

Charter Township of Grand Blanc Genesee County, Michigan

**Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2005**

Prepared by the Controller's Offices

Charter Township of Grand Blanc

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June 2006

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

This letter serves to formally transmit to the board of trustees the Comprehensive Annual Financial Report for the 2005 fiscal year ended December 31, 2005. Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Charter Township of Grand Blanc's MD&A can be found immediately following the report of the independent auditor. The state statutes require that within six months of the close of each fiscal year, the Charter Township of Grand Blanc issue a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibility for completing this report, the accuracy of the data, and the completeness and fairness of this presentation, including all disclosures, rests with the finance director and the treasurer. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the governmental activities, business-type activities, and the various funds of the Charter Township of Grand Blanc. All disclosures necessary to enable the reader to gain an understanding of the Charter Township of Grand Blanc's activities have been included. Plante & Moran, PLLC has issued an unqualified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2005. The independent auditor's report is located at the front of the financial section of this report.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, and a list of the Charter Township of Grand Blanc's principal elected and appointed officials and department heads. The financial section is in compliance with GASB Statement No. 34 reporting requirements. It includes the management's discussion and analysis; the basic financial statements, which are comprised of the entity-wide financial statements, fund financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules; and the required and other supplemental information on the budgetary comparison schedules and combining financial statements for nonmajor funds. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multiyear basis.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

Township Services

The Charter Township of Grand Blanc (the “Charter Township”) provides various services to its citizens. Among these are police protection, planning, zoning, building, property assessment, general administrative services, voter registration, partial water and sewer operations, partial snow removal, mosquito control, and garbage collection. The Charter Township also participates with the City of Grand Blanc (the “City”) in jointly funded ventures such as Grand Blanc Fire Commission, Grand Blanc Parks and Recreation Commission/Senior Citizen Activity Center, and the Grand Blanc District Library. The Charter Township of Grand Blanc’s board is comprised of the supervisor, clerk, treasurer, and four trustees. All board members are elected for a four-year term and their election process coincides with the presidential election.

Economic Condition and Outlook

The Charter Township of Grand Blanc was incorporated in 1833 and is located in the southeastern part of Genesee County. Genesee County is located in the mid-state section of Michigan about 60 miles north of the city of Detroit. The Charter Township currently has a land area of 32.1 square miles and a population of approximately 35,075. The Charter Township is a mixture of commercial, office, manufacturing, health care, and rural residential and planned subdivisions. The Charter Township still maintains a rural atmosphere with a variety of age, size, and price for its housing. The Township has 52 residential developments under some phase of construction. With the 52 on-going subdivisions, the majority of housing sales were from new construction, with the average 2005 housing estimated construction cost at \$242,000.

A major factor that has contributed to the positive expansion of our Charter Township is the fact that Grand Blanc is located off the first four exits of I-75 just north of the fastest-growing county in Michigan and the fourth wealthiest in the nation, Oakland County. Oakland County residents are finding very affordable housing in the Grand Blanc community and are still within a 30-minute expressway commute from their Oakland County employment. There is continuing economic tension over the future of Delphi and General Motors, Genesee County’s two largest employers. While a major portion of Grand Blanc Township’s residents are directly or indirectly connected to the automotive industry, the Township is fortunate to be part of the I-75/Automation Alley and the growth spillover from Oakland County. The 1,149 property sales and the 305 new housing building permits with a projected construction value of \$74.6 million led Genesee County for 2005. The Charter Township continued to experience a strong number of residential improvement permits at 344 with a projected construction value of \$4.7 million. This consistency helps support the public’s continued community confidence to invest in their homes.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

The overall permits for 2005 were slightly greater than 2004. Currently, there are numerous site plans in the review and approval process through the planning and zoning department. Looking forward into 2006 and 2007, Grand Blanc Township is anticipating 12 new commercial buildings with a combined estimated square footage of 188,330 and seven new residential developments with the potential of 624 homes. As mentioned in the management's discussion and analysis, in 2003 the Charter Township raised the water and sewer tap-in fees and the Genesee County Builders Association brought a suit against the Charter Township claiming that the Charter Township did not show proper justification for the tap-in fee increases. During the course of the court proceedings, the Charter Township put a moratorium on new construction. An agreement was reached that the Charter Township would hire outside consultant services to develop, consistent with the industry's understanding of the Michigan Supreme Court's case, *Bolt vs The City of Lansing*, utility rates and tap-in fees for the Township of Grand Blanc's water and sewer department. The results of the study confirmed that the Charter Township should change the way the Charter Township bills for water based on a minimum bill plus consumption, to billing for a "ready to serve," fee and eliminate the minimum bill; increase the water tap-in fees from \$1,600 to \$4,500 and the sewer tap-in fees from \$1,600 to \$5,100. The revenue generated from the tap-in fees has been designated to help fund the Charter Township's future water and sewer infrastructure needs. In 2005, the Charter Township collected \$6.3 million in tap-in fees and that money has been allocated for the construction of four major water projects and two major sewer projects that will start in 2006.

As our population is increasing, our commercial needs are also increasing. There were 16 new commercial building permits in 2005. The conservative value of these permits totaled \$40.4 million. In 2005, there were two major commercial developments, Heritage Park and Trillium Circle. Heritage Park contains 342,567 square feet with a Super Wal-Mart, Sam's, Kohl's, and other stores in phase I of their total proposed 650,000 sq. ft. development. Additional tenants for 2006 include Pet Supplies Plus, MC Sporting Goods, Staples, Panera Bread, Flagstar Bank, Sally Beauty Supplies, Yumz Ice Cream, and a steak house. Trillium Circle will contain 325,000 square feet and they are currently under construction with the 14-screen movie theater (scheduled opening in May 2006). Several restaurants, specialty stores, and a grocery store have expressed interest in Trillium Circle.

The building of Genesys Health Park has spurred the growth of many new medical office buildings in the area, in addition to the 103,000 square feet of medical office space within the hospital. Genesys Health Park has built and is leasing its 32,000 square feet of office/retail on Health Park Blvd. There is a planned 30,000 square feet of Warwick Fountains office development for S. Saginaw Street and a 62,162 square foot Holly Road medical office park, which is currently under construction. In addition, Genesys Health Park is building a two-story, 58,000 square foot medical office building for emergency services, and Regional Cardiology Associates will be building their new 30,000 square foot offices just northeast of Genesys. Grand Blanc Township currently has a 6 percent office vacancy rate.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

Besides affordable and diverse housing, varied and growing retail outlets and work opportunities within a 30-minute drive, an additional drawing point to our community are the Grand Blanc Community Schools, which service 95 percent of the Charter Township. Grand Blanc Community Schools Points of Pride include:

- The dropout rate was 0.68 percent for the 2004-2005 school year.
- Over 90 percent of GBHS graduates enroll in an institution of higher learning.
- Every graduate in the Class of 2005 passed the MEAP reading, science, writing, and mathematics tests. Grand Blanc High School pioneered the requirement among all schools in Michigan that its graduates meet this standard. Grand Blanc High School's overall MEAP scores rank in the top 1 percent of all high schools in the state.
- A total of 321 graduating seniors in the class of 2005 met the standards for receiving \$2,500 MEAP Merit Scholarships - the second highest amount earned among all the high schools in Michigan in 2005.
- The Standard and Poor's Performance Cost Index, which compares spending of all Michigan schools to their MEAP performance, ranks Grand Blanc among the best school districts in the state.

The Grand Blanc community is fortunate to have a large number of strong community-based organizations such as the Grand Blanc Chamber of Commerce, Grand Blanc Arts Council, Character Community Council, Rotary, Kiwanis, Elks, and the Grand Blanc Newcomers Club. The Grand Blanc Community School Board, the City of Grand Blanc Council, and the Grand Blanc Township board of trustees meet to discuss community issues and individual and community-wide goals.

The Charter Township has two General Motors (GM) facilities within its boundaries to support its tax base. The Charter Township no longer relies on GM as the major part of the tax base, even though they are still our largest taxpayer. GM's percentage of the tax base decreased from 5.77 percent in 2003, to 4.7 percent in 2004, to 3.37 percent in 2005. The metal fabrication plant that has been historically a stamping plant for sheet metal parts has been redesigned as a tooling support facility for new assembly lines. GM invested \$20 million in this transfer and employs approximately 600 employees. The headquarters for General Motors' service and parts operation is also located in the Charter Township and employs approximately 1,300 employees.

Even though the State of Michigan and Genesee County continue to experience economic tensions over the future of General Motors and Delphi, the Charter Township's location to Oakland County, I-75/Automation Alley, and the high quality of the Grand Blanc Community Schools will continue to fuel a favorable economic environment and local indicators point to continued stability and growth.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

Major Initiatives

The Charter Township government has been involved in a variety of projects throughout the year. These projects reflect the government's commitment to ensuring that its citizens are able to live and work in an enviable environment. The mission statement of the Charter Township of Grand Blanc is "a planned and progressive community which provides a safe, caring, and quality environment in which to live, work, and play."

The Grand Blanc Township police department is a progressive full-service law enforcement agency. The department provides 24/7 police service including dispatching, D.A.R.E., senior citizens call-in, vacation checks, operation identification, K-9 unit, motorcycle unit, motor carrier unit, child safety seat inspections, and an accident reconstruction team.

Grand Blanc Township conducted a mid-decade census in hopes of receiving additional state revenue-sharing dollars. The census showed the State of Michigan that our population increased from 29,827 to 35,075, or 18 percent, since the 2000 census and, with the formula currently being used to allocate revenue-sharing monies to municipalities, the Charter Township will receive an additional \$311,000 in 2006 and additional state revenue-sharing monies for future years.

At the end of 2005, the much-anticipated fire inspection program was launched. As this program develops, Grand Blanc Township will provide fire inspections on all commercial and industrial buildings, as well as develop fire safety educational programs to our community.

The continued growth of the Charter Township is directly related to the infrastructure capabilities. The total water lines increased in 2005 by two miles to 179 total miles and the sanitary sewer system increased six miles to 227 total miles. As stated above, there are six major water and sewer projects scheduled to begin in 2006, using the revenue generated from the tap-in fees, in an effort to continuously improve the Charter Township's infrastructure capabilities.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

A goal from the Charter Township's strategic planning session of 2002 was to prepare the Charter Township for addressing the crowded conditions it was experiencing within the administrative building. With the December 2001 tax millage, the Charter Township had paid in full three water/sewer bonds that had accounted for approximately .4 mills. Following public hearings, the Charter Township board of trustees increased the general operating millage .3 mills for the winter of 2002. This additional .3 millage was specifically dedicated for a Municipal Campus Project plan. All of the water and sewer debt was paid off in 2004, and the Charter Township Board increased the general operating millage .4 mills for the winter 2004 tax collection and dedicated this additional revenue to the Municipal Campus Project Fund. Combining this millage with the dedicated .30 mills increase in 2002 will produce approximately \$900,000 annually. This will give the Charter Township a solid base to borrow monies for the construction of the municipal campus plan. The Grand Blanc police headquarters building is the first building project in the municipal campus plan that will ultimately include a new Township Hall, two new DPW storage facilities, veterans' memorial, and a walking path surrounding an existing two-acre natural wetland. There will also be improved services in the existing township building including a totally renovated fire station and Department of Public Works offices. The Charter Township is addressing its facility needs, yet not increasing the total Charter Township millage to its residents.

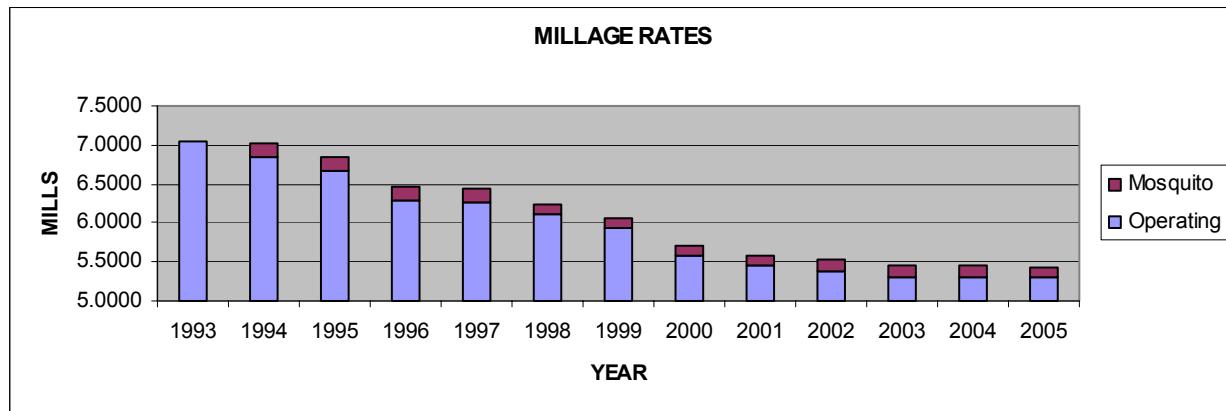
The Charter Township invested over \$900,000 in 2005 for capital projects/purchases. The major Charter Township capital projects in 2005 included: the purchase of adjoining property for the municipal campus project, infrastructure improvements for the municipal campus project, the purchase of eight new police vehicles, replacing all emergency personnel radios to 800 MHz radios, creating a sledding hill with snowmakers at Bicentennial Park, and updated several computer systems with both hardware and software. The Capital Projects Fund balance of \$2.3 million will be carried forward to the 2006 year.

Following the DPW vehicle replacement schedule, the Charter Township purchased one backhoe in 2005. Infrastructure improvements were made to the Vassar Road Pump Station, Camp Copneconic Sewer and National Estates Water main. While the Charter Township purchases its water from Genesee County, it still maintains its well system for backup and/or emergency use.

