

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

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**Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2014**

**Prepared by the Finance Department**

# Charter Township of Grand Blanc

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# CHARTER TOWNSHIP OF GRAND BLANC

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May 15, 2015

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

The Comprehensive Annual Financial Report (CAFR) is hereby submitted to the citizens and the Board of Trustees of the Charter Township of Grand Blanc, Michigan. Generally accepted accounting principles require that management provide a narrative 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. To the best of their knowledge and belief, this financial report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Charter Township. Plante & Moran, PLLC has issued an unmodified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2014. The independent auditor's report is located at the front of the financial section of this report.



## **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, which is located in the mid-state section of Michigan. The Charter Township is about 60 miles north of the City of Detroit, 10 miles south of Flint and three miles north of Automation Alley in Oakland County. It currently has a land area of 32.1 square miles and a population of approximately 37,500, an increase of nearly 26% over the last 10 years, as reflected in the results of the 2010 census. The Charter Township has a futuristic, innovative approach to development, while maintaining 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 many distinctive housing options which include unique and historic home sites and subdivisions, as well as quality apartments, townhouses and condominiums. Known for its close access to both recreational activities and proximity to larger metropolitan areas such as Clarkston and Detroit, the Charter Township is enhanced by an exemplary educational system in both public and private schools, as well as a premier library system. Quality health care is also provided by Genesys Health System, one of the first medical centers of its kind built both clinically and architecturally around a patient-focused care philosophy. In addition, Ciena Healthcare recently opened a \$4 million skilled nursing home near the interchange of I-475 and Hill Road. This spacious, skilled nursing home is a state-of-the-art center that offers both short-term rehabilitation and long-term care suites.

The Charter Township of Grand Blanc provides multiple services to its citizens. Among these are police protection, community development, planning & zoning, building code enforcement, property assessment, general administrative services, voter registration, garbage collection, mosquito control, partial water and sewer operations, and minor road improvements. The Charter Township also participates with the City of Grand Blanc 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 annual budget serves as the foundation for financial planning and control. The Charter Township's fiscal year is January through December. The annual budget is adopted no later than December 31 for the subsequent year. As part of its budgetary controls, 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.

Management of the Charter Township is responsible for establishing and maintaining internal control designed to ensure that the assets of the Charter Township are protected from loss, theft or misuse and to provide that adequate accounting data can be compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. It is the belief of management that the Charter Township's internal control adequately safeguards, and provides reasonable assurance of proper recording of financial transactions. As a recipient of federal and state financial assistance, the Charter Township is also responsible for ensuring that there is adequate internal control structure in place to affirm and document compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management of the Charter Township.

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. As a result, the Charter Township continues to meet the needs of its citizens and provide exemplary services and quality of life to all residents who reside in the community.

## **LOCAL ECONOMY**

The 2010 census reflects an increase in population of 25.75 percent, for a total population of 37,508. This is an increase of 7,681 people, since the last census in 2000. The housing market is improving as sales and home values have been on the rise. The Grand Blanc unemployment rate is 3.9%, which is below the State (5.8%) and National (5.5%) averages despite the fact that the Charter Township is located in close proximity to the City of Flint, whose unemployment rate is 11.2%.

The Charter Township has two General Motors facilities within its boundaries which help to support its tax base; however, the Charter Township no longer relies on GM as a major taxpayer. The world headquarters for General Motors Service and Parts Operation is also located in the Charter Township and employs approximately 1,900 people.

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 its growth. Genesys Health Systems has plans to develop a total medical campus in the southern end of the Charter Township. Grand Blanc Township is actively trying to secure a TIGER 4 grant for the Dort Highway extension project, which will help to finance the infrastructure needs within the southern end of the Charter Township. The Dort Highway Connector will facilitate the implementation of the first phase of the Genesys Health Systems expansion, and will be a significant catalyst for development in the surrounding area. Grand Blanc Township will also be part of the Lost Lake Preserve, 538 acres located in both Holly Township and Grand Blanc Township, which have been acquired by Southeast Michigan Land Conservancy for natural areas preservation and public recreation. The reserve has the potential to become a key nature destination in southeast Michigan.

