

# Charter Township of Shelby

## Proprietary Funds Statement of Net Position December 31, 2014

	Enterprise Funds		
	Water and Sewer	Shelby Manor	Total
<b>Assets</b>			
Current assets:			
Cash and investments (Note 3)	\$ 23,032,192	\$ 527,200	\$ 23,559,392
Receivables:			
Special assessments receivable	204,160	-	204,160
Customers	5,833,216	-	5,833,216
Accrued interest receivable	5,035	-	5,035
Other receivables	41,082	265	41,347
Due from other governmental units	16,608	-	16,608
Due from other funds (Note 5)	39,122	-	39,122
Inventory	140,365	-	140,365
Prepaid expenses and other assets	58,614	118,912	177,526
Total current assets	29,370,394	646,377	30,016,771
Noncurrent assets:			
Restricted assets (Note 8)	1,901,157	-	1,901,157
Advances to other funds (Note 5)	13,000,000	-	13,000,000
Special assessment receivables	1,377,129	-	1,377,129
Capital assets:			
Assets not subject to depreciation (Note 4)	329,998	1,320,000	1,649,998
Assets subject to depreciation (Note 4)	107,977,764	9,964,154	117,941,918
Total noncurrent assets	124,586,048	11,284,154	135,870,202
Total assets	153,956,442	11,930,531	165,886,973
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	2,585,098	11,576	2,596,674
Due to other funds (Note 5)	-	17,821	17,821
Accrued liabilities and other	1,684,276	2,155,339	1,899,815
Unearned revenue (Note 6)	-	27,276	27,276
Due to fiduciary fund	156,518	-	156,518
Compensated absences (Note 7)	9,533	-	9,533
Current portion of long-term debt (Note 7)	816,046	805,580	1,621,626
Total current liabilities	5,251,471	1,077,792	6,329,263
Noncurrent liabilities:			
Advances from other funds (Note 5)	-	296,741	296,741
Compensated absences (Note 7)	50,112	-	50,112
Unearned revenue (Note 6)	834,095	-	834,095
Other postemployment benefit obligations (Note 10)	926,108	-	926,108
Long-term debt - Net of current portion (Note 7)	18,563,304	1,577,220	20,140,524
Total noncurrent liabilities	20,373,619	1,873,961	22,247,580
Total liabilities	25,625,090	2,951,753	28,576,843
<b>Net Position</b>			
Net investment in capital assets	89,546,228	8,901,354	98,447,582
Restricted - Assets held at County	1,283,341	-	1,283,341
Unrestricted	37,501,783	77,424	37,579,207
Total net position	\$ 128,331,352	\$ 8,978,778	\$ 137,310,130

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Charter Township of Shelby

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2014

	Enterprise Funds		
	Water and Sewer	Shelby Manor	Total
<b>Operating Revenue</b>			
Sale of water	\$ 11,587,946	\$ -	\$ 11,587,946
Sewage disposal charges	7,950,271	-	7,950,271
Other sales to customers	1,674,236	-	1,674,236
Other miscellaneous income	67,166	4,325	71,491
Rental income	-	1,866,953	1,866,953
Total operating revenue	21,279,619	1,871,278	23,150,897
<b>Operating Expenses</b>			
Cost of water	10,920,080	-	10,920,080
Cost of sewage treatment	4,980,270	-	4,980,270
Other operation and maintenance	2,868,128	854,861	3,722,989
Billing and administrative costs	288,705	-	288,705
Depreciation	3,657,161	309,684	3,966,845
Total operating expenses	22,714,344	1,164,545	23,878,889
<b>Operating (Loss) Income</b>	(1,434,725)	706,733	(727,992)
<b>Nonoperating Revenue (Expenses)</b>			
Investment income	72,550	535	73,085
Interest expense	(674,455)	(112,033)	(786,488)
Total nonoperating expenses	(601,905)	(111,498)	(713,403)
<b>(Loss) Income - Before capital contributions</b>	(2,036,630)	595,235	(1,441,395)
<b>Capital Contributions</b>	1,760,011	-	1,760,011
<b>Change in Net Position</b>	(276,619)	595,235	318,616
<b>Net Position - Beginning of year</b>	128,607,971	8,383,543	136,991,514
<b>Net Position - End of year</b>	<u>\$ 128,331,352</u>	<u>\$ 8,978,778</u>	<u>\$ 137,310,130</u>