The Charter Township continued its policy of communication of information to its residents through greatly expanding the use of the website, newsletters, and local newspaper articles.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

For the sixteenth consecutive year, the Charter Township board of trustees reduced the total Charter Township tax millage. The 2005 Charter Township millage of 5.4231 was 0.41 percent lower than 2004 (see the following bar graph) (2005: operating 4.3806, police .9128, mosquito .1297, total 5.4231):



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Operating	7.0546	6.8375	6.6693	6.2898	6.2752	6.0994	5.9362	5.5736	5.4583	5.3737	5.3113	5.2954	5.2934
Mosquito	0.0000	0.1800	0.1765	0.1678	0.1523	0.1393	0.1250	0.1250	0.1154	0.1500	0.1500	0.1500	0.1297
Total	7.0546	7.0175	6.8458	6.4576	6.4275	6.2387	6.0612	5.6986	5.5737	5.5237	5.4613	5.4454	5.4231

Achievements

Jeffery Cyphert, CMFA, Grand Blanc treasurer, is serving as president elect of the Association of Public Treasurers of United States and Canada.

Officer Matthew Simpson and his police dog, Kase, became Tracking Certified and Narcotics Detection Certified by the United States Police Canine Association, Inc., in addition to being certified by the North American Police Work Dog Association and International Police Work Dog Association.

Chief David Stamm was reappointed in 2005 by governor Jennifer Granholm to serve on the Governors Traffic Safety Advisory Commission for a term ending May 27, 2008. Chief Stamm was also elected as the treasurer/secretary of the Genesee County Chiefs of Police Association.

Officer Todd Gilbert was elected as treasurer of the D.A.R.E. Officers Association of Michigan. Officer Scott Theede was elected as first vice president.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Charter Township of Grand Blanc for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2004. This was the tenth consecutive year that the Charter Township has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the certificate of achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Accounting Systems and Budgetary Control

The Charter Township of Grand Blanc's board of trustees adopts an annual budget in accordance with the State of Michigan Uniform Budgeting Act, P.A. 621 of 1978. The Charter Township's fiscal year is January through December. The annual budget is adopted each October for the subsequent year. Budgetary controls include the fact that expenditures do not exceed revenues for the year, while maintaining a General Fund balance between 12 percent and 15 percent of General Fund revenues. The board of trustees must approve all budget amendments made throughout the fiscal year.

As a recipient of federal and state financial assistance, the Charter Township is responsible for ensuring an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. Management and the independent auditors evaluate this internal control structure annually.

As part of the Charter Township's audit, tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. The results of the Charter Township's 2005 audit provided no instances of material weaknesses in the internal control structure or violations of applicable laws and regulations.

As demonstrated by the statements and schedules included in the financial section of this report, the Charter Township continues to meet its responsibility for sound financial management.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

Pension and Postemployment Benefits

The Charter Township of Grand Blanc provides pension programs to its full-time employees. All the administrative and DPW employees belong to a defined contribution program, whereas the Charter Township contributes a flat percentage of the employee's gross wages to the pension program. The Charter Township has made every payment to the pension program since the beginning of the program (see Note 11). Per the collective bargaining agreement with the Charter Township's police command, sergeants, patrol officers, and dispatchers, their pension program has been transferred to the Michigan Municipal Employees' Retirement System (MIMERS), with the Charter Township paying a fixed rate and the employees' rate adjusted per an actuary (see Note 10).

In an effort to address health care costs for current and future retirees of the Charter Township of Grand Blanc, the Charter Township has established a dedicated Employee Benefits Fund (see Note 14). The intent is to set aside some of the yearly revenues over expenditures into this fund. At some future point in time, the annual cost of retiree health care would be paid from the investments from this fund. The 2005 actual expenditure for the insurance benefits of the Charter Township's retired employees was \$162,266 and was paid out of the 2005 budget. As noted in the fiduciary funds section of the other supplemental information, the Charter Township has \$1,495,783 in this fund as of December 2005.

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other than Pensions*. The new standard will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2008. The Charter Township is planning on having an actuarial study completed in 2006 to determine the annual costs for compliance with GASB No. 45.

Deferred Compensation Plan

The Charter Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. The deferred compensation funds are not available to employees until termination, retirement, death, or unforeseeable emergency.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

Cash Management

The Charter Township operates under the direction of its nationally recognized investment policy and the parameters established by the State of Michigan. The Charter Township's investment policy received two certifications of excellence from the Municipal Treasurers Association United States and Canada. For 2005, the Charter Township's investments provided an average yield on all funds of approximately 4.08 percent. Cash temporarily idle during the year was invested in certificates of deposits and demand deposits ranging from 7 days to 120 days to maturity, commercial paper ranging from 19 days to 90 days to maturity, U.S. government instruments, and authorized investment pools. Any uninvested funds in the bank checking accounts were swept into interest-bearing sweep accounts. As checks were presented for payment, monies to cover the checks were transferred from the trust accounts back into the checking accounts. The type of investment and length of investment were determined by the Charter Township's four objectives: safety of capital, liquidity, return on investment, and maintaining the public's trust. Since a large portion of the Charter Township's deposits is not insured and Michigan law does not require collateralization of government deposits, the Charter Township uses a national independent rating service to review and rate depository banks and savings and loan institutions. The status of all financial institutions is reviewed quarterly. The Charter Township's board of trustees and the public are presented a quarterly comprehensive investment report identifying all investments and interest earned by type and fund, in addition to GASB No. 40 disclosures. GASB No. 40 identifies a number of reporting and disclosure requirements for public funds that are designed to manage and limit risk in deposits and investments. The Charter Township's quarterly investment report identifies and discloses information regarding interest rate risk, credit risk, and concentration of risk as required by GASB No. 40. The report also contains comments on current economic conditions, investment strategies, and a performance comparison with standard indices.

Risk Management

The Michigan Township Participating Plan covers the Charter Township's liability and the Accident Fund Company covers workers' compensation. United Wisconsin Group covers the employees' disability insurance.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Charter Township's board of trustees selected the firm of Plante & Moran, PLLC. The Charter Township of Grand Blanc met all requirements as set forth by Michigan state statutes. The auditors, in conducting the audit, used auditing standards generally accepted in the United States of America. Plante & Moran, PLLC's report on the basic financial statements is included in the financial section of this report.

To the Citizens of the Charter Township of Grand Blanc
and the Board of Trustees
Grand Blanc, Michigan

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department and the help, insight, and support from the Charter Township treasurer, Mr. Jeff Cyphert. I would like to express my appreciation to Mr. Cyphert and the Charter Township's finance department for their assistance and input. Additionally, the accounting firm of Plante & Moran, PLLC made substantial contributions in the preparation of this document. Lastly, I wish to acknowledge the Charter Township of Grand Blanc's board of trustees for their interest and commitment to responsible, prudent, and progressive financial leadership.

Respectfully submitted,


Debra P. Barriger
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Charter Township
of Grand Blanc, Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Enyeart

President

Jeffrey R. Enyeart

Executive Director

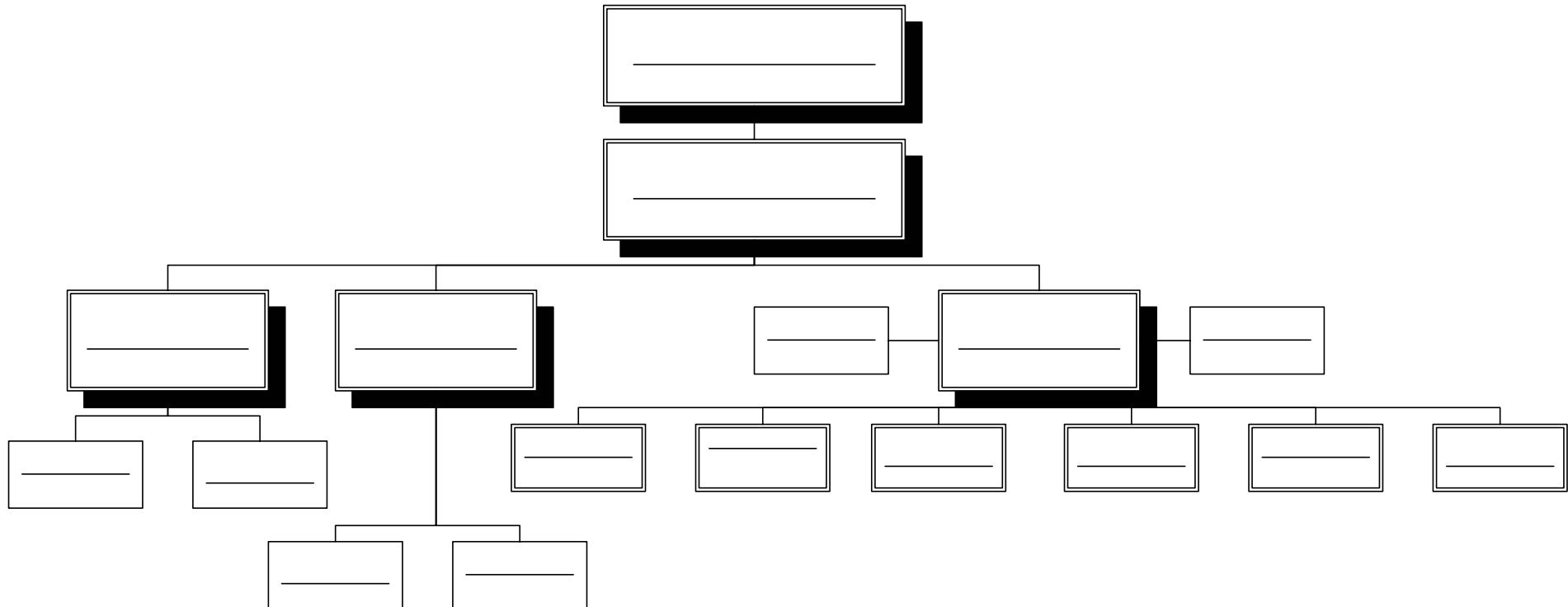
Charter Township of Grand Blanc

List of Principal Officials **December 31, 2005**

Title	Name
Supervisor	Jeffrey Zittel
Clerk	Linda Kingston
Treasurer	Jeffery L. Cyphert
Board of Trustees	Paul Bush Daniel Cyphert Marilyn M. Hoffman Ann Moss
Finance Director	Debra Barriger
DPW Superintendent	Roger Buell
Police Chief	David Stamm
Fire Chief	James B. Harmes
Assessor	Peggy Nolde
Building Official	Kirk F. Richardson
Parks and Recreation Director	Kae A. Eidson
Community Development Director	Keith Edwards
GIS Coordinator	Robbie Beller

Charter Township of Grand Blanc

**Charter Township of Grand Blanc
Organization Chart**



Independent Auditor's Report

To the Board of Trustees
Charter Township of Grand Blanc
Genesee County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc as of and for the year ended December 31, 2005, which collectively comprise the Charter Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Grand Blanc's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information presented for the proprietary fund has been derived from the Township's 2004 financial statements and, in our report dated March 28, 2005, we expressed an unqualified opinion on the financial statements of that major fund.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc as of December 31, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Charter Township of Grand Blanc
Genesee County, Michigan

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Grand Blanc's basic financial statements. The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The introductory section, other supplemental information, and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules and other supplemental information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. We have applied certain limited procedures to the management's discussion and analysis, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2004, from which such partial information was derived.

Plante & Moran, PLLC

March 28, 2006

Charter Township of Grand Blanc

Management's Discussion and Analysis

This section of the Charter Township of Grand Blanc's (the "Charter Township") annual financial report presents our discussion and analysis of the Charter Township's financial performance during the fiscal year ended December 31, 2005. Please read it in conjunction with the transmittal letter at the front of this report and the Charter Township's financial statements, which follow this section.

Overview of the Financial Statements

The 2005 Comprehensive Annual Financial Report of the Charter Township of Grand Blanc follows a similar format used in 2004. This annual report is in compliance with the reporting requirements of the Government Accounting Standards Board Statement No. 34. This annual report consists of five parts - management's discussion and analysis, the basic financial statements, required supplemental information, other supplemental information (which presents combining statements for nonmajor governmental funds and fiduciary funds), and a statistical section. The basic financial statements include two kinds of statements that present different views of the Charter Township. The first two statements are government-wide financial statements that provide both short-term and long-term information about the Charter Township's status. The remaining statements are fund financial statements that focus on individual parts of the Charter Township government, reporting in more detail than the government-wide statements.

Government-wide Statements

The government-wide statements report information about the Charter Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Charter Township's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid (full accrual).

The two government-wide statements report the Charter Township's net assets and how they have changed. Net assets, the difference between the Charter Township's assets and liabilities, are one means to measure the Charter Township's financial health or position.

The government-wide financial statements of the Charter Township are divided into two categories:

- Government activities - Most of the Charter Township's basic services are included here, such as police, general administration, fire protection, recreation and culture, and public works. Property taxes, state-shared revenue, charges for services, and investment earnings provide most of the funding for the services.
- Business-type activities - The Charter Township charges fees to customers to help it cover the costs of certain services it provides. The Charter Township's water and sewer system is included here.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the Charter Township's most significant funds - not the Charter Township as a whole. Funds are accounting devices that the Charter Township uses to keep track of specific sources of funding and spending for particular purposes. Some of the Township's funds are required by state law. The Charter Township's board of trustees establishes other funds to control and manage money for particular purposes (such as the Municipal Campus Project) or to show that it is properly using certain taxes or grants (such as the Drug Forfeiture Fund).