In 2014, the Charter Township welcomed two new restaurants, Bagger Dave's Burger Tavern and Culver's Restaurant, comprising over \$1.5 million of investment between the two of them. A new senior community was started in the area of Baldwin and Vassar roads, with over 50 building permits issued for condos valued at \$200,000 and above. In addition, an assisted living/skilled nursing facility broke ground in 2014 on a project estimated at over \$4 million and construction began on a \$900,000 project to locate the headquarters of Dort Federal Credit Union within the Charter Township. Both have estimated completion dates in 2015.

The Charter Township is 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. In addition, TMI Climate Solutions, a major manufacturer of custom air handling and advanced hydronic systems, completed a \$6 million expansion of their headquarters in the Charter Township which will result in 30-50 new jobs over the next few years.

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 an enticing and appealing 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. As articulated in the Charter Township's Master Plan Vision Statement, the Charter Township envisions building upon this "unparalleled quality of life" in the years to come.

The Grand Blanc community is also 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. All of these organizations are committed to the long-term well-being of the community and enhancing the quality of life for its citizens.

## **LONG-TERM FINANCIAL PLANNING**

Fund balance (unassigned and assigned combined) in the General Fund is currently \$2,676,945, or 13.27 percent of total General Fund revenue, and falls within the policy guidelines set by the Charter Township's fund balance policy. By maintaining an appropriate level of fund balance, the Charter Township is able to reduce or eliminate the need to borrow in order to finance future capital projects or expenditures. Even with the downturn in the economy, the Charter Township has taken the necessary steps to preserve its General Fund balance, and will continue to do so in the future.

## **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.

The Charter Township's Board approved an updated purchasing policy, which tightens the requirements needed to enter into contracts or purchase materials needed for the Charter Township. In addition, the petty cash policy was recently reviewed and updated to include more secure locations to maintain petty cash accounts.

## **MAJOR INITIATIVES**

Throughout the year, the Charter Township's government has been involved in a variety of projects that reflect the government's commitment to ensuring that its citizens are able to live and work in an enviable environment. The Mission Statement of the Charter Township of Grand Blanc is, "A planned and progressive community which provides a safe, caring, and quality environment in which to live, work, and play." This requires planning, collaboration among community and business leaders, and citizen participation. The Board of Trustees and management of the Charter Township are always working to create a thriving environment with a strong quality of life where talent wants to live, businesses want to locate and entrepreneurs want to invest.

Governor Rick Snyder supported the Michigan Economic Growth Authority Board's (MEGA Board) approval of a \$5 million, seven (7) 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 will provide 525 new jobs between 2012 and 2015. The company began manufacturing 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 unit, motorcycle unit, motor carrier unit, child safety seat inspections, patrol, traffic enforcement and an accident reconstruction team. As a result, Grand Blanc Township was named in the *Top 50 Safest Cities* list by SafeWise, which examined FBI crime statistics and compiled a detailed list of the most favorable communities.

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 2014 included \$96,000 for water tank painting; \$129,000 for sewer system pipe linings; \$227,000 for water meter purchase and replacement; and \$550,000 on sanitary sewer system improvements. These projects were funded by the revenue generated from the water and sewer tap-in fees.

The Charter Township Governmental Funds invested an additional \$79,000 in 2014 for the completion of the Bi-Centennial Park Pavilion for a total project cost of \$266,000. An additional \$9,500 was expended within the Information Technology Department for enhanced storage server capabilities. The capital projects fund balance of \$2,450,187 will be carried forward to the 2015 fiscal year to be used for road improvements, police vehicles, and other projects as warranted. All capital projects within the Charter Township are assessed with sound planning and good financial management to allow the Charter Township to continue providing quality services and to become more progressive and responsive to the needs of its citizens.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (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, 2013. This was the nineteenth consecutive year that the Charter Township has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of 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.

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

May 15, 2015

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. I would like to express my appreciation to all of the members of the Charter Township's Finance Department for their assistance and contribution to its preparation. 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,



Cathleen Szostak

Finance Director



Government Finance Officers Association

# 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, 2013**

A handwritten signature in black ink, appearing to read 'Jeffrey P. Eimer'.

