District	72,140,000	0.04%	28,856
Eaton Rapids School District	37,924,158	1.86%	705,389
Ingham County	49,010,197	9.77%	4,788,296
Ingham Intermediate School District	1,336,000	8.14%	108,750
Eaton Intermediate School District	3,480,000	0.34%	11,832
Lansing Community College	68,565,000	6.61%	4,532,147
Subtotal, overlapping debt			<u>62,733,975</u>
Delhi Charter Township Governmental General Obligation debt	982,217	100.00%	<u>982,217</u>
Total direct and overlapping debt			<u><u>\$ 63,716,192</u></u>

Source: Municipal Advisory Council of Michigan (MAC)

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

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

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

Schedule 12
Unaudited

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 84,436,453
Total net debt applicable to limit	22,991,615	22,629,459	20,614,366	18,250,046	17,697,318	16,668,880	14,635,973	19,502,808	24,820,991	30,433,236
Legal debt margin	60,592,750	54,555,272	55,093,099	53,052,777	54,238,700	56,754,730	62,153,685	59,499,857	57,318,797	54,003,217
Total net debt applicable to the limit as a percentage of debt limit	27.51%	29.32%	27.23%	25.60%	24.60%	22.70%	19.06%	24.69%	30.22%	36.04%

Legal Debt Margin Calculation for Fiscal Year 2018

2018 State Equalized Valuation (SEV)	844,364,525
	<u> x 10%</u>
Legal Debt Limit (10% of SEV)	84,436,453
Direct General Obligation Debt	\$ 42,393,236
Less:	
Special Assessment Bonds	(340,000)
Revenue Bonds	<u>(11,620,000)</u>
Net Direct Debt	<u>30,433,236</u>
Debt Limit Margin	<u><u>\$ 54,003,217</u></u>

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

Schedule 13
Unaudited

Fiscal Year	Population (estimated) ¹	Estimated Total Personal Income for Township Residents (amounts expressed in thousands)	Per Capita Personal Income ¹	Median Age ¹	School Enrollment ²	Unemployment Rate ³
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	2.8%
2016	26,199	796,371	30,397	40.3	5,546	2.8%
2017	26,394	799,765	30,301	40.1	5,522	3.1%
2018	26,777	834,237	31,155	39.7	5,531	2.5%

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	2018			2009		
	Approx No. Employed	Rank	% of Total Employment	Approx No. Employed	Rank	% of Total Employment
Holt Public Schools	691	1	5%	1000	1	n/a
Orchid Stealth	265	2	2%	115	5	n/a
RSDC of Michigan, LLC	249	3	2%	164	4	n/a
Keller Williams Real Estate	230	4	2%			
Granger Construction	220	5	2%	170	3	n/a
Two Men & A Truck	184	6	1%			
Kroger	170	7	1%	105	7	n/a
Magna Powertrain (MPT)	150	8	1%			
NexCare-Holt Senior Care	123	9	1%			
Block Imaging	105	10	1%			
Dakkota Integrated Interiors				249	2	n/a
Holt Senior Care				110	6	n/a
Lansing Christian School				100	8	n/a
Davenport Masonry				97	9	n/a
Delhi Charter Township				84	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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	17.82	17.82	18.17	16.17	16.25	16.30	16.00	19.50	21.30	20.40
Public Safety										
Police										
Officers *	21.00	18.00	19.00	19.00	19.00	19.00	19.00	19.70	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	18.81	17.96	17.96	19.00	20.30	22.00	21.50	22.90	26.70	26.10
Civilians	1.80	1.80	1.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works	26.30	22.55	23.80	25.10	25.10	25.10	24.10	22.80	22.60	23.60
Community Development	6.80	6.80	6.00	6.00	6.00	6.00	6.50	6.50	5.00	6.00
Recreation and Culture	5.80	5.80	9.43	9.32	10.50	11.80	11.90	11.90	11.00	11.40
Total	99.83	92.23	97.66	97.09	99.65	102.70	101.50	105.80	108.80	109.70