The Charter Township has three kinds of funds:

- Governmental funds - Most of the Charter Township's basic services are included in the governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Charter Township's operation.
- Proprietary funds - Services for which the Charter Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long- and short-term financial information. The Charter Township's only proprietary fund is the Department of Public Services (DPS) and accounts for the operations of water and sewer services.
- Fiduciary funds - The Charter Township is the trustee, or fiduciary, for ensuring that the assets reported in these funds are used for their intended purpose. All of the Charter Township's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Charter Township's government-wide financial statements because the Charter Township cannot use these assets to finance its operation.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Financial Analysis of the Charter Township as a Whole

The Charter Township has combined net assets of \$94.8 million. This was a total increase of \$8.7 million or 10.1 percent for 2005. The business-type activities comprised \$82.5 million and government activities accounted for \$12.3 million of total net assets. This year's report provides comparative data for the statement of activities. We felt it was necessary to establish a benchmark for this year's reporting of the effect on the Charter Township's net assets. In a condensed format, the table below shows a comparison of the net assets as of the current date to the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
(in thousands)						
Assets						
Current and other assets	\$ 16,878	\$ 16,472	\$ 11,700	\$ 7,251	\$ 28,578	\$ 23,723
Capital assets	6,061	5,685	72,710	69,498	78,771	75,183
Total assets	22,939	22,157	84,410	76,749	107,349	98,906
Liabilities						
Long-term liabilities outstanding	756	845	51	37	807	882
Other liabilities	9,897	9,911	1,894	2,078	11,791	11,989
Total liabilities	10,653	10,756	1,945	2,115	12,598	12,871
Net Assets						
Invested in capital assets - Net of related debt	6,061	5,685	72,710	69,498	78,771	75,183
Restricted	745	477	-	115	745	592
Unrestricted	5,480	5,239	9,755	5,021	15,235	10,260
Total net assets	\$ 12,286	\$ 11,401	\$ 82,465	\$ 74,634	\$ 94,751	\$ 86,035

Both the governmental and business-type activities showed increases for 2005 in total net assets of 7.8 percent and 10.5 percent, respectively. The category changes are minimal and consistent with the prior year.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Governmental Activities

Revenues for governmental activities totaled \$13 million in 2005. The synopsis of the Charter Township's tax millage for 2005 was 3.6806 for Charter Township operation and 0.7 for master campus plan; .9128 for Charter Township police; and .1297 for Charter Township mosquito control. Of the total revenues, \$7.0 million or 53.6 percent were in the form of property tax collections. Our residential growth continues to support annual increases in property tax revenues. State-shared revenue contributed 17.8 percent or \$2.3 million of the total revenues. Grand Blanc Township conducted a mid-decade census in 2005 and the State of Michigan certified that our population increased by 18 percent, which will increase the amount of revenue-sharing monies from the State; this area of revenue continues to be of concern as the State of Michigan works at its economic recovery and balancing its budget. All information coming from the State indicates continued reduction in per person funding in revenue sharing to all governmental entities and by increasing our certified population by 5,248, from 29,827 to 35,075, will help to offset the reductions.

Charges for governmental services represent 21.4 percent of the total revenues. The Charter Township's housing construction provides building permits and inspection fees, which represents 37.1 percent of the charges for services revenue. This is a further example of how growth is positively affecting the Charter Township.

Governmental net assets for 2005 increased \$884,897.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

(in thousands)	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue						
Program revenue:						
Charges for service	\$ 2,765	\$ 2,403	\$ 7,797	\$ 6,877	\$ 10,562	\$ 9,280
Operating grants and contributions	271	271	-	-	271	271
Capital grants and contributions	-	-	8,326	4,389	8,326	4,389
General revenue:						
Property taxes	6,932	6,408	-	181	6,932	6,589
State-shared revenue	2,303	2,323	-	-	2,303	2,323
Unrestricted investment earnings	303	121	185	106	488	227
Unrestricted fees and other	-	338	-	-	-	338
Transfers	115	-	(115)	-	-	-
Miscellaneous	357	-	-	-	357	-
Total revenue	13,046	11,864	16,193	11,553	29,239	23,417
Expenses						
General government	3,457	2,789	-	-	3,457	2,789
Public safety	6,409	5,892	-	-	6,409	5,892
Public works	1,692	1,614	-	-	1,692	1,614
Community and economic development	396	299	-	-	396	299
Recreation and culture	207	243	-	-	207	243
Interest on long-term debt	-	5	-	-	-	5
Water and sewer	-	-	8,362	8,272	8,362	8,272
Total expenses	12,161	10,842	8,362	8,272	20,523	19,114
Increase in Net Assets	885	1,022	7,831	3,281	8,716	4,303
Net Assets - Beginning of year	11,402	10,380	74,634	71,353	86,036	81,733
Net Assets - End of year	\$ 12,287	\$ 11,402	\$ 82,465	\$ 74,634	\$ 94,752	\$ 86,036

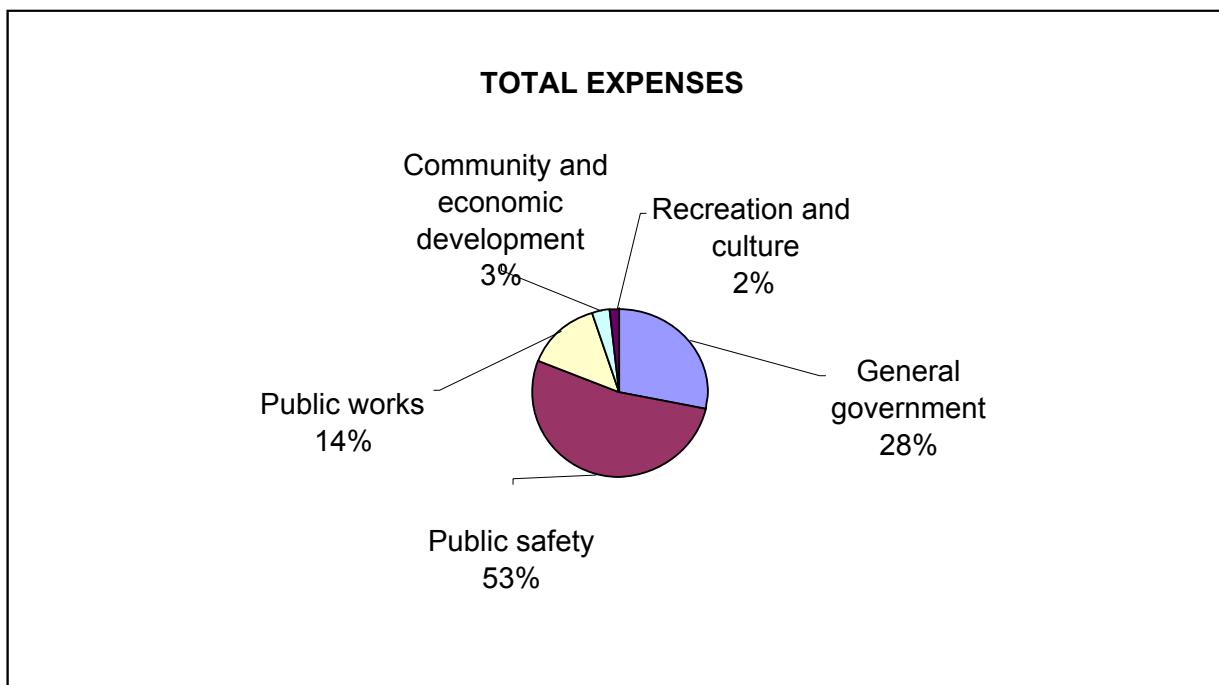
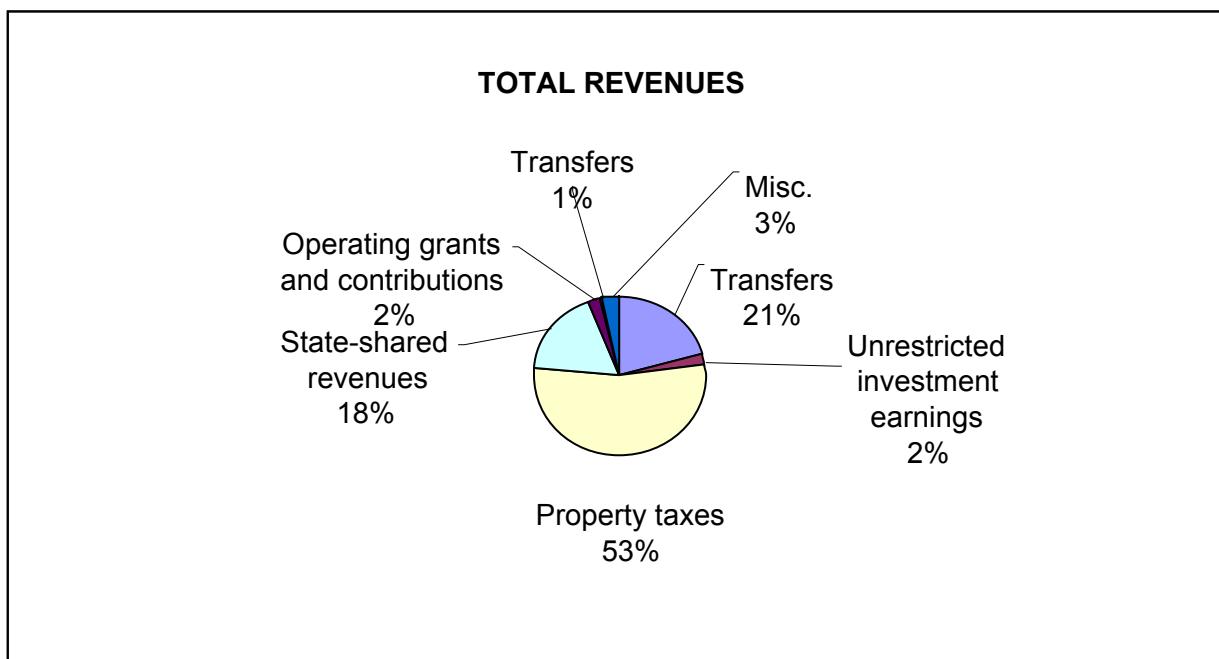
Business-type Activities

The Charter Township has one business-type activity: the water and sewer system. The Charter Township purchases water from Genesee County and the Charter Township's sewage is pumped to Genesee County treatment facilities. User fees and charges for services primarily fund the water and sewer operations. The revenues from charges for services of \$7.8 million covered 93.2 percent of the \$8.4 million of water and sewer expenses. The Charter Township's goal is to have the water and sewer operations self-supporting. The \$8.3 million of capital grants and contributions represents the infrastructure that was donated to the Charter Township by the developers and special assessment districts that were constructing new subdivisions and water and sewer tap in fees of \$6.3 million, which has been designated for the major infrastructure projects scheduled to begin in 2006. The net assets for business-type activities at the end of 2005 show an increase of \$7.8 million.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

The following pie charts offer a quick view of the revenues and expenses of governmental activities as a percentage of the whole.



Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Capital Assets

The Charter Township has combined net capital assets of approximately \$78,771,000. The following schedule provides a summary of the capital assets, net of accumulated depreciation for 2005 and 2004. Numbers are in thousands.

(in thousands)	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 1,854	\$ 1,480	\$ 238	\$ 237	\$ 2,092	\$ 1,717
Buildings and improvements	3,089	3,041	380	390	3,469	3,431
Furniture and equipment	621	706	2,133	2,092	2,754	2,798
Water and sewer distribution systems	-	-	69,171	65,791	69,171	65,791
Vehicles	497	458	788	988	1,285	1,446
Total	\$ 6,061	\$ 5,685	\$ 72,710	\$ 69,498	\$ 78,771	\$ 75,183

The Charter Township invested over \$900,000 in 2005 for capital projects/purchases. The major governmental capital projects in 2005 included: the purchase of adjoining property for the municipal campus project, infrastructure improvements for the municipal campus project, the purchase of eight new police vehicles, replacing all emergency personnel radios to 800 MHz radios, creating a sledding hill with snowmakers at Bicentennial Park, and updated several computer systems with both hardware and software. The Capital Projects Fund balance of \$2.3 million will be carried forward to the 2006 year. As noted earlier, the Charter Township did receive donated sewer and water line infrastructure assets in the amount of \$2.0 million and \$6.3 million in tap-in and line inspection fees which will be used to fund the infrastructure projects scheduled to begin in 2006. In the proprietary fund, the Charter Township purchased a new backhoe; infrastructure improvements were made to the Vassar Road Pump Station, Camp Copneonic Sewer and National Estates Water Main. While the Charter Township purchases its water from Genesee County, it still maintains its well system for backup and/or emergency use. Additional information on the Charter Township's capital asset activity can be found in the notes to financial statements of this report under Note 4.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Long-term Debt

The Charter Township has a total of \$756,403 in long-term governmental and \$51,326 in long-term business activity debt as of December 31, 2005. Of this debt, \$418,729, or 51.38 percent, is related to employee-compensated absences and \$284,000, or 35.1 percent, of the debt in road improvement projects. The long-term governmental and business activity debt as of December 31, 2004 was \$881,994 for a reduction in 2005 of \$74,265, or 8.4 percent. The majority of the debt reduction was due to the Charter Township paying the current portion of a special assessment at-large road district of the Genesee County Road Commission, which will be completed in 2010, and the current balance is \$284,000. The Charter Township has a policy of assisting subdivisions in financing road improvements within the Charter Township that are completed by the Genesee County Road Commission. These obligations are then paid over a 10-year period. The Charter Township's debt represents 0.8 percent of total net assets of governmental activities and business-type activities. Additional information on the Charter Township's long-term debt activity can be found in the notes to financial statements of this report under Note 6.

