

**Charter Township of Grand Blanc  
Genesee County, Michigan**

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**Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2012**

**Prepared by the Finance Department**

# Charter Township of Grand Blanc

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# Charter Township of Grand Blanc

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# **Charter Township of Grand Blanc**

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June 12, 2013

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

This letter serves to formally transmit to the citizens and the Township Board of the Charter Township of Grand Blanc the Comprehensive Annual Financial Report (CAFR) introduction, overview, and analysis to accompany the basic financial statements in the form of 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. The accuracy and reliability of the accounting system is dependent on adequate internal controls. Since the cost of internal controls should not outweigh their benefit, the Charter Township's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Therefore, the accuracy, completeness, and fairness of the financial data reported, including all disclosures, rests with the Charter Township's management, who assumes full responsibility for the information presented in this report and asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material aspects. Plante & Moran, PLLC have issued an unqualified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2012. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of Charter Township of Grand Blanc**

The Charter Township of Grand Blanc was incorporated on April 1, 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, 10 miles south of Flint and three miles north of Automation Alley in Oakland County. The Charter Township currently has a land area of 32.1 square miles and a population of approximately 37,508, an increase of 25.75 percent or an additional 7,681 residents, per the results of the 2010 census. The Charter Township has a futuristic, innovative approach to development, but keeps an eye on its rich history and heritage. The result has been structured commercial development, aesthetically pleasing neighborhoods, excellent public services and top rated schools. The Charter Township still maintains a rural atmosphere with a variety of age, size, and price for its housing. The Charter Township is enhanced by exemplary educational system in both public and private schools and has a premier library system. Quality health care is also provided by Genesys Hospital. Prestige Point, one of our new assisted living facilities, recently received recognition as one of the best assisted care living facilities in the state. Only six assisted living facilities statewide received this highest level award. In addition, Ciena Healthcare will be celebrating the opening of its 4.0 million, 110 bed home, the Grand Blanc Care Center in 2013.

The Charter Township of Grand Blanc (the “Charter Township”) provides multiple services to its citizens. Among these are police protection, community development, planning and zoning, building code enforcement, property assessment, general administrative services, voter registration, garbage collection, mosquito control, minimal road improvements, and partial water and sewer operations. 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 McFarlen Library. The Charter Township’s board is comprised of the supervisor, clerk, treasurer, and four trustees. All board members are elected for a four-year term which coincides with the presidential election.

The Charter Township of Grand Blanc 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 no later than December 31 for the subsequent year. The Board of Trustees must approve all budget amendments made throughout the fiscal year, while maintaining a General Fund balance between 12 percent and 15 percent of General Fund revenue.

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

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

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.

### **Local Economy**

The 2010 census showed that the Charter Township has seen an increase in population of 25.5 percent or an increase of 7,681 people for a total population of 37,508. The Grand Blanc unemployment rate is 6.7 percent, which is below the City of Flint's (12.6 percent) and Genesee County's (8.8 percent) unemployment rate. We are anticipating a reduction in our unemployment rate as MAGNA Electronics and MAGNA E-Car have received a large federal grant and tax incentives, with the promise of 525 new jobs between 2012 and 2015.

The Charter Township has nine residential developments, currently at various phases of construction. With the on-going subdivisions, the average 2012 new home construction cost was \$203,659, which is slightly below the average new home construction cost in 2011 of \$204,795. The Township's number of foreclosed homes are declining, we had over 300 homes in foreclosure in 2011, with 189 foreclosures in 2012.

In 2012, the Charter Township of Grand Blanc issued 46 new home building permits, with a projected new construction value of \$9.2 million. The majority of the new permits were for a large active senior community, Del Webb's Grand Reserve, with an average size home is approximately 1,800 square feet and the price range of \$150,000 to \$200,000. Del Webb's Grand Reserve is projecting 25 new home starts in 2013.

Not surprisingly, with our residents making improvements to their homes rather than building a new home or moving because of the current economic conditions, we issued 401 residential improvement permits, with a projected construction value of 6.0 million.

Six permits were issued for new commercial construction which includes Grand Blanc Care Center, Volkswagen Dealership, Dodge Jeep-Ram Dealership and Subaru Dealership with a projected new construction value of \$3.3 million.

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

The Charter Township has two General Motors (GM) facilities within its boundaries which help to support its tax base. The Charter Township no longer relies on GM as the major part of the tax base. GM's percentage of the tax base increased slightly from 1.58 percent in 2011 to 1.63 percent in 2012, which was mainly due to changes in personal property valuations. 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. The GM Metal Fabrication Plant employs approximately 350 employees; unfortunately it is scheduled to close in 2013. The Charter Township Superintendent is aggressively working to turn the property into a viable property again. The world headquarters for General Motors Service and Parts Operation is also located in the Charter Township and employs approximately 1,100.

Even though the State of Michigan and Genesee County continue to experience economic tensions over the future of automotive-related industries, the Charter Township's proximity to Oakland County, one of the wealthiest counties in the nation, and I-75/Automation Alley is beneficial to our growth. Genesys Hospital has some exciting expansion plans for the southern end of the Charter Township to develop a total medical campus. Grand Blanc Township is actively trying to secure a TIGER 5 grant for the Dort Highway project, which will help finance the infrastructure needs of the southern end of the Charter Township.

The Charter Township is also hoping to attract high tech companies and direct future development in a way that maximizes the benefit for the Charter Township. Our Community Development department has implemented a "Technology Village" area in the southern portion of the Charter Township and the Genesee Regional Chamber of Commerce is vigorously marketing properties to emerging businesses, similar to Magna Electronics and Magna E-Car, expanding in the Charter Township.

Employees of research and development firms typically seek out job opportunities in communities that offer a high quality of life. In choosing where to locate, firms look closely at the make-up of the community, seeking communities with a "places to be" atmosphere that will draw professional workers. The Charter Township of Grand Blanc is well positioned to attract R & D users: Grand Blanc Community Schools are among the best in the State of Michigan; the Charter Township's per capita income and educational levels are already among the highest in Genesee County; and the Charter Township has an increasing number of retail and entertainment offerings within high quality new developments. And as articulated in the Charter Township's Master Plan Vision Statement, the Charter Township envisions building upon this "unparallel quality of life" in the years to come.

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

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, Grand Blanc Rotary, Kiwanis, Elks, and the Grand Blanc Newcomers Club.

### **Long-term Financial Planning**

Unassigned fund balance in the general fund (14.89 percent of total General Fund revenue) of \$1,729,000 falls within the policy guidelines set by the Charter Townships fund balance policy. Even with the downturn in the economy, the Charter Township will take the necessary steps to preserve their general fund balance.

### **Relevant Financial Policies**

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.

Standard & Poor's and Fitch Rating reviewed the underlying rating (SPUR) on our General Obligation Limited Tax Capital Improvement Bonds and upgraded our rating to "AA" from "AA-", while affirming the stable outlook.

The Charter Township's board approved a new purchasing policy in 2009 and updated it in 2013, which tightens the requirements needed to enter into contracts or purchase materials needed for the Charter Township. In addition, we also updated our petty cash policy and their locations.

### **Major Initiatives**

Throughout the year, the Charter Township government has been involved in a variety of projects that reflect the government's commitment to ensuring 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."

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

Governor Rick Synder supported the Michigan Economic Growth Authority Boards' (MEGA Board) approval of a \$5 million, seven-year tax credit for Magna Electronics in Grand Blanc Township. Magna Electronics produces a high tech line of electronic products, including electric motors for electric and hybrid electric vehicles and electric propulsion systems for the Ford Focus battery electric vehicle. The total project is estimated to be \$70 million and provide 525 new jobs between 2012 and 2015. Manufacturing began in 2011.

Our police department is a progressive, full-service, law enforcement agency. The department provides 24/7 police service including dispatching, senior citizens call-in, vacation checks, operation identification, K-9 units, motorcycle units, motor carrier unit, child safety seat inspections, patrol, traffic enforcement and an accident reconstruction team.

The continued growth of the Charter Township is directly related to the infrastructure capabilities in our township. We currently have 193 miles of water mains and 241 miles of sanitary sewer mains and are continuously improving our infrastructure system. Capital improvements to the water and sewer systems in 2012 totaled over \$350,000 dollars on such infrastructure projects such as replacement of meters, and sewer line preventative maintenance. Those projects were funded by the revenue generated from the water and sewer tap in fees.

The Charter Township governmental funds invested over \$300,000 in 2012 for capital projects/purchases. The General Fund capital investments included the addition of sidewalks, police vehicles, improvements to softball and soccer fields. The Capital Project Fund balance of \$2.4 million will be carried forward to the 2013 year to be used for road improvements, police vehicles and other projects as warranted.

### **Awards and Acknowledgements**

Chief David Stamm was re-appointed by Governor Rick Snyder to serve on the Governors Traffic Safety Advisory Commission and they honored the Grand Blanc Police Department with the 2012 Outstanding Traffic Safety Achievement Award. This award is in recognition of efforts in drunk driving enforcement and its commitment to training officers in the area of impaired driving.

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, 2011. This was the seventeenth 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.

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

A Certificate of Achievement is valid for a period of only one year. 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.

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire staff of the finance department and the help, insight, and support from the Charter Township Superintendent, Keith Edwards. I would like to express my appreciation to 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 Board of Trustees for their interest and commitment to responsible, prudent, and progressive financial leadership.

Respectfully submitted,



Debra P. Barriger  
Director of Financial Services

# 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, 2011

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.



*Christopher P. Morrell*

President

*Jeffrey R. Emer*

Executive Director

# Charter Township of Grand Blanc

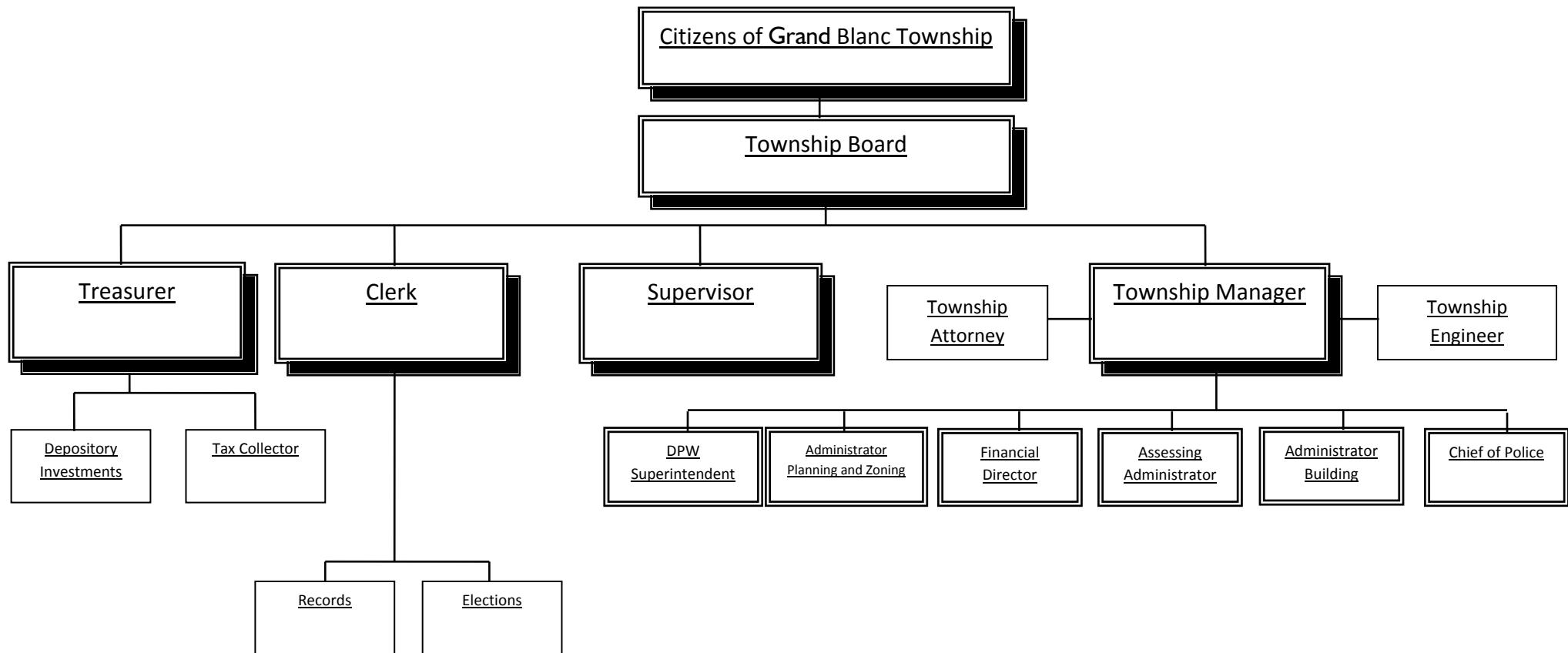
## List of Principal Officials

<u>Title</u>	<u>Name</u>
Supervisor	Marilyn M. Hoffman
Clerk	Cris Rariden
Treasurer	Earl Guzak
Board of Trustees	Scott Bennett Larry Anderson Dr. Jude Rariden Clark Kent
Township Manager	Keith Edwards
Finance Director	Debra Barriger
DPW Director	-
Police Chief	David Stamm
Fire Chief	James Harmes
Assessing Administrator	Rebecca Salvati
Parks and Recreation Director	Kay Eidson
Planner	Keith Edwards
GIS Coordinator	Robbie Beller

# Charter Township of Grand Blanc

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## Charter Township of Grand Blanc Organization Chart



## Independent Auditor's Report

To the Board of Directors  
Charter Township of Grand Blanc

### **Report on the Financial Statements**

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 (the "Charter Township") as of and for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Charter Township of Grand Blanc's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
Charter Township of Grand Blanc

***Opinion***

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, 2012 and the respective changes in its financial position and cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 17 to the basic financial statements, the 2011 basic financial statements have been restated to reflect the lack of a defined equitable interest in joint ventures of the Grand Blanc Parks and Recreation Commission and Grand Blanc Fire Commission. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the major fund budgetary comparison schedules on pages 4-13 and 48-52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

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 other supplemental information, as identified in the table of contents, and introductory section 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.

To the Board of Directors  
Charter Township of Grand Blanc

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

*Prior Year Comparative Information*

The financial statements include prior year comparative information for the proprietary fund statement of revenue, expenses, and changes in net position. Such information does not include all of the information required to constitute a full presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Charter Township's financial statements for the year ended December 31, 2011, from which such partial information was derived. We have previously audited the Charter Township of Grand Blanc's December 31, 2011 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated May 25, 2012. In our opinion, the prior year comparative information presented herein for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Plante & Moran, PLLC*

June 12, 2013

# **Charter Township of Grand Blanc**

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## **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, 2012. 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 2012 Comprehensive Annual Financial Report of the Charter Township of Grand Blanc follows a similar format used in 2011. This annual report has been changed to comply with the reporting requirements of Governmental Accounting Standards Board Statement No. 34. This annual report consists of five parts (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplemental information, (4) other supplemental information (which presents combining statements for nonmajor governmental funds and fiduciary funds), and (5) 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 financial status. The remaining statements are fund financial statements that focus on individual operations of the Charter Township's government, reporting in more detail than the government-wide statements.

### **Government-wide Financial Statements**

The government-wide financial 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 position includes all of the Charter Township's assets and liabilities. All of the current year's revenue 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 position and how they have changed. Net position, the difference between the Charter Township's assets and liabilities, is 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:

- **Governmental Activities** - Most of the Charter Township's basic services are included here, such as police, general administration, public works, fire protection, recreation, and culture. Property taxes, state-shared revenue, charges for services, and investment earnings provide most of the funding for these 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

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## 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 segregate financial resources (along with all related liabilities) for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Some of the Charter Township's funds are required by state law. The Charter Township's board of trustees establishes additional funds to control and manage monies for particular purposes (such as the Capital Projects Fund) or to demonstrate that it is properly utilizing specific taxes or grants (such as the Drug Forfeiture Fund).