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Charter Township of Shelby

## Proprietary Funds Statement of Cash Flows Year Ended December 31, 2014

	Business-type Activities		
	Water and Sewer	Shelby Manor	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 22,458,542	\$ 1,887,701	\$ 24,346,243
Payments to suppliers	(16,522,454)	(1,803,612)	(18,326,066)
Payments to employees	(2,431,671)	-	(2,431,671)
Internal activity - Payments from other funds	-	1,311	1,311
Other receipts	67,166	7,770	74,936
Net cash provided by operating activities	3,571,583	93,170	3,664,753
<b>Cash Flows from Noncapital Financing Activities - Advances to other funds</b>	(13,000,000)	-	(13,000,000)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Special assessment collections	269,154	-	269,154
Collection of capital charges and front foot assessments	659,365	-	659,365
Purchase of capital assets	(171,092)	-	(171,092)
Principal and interest paid on capital debt	(1,410,482)	(957,613)	(2,368,095)
Insurance proceeds	-	1,075,972	1,075,972
Net cash used in capital and related financing activities	(653,055)	118,359	(534,696)
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	72,550	535	73,085
Net sales of investment securities	7,266,086	-	7,266,086
Net cash provided by investing activities	7,338,636	535	7,339,171
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(2,742,836)	212,064	(2,530,772)
<b>Cash and Cash Equivalents - Beginning of year</b>	18,568,668	315,136	18,883,804
<b>Cash and Cash Equivalents - End of year</b>	<b>\$15,825,832</b>	<b>\$ 527,200</b>	<b>\$16,353,032</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>			
Cash and investments	\$ 23,032,192	\$ 527,200	\$ 23,559,392
Less amounts classified as investments	(7,206,360)	-	(7,206,360)
Total cash and cash equivalents	<b>\$15,825,832</b>	<b>\$ 527,200</b>	<b>\$16,353,032</b>

# Charter Township of Shelby

## Proprietary Funds Statement of Cash Flows (Continued) Year Ended December 31, 2014

	Business-type Activities		
	Water and Sewer	Shelby Manor	Total
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>			
Operating (loss) income	\$ (1,434,725)	\$ 706,733	\$ (727,992)
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	3,657,161	309,684	3,966,845
Changes in assets and liabilities:			
Receivables	1,246,089	(265)	1,245,824
Due from other funds	(21,860)	-	(21,860)
Prepaid and other assets	(20,314)	12,444	(7,870)
Accounts payable	120,830	(956,808)	(835,978)
Due to other funds	-	1,311	1,311
Accrued and other liabilities	60,978	20,071	81,049
Unearned revenue	(36,576)	-	(36,576)
Net cash provided by operating activities	<b>\$ 3,571,583</b>	<b>\$ 93,170</b>	<b>\$ 3,664,753</b>

**Noncash Transactions** - During the year ended December 31, 2014, developers constructed water and sewer lines with an estimated value of \$1,100,646 and donated them to the Township Water and Sewer Fund. In addition, the Township recorded approximately \$2,191,831 of capital assets, representing the Township's portion of the Oakland Macomb Interceptor Drainage District project and \$681,419 of capital assets, representing the Township's portion of the Clintondale Pump Station project and the North Gratiot Interceptor project. A total of \$201,945 of the additions was constructed by the counties using bond proceeds recorded during the year.