The Charter Township's Nonmajor Governmental Funds

Beginning on page 52 of this report, there is a summary of three types of nonmajor governmental funds:

- Special Revenue Funds - These funds were established to meet specific requirements or needs that would allow the Charter Township to track specific revenues and expenditures. Three of the funds are self-explanatory. The Bicentennial Park Fund was established to track revenues from a cell tower located on Charter Township property that is used by the local parks and recreation department. Parks and recreation have exclusive use of these revenues.
- Capital Projects Funds - These funds identify specific capital projects and track the related expenditures. For the Master Campus Project, the Charter Township board has identified specific tax revenues for new Charter Township campus facility design and construction.
- Permanent Funds - The Charter Township is responsible for three cemeteries. These funds identify the principal monies and the investment revenue that is expendable for maintenance.

Financial Analysis of Charter Township Funds and Budgets

The following budget analysis comes from the data provided in the budgetary comparison schedules - General Fund on pages 45 and 46 of this report. The Charter Township's total budgeted revenues for 2005 were \$11,467,171, with actual revenue coming in at \$11,496,607 for an overage of \$29,436, or 0.3 percent. The major revenue shortfall area was a 6 percent reduction from budget in building permits, resulting from a lawsuit and a short building moratorium. Because the lawsuit resulted in a major increase in tap-in fees, the developers slowed down their permit requests to better match their cash flows.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

State revenue sharing was budgeted at \$2,333,640 with actual state revenue sharing coming in at \$2,302,999 for a shortfall of \$30,641. The State of Michigan is facing numerous budget constraints and they are continually looking at the state revenue-sharing program to help with their budget shortfalls. The Michigan Township Association is lobbying hard against any additional reductions in the program as numerous local governments have been hit hard with these cuts. As mentioned earlier, the Charter Township conducted a mid-decade census that increased our certified population count by 18 percent to 35,075, to help to preserve the Charter Township's share of the state revenue-sharing program.

The Charter Township had one department that was over budget for expenditures. The Charter Township has five union groups, and all contracts had expired as of January 1, 2004. During 2005, four of the contracts were settled. The amount of back pay estimates was slightly underestimated, which resulted in the police department's actual expenditures being higher than budgeted.

The net effect for 2005 shows an excess of revenues over expenditures prior to transfers out of \$1,182,431. After net transfers out of \$773,069, revenues and other financing uses exceeded expenditures by \$409,362. This increased the Charter Township's 2005 General Fund balance to \$1,454,875, or 12 percent of 2006 General Fund expenditures, which is in compliance with the Charter Township's General Fund balance policy.

The Charter Township had set aside approximately \$225,000 in the Capital Projects Fund for its part in road maintenance and paving in 2005. All engineering and construction oversight is performed by the Genesee County Road Commission, which ultimately has responsibility for the roads within the Charter Township. With Genesee County, only one project was completed in 2005, Hill Road widening from Genesee Road to Belsey. The Charter Township did complete a master plan for our roads.

Current Economic Conditions

The general Charter Township operations have two major funding sources and a number of smaller sources. Property taxes and state revenue sharing constitute the major funding sources with 53.6 percent and 17.8 percent of the total Charter Township General Fund revenue, respectively. The demand for new housing has continued to keep the Charter Township as the number one governmental entity for permits issued in Genesee County for the ninth year in a row. Housing plats that have had initial approval from the Charter Township board that have not been developed equate to approximately 5,400 lots. Continued housing opportunity is available in our township. Even with the moratorium and slow down, there were 305 new housing permits issued. The statistical section shows that the Charter Township's taxable value has increased an average of 8.0 percent per year for the last 10 years. The \$84.7 million increase for 2005 equated to a 6.7 percent increase over 2004.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Two major commercial developers purchased 80 acres and 75 acres of land within the Charter Township. Both are in the process of developing their land via the Planned Urban Development (PUD) concept. One, Heritage Park, a \$100,000,000, 80-acre commercial development, has completed phase I of their total proposed 650,000 square foot development with a Sam's Club, Super Wal-Mart, and Kohl's department store. Additional tenants for 2006 include: Pet Supplies Plus, MC Sporting Goods, Panera Bread, Flagstar Bank, Sally Beauty Supplies, Yumz, an ice cream/ frozen yogurt store, and a steak house. This project will generate approximately \$275,000 in new taxes for the Charter Township. The second developer, Trillium Circle, has also received Charter Township board PUD concept approval for a \$75,000,000, 75-acre commercial development. Trillium Circle will contain 325,000 square feet and they are currently under construction with the 14-screen movie theater (scheduled opening in May 2006) and several restaurants, specialty stores, and a grocery store have expressed an interest in Trillium Circle. This project, when built out, will generate approximately \$200,000 in new taxes for the Charter Township.

The Charter Township, similar to other municipalities, is wrestling with major increases in health care for its employees. An effort is being made to reduce the number of health care carriers and adjust the prescription co-pay to better position the Charter Township as these benefit areas increase in cost. The Charter Township continues to increase the balance of funds set aside for retirees' health care in the Employee Benefits Fund. The Charter Township's intent is to have a self-supporting fund for retirees' health care costs.

As stated earlier, the Charter Township paid off three water line construction bonds in 2004. This reduced the bond debt millage rate approximately .41 mills. The Charter Township board increased its general operating millage .40 mills for the winter 2004 tax collection and dedicated this additional revenue to the Township Campus Plan. Combining this millage with the dedicated .30 mills increase in 2002 will produce more than approximately \$900,000 annually. This would give the Charter Township a solid base to borrow monies for the construction of a new police station, Charter Township hall, DPW facility, and an upgraded fire station. The Charter Township is addressing its facility needs, yet not increasing the total Charter Township millage to its residents. The Charter Township board believes this is a very prudent means of addressing the shrinking office space and an outdated building.

In light of the builders' lawsuit, health care issues, demand for additional office space, and difficult economic conditions for the State of Michigan, this report indicates that the Charter Township continues to expand its already strong financial base with another positive year. The Charter Township has reduced long-term debt by 8.4 percent, increased the total governmental fund balance by 12 percent, increased governmental net assets 6.7 percent, and decreased the total Charter Township property taxes millage rate 0.41 percent.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Contacting the Charter Township's Financial Management

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the Charter Township's finances and to show the Charter Township's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the treasurer at the Charter Township of Grand Blanc, P.O. Box 1833, 5371 S. Saginaw St., Grand Blanc, MI 48439, or visit our website at www.twp.grand-blanc.mi.us.

Charter Township of Grand Blanc

Statement of Net Assets December 31, 2005

	Primary Government		
	Governmental Activities		Business-type Activities
		Total	
Assets			
Cash and cash equivalents (Note 3)	\$ 984,034	\$ 6,633,702	\$ 7,617,736
Investments (Note 3)	5,309,271	708,861	6,018,132
Receivables - Net:			
Property taxes	6,943,833	-	6,943,833
Customers	1,102,780	2,034,482	3,137,262
Receivables billed on tax roll	-	379,231	379,231
Tap-in assessment receivables	-	1,834,716	1,834,716
Other	73,110	-	73,110
Due from other governmental units	944,056	-	944,056
Internal balances	(109,369)	109,369	-
Investments in joint ventures:			
Fire commission (Note 12)	1,361,194	-	1,361,194
Parks and recreation (Note 12)	269,456	-	269,456
Capital assets - Net (Note 4):			
Nondepreciable capital assets	1,853,972	238,131	2,092,103
Depreciable capital assets - Net	4,207,029	72,471,601	76,678,630
Total assets	22,939,366	84,410,093	107,349,459
Liabilities			
Accounts payable	281,873	1,406,258	1,688,131
Accrued and other liabilities	592,286	487,535	1,079,821
Due to other governmental units	315,348	-	315,348
Unearned revenue (Note 15)	8,707,034	-	8,707,034
Noncurrent liabilities (Note 6):			
Due within one year	428,304	51,326	479,630
Due in more than one year	328,099	-	328,099
Total liabilities	10,652,944	1,945,119	12,598,063
Net Assets			
Invested in capital assets	6,061,001	72,709,732	78,770,733
Restricted:			
Solid waste	466,345	-	466,345
Drug forfeiture	5,907	-	5,907
Law enforcement	17,492	-	17,492
PEG Channel Grant	3,088	-	3,088
Unexpendable cemetery funds	122,191	-	122,191
Expendable cemetery funds	130,058	-	130,058
Unrestricted	5,480,340	9,755,242	15,235,582
Total net assets	\$ 12,286,422	\$ 82,464,974	\$ 94,751,396

Charter Township of Grand Blanc

Functions/Programs

Primary government:

Governmental activities:

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Program Revenues
General government	\$ 3,457,066	\$ 155,238	\$ 19,493	\$ -	
Public safety	6,409,202	1,227,246	101,524	-	
Public works	1,691,373	1,281,236	150,296	-	
Community and economic development	395,745	85,483	-	-	
Recreation and culture	207,256	16,296	-	-	
Total governmental activities	12,160,642	2,765,499	271,313	-	
Business-type activities - Water and sewer	8,361,734	7,796,578	-	8,326,023	
Total primary government	\$ 20,522,376	\$ 10,562,077	\$ 271,313	\$ 8,326,023	

General revenues:

Property taxes
 Intergovernmental unrestricted (state-shared revenues)
 Unrestricted investment earnings
 Transfers
 Other

Total general revenues

Change in Net Assets

Net Assets - Beginning of year

Net Assets - End of year

Statement of Activities
Year Ended December 31, 2005

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,282,335)	-	\$ (3,282,335)
(5,080,432)	-	(5,080,432)
(259,841)	-	(259,841)
(310,262)	-	(310,262)
<u>(190,960)</u>	<u>-</u>	<u>(190,960)</u>
(9,123,830)	-	(9,123,830)
<u>-</u>	<u>7,760,867</u>	<u>7,760,867</u>
(9,123,830)	7,760,867	(1,362,963)
6,931,573	-	6,931,573
2,302,999	-	2,302,999
302,662	185,175	487,837
114,653	(114,653)	-
<u>356,840</u>	<u>-</u>	<u>356,840</u>
<u>10,008,727</u>	<u>70,522</u>	<u>10,079,249</u>
884,897	7,831,389	8,716,286
<u>11,401,525</u>	<u>74,633,585</u>	<u>86,035,110</u>
<u>\$ 12,286,422</u>	<u>\$ 82,464,974</u>	<u>\$ 94,751,396</u>

Charter Township of Grand Blanc

Governmental Funds Balance Sheet December 31, 2005

	Major Special Revenue Fund		Other Nonmajor Governmental Funds	Total Governmental Funds	
	General Fund	Solid Waste Fund			
Assets					
Cash and cash equivalents (Note 3)	\$ 364,010	\$ 572,792	\$ 47,232	\$ 984,034	
Investments (Note 3)	5,168,345	-	140,926	5,309,271	
Receivables:					
Taxes	6,943,833	-	-	6,943,833	
Customers	158,992	943,788	-	1,102,780	
Other	73,110	-	-	73,110	
Due from other governmental units	944,056	-	-	944,056	
Due from other funds (Note 5)	21,391	-	3,209,428	3,230,819	
Total assets	\$ 13,673,737	\$ 1,516,580	\$ 3,397,586	\$ 18,587,903	
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 281,873	\$ -	\$ -	\$ 281,873	
Accrued and other liabilities	592,286	-	-	592,286	
Due to other funds (Note 5)	3,340,188	-	-	3,340,188	
Due to other governmental units	315,348	-	-	315,348	
Deferred revenue (Note 15)	7,689,167	1,050,235	-	8,739,402	
Total liabilities	12,218,862	1,050,235	-	13,269,097	
Fund Balances					
Reserved for:					
Solid waste activities	-	466,345	-	466,345	
Cable TV activities	-	-	3,088	3,088	
Law enforcement	-	-	23,399	23,399	
Cemetery:					
Unexpendable	-	-	122,191	122,191	
Expendable	-	-	130,058	130,058	
Unreserved, reported in:					
General Fund	1,454,875	-	-	1,454,875	
Special Revenue Funds	-	-	10,224	10,224	
Capital Projects Funds - Designated (Note 7)	-	-	3,108,626	3,108,626	
Total fund balances	1,454,875	466,345	3,397,586	5,318,806	
Total liabilities and fund balances	\$ 13,673,737	\$ 1,516,580	\$ 3,397,586		
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and are not reported in the funds				6,061,001	
Investment in joint ventures are not included as an asset in the governmental funds				1,630,650	
Certain receivables are expected to be collected in future years and are not available to pay for					
current year expenditures				32,368	
Long-term liabilities are not due and payable in the current period and are not reported in the funds				(389,000)	
Compensated absences are not due and payable in the current period and are not reported in the funds				(367,403)	
Net assets of governmental activities				\$ 12,286,422	

Charter Township of Grand Blanc

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2005

	Major Special Revenue Fund		Other Nonmajor Governmental Funds		Total Governmental Funds
	General Fund	Solid Waste Fund			
Revenue					
Property taxes (Note 8)	\$ 6,946,675	\$ -	\$ 468	\$ 6,947,143	
Licenses and permits	1,440,310	-	-	1,440,310	
State sources	2,406,442	-	-	2,406,442	
Charges for services	-	1,275,480	-	1,275,480	
Fines, forfeitures, and seizures	135,472	-	12,410	147,882	
Investment income (loss)	242,854	22,277	63,072	328,203	
Other	324,854	-	101,680	426,534	
Total revenue	11,496,607	1,297,757	177,630	12,971,994	
Expenditures					
General government	2,734,321	-	38,785	2,773,106	
Public safety	6,740,262	-	6,522	6,746,784	
Public services	839,593	1,111,225	-	1,950,818	
Capital outlay	-	-	1,024,108	1,024,108	
Total expenditures	10,314,176	1,111,225	1,069,415	12,494,816	
Excess of Revenue Over (Under) Expenditures	1,182,431	186,532	(891,785)	477,178	
Other Financing Sources (Uses)					
Other	(5,000)	-	(78)	(5,078)	
Transfer in from Debt Service Fund	504	-	-	504	
Transfer in from General Fund	-	-	883,226	883,226	
Transfer in from Department of Public Works Fund	114,653	-	-	114,653	
Transfer out to General Fund	-	-	(504)	(504)	
Transfer out to Master Campus Fund	(833,226)	-	-	(833,226)	
Transfer out to Capital Projects Fund	(50,000)	-	-	(50,000)	
Total other financing sources (uses)	(773,069)	-	882,644	109,575	
Net Change in Fund Balances	409,362	186,532	(9,141)	586,753	
Fund Balances - Beginning of year	1,045,513	279,813	3,406,727	4,732,053	
Fund Balances - End of year	\$ 1,454,875	\$ 466,345	\$ 3,397,586	\$ 5,318,806	