The Charter Township has three kinds of funds:

- **Governmental Funds** - The majority of the basic services of the Charter Township are accounted for 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 determine whether there are sufficient financial resources that can be spent in the short term to finance the Charter Township's General Fund operations.
- **Proprietary Funds** - Services for which the Charter Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide financial statements, provide both long- and short-term financial information. The Charter Township's only proprietary fund is the Department of Public Works (DPW) which 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 position and a statement of changes in fiduciary net position. 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.

**Notes to the Financial Statements** - Provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements.

**Required Supplemental Information** - Includes the budgetary comparison statements for the General Fund and Major Special Revenue Funds as well as budget notes. This required supplemental information is in addition to the basic financial statements and accompanying notes.

**Other Supplemental Information** - Includes the budgetary comparison statements for the nonmajor Capital Projects Funds, nonmajor governmental funds, the budget notes, and the combining schedules for the nonmajor governmental funds and the fiduciary funds.

# 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 position of approximately \$100 million. This was a total decrease of approximately \$400,000 or 0.4 percent for 2012. The business-type activities comprised \$87.6 million and government activities accounted for \$12.4 million of total net position. The business-type activities experienced a \$48,000 decrease in net position. The governmental activities showed a decrease of \$326,000 of net position. 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 position. In a condensed format, the table below shows a comparison of the net position as of the current date to the prior year. All numbers are in thousands.

TABLE I

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
	(in thousands)		(in thousands)		(in thousands)	
<b>Assets</b>						
Current and other assets	\$ 18,591	\$ 18,057	\$ 8,787	\$ 7,385	\$ 27,378	\$ 25,442
Capital assets	<u>19,459</u>	<u>20,073</u>	<u>81,490</u>	<u>82,881</u>	<u>100,949</u>	<u>102,954</u>
Total assets	38,050	38,130	90,277	90,266	128,327	128,396
<b>Liabilities</b>						
Long-term liabilities outstanding	14,592	14,298	264	261	14,856	14,559
Other liabilities	<u>11,041</u>	<u>11,089</u>	<u>2,406</u>	<u>2,349</u>	<u>13,447</u>	<u>13,438</u>
Total liabilities	25,633	25,387	2,670	2,610	28,303	27,997
<b>Net Position</b>						
Invested in capital assets - Net of related debt	8,567	8,811	81,289	82,739	89,856	91,550
Restricted	592	610	-	-	592	610
Unrestricted	<u>3,258</u>	<u>3,322</u>	<u>6,318</u>	<u>4,917</u>	<u>9,576</u>	<u>8,239</u>
Total net position	<b>\$ 12,417</b>	<b>\$ 12,743</b>	<b>\$ 87,607</b>	<b>\$ 87,656</b>	<b>\$ 100,024</b>	<b>\$ 100,399</b>

The governmental activities showed a decrease for 2012 in total net position of 2.6 percent and business-type activities showed a decrease in total net position of 0.05 percent. The category changes are minimal and consistent with the prior year.

# **Charter Township of Grand Blanc**

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## **Management's Discussion and Analysis (Continued)**

### **Governmental Activities**

Revenue for governmental activities totaled \$14.1 million in 2012. The synopsis of the Charter Township's tax millage for 2011, which was revenue in 2012, was 3.865 mills for the Charter Township operation and 0.7 mills for the municipal campus plan, 0.9128 mills for the Charter Township's police, 0.500 mills for the Fire Commission, and 0.1596 mills for the Charter Township's mosquito control. Of the total revenue, \$7.4 million, or 52.5 percent, was in the form of property tax collections. As taxable value is decreasing and the tax appeals from 2010, 2011, and 2012 are currently coming before the Michigan tax tribunal, the 2013 estimated revenue from property tax is anticipated to be a \$350,000 reduction. The 2013 taxable value (TV) should be the bottom of the decline as residential property TV was up 2 percent, commercial property TV was down 2 percent, and industrial property TV was down 8 percent.

State-shared revenue contributed 19.4 percent, or \$2.7 million, of total revenue. Revenue sharing continues to be an area of concern; as the State of Michigan works on its economic recovery plan and balancing its budget, the State of Michigan is continuing to reduce the per-person funding to all governmental entities.

Charges for governmental services represent 17.6 percent of total revenue. The Charter Township's housing construction provides building permits and inspection fees, which represent 17.9 percent of the charges for services revenue. The building permits and inspection fees increased \$60,000 over the 2011 revenue from building permits and inspection fees.

Governmental net position for 2012 decreased \$326,000.

# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

TABLE 2

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
	(in thousands)		(in thousands)		(in thousands)	
<b>Revenue</b>						
Program revenue:						
Charges for service	\$ 2,492	\$ 2,391	\$ 12,548	\$ 11,664	\$ 15,040	\$ 14,055
Operating grants and contributions	264	324	-	-	264	324
Capital grants and contributions	522	100	469	603	991	703
General revenue:						
Property taxes	7,416	7,898	-	-	7,416	7,898
State-shared revenue	2,735	2,904	-	-	2,735	2,904
Unrestricted investment earnings	75	53	43	37	118	90
Miscellaneous	618	553	-	28	618	581
Total revenue	14,122	14,223	13,060	12,332	27,182	26,555
<b>Expenses</b>						
General government	2,791	2,922	-	-	2,791	2,922
Public safety	8,195	7,887	-	-	8,195	7,887
Public works	2,418	1,847	-	-	2,418	1,847
Community and economic development	148	182	-	-	148	182
Recreation and culture	376	361	-	-	376	361
Interest on long-term debt	520	508	-	-	520	508
Water and sewer	-	-	13,108	12,616	13,108	12,616
Total expenses	14,448	13,707	13,108	12,616	27,556	26,323
(Decrease) Increase in Net Position	(326)	516	(48)	(284)	(374)	232
Net Position - Beginning of year - As restated	12,743	12,227	87,656	87,940	100,399	100,167
Net Position - End of year - As restated	<u>\$ 12,417</u>	<u>\$ 12,743</u>	<u>\$ 87,608</u>	<u>\$ 87,656</u>	<u>\$ 100,025</u>	<u>\$ 100,399</u>

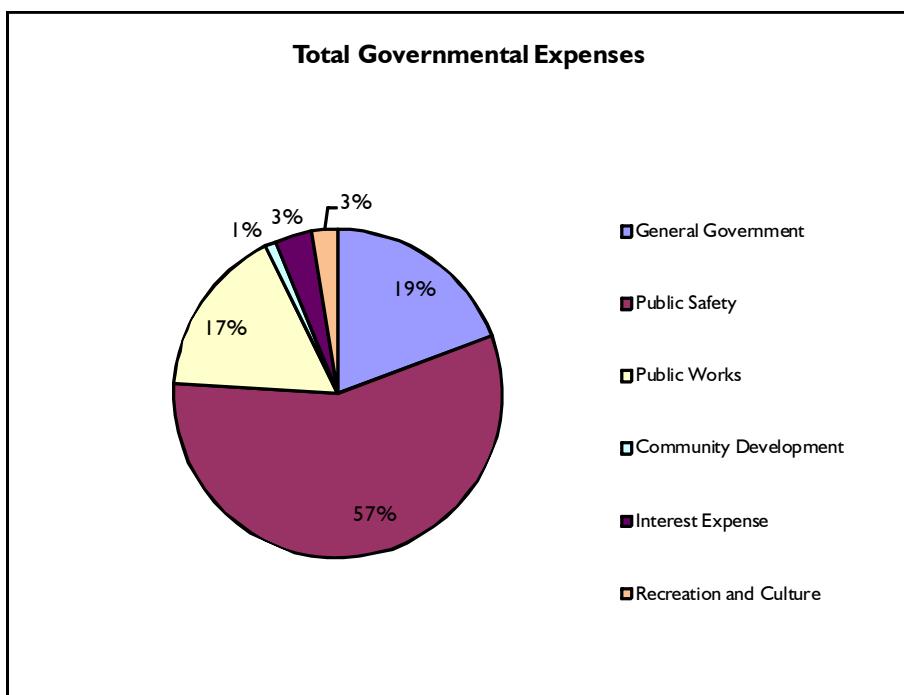
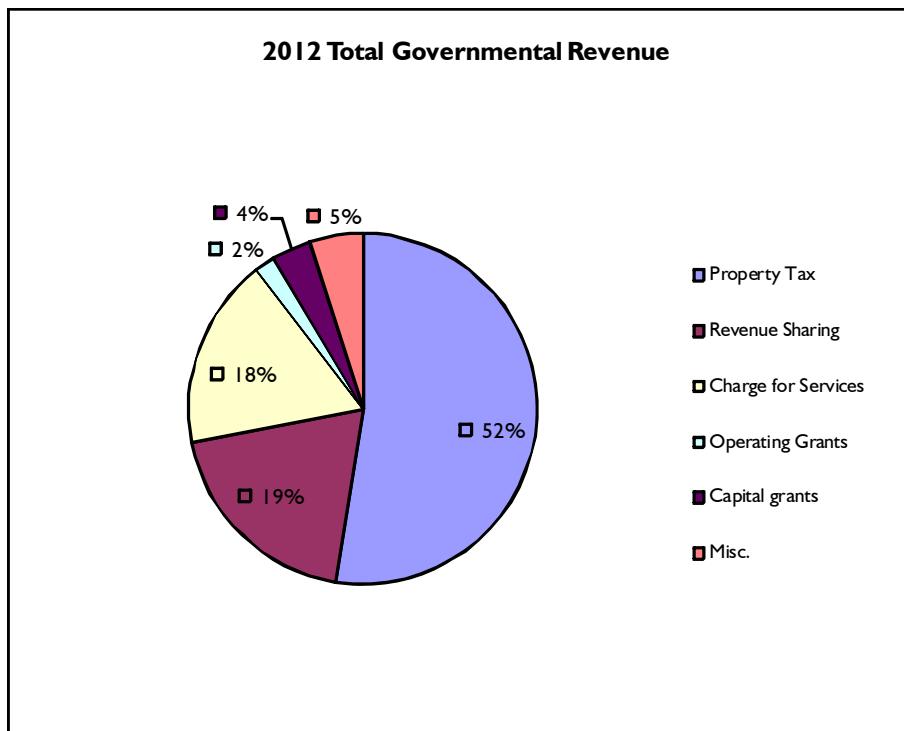
### Business-type Activities

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 revenue from charges for services of \$12.5 million covered 95.4 percent of the \$13.1 million of water and sewer expenses. The Charter Township's goal is to have the water and sewer operations be self-supporting. In 2012, \$385,000 of tap-in fees collected will be used to fund the projects on the five-year capital improvement plan; projects recently completed or under construction include replacement of sump pump leads, sewer lining replacement, and other miscellaneous water and sewer system improvements. The net position for business-type activities at the end of 2012 shows a decrease of \$48,000.

# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

The following pie charts offer a quick view of the revenue 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 \$101,661,000. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2012 and 2011. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,954	\$ 1,945	\$ 236	\$ 234	\$ 2,190	\$ 2,179
Construction in progress	6	-	-	149	6	149
Buildings and improvements	14,057	13,876	1,507	1,534	15,564	15,410
Furniture and equipment	422	557	340	454	762	1,011
Infrastructure	2,950	3,662	-	-	2,950	3,662
Water and sewer distribution systems	-	-	79,278	80,312	79,278	80,312
Vehicles	70	33	129	198	199	231
Total	<b>\$ 19,459</b>	<b>\$ 20,073</b>	<b>\$ 81,490</b>	<b>\$ 82,881</b>	<b>\$ 100,949</b>	<b>\$ 102,954</b>

The Charter Township's governmental funds invested over \$300,000 in 2012 for capital projects/purchases. The General Fund capital investments included the addition of sidewalks, police vehicles, and improvement to softball and soccer fields. The Capital Projects Fund's balance of \$2.4 million will be carried forward to the 2013 year to be used for road improvements, police vehicles, and other projects as warranted. The Charter Township has slowed down spending on capital projects, evaluating each project as a need rather than a want.

In the proprietary fund, the Charter Township received donated sewer and water line infrastructure assets in the amount of \$72,500 and collected \$385,000 in tap-in fees which will be used to fund the infrastructure projects currently under construction, such as replacement of meters and sewer line preventative maintenance. Additional information on the Charter Township's capital asset activity can be found in Note 5 in the notes to the financial statements section.

# Charter Township of Grand Blanc

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## Management's Discussion and Analysis (Continued)

### Long-term Debt

The Charter Township has a total of \$11,898,300 in long-term governmental debt and \$233,482 in long-term business-type activity debt as of December 31, 2012. Of this total debt, \$10,000,000 or 82 percent is related to the issuance of a 25-year general obligation limited tax capital improvement bond for construction of a new police station, \$185,542 or 2 percent is related to employee-compensated absences, and \$1,744,861 or 14 percent of the debt is related to road improvement projects. The remaining 2 percent or \$201,379 is related to sanitary system improvements. The Charter Township had a policy of assisting subdivisions, usually 25 percent of their special assessment project cost, in financing road improvements within the Charter Township that are completed by the Genesee County Road Commission; typically, these obligations are then paid over a 10-year period. This policy was eliminated in 2009 due to declining revenue. The Charter Township's debt represents 1.7 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 Note 7 in the notes to financial statements section.

### The Charter Township's Nonmajor Governmental Funds

Beginning on page 54 of this report, there is a summary of four 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 revenue and expenditures. The Drug Forfeiture Fund, Law Enforcement Fund, and PEG (public, educational, and government) Channel Grant Fund are special revenue funds due to the source of revenue.
- **Debt Service Funds** - This fund, the Master Campus Project Fund, receives a specific tax revenue determined by the board (currently 0.8 mills) to be used for debt service payments on the Master Campus Bond.
- **Capital Projects Funds** - These funds, the Capital Projects Fund and the Bicentennial Park Fund, identify specific capital projects and track the related expenditures. For the Capital Projects Fund, the Charter Township board has identified specific tax revenue to be used for capital projects and improvements. The Bicentennial Park Fund was established to track revenue from a cell tower located on the Charter Township's property that is used by the local parks and recreation department. These funds are to be used for Bicentennial Park improvements.
- **Permanent Funds** - The Charter Township is responsible for three cemeteries, Oakwood Cemetery, Perry-McFarland Cemetery, and Maple Cemetery. These funds identify the principal monies and the investment revenue that is expendable for maintenance.

# **Charter Township of Grand Blanc**

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## **Management's Discussion and Analysis (Continued)**

### **Financial Analysis of Charter Township's Funds and Budgets**

The following budget analysis comes from the data provided in the budgetary comparison schedules - General Fund on page 49 and Solid Waste on page 51 of this report. The Charter Township's total General Fund budgeted revenue for 2012 was \$12,544,124, with actual revenue coming in at \$12,488,710 for a difference of (\$55,414) or 0.4 percent. The under-budgeted revenue areas were in property tax and special assessment revenue. During 2012, the Charter Township made significant budget amendments to revisit the original revenue projections for property tax revenue and state revenue sharing, which also included the revisit of expenditures to avoid utilizing fund balance.

The Michigan economy has clearly been affected by the sluggish performance of the automobile industry and related enterprises, which has affected the Charter Township's building department. Too many foreclosed homes, approximately 189 in the Charter Township, are on the market, making the anticipated new home construction market fall below expectations.