# Charter Township of Shelby

## Proprietary Funds Statement of Net Position December 31, 2015

	Enterprise Funds		
	Water and Sewer	Shelby Manor	Total
<b>Assets</b>			
Current assets:			
Cash and investments (Note 3)	\$ 24,739,305	\$ 583,704	\$ 25,323,009
Receivables:			
Special assessments receivable	183,900	-	183,900
Customers	6,217,857	-	6,217,857
Accrued interest receivable	42,733	-	42,733
Other receivables	26,992	25	27,017
Due from other governmental units	10,349	-	10,349
Due from other funds (Note 5)	27,842	-	27,842
Inventory	229,150	-	229,150
Prepaid expenses and other assets	54,381	106,349	160,730
Total current assets	31,532,509	690,078	32,222,587
Noncurrent assets:			
Restricted assets (Note 8)	1,489,780	-	1,489,780
Advances to other funds (Note 5)	12,575,000	-	12,575,000
Special assessment receivables	1,051,153	-	1,051,153
Capital assets:			
Assets not subject to depreciation (Note 4)	609,656	1,320,000	1,929,656
Assets subject to depreciation (Note 4)	107,417,111	9,654,680	117,071,791
Total noncurrent assets	123,142,700	10,974,680	134,117,380
Total assets	154,675,209	11,664,758	166,339,967
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	2,443,809	10,045	2,453,854
Due to other funds (Note 5)	-	21,076	21,076
Accrued liabilities and other	1,993,612	202,535	2,196,147
Unearned revenue (Note 6)	-	22,694	22,694
Due to fiduciary fund	163,011	-	163,011
Compensated absences (Note 7)	9,754	-	9,754
Current portion of long-term debt (Note 7)	893,171	800,580	1,693,751
Total current liabilities	5,503,357	1,056,930	6,560,287
Noncurrent liabilities:			
Advances from other funds (Note 5)	-	296,741	296,741
Compensated absences (Note 7)	68,916	-	68,916
Unearned revenue (Note 6)	780,261	-	780,261
Other postemployment benefit obligations (Note 10)	973,185	-	973,185
Long-term debt - Net of current portion (Note 7)	17,691,194	776,640	18,467,834
Total noncurrent liabilities	19,513,556	1,073,381	20,586,937
Total liabilities	25,016,913	2,130,311	27,147,224
<b>Net Position</b>			
Net investment in capital assets	89,677,706	9,397,460	99,075,166
Restricted - Assets held at County	1,254,476	-	1,254,476
Unrestricted	38,726,114	136,987	38,863,101
Total net position	\$ 129,658,296	\$ 9,534,447	139,192,743
<b>Net Position of Business-type Activities</b>			<b>\$ 139,192,743</b>

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Charter Township of Shelby

## Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2015

	Enterprise Funds		
	Water and Sewer	Shelby Manor	Total
<b>Operating Revenue</b>			
Sale of water	\$ 12,472,986	\$ -	\$ 12,472,986
Sewage disposal charges	8,547,274	-	8,547,274
Other sales to customers	1,924,107	-	1,924,107
Other miscellaneous income	78,874	-	78,874
Rental income	-	1,891,144	1,891,144
Total operating revenue	23,023,241	1,891,144	24,914,385
<b>Operating Expenses</b>			
Cost of water	11,731,309	-	11,731,309
Cost of sewage treatment	5,469,607	-	5,469,607
Other operation and maintenance	2,742,713	944,530	3,687,243
Billing and administrative costs	348,158	-	348,158
Depreciation	3,710,440	309,474	4,019,914
Total operating expenses	24,002,227	1,254,004	25,256,231
<b>Operating (Loss) Income</b>	(978,986)	637,140	(341,846)
<b>Nonoperating Revenue (Expenses)</b>			
Investment income	237,334	1,566	238,900
Interest expense	(659,599)	(83,037)	(742,636)
Total nonoperating expenses	(422,265)	(81,471)	(503,736)
<b>(Loss) Income - Before capital contributions</b>	(1,401,251)	555,669	(845,582)
<b>Capital Contributions</b>	2,728,195	-	2,728,195
<b>Change in Net Position</b>	1,326,944	555,669	1,882,613
<b>Net Position - Beginning of year</b>	128,331,352	8,978,778	137,310,130
<b>Net Position - End of year</b>	<u>\$ 129,658,296</u>	<u>\$ 9,534,447</u>	<u>\$ 139,192,743</u>