Executive Director/CEO

# **Charter Township of Grand Blanc**

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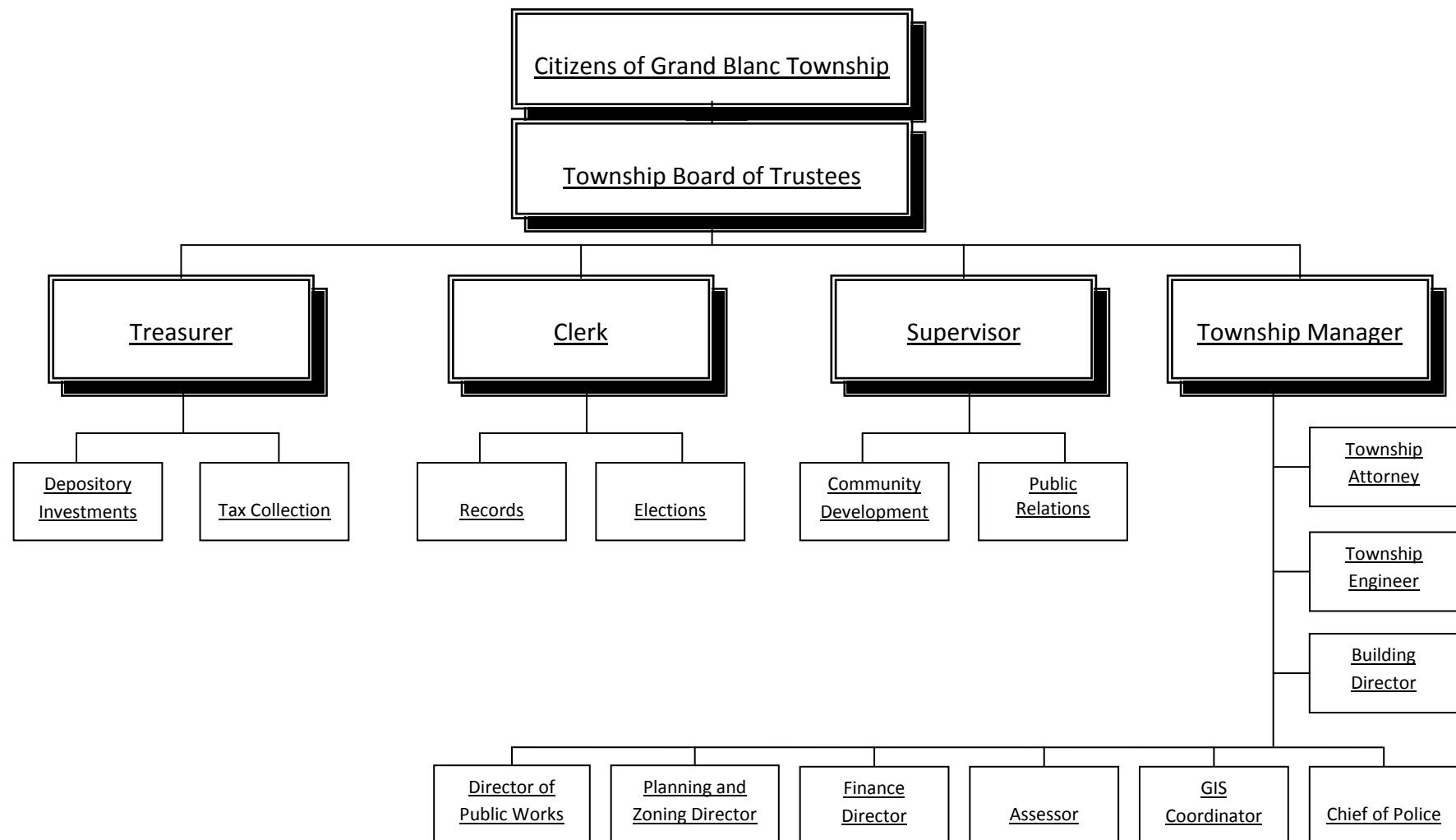
## **List of Principal Officials**

<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	Vacant
Finance Director	Cathy Szostak
Director of Public Works	Jeff Sears
Police Chief	David Stamm
Fire Chief	David Servetter
Assessor	Rebecca Salvati
Parks and Recreation Director	Kae Eidson
Planning and Zoning Director	Vacant
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 Trustees  
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, as of and for the year ended December 31, 2014, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc as of December 31, 2014 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.

To the Board of Trustees  
Charter Township of Grand Blanc

### ***Other Matters***

#### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension system and OPEB schedules of funding progress, and the major fund budgetary comparison schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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, 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.

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, have 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 them.