State revenue sharing was originally budgeted at \$2,495,363; the budget was then amended up to \$2,680,300, with actual state revenue sharing coming in at \$2,734,929 for a surplus of \$54,629. The Charter Township's population increased 25.5 percent from the 2000 to the 2010 census. The State of Michigan is facing numerous budget constraints and is continually looking at the state revenue-sharing program to help with its 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.

The Charter Township's General Fund had budgeted expenditures of \$11,955,904 and actual expenditures were \$11,608,554. The net effect for 2012 shows an excess of revenue over expenditures prior to transfers out of \$880,156. After net other financing uses of \$843,812, revenue exceeded expenditures and other financing uses by \$36,344. This increased the Charter Township's 2012 General Fund balance to \$1,740,839. The December 31, 2012 General Fund balance is 14 percent of 2012 General Fund expenditures and transfers, which is in compliance with the Charter Township's General Fund balance policy.

The Charter Township's total Solid Waste Special Fund budgeted revenue was \$1,354,000, with actual revenue coming in at \$1,353,487 for a difference of (\$513) or 0.04 percent. The Solid Waste Special Fund budgeted expenditures of \$1,402,920 and actual expenditures were \$1,355,122. The net effect for 2012 shows an excess of expenses over revenue of \$1,635. This decreased the Charter Township's 2013 Solid Waste Fund balance to \$223,935 or 16.5 percent of 2012 Solid Waste Fund expenditures.

# **Charter Township of Grand Blanc**

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## **Management's Discussion and Analysis (Continued)**

### **Current Economic Conditions**

The General Fund for the Charter Township's operations has two major funding sources and a number of smaller sources. Property taxes and state revenue sharing constitute the major funding sources with 60.0 percent and 22.6 percent, respectively, of total Charter Township General Fund revenue. Even though the demand for new housing has slowed, commercial property permits and commercial improvement permits have continued to keep the Charter Township of Grand Blanc as one of the most active governmental entities for permits issued in Genesee County. In 2012, the Charter Township issued 61 commercial permits. Six of these permits were for new construction, while 55 of these permits were for additions/improvements to existing buildings.

Housing plats that have had initial approval from the Charter Township board that have not been developed equate to approximately 1,350 dwellings. There were 46 new housing permits and 401 housing improvement permits issued in 2012. Most of the new residential construction permits are for homes at Del Webb's Grand Reserve community, where 478 houses and condominiums are planned for active adults 55 and over, with a 15,000 square foot recreation center.

In light of the decline in property tax value, residential building permits, healthcare issues, demand for additional services, and difficult economic conditions for the state of Michigan, this report indicates that the Charter Township continues to monitor its already strong financial base. The Charter Township increased the General Fund balance by \$36,344 or 2 percent. 2013 is expected to be another difficult year financially, but we are prepared to meet the challenge.

### **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, please contact the finance director at the Charter Township of Grand Blanc, P.O. Box 1833, 5371 S. Saginaw St., Grand Blanc, MI 48439, (810) 424-2654, (810) 424-2600, or visit our website at [www.twp.grand-blanc.mi.us](http://www.twp.grand-blanc.mi.us).

# Charter Township of Grand Blanc

## Statement of Net Position December 31, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 9,213,066	\$ 4,721,234	\$ 13,934,300
Investments	3,070,902	-	3,070,902
Receivables:			
Property taxes	4,260,877	-	4,260,877
Customers	528,101	3,234,676	3,762,777
Accrued interest and other	318,945	-	318,945
Receivables billed on tax roll	4,141	300,435	304,576
Due from other governmental units	583,558	-	583,558
Special assessments	631,395	-	631,395
Internal balances	(19,354)	19,354	-
Prepaid expenses and other assets	-	21,670	21,670
Capital assets:			
Assets not subject to depreciation	1,959,647	235,852	2,195,499
Assets subject to depreciation	17,498,896	81,254,740	98,753,636
Capital connections receivable - Net of current portion	-	489,279	489,279
Total assets	38,050,174	90,277,240	128,327,414
<b>Liabilities</b>			
Accounts payable	512,244	1,544,598	2,056,842
Due to other governmental units	1,469	-	1,469
Accrued liabilities and other	939,591	828,911	1,768,502
Deferred revenue	8,950,242	-	8,950,242
Long-term debt			
Due within one year:			
Compensated absences	153,439	32,103	185,542
Current portion of long-term debt	484,285	-	484,285
Due in more than one year:			
Net OPEB Obligation	3,330,992	62,723	3,393,715
Long-term debt	11,260,576	201,379	11,461,955
Total liabilities	25,632,838	2,669,714	28,302,552
<b>Net Position</b>			
Net investment in capital assets	8,566,682	81,289,213	89,855,895
Restricted for:			
Mosquito spraying	11,793	-	11,793
Solid waste	223,935	-	223,935
Drug forfeiture and federal equitable sharing	38,820	-	38,820
Law enforcement	9,591	-	9,591
PEG Channel Grant	3,088	-	3,088
Unexpended cemetery fund	139,701	-	139,701
Expendable cemetery fund	165,189	-	165,189
Unrestricted	3,258,537	6,318,313	9,576,850
Total net position	<b>\$ 12,417,336</b>	<b>\$ 87,607,526</b>	<b>\$ 100,024,862</b>

# Charter Township of Grand Blanc

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Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,790,711	\$ 227,186	\$ 43,221	\$ -
Public safety	8,194,852	572,524	221,247	-
Public works	2,418,588	1,648,615	-	514,560
Community and economic development	148,055	20,157	-	-
Recreation and culture	376,043	23,587	-	7,682
Interest on long-term debt	520,386	-	-	-
Total governmental activities	14,448,635	2,492,069	264,468	522,242
Business-type activities	13,107,584	12,547,628	-	468,569
<b>Total primary government</b>	<b>\$ 27,556,219</b>	<b>\$ 15,039,697</b>	<b>\$ 264,468</b>	<b>\$ 990,811</b>

#### General revenue:

Property taxes  
 State-shared revenue (unrestricted)  
 Investment income  
 Cable franchise fees  
 Other miscellaneous income

Total general revenue

#### Change in Net Position

**Net Position** - Beginning of year (as restated) (Note 17)

**Net Position** - End of year

**Statement of Activities**  
**Year Ended December 31, 2012**

Net (Expense) Revenue and Changes in Net Position		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,520,304)	\$ (2,520,304)	
(7,401,081)	(7,401,081)	
(255,413)	(255,413)	
(127,898)	(127,898)	
(344,774)	(344,774)	
(520,386)	(520,386)	
(11,169,856)	(11,169,856)	
-	(91,387)	(91,387)
(11,169,856)	(91,387)	(11,261,243)
7,416,001	-	7,416,001
2,734,929	-	2,734,929
75,323	43,412	118,735
578,981	-	578,981
38,914	-	38,914
10,844,148	43,412	10,887,560
(325,708)	(47,975)	(373,683)
12,743,044	87,655,501	100,398,545
<b>\$ 12,417,336</b>	<b>\$ 87,607,526</b>	<b>\$ 100,024,862</b>

# Charter Township of Grand Blanc

## Governmental Funds Balance Sheet December 31, 2012

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 8,063,251	\$ 1,091,586	\$ 58,229	\$ 9,213,066
Investments (Note 3)	2,824,305	-	246,597	3,070,902
Receivables:				
Property taxes	4,260,877	-	-	4,260,877
Customers	-	528,101	-	528,101
Accrued interest receivable and other	318,881	-	64	318,945
Other receivables	4,141	-	-	4,141
Due from other governmental units	583,558	-	-	583,558
Special assessments	631,395	-	-	631,395
Due from other funds (Note 6)	-	-	5,376,912	5,376,912
Total assets	<b>\$ 16,686,408</b>	<b>\$ 1,619,687</b>	<b>\$ 5,681,802</b>	<b>\$ 23,987,897</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 442,479	\$ -	\$ 69,765	\$ 512,244
Due to other governmental units	1,469	-	-	1,469
Due to other funds (Note 6)	5,396,266	-	-	5,396,266
Accrued liabilities and other	827,858	-	-	827,858
Deferred revenue (Note 4)	8,277,497	1,395,752	-	9,673,249
Total liabilities	14,945,569	1,395,752	69,765	16,411,086
<b>Fund Balances</b>				
Nonspendable - Cemetery endowment	-	-	139,701	139,701
Restricted:				
Public safety	-	-	48,411	48,411
Solid waste	-	223,935	-	223,935
Mosquito spraying	11,793	-	-	11,793
PEG channel	-	-	3,088	3,088
Cemetery	-	-	165,189	165,189
Committed - Bicentennial Park improvements	-	-	55,077	55,077
Assigned:				
Capital projects	-	-	2,354,421	2,354,421
Debt service	-	-	2,846,150	2,846,150
Unassigned	1,729,046	-	-	1,729,046
Total fund balances	1,740,839	223,935	5,612,037	7,576,811
Total liabilities and fund balances	<b>\$ 16,686,408</b>	<b>\$ 1,619,687</b>	<b>\$ 5,681,802</b>	<b>\$ 23,987,897</b>

# Charter Township of Grand Blanc

## Governmental Funds

### Reconciliation of the Balance Sheet to the Statement of Net Position Year Ended December 31, 2012

Fund Balance Reported in Governmental Funds	\$ 7,576,811
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	19,458,543
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	631,395
Certain receivables are expected to be collected in future years and are not available to pay for current year expenditures	91,612
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(11,744,861)
Accrued interest on long-term debt is not reported in the funds	(111,733)
Compensated absences are not due and payable in the current period and are not reported in the funds	(153,439)
Net other postemployment benefit obligation is not recorded as a liability in the funds.	<u>(3,330,992)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 12,417,336</u></b>

# Charter Township of Grand Blanc

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2012

	Solid Waste			
	General Fund	Fund	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes (Note 8)	\$ 7,495,152	\$ -	\$ -	\$ 7,495,152
Licenses and permits	473,652	-	-	473,652
Federal sources	116,391	-	156,630	273,021
State sources	2,831,622	-	24,093	2,855,715
Charges for services	-	1,352,743	-	1,352,743
Fines and forfeitures	112,147	-	28,065	140,212
Investment income	30,486	744	44,093	75,323
Other revenue:				
Special assessments	404,669	-	-	404,669
Local donations	-	-	34,626	34,626
Cable franchise fees	578,981	-	-	578,981
Other miscellaneous income	445,610	-	60,368	505,978
Total revenue	12,488,710	1,353,487	347,875	14,190,072
<b>Expenditures</b>				
Current:				
General government	2,582,883	-	34,823	2,617,706
Public safety	7,411,984	-	171,908	7,583,892
Public works	1,050,894	1,355,122	-	2,406,016
Recreation and culture	229,820	-	12,018	241,838
Capital outlay	-	-	320,237	320,237
Debt service	332,973	-	646,441	979,414
Total expenditures	11,608,554	1,355,122	1,185,427	14,149,103
<b>Excess of Revenue Over (Under) Expenditures</b>	880,156	(1,635)	(837,552)	40,969
<b>Other Financing Sources (Uses)</b>				
Face value of debt issue	350,000	-	-	350,000
Proceeds from sale of capital assets	3,461	-	3,908	7,369
Transfers in	-	-	1,197,273	1,197,273
Transfers out	(1,197,273)	-	-	(1,197,273)
Total other financing (uses) sources	(843,812)	-	1,201,181	357,369
<b>Net Change in Fund Balances</b>	36,344	(1,635)	363,629	398,338
<b>Fund Balances - Beginning of year</b>	1,704,495	225,570	5,248,408	7,178,473
<b>Fund Balances - End of year</b>	<b>\$ 1,740,839</b>	<b>\$ 223,935</b>	<b>\$ 5,612,037</b>	<b>\$ 7,576,811</b>

# 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, 2012

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 398,338</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	308,242
Depreciation expense	(922,594)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	158,406
Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(350,000)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	461,285
Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds	2,087
Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	68,510
Increases in net other postemployment benefit obligations do not require the use of current resources, and therefore are not reported in the governmental funds until they come due for payment	<u>(449,982)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ (325,708)</u></b>

# Charter Township of Grand Blanc

**Proprietary Funds**  
**Department of Public Works**  
**Statement of Net Position**  
**December 31, 2012**

	<u>Department of Public Works</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 4,721,234
Receivables:	
Customers	3,234,676
Receivables billed on tax roll	300,435
Due from other funds	19,354
Prepaid expenses and other assets	<u>21,670</u>
Total current assets	8,297,369
Noncurrent assets:	
Capital assets:	
Assets not subject to depreciation	235,852
Assets subject to depreciation	81,254,740
Tap-in assessments receivable	<u>489,279</u>
Total noncurrent assets	<u>81,979,871</u>
Total assets	<u>90,277,240</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,544,598
Accrued liabilities and other	828,911
Compensated absences	<u>32,103</u>
Total current liabilities	2,405,612
Noncurrent liabilities:	
Net OPEB obligation	62,723
Long-term debt	<u>201,379</u>
Total noncurrent liabilities	<u>264,102</u>
Total liabilities	<u>2,669,714</u>
<b>Net Position</b>	
Net investment in capital assets	81,289,213
Unrestricted	<u>6,318,313</u>
Total net position	<u><u>\$ 87,607,526</u></u>

# Charter Township of Grand Blanc

**Proprietary Funds**  
**Department of Public Works**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**Year Ended December 31, 2012**

	December 31	
	2012	2011
<b>Operating Revenue</b>		
Sale of water	\$ 6,023,255	\$ 5,268,959
Sewage disposal charges	6,271,554	6,096,466
Water meters	85,312	107,755
Penalties and other charges for services	<u>167,507</u>	<u>191,139</u>
Total operating revenue	12,547,628	11,664,319
<b>Operating Expenses</b>		
Cost of water	4,972,982	4,278,881
Cost of sewage treatment	4,702,593	4,775,695
Billing and administrative costs	1,681,725	1,750,223
Depreciation	<u>1,747,636</u>	<u>1,810,558</u>
Total operating expenses	13,104,936	12,615,357
<b>Operating Loss</b>	(557,308)	(951,038)
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	43,412	36,627
Interest expense	(2,648)	(866)
Gain on sale of assets	<u>-</u>	<u>28,247</u>
Total nonoperating revenue	40,764	64,008
<b>Net Loss - Before contributions</b>	(516,544)	(887,030)
<b>Capital Contributions</b>		
Capital charge and line inspection fees	396,120	592,900
Lines donated by developers	<u>72,449</u>	<u>10,000</u>
Total capital contributions	468,569	602,900
<b>Change in Net Position</b>	(47,975)	(284,130)
<b>Net Position - Beginning of year</b>	87,655,501	87,939,631
<b>Net Position - End of year</b>	<b><u>\$ 87,607,526</u></b>	<b><u>\$ 87,655,501</u></b>

# Charter Township of Grand Blanc

**Proprietary Funds**  
**Department of Public Works**  
**Statement of Cash Flows**  
**Year Ended December 31, 2012**

## **Cash Flows from Operating Activities**

Receipts from customers	\$ 12,525,367
Payments to interfund services and reimbursements	(438,498)
Payments to suppliers	(9,606,988)
Payments to employees	<u>(1,750,341)</u>
Net cash provided by operating activities	729,540

## **Cash Flows from Capital and Related Financing Activities**

Issuance of debt	59,697
Capital charge collections	464,804
Purchase of capital assets	(285,034)
Interest paid on capital debt	<u>(2,648)</u>
Net cash provided by capital and related financing activities	236,819

## **Cash Flows from Investing Activities - Interest received on investments**

<b>Net Increase in Cash and Cash Equivalents</b>	<b>43,412</b>
<b>Cash and Cash Equivalents - Beginning of year</b>	<b>1,009,771</b>
<b>Cash and Cash Equivalents - End of year</b>	<b><u>3,711,463</u></b>
<b>Cash and Cash Equivalents - End of year</b>	<b><u>\$ 4,721,234</u></b>

## **Reconciliation of Operating Loss to Net Cash from Operating Activities**

Operating loss	\$ (557,308)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	1,747,636
Changes in assets and liabilities:	
Receivables	13,582
Due from others	(452,671)
Prepaid and other assets	(21,670)
Accounts payable	170,831
Accrued and other liabilities	<u>(170,860)</u>
Net cash provided by operating activities	<u>\$ 729,540</u>

**Noncash Investing, Capital, and Financing Activities** - During the year ended December 31, 2012, the Department of Public Works Fund received \$72,449 of lines donated by developers.