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Charter Township of Shelby

## Proprietary Funds Statement of Cash Flows Year Ended December 31, 2015

	Business-type Activities		
	Water and Sewer	Shelby Manor	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 22,607,021	\$ 1,880,856	\$ 24,487,877
Payments to suppliers	(17,727,035)	(933,498)	(18,660,533)
Payments to employees	(2,451,216)	-	(2,451,216)
Internal activity - Payments from other funds	-	3,255	3,255
Other receipts	36,176	-	36,176
Net cash provided by operating activities	2,464,946	950,613	3,415,559
<b>Cash Flows from Noncapital Financing Activities -</b>			
Repayments on advance to other funds	425,000	-	425,000
<b>Cash Flows from Capital and Related Financing Activities</b>			
Special assessment collections	366,782	-	366,782
Collection of capital charges and front foot assessments	1,256,246	-	1,256,246
Purchase of capital assets	(599,615)	-	(599,615)
Principal and interest paid on capital debt	(1,454,584)	(895,675)	(2,350,259)
Pre-payment of OMID Segment 4	(952,820)	-	(952,820)
Net cash used in capital and related financing activities	(1,383,991)	(895,675)	(2,279,666)
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	201,158	1,566	202,724
Net purchase of investment securities	(2,992,695)	-	(2,992,695)
Net cash (used in) provided by investing activities	(2,791,537)	1,566	(2,789,971)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(1,285,582)	56,504	(1,229,078)
<b>Cash and Cash Equivalents - Beginning of year</b>	15,825,832	527,200	16,353,032
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 14,540,250</b>	<b>\$ 583,704</b>	<b>\$ 15,123,954</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>			
Cash and investments	\$ 24,739,305	\$ 583,704	\$ 25,323,009
Less amounts classified as investments	(10,199,055)	-	(10,199,055)
Total cash and cash equivalents	<b>\$ 14,540,250</b>	<b>\$ 583,704</b>	<b>\$ 15,123,954</b>

The Notes to Financial Statements are an Integral Part of this Statement.

# Charter Township of Shelby

## Proprietary Funds Statement of Cash Flows (Continued) Year Ended December 31, 2015

	Business-type Activities		
	Water and Sewer	Shelby Manor	Total
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>			
Operating (loss) income	\$ (978,986)	\$ 637,140	\$ (341,846)
Adjustments to reconcile operating (loss) income to net cash from operating activities:			
Depreciation and amortization	3,710,440	309,474	4,019,914
Changes in assets and liabilities:			
Receivables	(380,044)	240	(379,804)
Due from other funds	11,280	-	11,280
Inventories	(88,785)	-	(88,785)
Prepaid and other assets	4,233	12,563	16,796
Accounts payable	(141,289)	(1,531)	(142,820)
Due to other funds	-	3,255	3,255
Accrued and other liabilities	381,931	(5,946)	375,985
Unearned revenue	(53,834)	(4,582)	(58,416)
	<b>\$ 2,464,946</b>	<b>\$ 950,613</b>	<b>\$ 3,415,559</b>
Net cash provided by operating activities	<b>\$ 2,464,946</b>	<b>\$ 950,613</b>	<b>\$ 3,415,559</b>

**Noncash Transactions** - During the year ended December 31, 2015, developers constructed water and sewer lines with an estimated value of \$1,405,722 and donated them to the Township Water and Sewer Fund. In addition, the Township recorded approximately \$1,232,710 of capital assets, representing the Township's portion of the Oakland Macomb Interceptor Drainage District project and \$217,731 of capital assets, representing the Township's portion of the Clintondale Pump Station project and the North Gratiot Interceptor project.