To the Board of Trustees  
Charter Township of Grand Blanc

**Report on Summarized 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, 2013, from which such partial information was derived. We have previously audited the Charter Township of Grand Blanc's December 31, 2013 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 June 12, 2014. In our opinion, the prior year comparative information presented herein for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Plante & Moran, PLLC*

May 27, 2015

# 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, 2014. 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

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 it has 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. This long-term view also helps to measure whether the taxpayers have funded the full cost of providing government services.

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 business-type activities of the Charter Township include the water and sewer systems. These activities are supported by user fees and charges, which are intended to recover all, or a significant portion, of the costs to provide the service.

# 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 governmental funds, which measure financial resources available to the entity in the near future as a result of transactions and events of the fiscal period reported. Therefore, long-term assets and liabilities will not be reflected on the balance sheets of governmental funds. 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 near future to finance the Charter Township's General Fund operations, as well as various other activities with revenue sources restricted for specific purposes.
- **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. The fiduciary fund statements provide information about activities for which the Charter Township acts solely as a trustee or agent for the benefit of those outside of the government. 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. These activities are excluded 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.

# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

**Required Supplemental Information** - Includes the budgetary comparison statements for the General Fund and Major Special Revenue Funds as well as budget notes. Also included are schedules of funding progress and employer contributions for Pension and OPEB. 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.

### Financial Analysis of the Charter Township as a Whole

The Charter Township has a combined net position of approximately \$103 million for the fiscal year ended December 31, 2014. This was a total increase of approximately \$2.1 million or 2 percent for 2014. The largest portion of the Charter Township's net assets (88.3 percent) reflects its investment in capital assets (i.e. land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Charter Township uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In a condensed format, the table below shows a comparison of the net position as of December 31, 2014 and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
	(in thousands)		(in thousands)		(in thousands)	
<b>Assets</b>						
Current and other assets	\$ 19,745	\$ 19,657	\$ 12,612	\$ 10,534	\$ 32,357	\$ 30,191
Capital assets	18,361	19,202	80,103	80,605	98,464	99,807
Total assets	38,106	38,859	92,715	91,139	130,821	129,998
<b>Liabilities</b>						
Long-term liabilities outstanding	14,855	15,210	226	238	15,081	15,448
Other liabilities	1,936	2,370	2,264	2,381	4,200	4,751
Total liabilities	16,791	17,580	2,264	2,619	19,281	20,199
<b>Deferred Inflows of Resources</b>	8,821	8,940	-	-	8,821	8,940
<b>Net Position</b>						
Net investment in capital assets	8,203	8,681	79,867	80,359	88,070	89,040
Restricted	760	679	-	-	760	679
Unrestricted	3,531	2,979	10,584	8,161	14,115	11,140
Total net position	\$ 12,494	\$ 12,339	\$ 90,451	\$ 88,520	\$ 102,945	\$ 100,859

# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

The business-type activities comprised \$90.5 million and government activities accounted for \$12.5 million of the total net position. Both the business-type activities and the governmental activities experienced an increase in net position of \$1,931,000 and \$155,700, respectively. The change in net assets of the business-type activities is attributable to an increase in cash and cash equivalents primarily due to increased user fees, cost containment measures, and positions that remained vacant throughout the fiscal year. The increase in the governmental activities net position is also reflected in its cash and cash equivalents as a result of increased revenues in the form of property taxes and state-shared revenues as well as cost containment measures. The other category changes are minimal and consistent with the prior year.

The following table shows the change in the net position for the governmental activities and the business-type activities during the current year:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
	(in thousands)		(in thousands)		(in thousands)	
<b>Revenue</b>						
Program revenue:						
Charges for service	\$ 2,969	\$ 2,774	\$ 13,938	\$ 12,894	\$ 16,907	\$ 15,668
Operating grants and contributions	234	304	-	-	234	304
Capital grants and contributions	85	799	1,232	654	1,317	1,453
General revenue:						
Property taxes	7,381	7,229	-	-	7,381	7,229
State-shared revenue	2,915	2,788	-	-	2,915	2,788
Unrestricted investment earnings	34	55	26	40	60	95
Miscellaneous	771	608	-	-	771	608
Total revenue	14,389	14,557	15,196	13,588	29,585	28,145
<b>Expenses</b>						
General government	2,745	2,460	-	-	2,745	2,460
Public safety	8,236	8,622	-	-	8,236	8,622
Public works	2,110	2,328	-	-	2,110	2,328
Community and economic development	103	92	-	-	103	92
Recreation and culture	413	593	-	-	413	593
Interest on long-term debt	627	540	-	-	627	540
Water and sewer	-	-	13,265	12,676	13,265	12,676
Total expenses	14,234	14,635	13,265	12,676	27,499	27,311
<b>Increase (Decrease) in Net Position</b>	155	(78)	1,931	912	2,086	834
<b>Net Position - Beginning of year</b>	12,339	12,417	88,520	87,608	100,859	100,025
<b>Net Position - End of year</b>	<b>\$ 12,494</b>	<b>\$ 12,339</b>	<b>\$ 90,451</b>	<b>\$ 88,520</b>	<b>\$ 102,945</b>	<b>\$ 100,859</b>