# Charter Township of Grand Blanc

## Fiduciary Funds Statement of Fiduciary Net Position December 31, 2012

	Pension and Employee Benefits Trust	
	<u>Fund</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,507,461	\$ 4,345,952
Investments:		
Mutual funds	4,934,565	-
Bonds	214,264	-
Receivables	2,118	-
Due from primary government	501,306	-
Total assets	9,159,714	<b>\$ 4,345,952</b>
<b>Liabilities</b>		
Accounts payable	14,198	\$ -
Undistributed tax collections and other	-	4,345,952
Total liabilities	14,198	<b>\$ 4,345,952</b>
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>		
		<b>\$ 9,145,516</b>

# Charter Township of Grand Blanc

## Fiduciary Funds Statement of Changes in Fiduciary Net Position - Pension and Employee Benefits Trust Fund Year Ended December 31, 2012

	Pension and Employee Benefits Trust Fund
<b>Additions</b>	
Investment income:	
Interest and dividends	\$ 173,027
Net increase in fair value of investments	<u>507,494</u>
Net investment income	680,521
Contributions - Employer contributions	<u>1,175,757</u>
Total additions	1,856,278
<b>Deductions</b>	
Benefit payments	649,599
Administrative expenses	<u>4,578</u>
Total deductions	654,177
<b>Net Increase in Net Position Held in Trust</b>	1,202,101
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b>	
Beginning of year	<u>7,943,415</u>
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b>	
End of year	<u>\$ 9,145,516</u>

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements**

### **December 31, 2012**

#### **Note I - Nature of Business and 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 of Grand Blanc.

##### **Reporting Entity**

The Charter Township of Grand Blanc 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 position 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 revenue, 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 revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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.

##### **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 financial statements. 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. Agency funds have no measurement focus on the government-wide financial statements.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2012

### Note I - Nature of Business and Significant Accounting Policies (Continued)

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 revenue to be available if it is 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 and disposal system, primarily transportation to a privately owned and operated landfill.

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 and businesses, financed primarily by a user charge for the provision of those services.

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 the police and fire employees' retirement system, which accumulates resources for pension benefit payments to qualified employees.

**Agency Fund** - The agency fund accounts for assets held by 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.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2012**

### **Note I - Nature of Business and Significant Accounting Policies (Continued)**

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 revenue reported for the various functions concerned.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Charter Township's policy is to first apply restricted resources. When an expense is incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used, it is the Charter Township's policy to spend funds in this order: committed, assigned, and unassigned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our 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, 2012

### Note I - Nature of Business and Significant Accounting Policies (Continued)

#### Assets, Liabilities, and Net Position 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." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances 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.

**Capital Assets** - Capital assets, which include property, plant, equipment, and intangible assets, 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 \$2,500 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.

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

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

**Compensated Absences (Vacation and Sick Leave)** - It is the Charter Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Charter Township does not have a policy to pay any amounts when employees separate from service with the Charter Township. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. The liability is considered current due to the fact that the entire balance at year end is less than the amount that will be used within one year.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2012**

### **Note I - Nature of Business and Significant Accounting Policies (Continued)**

**Long-term Obligations** - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts, 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. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

**Pension and Other Postemployment Benefit Costs** - The Charter Township offers both pension and retiree healthcare benefits to retirees. The Charter Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Charter Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

**Fund Equity** - In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable** - Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted** - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed** - Amounts that have been formally set aside by the board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board of trustees.
- **Assigned** - Intent to spend resources on specific purposes expressed by the governing body or the finance director in conjunction with the Charter Township superintendent, who is authorized by resolution approved by the governing body to make assignments

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 1 - Nature of Business and Significant Accounting Policies (Continued)

- Unassigned - Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

**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** - Comparative total data for the prior year has been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds.

### 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 at January 1, 2012	\$ (2,221,980)
Building permit revenue	426,855
Related expenses:	
Direct costs	\$ 348,895
Estimated indirect costs	52,334
	<hr/>
Current year surplus	401,229
	<hr/>
Cumulative shortfall at December 31, 2012	\$ (2,196,354)

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2012**

### **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 and Employee Benefits Funds are 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.

The Charter Township has designated six 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 \$6,369,175 of bank deposits (certificates of deposit, checking, and savings accounts). Of that amount, \$666,082 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.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 3 - Deposits and Investments (Continued)

**Custodial Credit Risk of Investments** - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Charter Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Charter Township does not have a policy for custodial credit risk. At year end, the Charter Township had no investment securities that were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Charter Township's name.

**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 commercial paper which can only be purchased with a 270-day maturity. The Charter Township prohibits investment of operating funds in securities maturing more than two years from the date of purchase. Reserves 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:

Investment	Fair Value	Weighted Average Maturity
Mutual funds (pension)	\$ 1,183	5.17 years
Corporate bonds (pension)	214,264	22.9 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:

Investment	Fair Value	Rating	Rating Organization
Mutual funds (pension)	\$ 1,183	3 stars	Morningstar
Corporate bonds (pension)	214,264	A	Moody's
Money market	3,235,310	Aa3	Moody's
Money market	2,500,062	A2	Moody's
Money market	3,285,949	A3	Moody's
Money market	3,155,559	N/A	Not rated

**Concentration of Credit Risk** - The Charter Township places no limit on the amount the Charter Township may invest in any one issuer.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 4 - Receivables and Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for 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		
	Unavailable	Unearned	Total
Property taxes levied for 2013 operations	\$ -	\$ 7,554,490	\$ 7,554,490
Solid waste charges billed for 2013 operations	-	1,395,752	1,395,752
Special assessments	631,395	-	631,395
Delinquent property taxes	61,285	-	61,285
Grant revenue	30,327	-	30,327
<b>Total</b>	<b>\$ 723,007</b>	<b>\$ 8,950,242</b>	<b>\$ 9,673,249</b>

### Note 5 - Capital Assets

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

Governmental Activities	Balance	Reclassifications	Additions	Disposals and Adjustments	Balance
	January 1, 2012				December 31, 2012
Capital assets not being depreciated:					
Land and land improvements	\$ 1,945,207	\$ 8,890	\$ -	\$ -	\$ 1,954,097
Construction in progress	-	-	5,550	-	5,550
Subtotal	1,945,207	8,890	5,550	-	1,959,647
Capital assets being depreciated:					
Buildings and improvements	17,431,642	557,667	96,329	(9,839)	18,075,799
Vehicles	822,683	-	85,180	(63,366)	844,497
Furniture and equipment	2,675,977	-	12,750	(558,287)	2,130,440
Infrastructure	5,684,821	(566,557)	108,433	-	5,226,697
Subtotal	26,615,123	(8,890)	302,692	(631,492)	26,277,433
Accumulated depreciation:					
Buildings and improvements	3,555,905	3,160	470,751	(9,839)	4,019,977
Vehicles	789,905	-	46,974	(63,366)	773,513
Furniture and equipment	2,119,361	203	146,699	(558,287)	1,707,976
Infrastructure	2,022,264	(3,363)	258,170	-	2,277,071
Subtotal	8,487,435	-	922,594	(631,492)	8,778,537
Net capital assets being depreciated	18,127,688	(8,890)	(619,902)	-	17,498,896
Net capital assets	\$ 20,072,895	\$ -	\$ (614,352)	\$ -	\$ 19,458,543

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 5 - Capital Assets (Continued)

Business-type Activities	Balance January 1, 2012	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2012
Capital assets not being depreciated:					
Land	\$ 234,150	\$ -	\$ 1,702	\$ -	\$ 235,852
Construction in progress	148,584	(148,584)	-	-	-
Subtotal	382,734	(148,584)	1,702	-	235,852
Capital assets being depreciated:					
Water and sewer distribution systems	102,685,724	148,584	341,874	-	103,176,182
Buildings and improvements	1,791,473	-	8,977	-	1,800,450
Vehicles	1,342,842	-	-	-	1,342,842
Furniture and equipment	1,818,543	-	4,930	(269,154)	1,554,319
Subtotal	107,638,582	148,584	355,781	(269,154)	107,873,793
Accumulated depreciation:					
Water and sewer distribution systems	22,374,558	-	1,523,020	-	23,897,578
Buildings and improvements	256,612	-	36,820	-	293,432
Vehicles	1,144,525	-	69,574	-	1,214,099
Furniture and equipment	1,364,876	-	118,222	(269,154)	1,213,944
Subtotal	25,140,571	-	1,747,636	(269,154)	26,619,053
Net capital assets being depreciated	82,498,011	148,584	(1,391,855)	-	81,254,740
Net capital assets	\$ 82,880,745	\$ -	\$ (1,390,153)	\$ -	\$ 81,490,592

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

#### Governmental activities:

General government	\$ 372,663
Public safety	413,249
Public works	4,977
Recreation and culture	131,705
Total governmental activities	\$ 922,594

Business-type activities - Water and sewer	\$ 1,747,636
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# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
Department of Public Works Fund	General Fund	\$ 19,354
Nonmajor governmental fund - Master Campus Fund	General Fund	2,846,150
Nonmajor governmental fund - Capital Projects Fund	General Fund	2,362,896
Other nonmajor governmental funds	General Fund	<u>167,866</u>
	Total	\$ <u>5,396,266</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.

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

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Master Campus Project Fund	\$ 797,273
	Capital Projects Fund	<u>400,000</u>
	Total General Fund	\$ <u>1,197,273</u>

The transfers from the General Fund to the Master Campus Project Fund and Capital Projects Fund represent transfers of unrestricted resources to finance capital projects and debt service.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 7 - 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 proceeds from the 2006 Capital Improvement Bonds were used to finance the construction of the Grand Blanc Township Police Department building. The special assessment obligations represent the financing of road improvements done by the Genesee County Road Commission (the "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 revenue. 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.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>							
General obligation limited tax bonds - 2006 Capital Improvement Bonds							
Amount of issue: \$10,800,000	4.125% - 5.00%	\$200,000- \$700,000	\$10,200,000	\$	-	\$ 200,000	\$ 10,000,000
Maturing through 2031							\$ 200,000
Special assessment bonds - 2009 Deerfield Road Bonds							
Amount of issue: \$158,000	2.89%	\$32,000	96,000	-	32,000	64,000	32,000
Maturing through 2014							
Special assessment bonds - 2010 Holly Springs Bond							
Amount of issue: \$535,000	1.7% - 4.15%	\$37,000 - \$59,000	498,000	-	59,000	439,000	57,000
Maturing through 2020							
Special assessment bonds - 2012 Water Edge Bond							
Amount of issue \$350,000	2.00%	\$25,000 - \$37,000	-	350,000	-	350,000	25,000
Maturing through 2022							
Other governmental obligations - Special assessment at-large road districts of the Genesee County Road Commission							
Amount of issue: \$1,818,818	3.9% - 4.87%	\$72,600 - \$170,285	1,062,146	-	170,285	891,861	170,285
Maturing through 2018							
Total bonds payable			11,856,146	350,000	461,285	11,744,861	484,285
Other long-term obligations - Compensated absences			221,949	555,085	623,595	153,439	153,439
Total governmental activities			\$12,078,095	\$ 905,085	\$ 1,084,880	\$ 11,898,300	\$ 637,724

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 7 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>							
Limited Tax - General Obligation -							
2011 Sanitary Sewer System							
SWQIF Bonds							
Amount of issue: \$540,000, of							
which \$201,379 has been							
drawn down		\$20,000 -					
Maturing through 2033	2.5%	\$35,000	\$ 141,682	\$ 59,697	\$ -	\$ 201,379	\$ -
Accumulated compensated absences			<u>38,525</u>	<u>154,660</u>	<u>161,082</u>	<u>32,103</u>	<u>32,103</u>
Total business-type activities			<u>\$ 180,207</u>	<u>\$ 214,357</u>	<u>\$ 161,082</u>	<u>\$ 233,482</u>	<u>\$ 32,103</u>

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 484,285	\$ 499,516	\$ 983,801	\$ -	\$ 5,205	\$ 5,205
2014	495,285	480,764	976,049	20,000	5,034	25,034
2015	563,285	458,360	1,021,645	20,000	4,534	24,534
2016	562,283	433,340	995,623	20,000	4,034	24,034
2017	628,125	405,681	1,033,806	25,000	3,534	28,534
2018-2022	2,911,598	1,655,106	4,566,704	116,379	8,297	124,676
2023-2027	3,300,000	1,005,237	4,305,237	-	-	-
2028-2032	2,800,000	252,000	3,052,000	-	-	-
Total	<u>\$11,744,861</u>	<u>\$ 5,190,004</u>	<u>\$16,934,865</u>	<u>\$ 201,379</u>	<u>\$ 30,638</u>	<u>\$ 232,017</u>

For the year ended December 31, 2012, interest expense was \$464,018.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 8 - Property Tax Revenue

The Charter Township's governmental funds recognize the December 1, 2011 property tax levy as revenue for the year ended December 31, 2012. The following is a breakdown of tax levies reported in the General Fund.

	Approximate Revenue
Operating millage - Charter limit of 5.0 mills:	
3.865 mills - Operating	\$ 4,386,000
.70 mills - Master campus project	794,000
Police millage - .9128 mills - Voted millage for police	1,036,000
Fire millage - .50 mills - Voted millage for fire	567,000
Mosquito millage - .1596 mills - Charter limit of 5.0 mills	181,000
Act 198/255 taxes and administration fees	468,000

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2011 was approximately \$1,134,695,000.

The police and fire millages raised less revenue than expenditures. To date, the mosquito millage has raised \$11,793 more revenue than expenditures. As a result, \$11,793 of the fund balance was restricted in the General Fund as of December 31, 2012.

### 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.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2012**

### **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 police sergeants, officers, and administration. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental 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 Charter Township's Police Officers Labor Council Patrol Officers Union, Police Officers Labor Council Sergeants Unit, and Fraternal Order of Police Executive Command. 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 6.81 percent to 8 percent of gross wages.

**Annual Pension Cost** - For the year ended December 31, 2012, the Charter Township's annual pension cost of \$663,925 for the plan was equal to the Charter Township's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2010, using the entry age actuarial cost method.

Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 1 percent to 17.5 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 (1 percent for calendar years 2012-2014). 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 30 years depending on division.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 10 - Defined Benefit Pension Plan (Continued)

#### Three-year Trend Information

	Fiscal Year Ended December 31		
	2012	2011	2010
Annual pension cost (APC)	\$ 663,925	\$ 569,994	\$ 573,243
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -

	Fiscal Year Ended December 31		
	2011	2010	2009
Actuarial value of assets	\$ 9,302,571	\$ 8,753,631	\$ 7,982,509
Actuarial accrued liability (AAL) (entry age)	\$ 16,339,953	\$ 15,048,208	\$ 14,239,995
Unfunded AAL (UAAL)	\$ 7,037,382	\$ 6,294,577	\$ 6,257,486
Funded ratio	56.9 %	58.2 %	56.1 %
Covered payroll	\$ 2,702,092	\$ 2,673,831	\$ 3,096,096
UAAL as a percentage of covered payroll	260.4 %	235.4 %	202.1 %

### 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 administered by Lincoln Trust Company. 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 \$259,608 during the current year and there was no employee contribution. Lincoln Trust Company does not issue an audited financial statement for the plan.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2012**

### **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 \$50,000 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 \$179,820 for its operations. The Charter Township has no equity interest in the Grand Blanc Parks and Recreation Commission at December 31, 2012. 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.