Charter Township of Grand Blanc

Governmental Funds

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 586,753
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	918,492
Depreciation and gain/loss on the sale of fixed assets is recorded as income/expense in the statement of activities but not in the governmental funds	(542,596)
Repayment of bond principal and payments on installment purchase agreements are expenditures in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	771,058
Increase in accumulated employee sick, vacation, and personal pay is recorded when earned in the statement of activities	(682,848)
Certain revenue reported in the statement of activities will not provide current financial resources in the governmental funds until future years	(15,569)
Investment in joint ventures is not included in the funds	<u>(150,393)</u>
Change in Net Assets of Governmental Activities	<u>\$ 884,897</u>

Charter Township of Grand Blanc

Proprietary Fund Statement of Net Assets December 31, 2005

Enterprise Fund -
Department of
Public Works

Assets

Current assets:

Cash and cash equivalents (Note 3)	\$ 6,633,702
Investments (Note 3)	708,861
Receivables:	
Customer usage billings	2,034,482
Receivables billed on tax roll	379,231
Due from other funds (Note 5)	<u>130,760</u>
Total current assets	9,887,036

Noncurrent assets:

Tap-in assessments receivable - Net of current portion	1,834,716
Nondepreciable capital assets (Note 4)	238,131
Depreciable capital assets - Net (Note 4)	<u>72,471,601</u>
Total noncurrent assets	74,544,448

Total assets	84,431,484
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Liabilities

Current liabilities:

Accounts payable	1,406,258
Due to other funds (Note 5)	21,391
Accrued and other liabilities	<u>538,861</u>
Total liabilities	1,966,510

Net Assets

Invested in capital assets	72,709,732
Unrestricted	<u>9,755,242</u>
Total net assets	<u>\$ 82,464,974</u>

Charter Township of Grand Blanc

Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2005

		Enterprise Fund - Department of Public Works	
		Year Ended December 31	
		2005	2004
Operating Revenue			
Sewage disposal		\$ 3,932,200	\$ 3,551,442
Water sales		3,535,177	3,001,280
Water meters		174,346	133,225
Penalties and other charges for services		<u>154,855</u>	<u>191,401</u>
 Total operating revenue		 7,796,578	 6,877,348
Operating Expenses			
Cost of sewage disposal		2,386,334	2,291,187
Cost of water		2,720,390	2,772,907
Depreciation (Note 4)		1,443,420	1,345,027
General and administrative		<u>1,811,590</u>	<u>1,711,677</u>
 Total operating expenses		 8,361,734	 8,120,798
Operating Loss		 (565,156)	 (1,243,450)
Nonoperating Revenue (Expenses)			
Interest income		185,175	105,735
Gain on sale of assets		-	4,070
Property tax revenue (Note 8)		-	180,794
Transfer out to General Fund		(114,653)	-
Mosquito spraying		<u>-</u>	<u>(155,732)</u>
 Total nonoperating revenue		 70,522	 134,867
Net Loss - Before capital contributions		 (494,634)	 (1,108,583)
Capital Contributions			
Donated from developers		1,966,287	2,410,300
Contributions from special assessment districts		45,873	481,900
Tap-in and line inspection fees		<u>6,313,863</u>	<u>1,496,759</u>
 Total capital contributions		 8,326,023	 4,388,959
Net Change in Net Assets		 7,831,389	 3,280,376
Net Assets - Beginning of year		 74,633,585	 71,353,209
Net Assets - End of year		 <u>\$ 82,464,974</u>	 <u>\$ 74,633,585</u>

Charter Township of Grand Blanc

Proprietary Fund Statement of Cash Flows Year Ended December 31, 2005

	Enterprise Fund - Department of Public Works
Cash Flows from Operating Activities	
Receipts from customers	\$ 7,448,576
Payments to suppliers	(5,630,598)
Payments to employees	(1,457,715)
Internal activity - Receipts from other funds	(59,710)
Other receipts	<u>154,855</u>
Net cash provided by operating activities	455,408
Cash Flows from Capital and Related Financing Activities	
Collection of customer assessments (principal and interest)	4,969,046
Purchase of capital assets	<u>(2,689,255)</u>
Net cash provided by capital and related financing activities	2,279,791
Cash Flows from Investing Activities	
Interest received on investments	185,176
Proceeds from sale of investment securities	<u>606,950</u>
Net cash provided by investing activities	<u>792,126</u>
Net Increase in Cash and Cash Equivalents	3,527,325
Cash and Cash Equivalents - Beginning of year	<u>3,106,377</u>
Cash and Cash Equivalents - End of year	<u>\$ 6,633,702</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (565,156)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	1,443,420
Changes in assets and liabilities:	
Receivables	(208,632)
Accounts payable	(496,211)
Accrued and other liabilities	326,212
Due to/from other funds	<u>(44,225)</u>
Net cash provided by operating activities	<u>\$ 455,408</u>

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2005, the Department of Public Works Fund received \$1,966,287 of lines donated by developers.

Charter Township of Grand Blanc

Fiduciary Funds Statement of Net Assets December 31, 2005

	Pension and Other Employee Benefits		
	Trust Funds	Agency Fund	
Assets			
Cash and cash equivalents (Note 3)	\$ 97,490	\$ 7,182,250	
Investments (Note 3):			
Certificate of deposits	540,086		-
Mutual funds	2,578,494		-
Limited partnerships	46,871		-
Corporate bonds	338,381		-
Government securities	1,021,207		-
Other receivables	66,414		-
Total assets	4,688,943	\$ <u>7,182,250</u>	
Liabilities - Undistributed tax collections		\$ <u>7,182,250</u>	
Net Assets - Held in trust for pension and other employee benefits	\$ <u>4,688,943</u>		

Charter Township of Grand Blanc

Fiduciary Funds
Statement of Changes in Net Assets
Pension and Other Employee Benefits Trust Funds
Year Ended December 31, 2005

Additions

Investment income:	
Interest and dividends	\$ 106,915
Net increase in fair value of investments	<u>138,579</u>
Net investment income	245,494
Contributions - Employer	<u>266,608</u>
Total additions	512,102
 Deductions	
Benefit payments	636,021
Administrative expenses	<u>31,700</u>
Total deductions	<u>667,721</u>
 Net Decrease	(155,619)

Net Assets Held in Trust for Pension and Other Employee Benefits

Beginning of year	4,844,562
End of year	<u><u>4,688,943</u></u>

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2005**

Note I - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Grand Blanc (the “Charter Township”) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township:

Reporting Entity

The Charter Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the Charter Township of Grand Blanc. There are no component units to be included in these financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

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. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 funds. Revenue is 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 revenue 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Charter Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability. All other revenue items are considered to be available only when cash is received by the Charter Township.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Charter Township reports the following major governmental funds:

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

Solid Waste Fund - The Solid Waste Fund accounts for the operations of a residential and commercial rubbish collection disposal system, primarily transportation to a privately owned and operated landfill. Funding is provided primarily through a property tax levy.

The Charter Township reports the following major proprietary fund:

Department of Public Works Fund - The Department of Public Works Fund is used to account for the results of operations that provide water and sewer services to residents, financed primarily by a user charge for the provision of those services.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Additionally, the Charter Township reports the following fund types:

Pension and Other Employee Benefits Trust Fund - The Pension and Other Employee Benefits Trust Fund accounts for the activities of employee benefit plans which accumulates resources for pension and other postemployment benefit payments to qualified employees.

Agency Fund - The Agency Fund accounts for tax collections and disbursements of the Charter Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Charter Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Charter Township's water and sewer function and various other functions of the Charter Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the Charter Township's proprietary fund relates to charges to customers for sales and services. The Department of Public Works Fund also recognizes the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. See Note 8 for more information on property tax revenue.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Charter Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. 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.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Vehicles	3 to 10 years
Furniture and equipment	3 to 20 years
Water and sewer distribution systems	45 to 99 years

Compensated Absences (Vacation, Sick, and Personal Leave) - It is the Charter Township's policy to permit employees to accumulate earned but unused sick, vacation, and personal pay benefits. All sick, vacation, and personal pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note I - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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 are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - Comparative total data for the prior year has been presented only for individual Enterprise Funds and certain governmental funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Charter Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Charter Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall - January 1, 2005	\$ (396,637)
Building permit revenue	954,014
<hr/>	
Related expenses:	
Direct costs	\$ 848,958
Estimated indirect costs	<u>127,344</u>
<hr/>	
Total construction code expenses	976,302
<hr/>	
Cumulative shortfall - December 31, 2005	<u>\$ (418,925)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Pension Trust Fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 3 - Deposits and Investments (Continued)

The Charter Township has designated eight banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above. The Charter Township's deposits and investment policies are in accordance with statutory authority.

The Charter Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Charter Township's deposits may not be returned to it. The Charter Township does not have a deposit policy for custodial credit risk. At year end, the Charter Township had \$19,324,135 of bank deposits (certificates of deposit, checking, and savings accounts). Of that amount, approximately \$860,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Charter Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Charter Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. To the extent that cash from various funds has been pooled, related investment income is allocated to each fund based on relative participation in the pool, except that Agency Fund investment earnings are allocated to the General Fund as provided by Michigan law.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Charter Township's investment policy does not restrict investment maturities, other than it limits its exposure to possible decline in fair market value by controlling duration of maturities. The Charter Township prohibits investment of operating funds in securities maturing more than two years from the date of purchase. Reserve and Capital Improvements may be invested in securities exceeding two years but less than five years. At year end, the average maturities of investments are as follows:

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 3 - Deposits and Investments (Continued)

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
U.S. government agency securities	\$ 2,000,280	15 months
Mutual funds (pension)	2,578,494	3.61 years
Corporate bonds (pension)	311,250	4.6 years

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Charter Township has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities are as follows:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Organization</u>
U.S. government agency securities	\$2,000,280	Aaa	Moody's
Mutual funds (pension)	384,743	3 stars	S&P
Mutual funds (pension)	1,485,231	4 stars	S&P
Mutual funds (pension)	708,521	5 stars	S&P
Corporate bonds (pension)	311,250	BB-	Moody's

Concentration of Credit Risk

The Charter Township places no limit on the amount the district may invest in any one issuer. The pension fund investments in General Motors Acceptance Corporation Smartnotes are 10.8 percent of total plan assets and 6.4 percent of total Charter Township investments.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 4 - Capital Assets

Capital asset activity of the Charter Township's governmental and business-type activities was as follows:

	Balance January 1, 2005		Disposals and Adjustments	Balance December 31, 2005
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 1,480,422	\$ 373,550	\$ -	\$ 1,853,972
Capital assets being depreciated:				
Buildings and improvements	4,363,988	183,675	-	4,547,663
Vehicles	920,259	209,980	41,209	1,089,030
Furniture and equipment	2,108,329	151,287	19,341	2,240,275
Subtotal	7,392,576	544,942	60,550	7,876,968
Accumulated depreciation:				
Buildings and improvements	1,323,487	134,851	-	1,458,338
Vehicles	462,156	151,894	21,519	592,531
Furniture and equipment	1,402,250	235,659	18,839	1,619,070
Subtotal	3,187,893	522,404	40,358	3,669,939
Net capital assets being depreciated	4,204,683	22,538	20,192	4,207,029
Net governmental capital assets	\$ 5,685,105	\$ 396,088	\$ 20,192	\$ 6,061,001

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 4 - Capital Assets (Continued)

	Balance January 1, 2005		Disposals and Adjustments	Balance December 31, 2005
Business-type Activities				
Capital assets not being depreciated -				
Land	\$ 236,881	\$ 1,250	\$ -	\$ 238,131
Capital assets being depreciated:				
Water and sewer distribution systems	77,863,058	4,582,523	-	82,445,581
Buildings and improvements	516,453	-	-	516,453
Vehicles	1,623,399	-	76,863	1,546,536
Furniture and equipment	3,341,796	114,937	-	3,456,733
Subtotal	83,344,706	4,697,460	76,863	87,965,303
Accumulated depreciation:				
Water and sewer distribution systems	12,072,272	1,201,983	-	13,274,255
Buildings and improvements	126,469	10,507	-	136,976
Vehicles	635,625	156,429	33,695	758,359
Furniture and equipment	1,249,611	74,501	-	1,324,112
Subtotal	14,083,977	1,443,420	33,695	15,493,702
Net capital assets being depreciated	69,260,729	3,254,040	43,168	72,471,601
Net business-type capital assets	<u>\$ 69,497,610</u>	<u>\$ 3,255,290</u>	<u>\$ 43,168</u>	<u>\$ 72,709,732</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 210,754
Public safety	247,755
Economic development	5,969
Recreation and culture	<u>57,926</u>
Total governmental activities	<u>\$ 522,404</u>
Business-type activities - Water and sewer	<u>\$ 1,443,420</u>

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 4 - Capital Assets (Continued)

Construction Commitments - The Charter Township had one significant active construction project at year end. This project was the National Estates water main project. At year end, the Charter Township's commitment with contractors is as follows:

	Spent to Date	Remaining Commitment
National Estates water main	\$ 908,798	\$ 100,978

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From	Amount
General Fund	Department of Public Works	\$ 21,391
Department of Public Works	General Fund	130,760
Nonmajor governmental fund - Capital Projects Fund	General Fund	2,274,604
Nonmajor governmental fund - Master Campus Fund	General Fund	834,022
Other nonmajor governmental funds	General Fund	<u>100,802</u>
Total nonmajor governmental funds		3,209,428
Total		<u>\$ 3,361,579</u>

The balance owed from the General Fund to the Capital Projects Fund and the Master Campus Fund represents the cumulative amount transferred from the General Fund to the Capital Projects Fund and the Master Campus Fund over that fund's lifetime. The General Fund continues to hold the cash and investments so that it may continue to earn interest on these funds. The other balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are comprised of the following:

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Capital Projects Fund	\$ 833,226
General Fund	Master Campus Fund	50,000
Debt Service Fund	General Fund	504
Department of Public Works Fund	General Fund	<u>114,653</u>
 Total		\$ <u>998,383</u>

The transfers from the General Fund to the Capital Projects Fund and the Master Campus Fund represent transfers of unrestricted resources to finance capital projects. The transfer from the Department of Public Works Fund to the General Fund was to transfer the accumulated activity related to mosquito spraying.