# **Charter Township of Grand Blanc**

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

### **Governmental Activities**

The net position of the governmental activities increased \$155,734 in 2014, to \$12,494,309. Revenue for the governmental activities totaled \$14.4 million, of which \$7.4 million, or just over 50 percent, was in the form of property tax collections. The Charter Township levied a total of 6.1503 mills for fiscal year 2014 (levied in December of 2013), distributed as follows - 3.865 mills for the Charter Township's operation, 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 0.1725 mills for the Charter Township's mosquito control.

State-shared revenue contributed 20 percent, or \$2.9 million, of the 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, revenue sharing continues to be a target with per-person funding reductions to all governmental entities.

Charges for governmental services represent just over 20 percent of total revenue. The Charter Township's housing construction activities provide revenue in the form of building permits and inspection fees, which represent 28.5 percent of the charges for services revenue. The building permits and inspection fees increased by approximately \$140,000 over the previous year.

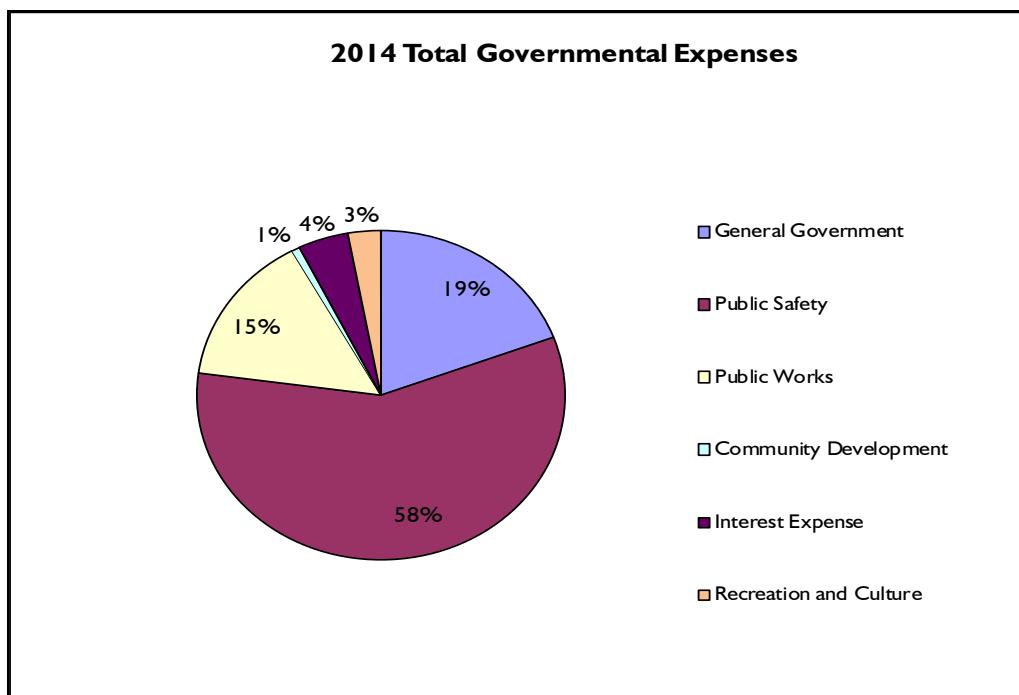
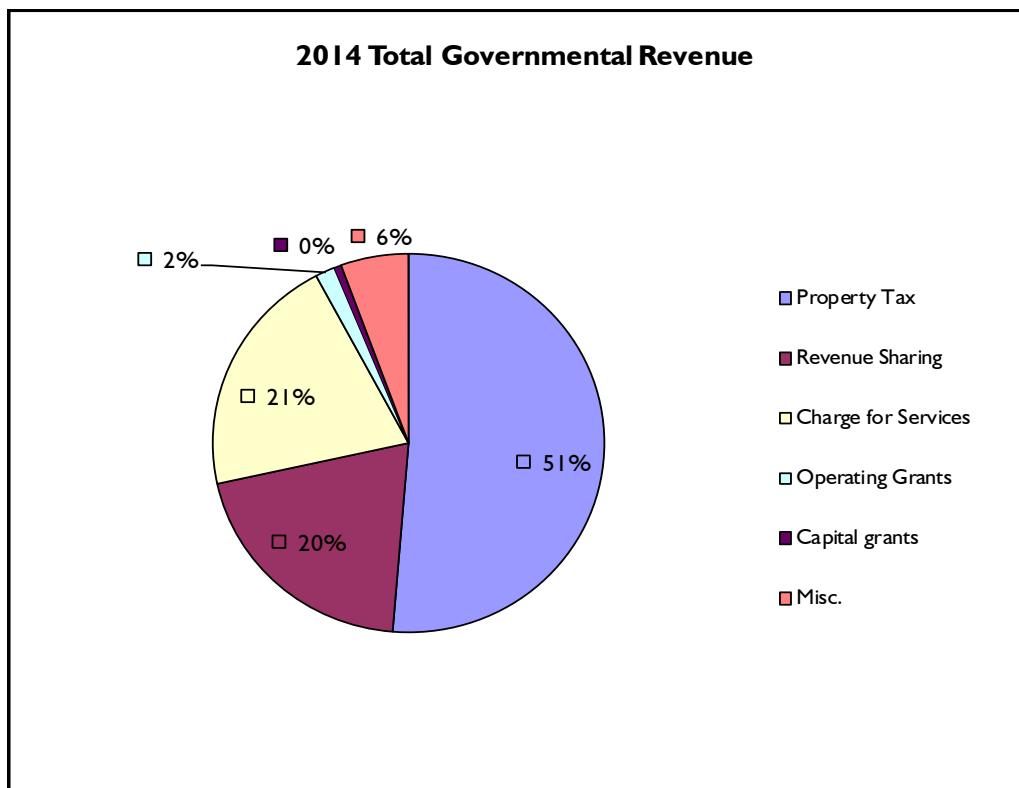
### **Business-type Activities**