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 \$570,869 for its operations, plus an additional \$568,988 from the new dedicated millage. The Charter Township has no equity interest in the Grand Blanc Fire Commission at December 31, 2012. 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, 2012.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 14 - Other Postemployment Benefits

**Plan Description** - The Charter Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to all full-time employees. Currently, the plan has 107 members (including 80 employees in active service and 27 retired employees with their beneficiaries currently receiving benefits).

**Funding Policy** - There are no provisions in the plan for employee contributions. The Charter Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). However, as shown below, the Charter Township has made contributions to advance-fund these benefits, as determined by the Charter Township board through annual budget resolutions.

**Funding Progress** - For the year ended December 31, 2012, the Charter Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2011. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,225,429
Interest on the prior year's net OPEB obligation	225,037
Less adjustment to the annual required contribution	<u>(141,090)</u>
Annual OPEB cost	1,309,376
Amounts contributed:	
Payments of current premiums	(463,024)
Advance funding	<u>(453,124)</u>
Increase in net OPEB obligation	393,228
OPEB obligation - Beginning of year	<u>3,000,487</u>
OPEB obligation - End of year	\$ 3,393,715

Fiscal Year Ended	Actuarial Valuation Date	Annual Other Postemployment Benefit Cost	Percentage Contributed	Net OPEB Obligation
12/31/08	10/31/06	\$ 1,263,411	33.1 %	\$ 845,286
12/31/09	12/31/08	1,501,517	53.6	1,541,454
12/31/10	12/31/08	1,481,250	46.9	2,328,555
12/31/11	12/31/08	1,438,476	53.3	3,000,487
12/31/12	12/31/11	1,309,376	70.6	3,393,715

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 14 - Other Postemployment Benefits (Continued)

The funding progress of the plan as of the most recent valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/31/06	\$ 1,577,000	\$ 12,537,422	\$ 10,960,422	12.6 %	\$ 4,907,432	223.3 %
12/31/08	2,028,960	13,175,632	11,146,672	15.4	5,082,104	219.3
12/31/11	3,335,965	12,852,353	9,516,388	26.0	4,104,126	231.9

**Actuarial Methods and Assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2011 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 5 percent annually. Both rates included a 5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 15 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the Charter Township's defined contribution pension plan (see Note 10) and the postemployment healthcare plan (see Note 14). The plans do not issue separate financial statements.

	Pension Trust	Employee Benefits	Total
<b>Statement of Net Assets</b>			
Cash and investments	\$ 5,310,151	\$ 3,346,139	\$ 8,656,290
Other assets	48,180	455,244	503,424
Net assets	<u>\$ 5,358,331</u>	<u>\$ 3,801,383</u>	<u>\$ 9,159,714</u>
<b>Statement of Changes in Net Assets</b>			
Investment income	\$ 668,229	\$ 12,292	\$ 680,521
Contributions	259,608	916,149	1,175,757
Benefit payments	(186,577)	(463,022)	(649,599)
Other decreases	(4,578)	-	(4,578)
Net change in net assets	<u>\$ 736,682</u>	<u>\$ 465,419</u>	<u>\$ 1,202,101</u>

### Note 16 - Upcoming Accounting Pronouncements

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity Omnibus*. This pronouncement, which is an amendment to Statement No. 14 and Statement No. 34, modifies certain requirements for inclusion of component units in the financial reporting entity. This statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Lastly, the statement also clarifies the reporting of equity interests in legally separate organizations. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Charter Township's 2013 fiscal year.

In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the Charter Township as of December 31, 2013.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2012

### Note 16 - Upcoming Accounting Pronouncements (Continued)

In June 2012, GASB Statement No. 67, *Financial Reporting for Pension Plans*, was issued by the Governmental Accounting Standards Board. This new standard, which replaces the requirements of GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, establishes standards for financial reporting that outline the basic framework for separately issued pension plan financial reports and specifies the required approach to measuring the liability of employer(s) and certain nonemployer contributing entities, about which information is required to be disclosed. GASB Statement No. 67 is required to be adopted for years beginning after June 15, 2013. For the Charter Township of Grand Blanc, this standard will be adopted for the year ending December 31, 2014.

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending December 31, 2015.

### Note 17 - Accounting and Reporting Change

The net position for the government-wide activities of the Charter Township of Grand Blanc have been restated as of January 1, 2012 in order to properly reflect the lack of a definable equity interest in the Grand Blanc Parks and Recreation Commission and Grand Blanc Fire Commission. The effect of this correction was a reduction in net position for the governmental activities. Net position was restated as follows:

	Governmental Activities
Net position - December 31, 2011 - As previously reported	\$ 14,201,021
Investment in joint venture previously reported	<u>(1,457,977)</u>
Net position - December 31, 2011 - As restated	<u>\$ 12,743,044</u>

## **Required Supplemental Information**

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## **General Fund**

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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 revenue from state-shared revenue, general property taxes, and other sources. The schedule comparing revenues and expenditures - budgetary comparison schedule - compares the activity final amended budget (the level on which expenditures may not legally exceed appropriations) to actual revenue and expenditures.

# Charter Township of Grand Blanc

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 6,929,879	\$ 7,629,679	\$ 7,495,152	\$ (134,527)
Licenses and permits	298,185	470,485	473,652	3,167
Federal grants	85,000	87,000	116,391	29,391
State-shared revenue and grants	2,586,363	2,771,300	2,831,622	60,322
Fines and forfeitures	100,000	100,000	112,147	12,147
Investment income	30,400	34,750	30,486	(4,264)
Other revenue:				
Special assessments	458,000	465,000	404,669	(60,331)
Cable franchise fees	525,000	525,000	578,981	53,981
Other miscellaneous income	426,910	460,910	445,610	(15,300)
Total revenue	11,439,737	12,544,124	12,488,710	(55,414)
<b>Expenditures - Current</b>				
General government:				
Legislative	182,365	212,451	208,683	3,768
Supervisor's office	63,904	66,904	55,709	11,195
General office	482,546	488,246	469,656	18,590
GIS/IT	404,515	406,041	341,527	64,514
Treasurer's office	339,587	381,087	325,739	55,348
Assessor's office	380,632	404,932	346,790	58,142
Clerk's office	175,286	177,666	162,793	14,873
Elections	78,600	88,600	83,200	5,400
Buildings and grounds	167,900	167,900	121,610	46,290
Legal and attorney	165,000	175,000	126,800	48,200
Planning and zoning	192,206	192,206	140,376	51,830
Insurance and other functions	-	-	200,000	(200,000)
Total general government	2,632,541	2,761,033	2,582,883	178,150
Public safety:				
Police	5,854,230	5,944,404	5,924,628	19,776
Fire	481,617	1,050,617	1,027,685	22,932
Building and zoning	405,155	495,060	459,671	35,389
Total public safety	6,741,002	7,490,081	7,411,984	78,097
Public works	762,700	1,122,360	1,050,894	71,466
Recreation and culture - Parks and recreation	230,540	230,540	229,820	720
Debt service	318,680	351,890	332,973	18,917
Total expenditures	10,685,463	11,955,904	11,608,554	347,350
<b>Excess of Revenue Over Expenditures</b>	754,274	588,220	880,156	291,936
<b>Other Financing Sources (Uses)</b>				
Face value of debt issue	-	350,000	350,000	-
Proceeds from sale of capital assets	10,000	10,000	3,461	(6,539)
Transfers in	33,000	7,000	-	(7,000)
Transfers out	(797,274)	(955,220)	(1,197,273)	(242,053)
Total other financing uses	(754,274)	(588,220)	(843,812)	(255,592)
<b>Net Change in Fund Balance</b>	-	-	36,344	36,344
<b>Fund Balance - Beginning of year</b>	1,704,495	1,704,495	1,704,495	-
<b>Fund Balance - End of year</b>	<b>\$ 1,704,495</b>	<b>\$ 1,704,495</b>	<b>\$ 1,740,839</b>	<b>\$ 36,344</b>

## **Major Special Revenue Fund**

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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 Solid Waste Fund Year Ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Charges for services	\$ 1,327,920	\$ 1,350,000	\$ 1,352,743	\$ 2,743
Investment income	1,000	1,000	744	(256)
Other revenue	3,000	3,000	-	(3,000)
<b>Total revenue</b>	<b>1,331,920</b>	<b>1,354,000</b>	<b>1,353,487</b>	<b>(513)</b>
<b>Expenditures - Current - Rubbish disposal</b>	<b>1,393,920</b>	<b>1,402,920</b>	<b>1,355,122</b>	<b>47,798</b>
<b>Net Change in Fund Balance</b>	<b>(62,000)</b>	<b>(48,920)</b>	<b>(1,635)</b>	<b>47,285</b>
<b>Fund Balance - Beginning of year</b>	<b>225,570</b>	<b>225,570</b>	<b>225,570</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b><u>\$ 163,570</u></b>	<b><u>\$ 176,650</u></b>	<b><u>\$ 223,935</u></b>	<b><u>\$ 47,285</u></b>

# **Charter Township of Grand Blanc**

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## **Note to Required Supplemental Information Year Ended December 31, 2012**

**Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level (i.e., the level at which expenditures may not legally exceed appropriations).

The Charter Township adopts a formal budget for the General Fund, special revenue fund, and capital projects 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 December 31.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Encumbrances are not included as expenditures or liabilities; the amount of encumbrances outstanding at December 31, 2012 is not significant. Unexpected appropriations lapse at year end.

**Excess of Expenditures Over Appropriations in Budgeted Funds** - During the year, the township had the following expenditures significantly over budget:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Transfers out	\$ 955,220	\$ 1,197,273	\$ (242,053)
General Fund - Insurance and other functions	-	200,000	(200,000)

The excess expenditures in transfers out represent the transfer from the General Fund to the Capital Projects Fund for capital projects. The excess in insurance and other functions represents the transfer for other postemployment benefits.

## **Other Supplemental Information**

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# Charter Township of Grand Blanc

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## Other Supplemental Information

### Nonmajor Funds

### Fund Descriptions

#### Nonmajor 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.

**Federal Equitable Sharing Fund** - This fund accounts for federal monies related to drug enforcement purposes. These monies are to be used to supplement existing law and drug enforcement funds in the law enforcement field.

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

#### Nonmajor Debt Service Funds

**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 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.

**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.

**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.

#### Nonmajor Permanent Funds

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for the Charter Township's 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					Debt Service Funds	
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	Master Campus Project Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Due from other funds	83,499	9,591	7,694	12,005	2,846,150		
<b>Total assets</b>	<b>\$ 83,499</b>	<b>\$ 9,591</b>	<b>\$ 7,694</b>	<b>\$ 12,005</b>	<b>\$ 2,846,150</b>		
<b>Liabilities and Fund Balances</b>							
<b>Liabilities - Accounts payable</b>	<b>\$ 52,373</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,917</b>	<b>\$ -</b>		
<b>Fund Balances</b>							
Nonspendable - Cemetery endowment	-	-	-	-	-	-	-
Restricted:							
Public safety	31,126	9,591	7,694	-	-	-	-
PEG channel	-	-	-	3,088	-	-	-
Cemetery	-	-	-	-	-	-	-
Committed - Bicentennial Park improvements	-	-	-	-	-	-	-
Assigned:							
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	2,846,150		
<b>Total fund balances</b>	<b>31,126</b>	<b>9,591</b>	<b>7,694</b>	<b>3,088</b>	<b>2,846,150</b>		
<b>Total liabilities and fund balances</b>	<b>\$ 83,499</b>	<b>\$ 9,591</b>	<b>\$ 7,694</b>	<b>\$ 12,005</b>	<b>\$ 2,846,150</b>		

**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2012**

Capital Projects Funds			Permanent Funds			Total
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry Cemetery Fund	Maple Cemetery Fund	Nonmajor Governmental Funds	
\$ -	\$ -	\$ 1,521	\$ 46,552	\$ 10,156	\$ 58,229	
-	-	47,487	95,995	103,115	246,597	
-	-	27	-	37	64	
<u>2,362,896</u>	<u>55,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,376,912</u>	
<b>\$ 2,362,896</b>	<b>\$ 55,077</b>	<b>\$ 49,035</b>	<b>\$ 142,547</b>	<b>\$ 113,308</b>	<b>\$ 5,681,802</b>	
 \$ 8,475	 \$ -	 \$ 12,776	 \$ 95,995	 \$ 30,930	 \$ 139,701	
-	-	-	-	-	48,411	
-	-	-	-	-	3,088	
-	-	36,259	46,552	82,378	165,189	
-	55,077	-	-	-	55,077	
<u>2,354,421</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,354,421</u>	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,846,150</u>	
<b><u>2,354,421</u></b>	<b><u>55,077</u></b>	<b><u>49,035</u></b>	<b><u>142,547</u></b>	<b><u>113,308</u></b>	<b><u>5,612,037</u></b>	
<b><u>\$ 2,362,896</u></b>	<b><u>\$ 55,077</u></b>	<b><u>\$ 49,035</u></b>	<b><u>\$ 142,547</u></b>	<b><u>\$ 113,308</u></b>	<b><u>\$ 5,681,802</u></b>	

# Charter Township of Grand Blanc

	Special Revenue Funds				Debt Service Funds
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	Master Campus Project Fund
<b>Revenue</b>					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
State-shared revenue and grants	-	-	-	-	-
Fines and forfeitures	23,890	4,124	51	-	-
Investment income (loss)	-	-	18	-	9,526
Other revenue	-	-	-	34,626	-
Total revenue	23,890	4,124	69	34,626	9,526
<b>Expenditures</b>					
Current:					
General government	-	-	-	34,626	-
Public safety	79,998	6,730	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	646,441
Total expenditures	79,998	6,730	-	34,626	646,441
<b>Excess of Revenue (Under) Over Expenditures</b>	(56,108)	(2,606)	69	-	(636,915)
<b>Other Financing Sources</b>					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	797,273
Total other financing sources	-	-	-	-	797,273
<b>Net Change in Fund Balances</b>	(56,108)	(2,606)	69	-	160,358
<b>Fund Balances - Beginning of year</b>	87,234	12,197	7,625	3,088	2,685,792
<b>Fund Balances - End of year</b>	<b>\$ 31,126</b>	<b>\$ 9,591</b>	<b>\$ 7,694</b>	<b>\$ 3,088</b>	<b>\$ 2,846,150</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2012**

Capital Projects Fund		Permanent Funds			Total
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry Cemetery Fund	Maple Cemetery Fund	Nonmajor Governmental Funds
\$ 156,630	\$ -	\$ -	\$ -	\$ -	\$ 156,630
24,093	-	-	-	-	24,093
-	-	-	-	-	28,065
-	-	(1,124)	23,617	12,056	44,093
-	58,142	26	-	2,200	94,994
180,723	58,142	(1,098)	23,617	14,256	347,875
85,180	-	-	76	121	34,823
-	-	-	-	-	171,908
317,737	12,018	-	-	-	12,018
-	2,500	-	-	-	320,237
-	-	-	-	-	646,441
402,917	14,518	-	76	121	1,185,427
(222,194)	43,624	(1,098)	23,541	14,135	(837,552)
3,908	-	-	-	-	3,908
400,000	-	-	-	-	1,197,273
403,908	-	-	-	-	1,201,181
181,714	43,624	(1,098)	23,541	14,135	363,629
2,172,707	11,453	50,133	119,006	99,173	5,248,408
<b>\$ 2,354,421</b>	<b>\$ 55,077</b>	<b>\$ 49,035</b>	<b>\$ 142,547</b>	<b>\$ 113,308</b>	<b>\$ 5,612,037</b>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Drug Forfeiture Fund Budgetary Comparison Year Ended December 31, 2012