Note 6 - Long-term Debt

The Charter Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Charter Township. County contractual agreements and installment purchase agreements are also general obligations of the government.

The special assessment obligations represent the financing of road improvements done by the Genesee County Road Commission that benefit certain districts within the Charter Township; these districts are assessed, at least in part, for the cost of the improvements. The remaining cost is split between the Road Commission and the Charter Township. The Charter Township funds its portion of the cost annually from General Fund revenues. No additional funds have been set aside for the future payment of this debt. Other long-term obligations include compensated absences. The General Fund and the Enterprise Fund pay obligations related to compensated absences.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 6 - Long-term Debt (Continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	(Reductions)	Ending Balance	Due Within One Year
Governmental Activities							
Other governmental obligations:							
Special assessment at-large road districts of the Genesee County Road Commission							
Amount of issue: \$1,371,149		\$3,231 - \$98,188	\$ 405,182	\$ -	\$ (121,182)	\$ 284,000	\$ 98,188
Maturing through 2010	6.125%						
Installment purchase agreements - Contract issued in 2001 for the Charter Township's portion of a fire truck purchase for the Grand Blanc Fire Commission							
Amount of issue: \$150,000	4.99%	\$15,000 - \$20,000	120,000	-	(15,000)	105,000	15,000
Maturing through 2011							
Other long-term obligations - Compensated absences			319,431	682,848	(634,876)	367,403	315,116
Total governmental activities			844,613	682,848	(771,058)	756,403	428,304
Business-type Activities - Other long-term obligations -							
Compensated absences			37,381	118,122	(104,177)	51,326	51,326
Total governmental and business-type activities			\$ 881,994	\$ 800,970	\$ (875,235)	\$ 807,729	\$ 479,630

Annual debt service requirements to maturity for the above governmental bond and note obligations are as follows:

	Governmental Activities		
	Principal	Interest	Total
2006	\$ 113,188	\$ 18,231	\$ 131,419
2007	110,518	12,668	123,186
2008	52,734	7,260	59,994
2009	57,734	4,665	62,399
2010	31,597	1,946	33,543
2011-2015	23,230	499	23,729
Total	\$ 389,001	\$ 45,269	\$ 434,270

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 7 - Reserved and Designated Fund Balances

Fund balances have been designated as follows:

Capital Projects Fund - Designated for	
Technology	\$ 103,593
Pathway/Trailway Plan	338,434
Vehicle replacement	84,000
Road improvements	835,416
Future land obligations	575,000
McGrath Park	20,000
Bicentennial Park	93,161
Midway Park	25,000
Splash Park	200,000
Total Capital Projects Fund	2,274,604
Master Campus Project - Designated	834,022
Total fund balance designated for capital projects	\$ 3,108,626

Note 8 - Property Tax Revenue

The Charter Township's governmental funds recognize the December 1, 2004 property tax levy as revenue for the year ended December 31, 2005. The following is a breakdown of tax levies:

Source of Taxes	Fund Receiving Taxes	Approximate Revenue
Governmental funds:		
Operating millage - Charter limit of 5.0 mills:		
3.6806 mills - Operating	General Fund	\$ 4,381,000
.70 mills - For Master Campus Project	General Fund	833,000
Police millage - .9148 mills - Voted millage for public service	General Fund	1,089,000
Act 198/255 taxes and administration fees	General Fund	551,627

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 8 - Property Tax Revenue (Continued)

A mill equals one dollar of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2004 was approximately \$1,190,323,000.

The police millage raised less revenue than expenditures. A millage rate of .15 mills for mosquito spraying was moved in the current year from the Department of Public Works to the General Fund. As a result, the December 2005 levy was recorded as deferred revenue instead of revenue for the fiscal year 2005.

Note 9 - Risk Management

The Charter Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Charter Township has purchased commercial insurance for workers' compensation and medical benefits and participates in the Michigan Townships Participating Plan (the "Plan") risk pool for claims relating to general liability. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 10 - Defined Benefit Pension Plan

Plan Description - The Charter Township participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers all employees of the police sergeants, police officers, and police administration. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute to and maintain the System for these employees was established by negotiation with the Police Officers Labor Council Patrol Officers Union. The agreement requires a contribution from the employer of any actuarially required contributions in excess of 15 percent prior to 1997 and 14 percent after January 1, 1997. Currently, this results in an employee contribution ranging from 1.68 percent to 4.68 percent of gross wages.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 10 - Defined Benefit Pension Plan (Continued)

Annual Pension Costs - For the year ended December 31, 2005, the Charter Township's annual pension cost of \$628,210 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2003, using the entry age normal cost method.

Significant actuarial assumptions used include: (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent to 8.66 percent per year, and (c) 2.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 28-30 years depending on division.

Three-year trend information is as follows:

	Fiscal Year Ended December 31		
	2003	2004	2005
Annual pension costs (APC)	\$ 369,963	\$ 397,051	\$ 628,210
Percentage of APC contributed	100%	100%	100%
Net pension obligation	None	None	None
	Actuarial Valuation as of December 31		
	2001	2002	2003
Actuarial value of assets	\$ 1,894,710	\$ 2,195,050	\$ 2,702,602
Actuarial Accrued Liability (AAL) (entry age normal)	\$ 5,104,536	\$ 5,411,309	\$ 5,860,743
Unfunded AAL (UAAL)	\$ 3,209,826	\$ 3,216,259	\$ 3,158,141
Funded ratio	37.1%	40.6%	46.1%
Covered payroll	\$ 1,615,171	\$ 1,948,189	\$ 2,116,256
UAAL as a percentage of covered payroll	199%	165%	149%

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 11 - Defined Contribution Pension Plan

The Charter Township provides pension benefits to all of its full-time employees (except police personnel, who are covered by a defined benefit plan effective January 1, 1993) through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment (or other date). As established by the Charter Township board of trustees, the Charter Township contributes 15 percent of employees' gross earnings and employees are not permitted to make contributions other than participant rollover contributions. In accordance with these requirements, the Charter Township contributed \$266,608 during the current year, and there was no employee contribution.

Note 12 - Joint Ventures

The Charter Township is a member of the Grand Blanc District Library Commission, which provides library services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$55,200 for its operations. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc District Library Commission can be obtained from the administrative offices at 4195 West Pasadena, Flint, MI 48504.

The Charter Township is a member of the Grand Blanc Parks and Recreation Commission, which provides recreational services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$220,410 for its operations. The Charter Township's equity interest of \$269,456 is recorded within the governmental activities column of the statement of net assets. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Parks and Recreation Commission can be obtained from the administrative offices at 131 East Grand Blanc Road, Grand Blanc, MI 48439.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 12 - Joint Ventures (Continued)

The Charter Township is a member of the Grand Blanc Fire Commission, which provides fire protection services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$536,556 for its operations. The Charter Township's equity of \$1,361,194 is recorded within the governmental activities column of the statement of net assets. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Fire Commission can be obtained from the administrative offices at 117 High Street, Grand Blanc, MI 48439.

Note 13 - Contingent Liabilities

The Charter Township has been named as a defendant in multiple claims and lawsuits requesting damages of various amounts. The various proceedings have not yet progressed to the point where legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. The Charter Township has not recorded an estimate of this liability at December 31, 2005.

Note 14 - Other Postemployment Benefits

The Charter Township provides health care benefits to employees with 20 years of service and who have attained the age of 55 (25 years of service for sworn police officers) upon retirement, in accordance with labor contracts. Currently, 12 retirees are eligible. The Charter Township includes retirees and their dependants in its insured health care plan, with no contribution required by the participant. Expenditures for postemployment health care benefits are recognized as the insurance premiums become due; during the year, this amounted to approximately \$162,000.

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2008.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2005

Note 15 - Deferred Revenue

Governmental funds report deferred revenue in connection with revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Governmental Funds			Governmental Activities	
	Unavailable	Unearned	Total		Unearned
Property taxes levied for 2006 operations	\$ -	\$ 7,489,267	\$ 7,489,267	\$ 7,489,267	
Solid waste charges billed for 2006 operations	-	1,050,235	1,050,235	1,050,235	
Mosquito taxes levied for 2006 operations	-	167,532	167,532	167,532	
Delinquent property taxes	<u>32,368</u>	<u>-</u>	<u>32,368</u>	<u>-</u>	
Total	<u>\$ 32,368</u>	<u>\$ 8,707,034</u>	<u>\$ 8,739,402</u>	<u>\$ 8,707,034</u>	

Required Supplemental Information

General Fund

The General Fund contains the records of the ordinary activities of the Charter Township that are not accounted for in another fund. General Fund activities are funded by revenues from state-shared revenues, general property taxes, and other sources. The schedules comparing revenues and expenditures - budgetary comparison schedule - compare the activity final amended budgets (the level on which expenditures may not legally exceed appropriations) to actual revenues and expenditures.

Charter Township of Grand Blanc

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2005

	Prior Year Actual	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues					
Property taxes	\$ 5,895,772	\$ 7,014,407	\$ 7,014,407	\$ 6,946,675	\$ (67,732)
Licenses and permits:					
Building permits	490,009	511,700	576,393	646,242	69,849
Inspection fees	289,532	341,200	345,561	312,258	(33,303)
Cable television franchise fee	338,206	301,400	301,400	356,840	55,440
Zoning fees	90,987	292,880	292,880	97,431	(195,449)
Other	32,980	19,590	19,590	27,539	7,949
Total licenses and permits	1,241,714	1,466,770	1,535,824	1,440,310	(95,514)
Federal sources - Police grants	24,065	15,000	15,000	-	(15,000)
State sources:					
Revenue sharing	2,323,369	2,333,640	2,333,640	2,302,999	(30,641)
Police grants	82,861	82,800	82,800	89,114	6,314
Liquor license fees	14,188	15,000	15,000	14,329	(671)
Total state sources	2,420,418	2,431,440	2,431,440	2,406,442	(24,998)
District Court fines	130,445	100,000	100,000	135,472	35,472
Interest	120,598	104,219	104,219	242,854	138,635
Other revenues:					
Special assessments	142,004	160,000	160,000	150,296	(9,704)
Other	9,712	16,550	16,550	16,961	411
Refunds and rebates:					
Police	55,674	45,000	89,731	111,855	22,124
School summer tax collection fees	50,203	-	-	45,742	45,742
Total other revenues	257,593	221,550	266,281	324,854	58,573
Total revenues	10,090,605	11,353,386	11,467,171	11,496,607	29,436

Charter Township of Grand Blanc

Required Supplemental Information (Continued) Budgetary Comparison Schedule - General Fund Year Ended December 31, 2005

	Prior Year Actual	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Expenditures					
General government:					
General office	\$ 588,842	\$ 780,486	\$ 684,276	\$ 638,649	\$ 45,627
Legislative	306,119	348,015	328,015	306,161	21,854
Supervisor's office	129,833	141,095	163,316	138,687	24,629
Clerk's office	250,893	249,652	269,652	252,866	16,786
Treasurer's office	243,667	231,197	244,523	244,328	195
Elections	26,434	19,920	21,920	11,899	10,021
Assessor's office	425,354	409,536	384,536	377,060	7,476
Building and grounds	172,691	162,915	164,414	156,696	7,718
Planning and zoning	311,225	596,920	446,920	384,154	62,766
Legal and attorney	226,008	235,000	230,000	223,821	6,179
Total general government	2,681,066	3,174,736	2,937,572	2,734,321	203,251
Public safety:					
Police	4,610,673	4,732,068	5,341,299	5,346,823	(5,524)
Fire	524,429	540,163	544,917	544,480	437
Building and zoning	793,697	845,474	896,167	848,959	47,208
Total public safety	5,928,799	6,117,705	6,782,383	6,740,262	42,121
Public services	1,058,673	1,284,643	895,925	839,593	56,332
Total expenditures	9,668,538	10,577,084	10,615,880	10,314,176	301,704
Excess of Revenues Over Expenditures	422,067	776,302	851,291	1,182,431	331,140
Other Financing Sources (Uses)					
Contingency	-	(50,105)	(50,105)	(5,000)	45,105
Transfer in from Department of Public Works Fund	-	103,803	103,803	114,653	10,850
Transfer in from Debt Service Fund	160,502	-	-	504	504
Transfer to Capital Projects Fund	(225,000)	-	(50,000)	(50,000)	-
Transfer to Master Campus Fund	(330,352)	(830,000)	(856,989)	(833,226)	23,763
Total other financing sources (uses)	(394,850)	(776,302)	(853,291)	(773,069)	80,222
Net Change in Fund Balance	27,217	-	(2,000)	409,362	411,362
Fund Balance - Beginning of year	1,018,296	1,160,166	1,045,513	1,045,513	-
Fund Balance - End of year	\$ 1,045,513	\$ 1,160,166	\$ 1,043,513	\$ 1,454,875	\$ 411,362

Major Special Revenue Fund

The Solid Waste Fund is a Special Revenue Fund. Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. This fund accounts for the operations of a residential and commercial rubbish collection and disposal system, primarily transportation to a privately owned and operated landfill.