# Budget Performance Report

Fiscal Year to Date 12/31/16

Exclude Rollup Account

Account	Account Description	YTD Transactions
<b>Fund 275 - Senior Housing Fund</b>		
<b>REVENUE</b>		
512.000	Rental Income - Bond Portion	1,147,747.90
513.000	Application Fee	2,950.00
517.000	Rental Income - Carports	24,966.07
530.400	Pet Fees	4,590.00
592.000	late fees	415.00
599.100	Maintenance Fee	713,886.22
599.600	Misc Income	6,955.00
599.900	Damage Repair Charges	2,706.03
665.000	Interest Income	1,981.35
<b>REVENUE TOTALS</b>		<b>\$1,906,197.57</b>
<b>EXPENSE</b>		
<b>Department 275 - Shelby Manor</b>		
727.276	Marketing	252.91
727.278	Office Expense	12,524.56
727.279	Credit Report Exp	673.95
727.750	Office Expense - personnel	19,839.33
747.500	Maintenance & Cleaning - HVAC	823.13
802.000	Audit Fees	2,088.26
802.001	Telephone	14,162.26
802.003	Misc Admin Project Activ	3,627.78
802.004	Fuel	11,299.69
802.005	Electricity	23,231.91
802.006	Water & Sewer	92,157.45
802.008	Janitorial Expense	3,915.46
802.009	Exterminating Exp	5,003.88
802.010	Licensing & Inspection	16,539.55
802.011	Rubbish Removal	15,846.30
802.012	Grounds	12,267.50
802.500	Consulting Fees	4,500.00
807.000	Engineering Consulting Fees	.00
840.275	Management Fees	234,507.00
840.278	Legal	75.00
865.000	Insurance & Bonds	125,463.56
865.500	Deductible Expense	5,024.73
930.600	Maintenance Supplies	9,819.03
930.601	Plumbing Repair Supplies	8,168.24
930.602	Electric Repair Supplies	2,878.54
930.603	Contracted Maint Repairs	7,621.87
930.604	Elevator Maint	27,088.11
930.605	Heating & Air Cn Repair	15,419.44
930.650	Emergency Snow Expense	16,360.37
930.651	Unit Reconditioning	12,877.54
930.652	Unit Cleaning	19,548.20
930.654	Painting Supplies	3,608.50
930.655	Misc Operating Exp	940.49
955.275	Vacancy Loss	7,636.48
963.101	General Fund Administrative Fee	27,371.00
968.000	Depreciation	309,473.72



# Budget Performance Report

Fiscal Year to Date 12/31/16

Exclude Rollup Account

Account	Account Description	YTD Transactions
<b>Fund 275 - Senior Housing Fund</b>		
975.276	Capital Outlay - Maintenance Equipment	1,033.55
975.277	Capital Outlay - Office Equipment	463.96
975.278	Capital Outlay - Appliances	12,507.00
975.279	Capital Outlay - Flooring	38,792.89
975.280	Capital Outlay - Kitchen/Bath Equipment	20,031.96
975.281	Capital Outlay - Furnaces	35,851.20
975.282	Capital Outlay - Building Components	39,066.17
975.283	Capital Outlay - Land Improvements	16,156.00
975.284	Capital Outlay - Other	9,240.00
995.000	Bond Interest Expense	40,732.50
997.000	Paying Agent Fee	333.34
Department 275 - Shelby Manor Totals		<u>\$1,286,844.31</u>
EXPENSE TOTALS		<u>\$1,286,844.31</u>
Fund 275 - Senior Housing Fund Totals		
REVENUE TOTALS		1,906,197.57
EXPENSE TOTALS		<u>1,286,844.31</u>
Fund 275 - Senior Housing Fund Totals		<u>\$619,353.26</u>
Grand Totals		
REVENUE TOTALS		1,906,197.57
EXPENSE TOTALS		<u>1,286,844.31</u>
Grand Totals		<u><u>\$619,353.26</u></u>