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - Fines and forfeitures</b>	\$ 65,535	\$ 20,000	\$ 23,890	\$ 3,890
<b>Expenditures - Public safety</b>	<u>9,996</u>	<u>53,000</u>	<u>79,998</u>	<u>(26,998)</u>
<b>Net Change in Fund Balance</b>	<u>55,539</u>	<u>(33,000)</u>	<u>(56,108)</u>	<u>(23,108)</u>
<b>Fund Balance - Beginning of year</b>	<u>31,695</u>	<u>87,234</u>	<u>87,234</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<b><u>\$ 87,234</u></b>	<b><u>\$ 54,234</u></b>	<b><u>\$ 31,126</u></b>	<b><u>\$ (23,108)</u></b>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Law Enforcement Fund Budgetary Comparison Year Ended December 31, 2012

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - Fines and forfeitures</b>	\$ 8,366	\$ 5,000	\$ 4,124	\$ (876)
<b>Expenditures - Public safety</b>	-	10,000	6,730	3,270
<b>Net Change in Fund Balance</b>	8,366	(5,000)	(2,606)	2,394
<b>Fund Balance - Beginning of year</b>	3,831	12,197	12,197	-
<b>Fund Balance - End of year</b>	<b>\$ 12,197</b>	<b>\$ 7,197</b>	<b>\$ 9,591</b>	<b>\$ 2,394</b>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Federal Equitable Sharing Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2012**

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Fines and forfeitures	\$ 2,210	\$ -	\$ 51	\$ 51
Investment income	17	-	18	18
Total revenue	2,227	-	69	69
<b>Fund Balance - Beginning of year</b>	<u>5,398</u>	<u>7,625</u>	<u>7,625</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u>\$ 7,625</u>	<u>\$ 7,625</u>	<u>\$ 7,694</u>	<u>\$ 69</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - PEG Channel Grant Fund Budgetary Comparison Year Ended December 31, 2012

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - PEG contributions</b>	\$ 30,312	\$ 30,000	\$ 34,626	\$ 4,626
<b>Expenditures - General government</b>	<u>30,312</u>	<u>30,000</u>	<u>34,626</u>	<u>(4,626)</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of year</b>	<u>3,088</u>	<u>3,088</u>	<u>3,088</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 3,088</b></u>	<u><b>\$ 3,088</b></u>	<u><b>\$ 3,088</b></u>	<u><b>\$ -</b></u>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Master Campus Project Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2012**

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue - Investment income</b>	\$ 13,313	\$ 10,000	\$ 9,526	\$ (474)
<b>Expenditures - Debt service</b>				
Principal	200,000	200,000	200,000	-
Interest on long-term debt	455,675	446,700	446,441	259
Total expenditures	<u>655,675</u>	<u>646,700</u>	<u>646,441</u>	<u>259</u>
<b>Excess of Expenditures Over Revenue</b>	(642,362)	(636,700)	(636,915)	(215)
<b>Other Financing Sources - Transfers in</b>	<u>864,797</u>	<u>797,273</u>	<u>797,273</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	222,435	160,573	160,358	(215)
<b>Fund Balance - Beginning of year</b>	<u>2,463,357</u>	<u>2,685,792</u>	<u>2,685,792</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 2,685,792</b></u>	<u><b>\$ 2,846,365</b></u>	<u><b>\$ 2,846,150</b></u>	<u><b>\$ (215)</b></u>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Capital Projects Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2012**

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Federal grants	\$ 33,270	\$ 140,000	\$ 156,630	\$ 16,630
State grants	22,887	25,000	24,093	(907)
Total revenue	56,157	165,000	180,723	15,723
<b>Expenditures - Capital outlay</b>	<u>593,909</u>	<u>500,000</u>	<u>402,917</u>	<u>97,083</u>
<b>Excess of Expenditures Over Revenue</b>	(537,752)	(335,000)	(222,194)	112,806
<b>Proceeds from Sale of Capital Assets</b>	6,480	7,000	3,908	(3,092)
<b>Other Financing Sources - Transfers in</b>	<u>1,376,093</u>	-	<u>400,000</u>	<u>400,000</u>
<b>Net Change in Fund Balance</b>	844,821	(328,000)	181,714	509,714
<b>Fund Balance - Beginning of year</b>	<u>1,327,886</u>	<u>2,172,707</u>	<u>2,172,707</u>	-
<b>Fund Balance - End of year</b>	<b><u>\$ 2,172,707</u></b>	<b><u>\$ 1,844,707</u></b>	<b><u>\$ 2,354,421</u></b>	<b><u>\$ 509,714</u></b>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Bicentennial Park Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2012**

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Rental income	\$ 19,094	\$ 23,000	\$ 23,587	\$ 587
Donations	-	32,000	34,555	2,555
Total revenue	19,094	55,000	58,142	3,142
<b>Expenditures - Capital outlay</b>	<u>19,951</u>	<u>32,044</u>	<u>14,518</u>	<u>17,526</u>
<b>Net Change in Fund Balance</b>	<u>(857)</u>	<u>22,956</u>	<u>43,624</u>	<u>20,668</u>
<b>Fund Balance - Beginning of year</b>	<u>12,310</u>	<u>11,453</u>	<u>11,453</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 11,453</b></u>	<u><b>\$ 34,409</b></u>	<u><b>\$ 55,077</b></u>	<u><b>\$ 20,668</b></u>

## **Fiduciary Funds**

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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.

**Agency Funds** - Agency funds account for assets held by the Charter Township as an agent for individuals, organizations, other governments, or other funds. Such funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

# Charter Township of Grand Blanc

## Other Supplemental Information Statement of Assets and Liabilities Pension and Other Employee Benefits Trust Funds December 31, 2012

	Pension Trust Funds		
	Pension Trust	Employee	Total Pension
		Benefits Trust	Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 161,322	\$ 3,346,139	\$ 3,507,461
Investments:			
Mutual funds	4,934,565	-	4,934,565
Bonds	214,264	-	214,264
Receivables - Accrued interest receivable	-	2,118	2,118
Due from primary government	48,180	453,126	501,306
Total assets	5,358,331	3,801,383	9,159,714
<b>Liabilities - Accounts payable</b>	14,198	-	14,198
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>	<u>\$ 5,344,133</u>	<u>\$ 3,801,383</u>	<u>\$ 9,145,516</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefits Trust Funds Year Ended December 31, 2012

	Employee Pension Trust	Employee Benefits Trust	Total
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 160,735	\$ 12,292	\$ 173,027
Net increase in fair value of investments	<u>507,494</u>	<u>-</u>	<u>507,494</u>
	668,229	12,292	680,521
Contributions	<u>259,608</u>	<u>916,149</u>	<u>1,175,757</u>
	927,837	928,441	1,856,278
<b>Deductions</b>			
Benefit payments	186,577	463,022	649,599
Administrative expenses	<u>4,578</u>	<u>-</u>	<u>4,578</u>
	191,155	463,022	654,177
<b>Net Increase in Net Position Held in Trust</b>	<b>736,682</b>	<b>465,419</b>	<b>1,202,101</b>
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	<b><u>4,607,451</u></b>	<b><u>3,335,964</u></b>	<b><u>7,943,415</u></b>
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b><u>\$ 5,344,133</u></b>	<b><u>\$ 3,801,383</u></b>	<b><u>\$ 9,145,516</u></b>

# **Charter Township of Grand Blanc**

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**Other Supplemental Information**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended**  
**December 31, 2012**

	<u>Balance at January 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2012</u>
<b>Assets - Cash and investments</b>	<b><u>\$ 3,097,717</u></b>	<b><u>\$ 47,412,811</u></b>	<b><u>\$ (46,164,576)</u></b>	<b><u>\$ 4,345,952</u></b>
<b>Liabilities - Undistributed tax collections and other</b>	<b><u>\$ 3,097,717</u></b>	<b><u>\$ 47,412,811</u></b>	<b><u>\$ (46,164,576)</u></b>	<b><u>\$ 4,345,952</u></b>

## **Statistical Section**

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# **Charter Township of Grand Blanc**

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## **Description of Statistical Section**

This part of the Charter Township of Grand Blanc's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Charter Township's overall financial health. Many of the schedules present data for the past fiscal years that will allow the reader to discern trends that cannot be seen in a single year's financial statements.

### **Contents**

#### **Financial Trends:**

These schedules contain trend information to help the reader understand how the Charter Township's financial performance and well-being have changed over time.

#### **Revenue Capacity:**

These schedules contain information to help the reader assess the locally levied taxes including the property tax collected by the Charter Township Treasurer, which represents the Charter Township's largest revenue source.

#### **Debt Capacity:**

These schedules present information to help the reader assess the affordability of the Charter Township's current levels of outstanding debt and the Charter Township's ability to issue debt in the future.

#### **Demographic Information:**

These schedules offer demographic indicators to help the reader understand the environment within which the Charter Township's financial activities take place.

#### **Operating Information:**

These schedules contain service data to help the reader understand how the information in the Charter Township's financial report relates to the services the Charter Township provides and the activities it performs.

### **Sources**

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Charter Township implemented GASB Statement No. 34 in 2003; schedules representing government-wide information include information beginning in that year. The reported numbers begin with the year for which information is available.

# Charter Township of Grand Blanc

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	Fiscal Year			
	2005	2006	2007	2008
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 6,061,001	\$ 6,313,242	\$ 6,718,990	\$ 6,682,242
Restricted	745,081	790,887	798,720	683,180
Unrestricted	<u>5,480,340</u>	<u>5,877,983</u>	<u>5,938,999</u>	<u>4,724,292</u>
Total net position	12,286,422	12,982,112	13,456,709	12,089,714
<b>Business-type Activities</b>				
Net investment in capital assets	72,709,732	77,445,337	80,339,816	84,034,057
Unrestricted	<u>9,755,242</u>	<u>8,227,121</u>	<u>9,347,557</u>	<u>6,860,844</u>
Total net position	82,464,974	85,672,458	89,687,373	90,894,901
<b>Primary Government in Total</b>				
Net investment in capital assets	78,770,733	83,758,579	87,058,806	90,716,299
Restricted	745,081	790,887	798,720	683,180
Unrestricted	<u>15,235,582</u>	<u>14,105,104</u>	<u>15,286,556</u>	<u>11,585,136</u>
Total net position	<u><b>\$ 94,751,396</b></u>	<u><b>\$ 98,654,570</b></u>	<u><b>\$ 103,144,082</b></u>	<u><b>\$ 102,984,615</b></u>

**Note:** In fiscal year 2010, the Charter Township adopted GASB No. 51 and began capitalizing the intangible assets of the Charter Township.

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**Financial Trend Information**  
**Net Position by Component**

Fiscal Year					
2009		2010		2011	2012
\$ 6,976,914	\$ 8,837,920	\$ 8,810,747	\$ 8,566,682		
635,810	521,165	610,139	592,117		
<u>3,039,134</u>	<u>4,325,796</u>	<u>4,780,135</u>	<u>3,258,537</u>		
10,651,858	13,684,881	14,201,021	12,417,336		
84,724,481	84,274,476	82,739,063	81,289,213		
4,614,674	3,665,155	4,916,438	6,318,313		
<u>89,339,155</u>	<u>87,939,631</u>	<u>87,655,501</u>	<u>87,607,526</u>		
91,701,395	93,112,396	91,549,810	89,855,895		
635,810	521,165	610,139	592,117		
<u>7,653,808</u>	<u>7,990,951</u>	<u>9,696,573</u>	<u>9,576,850</u>		
<b><u>\$ 99,991,013</u></b>	<b><u>\$ 101,624,512</u></b>	<b><u>\$ 101,856,522</u></b>	<b><u>\$ 100,024,862</u></b>		

# Charter Township of Grand Blanc

	Fiscal Year Ended December 31			
	2005	2006	2007	2008
<b>Expenses</b>				
General government	\$ 3,457,066	\$ 3,151,040	\$ 2,715,114	\$ 3,328,975
Public safety	6,409,202	7,059,945	7,974,790	8,353,459
Public services	1,691,373	2,144,233	2,007,753	2,468,866
Community and economic development	395,745	259,316	432,944	402,485
Recreation and culture	207,256	120,673	345,344	406,377
Interest on long-term debt	-	198,156	484,127	491,165
Total governmental activities	12,160,642	12,933,363	13,960,072	15,451,327
<b>Program Revenue</b>				
Charges for services:				
General government	155,238	61,853	74,001	159,175
Public safety	1,227,246	953,146	1,199,517	592,056
Public services	1,281,236	1,055,304	1,134,598	1,161,807
Community and economic development	85,483	35,716	33,135	26,204
Recreation and culture	16,296	160,983	118,096	16,560
Total charges for services	2,765,499	2,267,002	2,559,347	1,955,802
Operating grants and contributions	271,313	295,191	358,543	436,751
Capital grants and contributions	-	40,554	-	16,762
Total program revenue	<u>3,036,812</u>	<u>2,602,747</u>	<u>2,917,890</u>	<u>2,409,315</u>
<b>Net Expense</b>	(9,123,830)	(10,330,616)	(11,042,182)	(13,042,012)
<b>General Revenue</b>				
Property taxes	6,931,573	7,528,398	8,120,917	8,505,344
State-shared revenue	2,302,999	2,568,081	2,288,035	2,220,797
Unrestricted investment earnings	302,662	651,273	1,016,079	509,379
Unrestricted fees and other	471,493	278,554	91,748	439,497
Total general revenue	<u>10,008,727</u>	<u>11,026,306</u>	<u>11,516,779</u>	<u>11,675,017</u>
<b>Total Change in Net Position</b>	884,897	695,690	474,597	(1,366,995)
<b>Net Position - Beginning of year - As restated</b>	<u>11,401,525</u>	<u>12,286,422</u>	<u>12,982,112</u>	<u>13,456,709</u>
<b>Net Position - End of year</b>	<b><u>\$ 12,286,422</u></b>	<b><u>\$ 12,982,112</u></b>	<b><u>\$ 13,456,709</u></b>	<b><u>\$ 12,089,714</u></b>

**Note:** In fiscal year 2010, the Charter Township adopted GASB No. 51 and began capitalizing intangible assets of the Charter Township, which required beginning net assets to be restated.