Charter Township of Grand Blanc

**Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Fund
Year Ended December 31, 2005**

Solid Waste Fund					
	Prior Year Actual	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenues					
Solid waste collection charges	\$ 1,227,837	\$ 1,227,837	\$ 1,227,837	\$ 1,275,480	\$ 47,643
Interest	<u>7,096</u>	<u>6,500</u>	<u>6,500</u>	<u>22,277</u>	<u>15,777</u>
Total revenues	1,234,933	1,234,337	1,234,337	1,297,757	63,420
Expenditures - Public services - Solid waste collection	<u>1,140,056</u>	<u>1,264,872</u>	<u>1,264,872</u>	<u>1,111,225</u>	<u>153,647</u>
Excess of Revenues Over (Under) Expenditures	94,877	(30,535)	(30,535)	186,532	217,067
Fund Balance - Beginning of year	<u>184,936</u>	<u>279,813</u>	<u>279,813</u>	<u>279,813</u>	-
Fund Balance - End of year	<u>\$ 279,813</u>	<u>\$ 249,278</u>	<u>\$ 249,278</u>	<u>\$ 466,345</u>	<u>\$ 217,067</u>

Charter Township of Grand Blanc

Note to Required Supplemental Information December 31, 2005

Note - Budgetary Information

Budgetary Information - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The Charter Township adopts a formal budget for the General Fund and Special Revenue Funds. By August 1 of each year, all department heads submit spending requests to the Charter Township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Charter Township Board for review. Public hearings are held, and the final budget is adopted no later than November 1. The Charter Township must approve any budget amendments.

The budget document presents information by fund, function, department, and line items. Appropriations are adopted by the Charter Township board on a departmental basis; this is the legal level of budgetary control. Expenditures at the departmental level in excess of budget appropriations are a violation of Michigan law. During the year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. Encumbrances are not included as expenditures or liabilities; the amount of encumbrances outstanding at December 31, 2005 is not significant. Unexpended appropriations lapse at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Charter Township of Grand Blanc did not incur any significant expenditures that were in excess of the amounts budgeted.

Other Supplemental Information

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. A description of the Special Revenue Funds included as nonmajor governmental funds is as follows:

Drug Forfeiture Fund - This fund accounts for monies received from the Federal Drug Enforcement Agency for law enforcement purposes and for state funds related to drug enforcement purposes. These monies are to be used to supplement existing law and drug enforcement funds in the law enforcement field.

Law Enforcement Fund - This fund accounts for monies received as a result of gambling raids. These funds are to be used for law enforcement enhancement.

Bicentennial Park Fund - This fund accounts for monies received from Trinity Wireless for the use of land within Bicentennial Park for a cellular tower. These funds are to be used for Bicentennial Park improvements.

PEG Channel Grant Fund - This fund accounts for monies collected by the Charter Township for the operation of public, educational, and government channels (PEG).

Debt Service Fund

Water and Sewer Debt Service Fund - This fund accounts for proceeds of property taxes that are earmarked for debt.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition of capital facilities other than those financed by the operations of an Enterprise Fund. A description of the Capital Projects Funds included as nonmajor governmental funds is as follows:

Capital Projects Fund - This fund is used to account for earmarked revenue set aside for public improvements of a major nature. Revenue sources to date have come solely from General Fund operating transfers.

Master Campus Project - This fund is used to account for property taxes set aside for all costs associated with the development and construction of a Charter Township master campus.

Nonmajor Governmental Funds (Continued)

Permanent Funds

Permanent Funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for Charter Township programs. A description of the Permanent Funds included as nonmajor governmental funds is as follows:

Oakwood Cemetery Fund - This fund is used to account for Oakwood Cemetery deposits.

Perry Cemetery Fund - This fund is used to account for Perry Cemetery deposits.

Maple Cemetery Fund - This fund is used to account for Maple Cemetery deposits.

Charter Township of Grand Blanc

Special Revenue Funds					
	Drug Forfeiture	Law Enforcement	Bicentennial Park	PEG Channel Grant	
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Due from other funds	<u>5,907</u>	<u>17,492</u>	<u>10,224</u>	<u>3,088</u>	
Total assets	<u>\$ 5,907</u>	<u>\$ 17,492</u>	<u>\$ 10,224</u>	<u>\$ 3,088</u>	
Liabilities and Fund Balances					
Liabilities - Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances					
Reserved:					
Cable TV activities	-	-	-	-	3,088
Law enforcement	<u>5,907</u>	<u>17,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cemetery - Unexpendable	-	-	-	-	-
Cemetery - Expendable	-	-	-	-	-
Unreserved - Designated - Capital projects	-	-	-	-	-
Unreserved - Undesignated	<u>-</u>	<u>-</u>	<u>10,224</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>5,907</u>	<u>17,492</u>	<u>10,224</u>	<u>3,088</u>	
Total liabilities and fund balances	<u>\$ 5,907</u>	<u>\$ 17,492</u>	<u>\$ 10,224</u>	<u>\$ 3,088</u>	

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

Debt Service

Fund	Capital Projects Funds			Permanent Funds			Total Nonmajor Governmental Funds
	Capital Projects Fund	Master Campus Project	Oakwood Cemetery Fund	Perry Cemetery Fund	Maple Cemetery Fund		
\$ -	\$ -	\$ -	\$ 10,000	\$ 37,232	\$ -	\$ 47,232	
-	-	-	39,353	76,035	25,538		140,926
-	<u>2,274,604</u>	<u>834,022</u>	<u>-</u>	<u>-</u>	<u>64,091</u>		<u>3,209,428</u>
\$ -	<u>\$ 2,274,604</u>	<u>\$ 834,022</u>	<u>\$ 49,353</u>	<u>\$ 113,267</u>	<u>\$ 89,629</u>		<u>\$ 3,397,586</u>
-	-	-	-	-	-		3,088
-	-	-	-	-	-		23,399
-	-	-	14,885	81,769	25,537		122,191
-	-	-	34,468	31,498	64,092		130,058
-	<u>2,274,604</u>	<u>834,022</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>3,108,626</u>
-	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>10,224</u>
<u>-</u>	<u>2,274,604</u>	<u>834,022</u>	<u>49,353</u>	<u>113,267</u>	<u>89,629</u>		<u>3,397,586</u>
\$ -	<u>\$ 2,274,604</u>	<u>\$ 834,022</u>	<u>\$ 49,353</u>	<u>\$ 113,267</u>	<u>\$ 89,629</u>		<u>\$ 3,397,586</u>

Charter Township of Grand Blanc

Special Revenue Funds				
	Drug Forfeiture	Law Enforcement	Bicentennial Park	PEG Channel Grant
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ -
Forfeitures and seizures	7,010	5,400	-	-
Investment income (loss)	-	-	-	-
Other	-	-	16,296	19,493
Total revenue	7,010	5,400	16,296	19,493
Expenditures				
General government	-	-	-	38,785
Public safety	2,241	4,281	-	-
Capital outlay	-	-	22,819	-
Other	-	-	-	-
Total expenditures	2,241	4,281	22,819	38,785
Excess of Revenue Over (Under) Expenditures	4,769	1,119	(6,523)	(19,292)
Other Financing Sources (Uses)				
Transfer from other funds	-	-	-	-
Transfer to other funds	-	-	-	-
Net Change in Fund Balances	4,769	1,119	(6,523)	(19,292)
Fund Balances - Beginning of year	1,138	16,373	16,747	22,380
Fund Balances - End of year	\$ 5,907	\$ 17,492	\$ 10,224	\$ 3,088

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2005

Debt Service

Fund	Capital Projects Funds			Permanent Funds			Total Nonmajor Governmental Funds
	Water and Sewer Debt Service Fund	Capital Projects Fund	Master Campus Project	Oakwood Cemetery Fund	Perry Cemetery Fund	Maple Cemetery Fund	
\$ 468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468
-	-	-	-	-	-	-	12,410
114	-	34,513	-	3,873	(966)	25,538	63,072
-	-	-	-	-	1,800	64,091	101,680
582	-	34,513	-	3,873	834	89,629	177,630
-	-	-	-	-	-	-	38,785
-	-	-	-	-	-	-	6,522
-	506,419	494,870	-	-	-	-	1,024,108
78	-	-	-	-	-	-	78
78	506,419	494,870	-	-	-	-	1,069,493
504	(506,419)	(460,357)	-	3,873	834	89,629	(891,863)
-	50,000	833,226	-	-	-	-	883,226
(504)	-	-	-	-	-	-	(504)
-	(456,419)	372,869	3,873	834	89,629	-	(9,141)
-	2,731,023	461,153	45,480	112,433	-	-	3,406,727
\$ -	\$ 2,274,604	\$ 834,022	\$ 49,353	\$ 113,267	\$ 89,629	\$ 3,397,586	

Charter Township of Grand Blanc

**Other Supplemental Information
Budgetary Comparison Schedule
Nonmajor Governmental Funds
Year Ended December 31, 2005**

		Drug Forfeiture Fund			
		Variance with			
		Prior Year	Amended		
		Actual	Budget	Actual	Budget
Revenues - Forfeitures and seizures		\$ 2,190	\$ 4,000	\$ 7,010	\$ 3,010
Expenditures - Public safety		<u>1,537</u>	<u>5,000</u>	<u>2,241</u>	<u>2,759</u>
Excess of Revenues Over (Under)					
Expenditures		653	(1,000)	4,769	5,769
Fund Balance - Beginning of year		<u>485</u>	<u>1,138</u>	<u>1,138</u>	<u>-</u>
Fund Balance - End of year		<u>\$ 1,138</u>	<u>\$ 138</u>	<u>\$ 5,907</u>	<u>\$ 5,769</u>

Charter Township of Grand Blanc

**Other Supplemental Information
Budgetary Comparison Schedule
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2005**

Law Enforcement Fund						
						Variance with
	Prior Year	Amended				Amended
	Actual	Budget	Actual			Budget
Revenues - Forfeitures and seizures	\$ -	\$ 4,000	\$ 5,400		\$ 1,400	
Expenditures - Public safety	<u>9,660</u>	<u>4,000</u>	<u>4,281</u>		<u>(281)</u>	
Excess of Revenues Over (Under) Expenditures	<u>(9,660)</u>	<u>-</u>	<u>1,119</u>		<u>1,119</u>	
Fund Balance - Beginning of year	<u>26,033</u>	<u>16,373</u>	<u>16,373</u>		<u>-</u>	
Fund Balance - End of year	<u>\$ 16,373</u>	<u>\$ 16,373</u>	<u>\$ 17,492</u>		<u>\$ 1,119</u>	

Charter Township of Grand Blanc

**Other Supplemental Information
Budgetary Comparison Schedule
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2005**

	Bicentennial Park Fund				
					Variance with
	Prior Year Actual	Amended Budget	Actual	Amended Budget	
Revenues - Rental income	\$ 13,200	\$ 14,400	\$ 16,296	\$ 1,896	
Expenditures - Capital outlay	3,077	14,400	22,819	(8,419)	
Excess of Revenues Over (Under) Expenditures	10,123	-	(6,523)	(6,523)	
Fund Balance - Beginning of year	6,624	16,747	16,747	-	
Fund Balance - End of year	\$ 16,747	\$ 16,747	\$ 10,224	\$ (6,523)	

Charter Township of Grand Blanc

**Other Supplemental Information
Budgetary Comparison Schedule
Nonmajor Governmental Funds (Continued)
Year Ended December 31, 2005**

				PEG Channel Grant			
				Variance with			
		Prior Year	Amended			Amended	
		Actual	Budget	Actual		Budget	
Revenues - PEG contributions		\$ 19,292	\$ 20,000	\$ 19,493		\$ (507)	
Expenditures - Other		<u>57,491</u>	<u>20,000</u>	<u>38,785</u>		<u>18,785</u>	
Excess of Expenditures Over							
Revenues		(38,199)	-	(19,292)		(19,292)	
Fund Balance - Beginning of year		<u>60,579</u>	<u>22,380</u>	<u>22,380</u>		<u>-</u>	
Fund Balance - End of year		<u>\$ 22,380</u>	<u>\$ 22,380</u>	<u>\$ 3,088</u>		<u>\$ (19,292)</u>	

Fiduciary Funds

A description of the Fiduciary Funds maintained by the Charter Township is as follows:

Pension Trust Fund - This fund accounts for employer and employee contributions to the Charter Township's defined contribution pension plan.

Employee Benefits Fund - This fund accounts for anticipated future costs of existing employee benefit programs.