The Charter Township has one business-type activity, the Department of Public Works, which maintains the water and sewer systems. The Charter Township purchases water from Genesee County and the Charter Township's sewage is pumped to Genesee County treatment facilities. The water and sewer operations are primarily funded by user fees and charges for services. The revenue generated from charges for services of \$13.9 million covered all of the \$13.3 million of water and sewer expenses. The Charter Township's goal is to have the water and sewer operations be self-supporting. Any revenues in excess of expenses will be used to fund the projects in the five-year capital improvement plan. The net position for business-type activities at the end of 2014 reflects an increase of \$1,931,000.

# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

The following pie charts offer a quick view of the revenue and expenditures 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 \$98,463,227. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2014 and 2013. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,948	\$ 1,948	\$ 257	\$ 236	\$ 2,205	\$ 2,184
Construction in progress	25	212	835	285	860	497
Buildings and improvements	13,115	13,318	1,444	1,469	14,559	14,787
Furniture and equipment	273	361	263	299	536	660
Infrastructure	2,868	3,126	-	-	2,868	3,126
Water and sewer distribution systems	-	-	77,130	78,211	77,130	78,211
Vehicles	131	237	174	105	305	342
<b>Total</b>	<b>\$ 18,360</b>	<b>\$ 19,202</b>	<b>\$ 80,103</b>	<b>\$ 80,605</b>	<b>\$ 98,463</b>	<b>\$ 99,807</b>

The Charter Township's governmental funds invested approximately \$88,350 in 2014 for capital projects/purchases. The governmental funds capital investments included the addition of police vehicles, information technology equipment, and park improvements. The fund balance in the Capital Projects Fund of approximately \$2,450,000 will be carried forward to the 2015 year to be used for road improvements, police vehicles, and other projects as warranted. Prior to replacement, each capital asset is closely inspected to evaluate its remaining life and its need for replacement or improvement.