**Financial Trend Information**  
**Changes in Governmental Net Position**

Fiscal Year Ended December 31			
2009	2010	2011	2012
\$ 3,924,053	\$ 2,846,619	\$ 2,922,201	\$ 2,790,711
8,111,389	7,859,301	7,887,239	8,194,852
1,895,558	3,131,284	1,847,059	2,418,588
430,874	177,831	181,727	148,055
293,441	368,414	360,374	376,043
467,876	465,058	508,282	520,386
 15,123,191	 14,848,507	 13,706,882	 14,448,635
 367,266	 504,225	 254,420	 227,186
414,235	447,439	503,752	572,524
1,333,850	1,437,568	1,593,016	1,648,615
23,848	23,933	20,680	20,157
16,560	18,837	19,094	23,587
 2,155,759	 2,432,002	 2,390,962	 2,492,069
239,948	216,394	323,725	264,468
315,004	752,721	99,647	522,242
 2,710,711	 3,401,117	 2,814,334	 3,278,779
(12,412,480)	(11,447,390)	(10,892,548)	(11,169,856)
 8,422,105	 8,357,695	 7,898,025	 7,416,001
1,915,708	1,909,593	2,904,697	2,734,929
166,926	70,995	52,783	75,323
469,885	520,649	553,183	617,895
 10,974,624	 10,858,932	 11,408,688	 10,844,148
(1,437,856)	(588,458)	516,140	(325,708)
 12,089,714	 14,273,339	 13,684,881	 12,743,044
 <b>\$ 10,651,858</b>	 <b>\$ 13,684,881</b>	 <b>\$ 14,201,021</b>	 <b>\$ 12,417,336</b>

# Charter Township of Grand Blanc

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	Fiscal Year Ended December 31				
	2003	2004	2005	2006	2007
<b>Expenses</b>	\$ 6,720,937	\$ 8,272,460	\$ 8,361,734	\$ 8,890,267	\$ 10,319,834
<b>Program Revenue</b>					
Charges for services	6,569,818	6,877,348	7,796,578	7,763,717	9,143,873
Operating grants and contributions	-	-	-	-	456,052
Capital grants and contributions	3,450,976	4,388,959	8,326,023	3,839,900	4,271,568
Total program revenue	10,020,794	11,266,307	16,122,601	11,603,617	13,871,493
<b>Net Revenue (Expense)</b>	3,299,857	2,993,847	7,760,867	2,713,350	3,551,659
<b>General Revenue</b>					
Property taxes	166,286	180,794	-	-	-
Unrestricted investment earnings	100,325	105,735	185,175	494,134	463,256
Proceeds from sale of capital assets	-	-	-	-	-
Transfers	42,760	-	(114,653)	-	-
Total general revenue	309,371	286,529	70,522	494,134	463,256
<b>Change in Net Position</b>	<b>\$ 3,609,228</b>	<b>\$ 3,280,376</b>	<b>\$ 7,831,389</b>	<b>\$ 3,207,484</b>	<b>\$ 4,014,915</b>

**Financial Trend Information  
Changes in Business-type Net Position**

Fiscal Year Ended December 31					
2008	2009	2010	2011	2012	
\$ 12,904,958	\$ 12,656,255	\$ 12,922,245	\$ 12,616,223	\$ 13,107,584	
9,117,513	10,355,416	10,734,832	11,664,319	12,547,628	
332,809	-	-	-	-	
4,335,264	650,320	736,812	602,900	468,569	
<u>13,785,586</u>	<u>11,005,736</u>	<u>11,471,644</u>	<u>12,267,219</u>	<u>13,016,197</u>	
880,628	(1,650,519)	(1,450,601)	(349,004)	(91,387)	
-	-	-	-	-	
326,900	89,576	48,473	36,627	43,412	
-	5,197	2,604	28,247	-	
-	-	-	-	-	
<u>326,900</u>	<u>94,773</u>	<u>51,077</u>	<u>64,874</u>	<u>43,412</u>	
<b><u>\$ 1,207,528</u></b>	<b><u>\$ (1,555,746)</u></b>	<b><u>\$ (1,399,524)</u></b>	<b><u>\$ (284,130)</u></b>	<b><u>\$ (47,975)</u></b>	

# Charter Township of Grand Blanc

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	December 31			
	2003	2004	2005	2006
<b>Fund Balances</b>				
General Fund - Unreserved/Unassigned**	\$ 1,018,296	\$ 1,045,513	\$ 1,454,875	\$ 1,499,961
All other governmental funds:				
Nonspendable** -				
Nonexpendable cemetery endowment	-	-	-	-
Reserved/Restricted**:				
Mosquito spraying	-	-	-	3,898
Solid waste	-	-	-	-
Public safety	26,518	16,373	17,492	14,180
Drug forfeiture	-	1,138	5,907	14,091
Cable TV activities - PEG Fund	60,579	22,380	3,088	3,088
Cemetery	-	-	-	-
Committed** -				
Bicentennial Park improvements	-	-	-	-
Assigned**:				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds - Solid waste	184,936	279,813	466,345	467,283
Special Revenue Funds - Bicentennial Park	6,624	16,747	10,224	9,016
Capital Projects Funds	2,649,441	2,731,023	2,274,604	1,681,959
Master Campus Project	150,182	461,153	834,022	1,634,021
Civic Campus Fund	-	-	-	9,015,517
Debt Service Funds - Water and sewer	162,782	-	-	-
Permanent funds - Cemetery:				
Unexpendable	105,627	105,627	122,191	155,716
Expendable	<u>68,676</u>	<u>52,286</u>	<u>130,058</u>	<u>132,631</u>
Total all other governmental funds	<u><b>\$ 4,433,661</b></u>	<u><b>\$ 4,732,053</b></u>	<u><b>\$ 5,318,806</b></u>	<u><b>\$ 14,631,361</b></u>

**Note:** In fiscal year 2011, the Charter Township adopted GASB No. 54 which changed fund balance classifications from unreserved and reserved to five new categories: nonspendable, restricted, committed, assigned, and unassigned.

**Financial Trend Information**  
**Fund Balances - Governmental Funds**

December 31						
	2007	2008	2009	2010	2011	2012
\$	1,608,985	\$ 1,682,294	\$ 1,697,320	\$ 1,823,679	\$ 1,698,382	\$ 1,729,046
	-	-	-	-	105,286	139,701
6,047	6,275	1,986	2,025	6,113	11,793	
-	-	-	-	225,570	223,935	
10,335	396	2,353	3,831	107,056	48,411	
23,185	13,483	23,789	37,093	-	-	
3,088	8,232	3,088	3,088	3,088	3,088	
-	-	-	-	163,026	165,189	
	-	-	-	-	11,453	55,077
-	-	-	-	2,172,707	2,354,421	
-	-	-	-	2,685,792	2,846,150	
498,710	448,191	361,185	215,645	N/A	N/A	
6,964	1,179	7,240	12,310	N/A	N/A	
1,888,167	1,377,491	920,612	1,327,886	N/A	N/A	
1,539,340	2,038,697	2,147,383	2,463,357	N/A	N/A	
257,545	-	-	-	N/A	N/A	
-	-	-	-	N/A	N/A	
127,580	64,335	95,186	106,375	N/A	N/A	
135,822	142,268	148,223	153,101	N/A	N/A	
<b>\$ 6,105,768</b>	<b>\$ 5,782,841</b>	<b>\$ 5,408,365</b>	<b>\$ 6,148,390</b>	<b>\$ 7,178,473</b>	<b>\$ 7,576,811</b>	

# Charter Township of Grand Blanc

	Year Ended December 31			
	2003	2004	2005	2006
<b>Revenue</b>				
Property taxes	\$ 5,909,327	\$ 6,359,871	\$ 6,947,143	\$ 7,525,780
Licenses and permits	1,216,745	1,241,715	1,440,310	1,183,970
Federal grants	-	24,065	-	60,235
State-shared revenue and grants	3,016,237	2,420,418	2,406,442	2,627,621
Charges for services	1,168,050	1,227,837	1,275,480	1,050,136
Fines and forfeitures	137,489	132,635	147,882	118,065
Investment income	199,820	120,879	328,203	654,244
Other	417,331	291,700	426,534	374,482
Total revenue	12,064,999	11,819,120	12,971,994	13,594,533
<b>Expenditures</b>				
General government	2,278,435	2,738,634	2,773,106	2,863,050
Public safety	5,743,612	5,939,996	6,746,784	7,175,167
Public services	2,518,843	2,198,652	1,950,818	2,347,500
Recreation and culture	-	-	-	-
Capital outlay	330,006	146,495	1,024,108	2,588,288
Debt service - Principal	482,818	467,812	-	-
Debt service - Interest				
Other	165,730	29,140	-	-
Total expenditures	11,519,444	11,520,729	12,494,816	14,974,005
<b>Excess of Revenue Over (Under) Expenditures</b>	545,555	298,391	477,178	(1,379,472)
<b>Other Financing Sources (Uses)</b>				
Debt issuance	-	-	-	10,800,000
Debt premium or discount	-	-	-	(107,973)
Proceeds from sale of capital assets	-	-	-	-
Transfers in	1,000,712	715,854	993,305	946,990
Transfers out	(1,000,712)	(715,854)	(883,730)	(946,990)
Total other financing sources	-	-	109,575	10,692,027
<b>Net Change in Fund Balances</b>	545,555	298,391	586,753	9,312,555
<b>Fund Balances - Beginning of year</b>	3,888,107	4,433,662	4,732,053	5,318,806
<b>Fund Balances - End of year</b>	<b>\$ 4,433,662</b>	<b>\$ 4,732,053</b>	<b>\$ 5,318,806</b>	<b>\$ 14,631,361</b>
Debt service as a percentage of noncapital expenditures	4%	4%	0%	0%

**Financial Trend Information**  
**Changes in Fund Balances - Governmental Funds**

Year Ended December 31									
2007		2008		2009		2010		2011	
\$ 8,120,917	\$ 8,505,344	\$ 8,389,929	\$ 8,349,970	\$ 7,882,680	\$ 7,495,152				
1,187,765	882,219	795,497	360,728	423,622	473,652				
100,193	99,752	256,948	207,793	166,072	273,021				
2,371,390	2,329,109	2,022,440	2,096,949	3,034,888	2,855,715				
1,129,260	1,156,629	1,152,097	1,177,676	1,320,866	1,352,743				
114,199	121,168	117,166	139,836	176,078	140,212				
1,020,103	498,929	166,926	62,027	52,783	75,323				
302,862	480,247	667,705	1,454,838	1,455,829	1,524,254				
14,346,689	14,073,397	13,568,708	13,849,817	14,512,818	14,190,072				
2,855,104	2,996,256	2,635,967	2,682,007	2,547,644	2,617,706				
7,293,654	7,428,887	7,239,909	6,586,845	7,115,490	7,583,892				
2,453,722	2,888,891	3,173,710	2,793,129	2,028,173	2,406,016				
-	-	-	246,554	233,016	241,838				
9,806,994	1,201,044	1,210,936	425,466	613,860	320,237				
229,369	235,418	349,325	472,432	484,119	515,943				
555,062	477,756	468,950	468,143	474,367	463,471				
-	-	-	-	-	-				
23,193,905	15,051,543	14,829,472	13,674,576	13,496,669	14,149,103				
(8,847,216)	(978,146)	(1,260,764)	175,241	1,016,149	40,969				
321,623	655,219	884,000	535,000	-	350,000				
-	1,485,246	-	-	-	-				
-	-	2,288	29,784	13,934	7,369				
1,257,353	(194,500)	1,216,000	1,538,477	2,240,890	1,197,273				
(1,257,353)	(1,290,746)	(1,216,000)	(1,538,477)	(2,240,890)	(1,197,273)				
321,623	655,219	886,288	564,784	13,934	357,369				
(8,525,593)	(322,927)	(374,476)	740,025	1,030,083	398,338				
14,631,361	6,105,768	5,782,841	5,408,365	6,148,390	7,178,473				
<b>\$ 6,105,768</b>	<b>\$ 5,782,841</b>	<b>\$ 5,408,365</b>	<b>\$ 6,148,390</b>	<b>\$ 7,178,473</b>	<b>\$ 7,576,811</b>				
6%	4%	4%	7%	7%	4%				

# Charter Township of Grand Blanc

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## Taxable Value by Property Type

### Real Property

Tax Year	Residential	Commercial	Industrial	Agricultural and Other	IFT Real	Personal Property
2003	\$ 758,684,136	\$ 174,517,419	\$ 60,636,287	\$ -	\$ 22,866,356	\$ 107,813,600
2004	836,757,967	186,527,937	62,563,902	-	23,823,900	104,453,963
2005	909,882,944	198,881,657	63,088,569	-	23,919,585	108,761,952
2006	993,823,502	222,001,854	66,846,585	-	21,396,298	91,676,305
2007	1,049,143,441	263,087,297	68,692,698	-	5,077,900	90,988,800
2008	1,028,196,955	272,794,647	68,639,609	-	2,478,500	79,903,100
2009	959,112,832	277,779,895	66,891,980	-	1,077,700	94,827,200
2010	821,960,016	269,598,619	61,821,236	-	1,605,500	82,967,400
2011	773,463,997	230,138,564	52,604,012	-	1,587,700	78,488,900
2012	760,498,487	216,143,944	44,702,823	-	1,291,300	79,797,600

Note: Under Michigan law, the revenue base is taxable value.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

## Millage Rates - Direct City Taxes

Tax Year	Millage Rates - Direct City Taxes					Overlapping Taxes		
	General		Total Direct			Community		
	Operating	Debt	Mosquito	Police	Fire	Taxes	County	College
2003	3.9806	0.4153	0.1500	0.9153	-	5.4612	8.1373	2.7466
2004	4.3806	-	0.1500	0.9148	-	5.4454	8.5154	2.6807
2005	4.3806	-	0.1297	0.9128	-	5.4231	8.5091	2.6807
2006	4.3806	-	0.1296	0.9128	-	5.4230	10.2092	2.6796
2007	4.3806	-	0.1185	0.9128	-	5.4119	10.2092	2.6796
2008	4.3806	-	0.1184	0.9128	-	5.4118	10.2092	2.6796
2009	4.5650	-	0.1267	0.9128	-	5.6045	10.2094	2.6796
2010	4.5650	-	0.1482	0.9128	0.5000	6.1260	10.2094	2.6796
2011	4.5650	-	0.1596	0.9128	0.5000	6.1374	10.4594	2.8596
2012	4.5650	-	0.1650	0.9128	0.5000	6.1428	10.5594	2.8596

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## **Revenue Capacity Information**

### **Assessed Value and Actual Value of Taxable Property**

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#### Taxable Value by Property Type

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IFT Pers.	Total Ad-Val	Total Abated	Total Value	GBT Tax		Taxable Value	
				Rate (Mills)	Estimated Actual Value	as a Percent of Actual	
\$ 10,518,000	\$ 1,101,651,442	\$ 33,384,356	\$ 1,134,557,982	-	\$ 2,553,378,000	44.43%	
10,137,300	1,190,303,769	33,947,420	1,224,270,807	5.4454	2,684,475,400	45.61%	
10,082,600	1,280,615,122	34,002,185	1,314,617,307	5.4231	2,879,649,400	45.65%	
4,245,700	1,374,348,246	25,641,998	1,399,990,244	5.4230	3,065,639,800	45.67%	
3,101,600	1,471,912,236	8,179,500	1,480,091,736	-	3,111,956,800	47.56%	
3,663,100	1,449,534,311	6,141,600	1,455,675,911	5.4118	3,100,029,800	46.96%	
2,839,800	1,398,611,907	3,917,500	1,402,529,407	5.6045	2,910,734,600	48.18%	
2,353,100	1,236,347,271	3,958,600	1,240,305,871	6.1260	2,527,561,000	49.07%	
4,320,500	1,134,695,473	5,908,200	1,140,603,673	6.1374	2,277,923,464	50.07%	
9,415,700	1,101,142,854	10,707,000	1,111,849,854	6.1428	2,250,552,100	49.40%	

#### **Direct and Overlapping Property Tax Rates**

Intermediate School District	Overlapping Taxes		Total Tax Rate	
	School - Homestead	School - Non- homestead	Homestead	Non- homestead
3.5469	7.7779	25.4123	27.6699	45.3043
3.5361	11.4768	29.1112	31.6544	49.2888
3.5361	11.5015	28.8290	31.6505	48.9780
3.5341	11.4700	29.4700	33.3159	51.3159
3.5341	11.3600	29.3600	33.1948	51.1948
3.5341	11.3600	29.3600	33.1947	51.1947
3.5341	11.3600	29.3600	33.3876	51.3876
3.5341	11.8000	29.8000	34.3491	52.3491
3.5341	12.2350	30.2350	35.2255	53.2255
3.5341	12.5200	30.5200	35.6159	53.6159