Source: Townships Budget Documents

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

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

Schedule 16
Unaudited

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire										
Number of Calls	2,182	2,324	2,410	2,577	2,672	3,040	3,342	3,293	3,599	3,465
Inspections	375	1,129	826	800	613	273	13	302	315	325
Burning/Recreational Permits	356	317	271	220	286	402	289	350	375	171
Police										
Number of Traffic Accidents	669	507	288	455	411	549	566	512	460	507
Number of Written Complaints	4,667	4,125	4,044	2,535	2,605	2,511	2,887	2,435	2,715	2,144
Number of Miles Driven	146,832	115,671	113,913	117,023	126,542	127,890	130,344	134,929	134,892	176,033
Vehicle Stops	8,754	5,869	5,867	5,512	5,432	5,911	5,479	4,707	3,757	2,873
Accounting										
Number of W-2's processed	300	303	225	273	180	273	245	328	263	284
Number of payroll checks processed	1,932	1,459	1,189	1,442	1,179	1,100	995	1,101	760	746
Number of payroll direct deposits	1,685	2,063	2,085	2,038	2,250	2,571	2,190	2,280	2,266	2,439
Number of purchase orders processed	593	458	432	444	435	457	441	431	377	399
Number of accounts payable checks processed	2,585	2,156	2,283	2,376	2,165	2,149	2,069	1,959	1,928	2,023
Number of accounts payable ACHs sent	40	224	513	482	476	527	606	707	679	675
Assessing										
Number of Field Inspections	364	679	1,188	464	499	663	275	2,222	1,281	272
Clerk's Office										
Number of FOIA requests	29	37	26	85	44	30	32	52	61	60
Number of web site visitors	169,404	162,009	161,755	188,699	181,666	213,665	205,542	229,065	203,002	210,798
Number of Facebook likes	n/a	655	761	972	1,229	1,398	1,847	5,261	6,497	7,409
Number of Twitter followers	n/a	601	782	1,080	1,258	1,386	1,597	1,697	1,775	1,806
Number of notarized items	200+	200+	300	300	350	350	400	400	400	400
Passports issued	-	-	-	-	-	-	-	-	689	703
Elections										
Number of Registered Voters	17,542	17,425	17,891	18,572	18,602	18,401	18,930	19,540	19,352	20,124
Number of Permanent Absentee Voters	2,206	2,584	2,490	2,819	2,648	2,951	2,965	3,804	3,786	4,163
Treasurer's Office										
Montly Average No. of Sewer Bills mailed	7,257	7,225	7,087	7,043	6,922	6,758	6,697	6,664	6,716	6,740
Montly Average No. of Sewer Bills Emailed	-	-	116	208	342	548	655	761	785	858
Number of Tax Bills-Two billings/year	20,382	20,494	20,412	20,743	21,181	20,715	20,697	20,741	20,957	20,840
Recreation and Culture										
Number of Athletic Teams	254	248	253	233	231	196	199	171	161	163
Wastewater										
Average daily sewage treatment (millions of gallons per day)	2.68	2.15	2.35	2.10	2.32	2.20	2.13	2.51	2.63	2.63
Community Development										
Permits Issued	1,194	1,229	1,207	1,180	1,166	1,427	1,992	2,325	2,059	1,812
Code Enforcement Complaints	563	583	579	422	499	523	732	561	369	480

Source: Various Township Departments

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

Schedule 17
Unaudited

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Recreation and Culture										
Parks Acreage	120	120	120	120	120	124	124	125	125	125
Parks	9	9	9	9	9	11	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)	124.54	124.54	124.54	125.62	125.64	125.81	125.81	126.05	126.54	126.81
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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxable Value-Ad Valorem	\$ 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	\$ 234,528,048
Base Value	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	48,651,575
Captured Value	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	185,876,473
*Revenue shared with Township	176,761	169,826	316,446	304,938	275,632	276,671	284,264	415,891	423,570	423,486
*Revenue shared with other entities	735,201	705,432	1,079,582	1,270,429	1,188,895	782,377	1,259,201	1,166,677	1,818,175	1,856,399
Revenues										
Tax Revenue	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	1,623,298
Other	108,921	45,128	232,818	47,358	51,922	45,108	52,207	401,312	75,781	171,001
Total Revenue	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	1,794,299
Expenditures										
Community & Economic Development	1,576,478	4,297,057	1,216,214	985,280	586,009	558,820	466,104	468,124	1,233,015	5,739,034
Debt Service	118,388	107,236	89,325	133,943	136,505	162,032	163,488	251,080	203,170	89,325
Capital Outlay	1,964,396	14,150	-	11,298	20,397	150,826	69,649	427,063	145,435	602,990
Total Expenditures	3,659,262	4,418,443	1,305,539	1,130,521	742,911	871,678	699,241	1,146,267	1,581,620	6,431,347
Other Financing Sources (uses)										
Sale of Capital Assets	-	-	-	-	77,454	-	-	-	-	-
Land Contract	-	-	-	-	-	75,000	-	-	-	-
Bond Proceeds	-	2,540,000	-	-	-	-	-	5,998,998	6,944,981	-
Bond Escrow Payments	-	-	-	-	-	-	-	(4,483,537)	-	-
Tranfers Out to Debt Service Funds	(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)	(1,010,677)
Total other financing sources (uses)	(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	(1,010,677)
Change in net position	(1,010,540)	573,334	106,663	(122,618)	310,846	203,312	414,006	1,524,960	6,091,791	(5,647,725)
Fund Balance										
Beginning 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
End of the year	\$ 369,827	\$ 943,161	\$ 1,049,824	\$ 927,206	\$ 1,238,052	\$ 1,441,364	\$ 1,855,370	\$ 3,380,330	\$ 9,472,121	\$ 3,824,396

*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%