Charter Township of Grand Blanc

Other Supplemental Information
Combining Statement of Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2005

	Pension Trust	Employee Benefits	Total
Assets			
Cash and equivalents	\$ 97,490	\$ -	\$ 97,490
Investments:			
Certificate of deposits	100,258	439,828	540,086
Mutual funds	2,578,494	-	2,578,494
Limited partnerships	46,871	-	46,871
Corporate bonds	338,381	-	338,381
Government securities	-	1,021,207	1,021,207
Other receivables	<u>31,666</u>	<u>34,748</u>	<u>66,414</u>
Net Assets - Reserved for pension and other employee benefits	<u>\$ 3,193,160</u>	<u>\$ 1,495,783</u>	<u>\$ 4,688,943</u>

Charter Township of Grand Blanc

Other Supplemental Information
Combining Statement of Changes in Net Assets
Pension and Other Employee Benefit Trust Funds
Year Ended December 31, 2005

	Employee		
	Pension Trust	Benefits	Total
Additions			
Investment income:			
Interest and dividends	\$ 100,400	\$ 6,515	\$ 106,915
Net increase in fair value of investments	<u>138,579</u>	-	<u>138,579</u>
Net investment income	238,979	6,515	245,494
Contributions - Employer	<u>266,608</u>	-	<u>266,608</u>
Total additions	505,587	6,515	512,102
Deductions			
Benefit payments	636,021	-	636,021
Administrative expenses	<u>31,700</u>	-	<u>31,700</u>
Total deductions	<u>667,721</u>	-	<u>667,721</u>
Net Increase (Decrease)	(162,134)	6,515	(155,619)
Net Assets Held in Trust for Pension and Other Employee Benefits			
Beginning of year	<u>3,355,294</u>	<u>1,489,268</u>	<u>4,844,562</u>
End of year	<u>\$ 3,193,160</u>	<u>\$ 1,495,783</u>	<u>\$ 4,688,943</u>

Charter Township of Grand Blanc

Fiduciary Funds
Statement of Changes in
Assets and Liabilities - Agency Fund
Year Ended December 31, 2005

	Balance January 1, 2005	Additions	Deductions	Balance December 31, 2005
Assets - Cash and cash equivalents	<u>\$ 4,000,502</u>	<u>\$ 52,407,542</u>	<u>\$ 49,225,794</u>	<u>\$ 7,182,250</u>
Liabilities - Undistributed tax collections	<u>\$ 4,000,502</u>	<u>\$ 52,407,542</u>	<u>\$ 49,225,794</u>	<u>\$ 7,182,250</u>

Statistical Section

Charter Township of Grand Blanc

General Governmental Expenditures by Function Last Ten Fiscal Years (amounts expressed in thousands)

Year	General Government	Public Safety	Public Services	Debt Service	Capital Outlay	Other	Total
1996	\$ 1,117	\$ 2,807	\$ 1,652	\$ 1,755	\$ 1,107	\$ 6	\$ 8,444
1997	1,267	3,167	1,715	1,727	16	6	7,898
1998	1,304	3,276	2,134	1,681	2,109	6	10,510
1999	1,670	3,792	2,045	1,537	545	6	9,595
2000	1,719	4,006	1,885	1,496	518	6	9,630
2001	1,719	4,613	1,747	1,268	235	5	9,587
2002	2,014	5,384	2,014	1,201	1,101	5	11,719
2003*	2,278	5,744	2,519	483	330	165	11,519
2004	2,739	5,940	2,199	468	146	29	11,521
2005	2,773	6,747	1,951	-	1,024	-	12,495

General Governmental Revenues by Source Last Ten Fiscal Years (amounts expressed in thousands)

Year	Property Taxes	Licenses and Permits	State Sources	Charges for Services	Interest	Other	Total
1996	\$ 4,041	\$ 549	\$ 2,178	\$ 960	\$ 301	\$ 255	\$ 8,284
1997	4,115	489	2,056	960	282	398	8,300
1998	4,470	864	2,177	898	337	612	9,358
1999	4,723	987	2,358	974	309	577	9,928
2000	5,008	907	2,482	1,070	414	411	10,292
2001	5,047	1,285	2,916	1,113	414	376	11,151
2002	5,433	1,413	2,760	1,098	203	474	11,381
2003*	5,909	1,217	3,016	1,168	200	555	12,065
2004	6,360	1,242	2,420	1,228	121	448	11,819
2005	6,947	1,440	2,407	1,276	328	574	12,972

* 2003 reflects the effects of implementing GASB Statement No. 34. Prior to 2003, the Employee Benefits Fund was reported as a governmental fund and the Perry Cemetery and Oakwood Cemetery Funds were reported as Fiduciary Funds. Beginning in 2003, the Employee Benefits Fund is reported as a Fiduciary Fund and the Cemetery Funds are reported as Permanent Funds.

Charter Township of Grand Blanc

Tax Year*	Total Levy	Current Collections	Percent Collected	Delinquent Collections
1996	\$ 3,900,102	\$ 3,704,012	94.97	\$ 179,482
1997	4,181,877	3,908,970	93.47	255,662
1998	4,392,004	4,117,227	93.74	274,140
1999	4,698,371	4,425,947	94.20	249,734
2000	4,717,231	4,463,157	94.61	245,783
2001	5,088,582	4,820,983	94.74	263,741
2002	5,631,935	5,308,723	94.26	286,174
2003	6,014,126	5,798,942	96.42	190,231
2004	6,574,010	6,060,765	92.19	485,848
2005	7,004,728	6,509,567	92.93	470,164

Property Values**

Tax Year	Estimated		
	Actual Value	Taxable Value***	Ratio
1996	\$ 1,309,483,800	\$ 620,667,850	47.40
1997	1,449,714,800	683,208,361	47.13
1998	1,633,083,000	747,902,145	45.80
1999	1,801,398,800	816,439,688	45.32
2000	1,837,971,400	871,269,165	47.40
2001	2,046,331,800	954,764,747	46.66
2002	2,287,789,000	1,051,049,801	45.94
2003	2,553,378,000	1,134,557,982	44.43
2004	2,752,397,800	1,224,270,807	44.48
2005	2,783,897,000	1,308,988,354	47.02

* Tax year falls one year prior to the fiscal year in which the taxes are budgeted. For example, the 1996 taxes become revenue of the fiscal year ended December 31, 1997.

** Property values include Act 198 abated properties, stated at 50 percent of assessed value.

*** Taxable values prior to 1995 were assessed at 50 percent of true cash value. Beginning with the 1995 assessments, the growth in taxable value of each parcel of property is limited by the lesser of inflation or 5 percent.

Property Tax Data
Township Property Tax Levies and Collections
Last Ten Fiscal Years

Total Collections	Percent of Levy	Delinquent Taxes	Percent of Levy
\$ 3,883,494	99.57	\$ 16,608	0.04
4,164,632	99.59	17,245	0.41
4,391,367	99.99	637	0.01
4,675,681	99.52	22,690	0.48
4,708,940	99.82	8,291	0.18
5,084,724	99.92	3,858	0.08
5,594,897	99.34	37,038	0.66
5,989,173	99.59	24,953	0.41
6,546,613	99.58	27,397	0.42
6,979,731	99.64	24,997	0.36

Property Values and Millage Rates

Township	County	Millage Rates		
		School		
6.4576	8.1618	12.7277	30.7277	27.3471
6.4275	8.2618	12.4777	30.4777	27.1670
6.2387	8.2618	14.2777	32.2777	28.7782
6.0692	8.2345	14.2513	32.1307	28.5550
5.6986	8.2271	14.2588	32.0899	28.1845
5.5737	8.2187	15.2430	33.2430	29.0354
5.5237	8.1831	15.1825	32.9305	28.8893
5.4618	8.1373	14.0714	31.7058	27.6705
5.4454	8.5154	17.6936	35.3280	31.6544
5.4231	8.5091	17.7183	35.7183	31.6505

Charter Township of Grand Blanc

Property Tax Data (Continued) Principal Taxpayers Last Ten Fiscal Years

Principal Taxpayers	Type of Business	2005 Taxable Value	Percent of Total
General Motors	Auto manufacturing	\$ 44,164,292	31.37
Consumers Energy	Utilities	17,039,521	12.10
Ring Screw Works	Manufacturing	15,333,979	10.89
VEMCO - Cadence Innovation	Manufacturing	10,858,200	7.71
Auker	Real estate	10,211,566	7.25
Edward Rose Assoc.	Apartments	9,873,600	7.01
Knollwood Village Assoc.	Apartments	9,186,900	6.53
Genesys Medsports	Health/Fitness/Conference	9,144,500	6.50
Wal-Mart/Sam's	Retail sales	7,792,161	5.53
Grand Blanc processing	Manufacturing	7,190,794	5.11
Total		\$ 140,795,513	100.00

Charter Township of Grand Blanc

Computation of Legal Debt Margin December 31, 2005

Taxable value subject to property tax	\$ 1,274,986,169
Taxable value subject to Act 198 Industrial Facilities Tax	<u>34,002,185</u>
 Total taxable value	<u>\$ 1,308,988,354</u>
 Legal debt margin - 10%	\$ 130,898,835
Debt applicable to limitation:	
Total governmental activities debt	\$ 756,403
Less special assessment debt	(284,000)
Less employee-compensated absences	<u>(367,403)</u>
 Total debt applicable to limitation	<u>105,000</u>
 Legal debt margin	<u>\$ 130,793,835</u>

Computation of Direct and Overlapping Debt

	Debt Outstanding	Percent	Amount
		Applicable to	Applicable to
		Charter	Charter
		Township	Township
Direct - Charter Township of Grand Blanc	\$ 389,000	100.00	\$ 389,000
Overlapping:			
Genesee County	39,552,549	11.94	4,722,574
Grand Blanc School District	104,205,000	72.84	75,902,922
Goodrich School District	42,976,014	9.56	4,108,507
Lake Fenton School District	29,730,000	2.74	814,602
Mott Community College	83,410,000	11.38	9,492,058
Bishop Airport Authority	<u>10,555,000</u>	<u>11.94</u>	<u>1,260,267</u>
 Total	<u>\$ 310,817,563</u>		<u>\$ 96,689,930</u>

Charter Township of Grand Blanc

Ratio of Debt to Taxable Value and Debt per Capita December 31, 2005 (amounts in thousands)

Year	Governmental				Ratio of Net			
	Long-term Debt*	Less Debt Service Fund	Net Debt	Taxable Value	Debt to Taxable Value	Population	Net Debt per Capita	
1996	\$ 8,605	\$ 791	\$ 7,814	\$ 620,668	1.26	25,392	\$ 308	
1997	7,251	593	6,658	650,929	1.02	25,392	262	
1998	5,871	491	5,380	703,997	0.76	25,392	212	
1999	4,563	520	4,043	774,503	0.52	25,392	159	
2000	3,244	547	2,697	827,881	0.33	29,827	90	
2001	2,195	574	1,621	913,105	0.18	29,827	54	
2002	1,050	167	883	1,019,647	0.09	29,827	30	
2003	585	163	422	1,101,174	0.04	29,827	14	
2004	120	-	120	1,190,323	0.01	29,827	4	
2005	105	-	105	34,002	0.31	29,827	4	

Ratio of Governmental Fund Debt Service to Total Expenditures

Year	Debt Service	Total Governmental	Ratio of Debt
		Expenditures	Service to Expenditures
1996	\$ 1,755	\$ 8,444	20.78
1997	1,727	7,898	21.87
1998	1,681	10,510	15.99
1999	1,537	9,595	16.02
2000	1,496	9,630	15.53
2001	1,268	9,587	13.23
2002	1,201	11,719	10.25
2003	483	11,519	4.19
2004	468	11,521	4.06
2005	-	12,495	-

* Governmental long-term debt includes all general obligation bonds and contracts, but excludes special assessment bonds and employee-compensated absences.

Charter Township of Grand Blanc

Miscellaneous Statistics December 31, 2005

Construction and Property Values

Year	Building Permits			Property Values (Taxable Value)					Abatement Property Act 198	
	Number of		Residential	Commercial and		Total Taxable				
	Permits	Estimated Value		Industrial		Value				
1996	1,002	\$ 83,956,000	\$ 410,948,204	\$ 209,719,581	\$ 620,667,785	\$ 16,504,005				
1997	1,054	64,478,277	412,785,104	238,143,457	650,928,561	32,279,800				
1998	1,226	83,864,993	453,462,578	250,534,167	703,996,745	43,905,400				
1999	1,259	85,288,318	496,542,994	277,959,690	774,502,684	41,937,004				
2000	1,186	71,802,011	549,392,330	278,590,175	827,982,505	43,388,167				
2001	1,204	128,960,259	614,822,305	298,840,839	913,663,144	41,659,749				
2002	1,335	95,431,864	691,451,610	328,195,192	1,019,646,802	31,402,999				
2003	1,221	87,120,425	758,621,320	342,552,306	1,101,173,626	33,384,356				
2004	907	96,328,780	836,777,585	353,545,802	1,190,323,387	33,947,420				
2005	1,222	134,864,521	909,882,944	365,103,225	1,274,986,169	34,002,185				

Demographic Statistics (Source: U.S. Census data)

	Federal Census Year				
	2000	1990	1980	1970	1960
Population	29,827	25,392	24,413	19,229	9,418
Per capita income	\$ 27,520	\$ 20,050	\$ 10,545	\$ 6,535	*
Median age	36.0	33.7	27.6	24.4	26.1
Education level, in years of schooling:					
Percent high school or higher	92.1	13.6	*	*	*
Percent Bachelor's degree or higher	30.7	*	*	*	*
School enrollment	8,213	6,382	*	*	*
Unemployment rate	4.0%	5.2%	*	*	*

* Information not available

Charter Township of Grand Blanc

Miscellaneous Statistics (Continued) December 31, 2005

Other Statistics

Date of Township formation	1833
Date of Charter Township adoption	June 22, 1978
Area in square miles	32.5
Number of Charter Township employees	100
Police protection:	
Number of stations	1
Number of police personnel	52
Number of physical arrests	2,527
Number of traffic and parking violations	5,577
Fire protection - Fire coverage is provided through the Grand Blanc Fire Commission, serving both the City and Township of Grand Blanc:	
Number of stations	3
Number of fire personnel	45
Number of fire calls answered	438
Water and sewer system:	
Miles of water mains	179
Number of water customers per REUs	14,709
Annual water consumption (cubic feet)	130,772,000
Miles of sanitary sewer mains	227
Number of sewer customers per REUs	20,473