# Charter Township of Grand Blanc

## Revenue Capacity Information Principal Property Taxpayers

Principal Taxpayers	Type of Business	2012		2003		Percent of Total	2003 Rank
		Taxable Value	Percent of Total	Taxable Value	Total		
1 Consumers Energy	Utilities	\$ 19,033,104	1.73%	\$ 19,430,245	1.76%	3	
2 General Motors	Auto Manufacturing	17,984,859	1.63%	65,430,998	5.94%	1	
3 Ring Screw Works	Manufacturing	11,406,528	1.04%	13,551,764	1.23%	5	
4 Auker (Eldon Auker Trust)	Real Estate	9,504,231	0.86%	10,917,138	0.99%	6	
5 Edward Rose Assoc	Thornridge Apartments	8,967,900	0.81%	14,570,198	1.32%	4	
6 WalMart	Retail Sales	8,720,800	0.79%	N/A	N/A	N/A	
7 Knollwood Village Associates	Apartments	8,223,000	0.75%	9,533,000	0.87%	8	
8 Edward Rose Development	Heatherwood Apartments	8,126,500	0.74%	5,605,600	0.51%	10	
9 Magna Electronics	Manufacturing	7,745,600	0.70%	N/A	N/A	N/A	
10 Al Serra Properties	Auto Sales	6,549,248	0.59%	N/A	N/A	N/A	

Source: Township Assessing Department Records

## Property Tax Levies and Collections

Fiscal Year Ended December 31	Percent of Total						Percent of Collections to Tax Levy	
	Current Collections		Levy Collected		Delinquent Collections			
	Total Levy (I)	Collected	Collected	Collections	Total Tax Collections			
2003	\$ 5,631,979	\$ 5,308,723	94.26%	\$ 286,174	\$ 5,594,897	99.34%		
2004	6,014,126	5,798,942	96.42%	190,231	5,989,173	99.59%		
2005	6,574,010	6,379,021	97.03%	111,672	6,490,693	98.73%		
2006	7,004,728	6,889,856	98.36%	23,428	6,913,284	98.69%		
2007	7,525,351	7,485,664	99.47%	37,267	7,522,931	99.97%		
2008	7,955,313	7,924,883	99.62%	12,188	7,937,071	99.77%		
2009	7,851,685	7,831,893	99.75%	16,077	7,847,970	99.95%		
2010	7,838,228	7,746,496	98.83%	5,137	7,751,633	98.90%		
2011	7,839,799	7,759,833	98.98%	30,077	7,789,910	99.36%		
2012	7,545,270	7,444,920	98.67%	7,070	7,451,990	98.76%		

(I) Does not include penalty and interest on late payment of taxes

# Charter Township of Grand Blanc

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	2003	2004	2005	2006
<b>Governmental Activities</b>				
General obligation bonds	\$ -	\$ -	\$ -	\$ 10,800,000
Installment purchase agreements	130,000	120,000	105,000	90,000
Special assessment bonds	<u>526,365</u>	<u>405,182</u>	<u>284,000</u>	<u>185,811</u>
Total governmental activities	656,365	525,182	389,000	11,075,811
<b>Business-type Activities</b>				
SWQIF bonds	-	-	-	-
Installment purchase agreements	455,187	-	-	-
Total debt of the government	<u>\$ 1,111,552</u>	<u>\$ 525,182</u>	<u>\$ 389,000</u>	<u>\$ 11,075,811</u>
<b>Median Household Income per Census</b>	\$ 59,858	\$ 59,858	\$ 59,858	\$ 59,858
<b>Total Population (Per Federal Census 10 Year)</b>	25,392	25,392	25,392	25,392
<b>Total Debt per Capita</b>	\$ 44	\$ 21	\$ 15	\$ 436

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**Debt Capacity Information  
Ratios of Outstanding Debt**

2007	2008	2009	2010	2011	2012
\$ 10,800,000	\$ 10,700,000	\$ 10,600,000	\$ 10,400,000	\$ 10,200,000	\$ 10,000,000
75,000	60,000	40,000	20,000	-	-
<u>376,530</u>	<u>896,331</u>	<u>1,572,312</u>	<u>1,895,430</u>	<u>1,656,146</u>	<u>1,744,861</u>
11,251,530	11,656,331	12,212,312	12,315,430	11,856,146	11,744,861
-	-	-	-	141,682	201,379
-	-	-	-	-	-
<b>\$ 11,251,530</b>	<b>\$ 11,656,331</b>	<b>\$ 12,212,312</b>	<b>\$ 12,315,430</b>	<b>\$ 11,997,828</b>	<b>\$ 11,997,828</b>
\$ 59,858	\$ 59,858	\$ 59,858	\$ 59,858	\$ 60,542	\$ 60,542
29,827	29,827	29,827	37,508	37,508	37,508
\$ 377	\$ 391	\$ 409	\$ 328	\$ 320	\$ 320

# Charter Township of Grand Blanc

## Debt Capacity Information Ratios of General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Less Pledged Debt Service Funds		Net General Bonded Debt	Total Taxable Value Ad Valorem and IFT	Debt as a Percentage of Taxable Value		Estimated Population	General Obligation Debt per Capita
							%		
2003	\$ -	\$ -	\$ -	\$ -	\$ 1,134,557,982	-	%	29,827	-
2004	-	-	-	-	1,224,270,807	-	%	29,827	-
2005	-	-	-	-	1,314,617,307	-	%	35,075	-
2006	10,800,000	-	-	10,800,000	1,399,990,244	0.77%	35,075	308	
2007	10,800,000	-	-	10,800,000	1,480,091,736	0.73%	35,075	308	
2008	10,700,000	-	-	10,700,000	1,455,675,911	0.74%	35,075	305	
2009	10,600,000	-	-	10,600,000	1,402,529,407	0.76%	35,075	302	
2010	11,083,000	-	-	11,083,000	1,240,305,871	0.89%	37,508	295	
2011	10,794,000	-	-	10,794,000	1,139,051,263	0.95%	37,508	288	
2012	10,853,000	-	-	10,853,000	1,111,849,854	0.98%	37,508	289	

## Direct and Overlapping Governmental Activities Debt

Jurisdiction	Debt Outstanding	Percent Applicable to Charter Township		Amount Applicable to Charter Township
		Charter	Township	
Direct debt - Charter Township of Grand Blanc	\$ 11,856,146	100.00	\$ 11,856,146	
Overlapping debt:				
Genesee County	80,576,316	12.67	10,209,019	
Grand Blanc School District	82,930,000	74.19	61,525,767	
Goodrich School District	49,352,416	12.77	6,302,304	
Lake Fenton School District	23,445,000	2.02	480,623	
Mott Community College	51,325,000	12.00	6,159,000	
Bishop Airport Authority	10,605,000	12.67	1,343,654	
Subtotal - Overlapping debt	<u>298,233,732</u>		<u>86,020,366</u>	
Total	<u><u>\$ 310,089,878</u></u>		<u><u>\$ 100,518,308</u></u>	

# Charter Township of Grand Blanc

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	2003	2004	2005	2006
<b>Debt Limit (Fiscal Year Ended) (1)</b>				
State equalized valuation (previous year)	\$ 1,276,689,000	\$ 1,376,198,900	\$ 1,473,832,800	\$ 1,558,529,700
Debt limit (10 percent of state equalized valuation)	127,668,900	137,619,890	147,383,280	155,852,970
<b>Debt Applicable to Debt Limit</b>				
Total debt	1,111,552	525,182	389,000	11,075,811
Less deductions allowed by law:				
Special assessment bonds	(526,365)	(405,182)	(284,000)	(185,811)
General obligation limited tax bonds	-	-	-	(10,800,000)
Total amount of debt applicable to debt limit	585,187	120,000	105,000	90,000
<b>Legal Debt Margin</b>	<b>\$ 127,668,900</b>	<b>\$ 137,619,890</b>	<b>\$ 147,383,280</b>	<b>\$ 155,852,970</b>
<b>Net Debt Subject to Limit as Percentage of Debt Limit</b>	0.46%	0.09%	0.07%	0.06%

(1) The legal debt limit continues to be derived from state equalized value (SEV), not taxable value (TV).

**Debt Capacity Information**  
**Legal Debt Margins**

2007	2008	2009	2010	2011	2012
\$ 1,628,440,700	\$ 1,557,658,800	\$ 1,453,248,100	\$ 1,263,780,500	\$ 1,166,161,500	\$ 1,135,442,000
162,844,070	155,765,880	145,324,810	126,378,050	116,616,150	113,544,200
11,251,530	11,656,331	12,212,312	12,315,430	11,856,146	11,744,861
(376,530)	(896,331)	(1,572,311)	(1,895,430)	(1,656,146)	(1,744,861)
(10,800,000)	(10,700,000)	(10,600,000)	(10,400,000)	(10,200,000)	(10,000,000)
75,000	60,000	40,001	20,000	-	-
<b><u>\$ 162,844,070</u></b>	<b><u>\$ 155,765,880</u></b>	<b><u>\$ 145,324,810</u></b>	<b><u>\$ 126,378,050</u></b>	<b><u>\$ 116,616,150</u></b>	<b><u>\$ 113,544,200</u></b>
0.05%	0.04%	0.03%	0.02%	0.00%	0.00%

# Charter Township of Grand Blanc

## Demographic and Economic Statistics Demographic and Economic Information

Fiscal Year	Population	Personal income (in thousands)	Per Capita	
			Personal Income	Unemployment Rate
2003	29,827	(A)	(A)	(A)
2004	29,827	(A)	(A)	(A)
2005	35,075	(A)	(A)	(A)
2006	35,075	(A)	(A)	(A)
2007	35,075	(A)	(A)	(A)
2008	35,075	(A)	(A)	(A)
2009	35,075	(A)	(A)	8.8%
2010	37,508	(A)	\$ 35,624	8.6%
2011	37,508	(A)	\$ 28,730	7.0%
2012	37,508	(A)	\$ 28,730	6.7%

(A) Not available

## Principal Employers

Taxpayer	2012 Employees	Percentage of Total	2003 Employees	Percentage of Total	1997 Rank
1 Genesys Health System	3,771	31.43%	(A)	(A)	(A)
2 General Motors Service Parts Operation	1,903	15.86%	(A)	(A)	(A)
3 Grand Blanc Community Schools	893	7.44%	(A)	(A)	(A)
4 Acumet Industries	427	3.56%	(A)	(A)	(A)
5 Magna Electronics	425	3.54%	(A)	(A)	(A)
6 Serra Automotive Group	400	3.33%	(A)	(A)	(A)
7 General Motors Stamping Plant	351	2.93%	(A)	(A)	(A)
8 Walmart	290	2.42%	(A)	(A)	(A)
9 Genesys Athletic Club	195	1.63%	(A)	(A)	(A)
10 TMI Custom Air Systems, Inc	158	1.32%	(A)	(A)	(A)

(A) Not available

# Charter Township of Grand Blanc

## Operating Information Full-time Equivalent Government Employees

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Supervisor	2	2	2	2	2	2	2	1	1	1
Treasurer	2	2	2	2	2	2	2	2	2	2
Clerk	2	2	2	2	2	2	2	2	2	2
Finance	4	5	5	5	4	5	4	5	5	5
General office	4	4	4	4	4	3	3	2	2	3
Assessing	5	5	5	5	5	5	5	4	4	4
GIS-IT	-	-	-	-	-	-	-	3	3	3
<b>Public Safety</b>										
Police	51	52	52	53	53	51	49	44	46	44
Fire and EMS	2	2	2	2	2	2	2	2	5	5
Part-time volunteer	52	52	45	48	40	45	45	45	45	40
<b>Public Services</b>										
DPW	34	17	20	20	20	20	19	18	18	16
Building	5	5	5	6	5	3	3	2	2	2
Planning/Zoning	3	3	3	4	4	4	3	2	2	1
Parks and recreation	6	6	6	6	6	6	6	6	6	6

Information obtained from the director of the department

# Charter Township of Grand Blanc

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Function/Program	2003	2004	2005	2006
<b>Police:</b>				
Physical arrests	1,873	2,445	2,527	2,410
Traffic violations	4,371	5,548	5,577	3,324
Traffic stops	-	-	-	-
Calls for service	(A)	(A)	(A)	16184
<b>Fire:</b>				
Emergency responses	511	482	438	484
Fires extinguished	97	113	79	102
Inspections	-	-	-	-
Public works - Refuse collected (tons)	(A)	(A)	14830	(A)
Parks and recreation - Recreation programs	649	653	662	670
<b>Library:</b>				
Circulation (books borrowed)	1,013,247	1,418,106	1,951,419	2,358,562
Collection volume	661,387	700,242	705,797	678,740
<b>Water:</b>				
New connections	(A)	(A)	(A)	147
Water main breaks	(A)	(A)	(A)	7
Miles of water mains	173	177	179	182
Number of water meters	5,171	5,960	6,480	6,821
Number of water units	-	-	14,859	15,253
Total consumption	141,510,695	126,300,495	130,772,000	121,680,400
Average consumption per meter	27,366	21,191	20,181	17,839
<b>Sewer:</b>				
Miles of sanitary sewer mains	219	221	227	228
Number of sewer customers	19,167	19,233	20,473	20,473

(A) Information not available

Information obtained from the director of the department

**Operating Information**  
**Operating Indicators**

2007	2008	2009	2010	2011	2012
2,273	2,436	2,472	2,502	2,825	2,193
4,445	5,111	4,929	3,594	3,968	3,099
8,599	9,337	8,771	8,171	9,631	8,763
17,208	17,798	16,990	17,340	21,788	21,093
499	472	438	422	469	706
94	70	54	113	98	128
-	-	-	453	490	118
(A)	(A)	(A)	(A)	(A)	(A)
702	701	704	702	706	737
2,434,035	2,580,077	2,734,882	3,008,370	2,963,244	2,874,324
665,165	645,235	632,330	695,563	619,912	635,146
159	65	26	23	25	45
9	1	3	5	-	7
188	193	193	193	193	193
7,063	7,136	7,164	7,193	7,219	7,267
15,579	15,715	15,757	15,771	15,700	15,884
144,908,373	122,486,600	121,835,108	113,610,700	126,184,500	123,554,920
20,517	17,165	17,007	15,795	15,771	15,771
237	245	245	241	241	241
11,155	11,216	11,241	11,257	11,273	11,305

# Charter Township of Grand Blanc

## Operating Information Capital Asset Statistics

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police:										
Stations	I	I	I	I	I	I	I	I	I	I
Patrol units	(A)	(A)	(A)	(A)	(A)	17	17	17	17	16
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	7	7	7	7	7	9	9	10	7	7
Public works:										
Streets (miles)	(A)									
Street lights	(A)									
Traffic signals	(A)									
Refuse collection trucks	(A)									
Parks and recreation:										
Acreage	222	222	222	222	222	222	222	222	222	222
Playgrounds	2	I	I	I	I	I	I	I	I	I
Soccer fields	-	-	-	-	-	-	-	-	4	4
Baseball/Softball diamonds	10	10	10	10	10	10	10	10	10	10
Pools/Splash pad	-	-	-	I	I	I	I	I	I	I
Sand volleyball court	-	-	-	-	-	-	-	-	5	5
Libraries - Branches	I	I	I	I	I	I	I	I	I	I
Water:										
Mains (miles)	173.0	177.0	179.0	182.0	188.0	193.0	193.0	193.0	193.0	193.0
Fire hydrants	(A)	(A)	(A)	(A)	2160	2,200	2,200	2,216	2,216	2,216
Storage capacity	(A)									
Sewer:										
Miles of sanitary sewers	219.0	221.0	227.0	228.0	237.0	245.0	245.0	241.0	241.0	241.0
Miles of storm sewers	(A)									
Treatment capacity	(A)									

(A) Information not available

Information obtained from the director of the department