In the proprietary fund, the Charter Township collected \$605,000 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. Some of the capital improvements/purchases during 2014 within the Department of Public Works Fund included the replacement of a truck equipped with cameras for inspection of sewer lines, sewer lining replacement, water tank painting, and other miscellaneous water and sewer system improvements. 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 \$11,678,264 in long-term governmental debt and \$263,206 in long-term business-type activity debt as of December 31, 2014. Of this total debt, \$9,600,000 or 80 percent is related to the issuance of a 25-year general obligation limited tax capital improvement bond for construction of a new police station, \$240,888 or 2 percent is related to employee-compensated absences, and \$1,864,294 or 16 percent of the debt is related to road improvement projects. The remaining 2 percent or \$236,288 is associated with a bond issued for sanitary sewer system improvements. The Charter Township has a policy of assisting subdivisions in financing road improvements within the Charter Township that are completed by the Genesee County Road Commission. Typically, the Charter Township issues a special assessment bond and these obligations are then paid over a 10-year period by the homeowners that benefit by the road improvement. The Charter Township's debt represents 11.6 percent of total net position 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 57 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, Federal Equitable Sharing Fund, and PEG (public, educational, and government) Channel Grant Fund are special revenue funds due to their source of revenue being derived from specific revenue sources.
- **Debt Service Fund** - This fund, the Master Campus Project Fund, receives a specific tax revenue determined by the board (currently 0.7 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 received as lease proceeds from a cell tower located on property, within the Charter Township, 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 account for the investment revenue that is received on the principal balances, which is expendable for maintenance of the cemeteries.

# **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 including the General Fund on page 50 and the Solid Waste Fund on page 52 of this report. The Charter Township's total General Fund budgeted revenue for 2014 was \$13,034,093, with actual revenue recorded at \$13,197,565, which was a positive variance with the budget of \$163,472 or 1.25 percent. The under-budgeted revenue areas included investment income, fines and forfeitures, and special assessment revenue. All other categories exceeded the budgeted revenues.

State-shared revenue was originally budgeted at \$2,850,000. The budget was then amended up to \$2,890,000, with actual state-shared revenue received amounting to \$2,915,367 for a surplus of \$25,367. 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 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 \$12,255,148 in 2014, with actual expenditures amounting to \$11,647,883. The net effect for 2014 shows an excess of revenue over expenditures prior to transfers out of \$1,549,682. After net other financing uses of \$750,000, revenue exceeded expenditures and other financing uses by \$799,682. As a result, the Charter Township's 2014 General Fund balance increased to \$2,676,945. The December 31, 2014 unassigned General Fund balance is 14 percent of 2014 General Fund expenditures and transfers out, which is in compliance with the Charter Township's fund balance policy for the General Fund.

The Charter Township's total Solid Waste Special Revenue Fund's original budgeted revenue was \$1,395,750. The budget was amended to increase the total revenue to \$1,831,820; however, the actual revenue recognized was \$1,405,420. The result was a difference of \$426,400 under budget. The Solid Waste Special Revenue Fund originally budgeted expenditures of \$1,384,300 and amended the budget to \$1,402,500. The actual expenditures were \$1,402,156 which resulted in a difference of \$344 under budget. The net effect for 2014 reflects an excess of revenue over expenditures of \$3,264. This increased the fund balance of the Charter Township's 2014 Solid Waste Fund to \$243,440 or 17.4 percent of 2014 Solid Waste Fund expenditures.

### **Current Economic Conditions**

Property taxes, the primary funding source of the General Fund, remained relatively constant over the last year. After several years of decline, property values are projected to increase slightly in 2015. Because of the State of Michigan's economic conditions, state-shared revenue, the second largest source of revenue in the General Fund, continues to be a concern in the preparation of the Charter Township's budget. No additional reductions have been forecast for the next fiscal year, as the Charter Township is optimistic that state-shared revenue will remain

# **Charter Township of Grand Blanc**

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

constant or increase minimally. The Charter Township also faces a continued rise in healthcare costs as additional increases are expected in the future.

Another issue of concern to the Charter Township is the unfunded liabilities of its defined benefit retirement plan of approximately \$7.3 million as of December 31, 2013 and its retiree healthcare plan of approximately \$9.5 million as of December 31, 2011, the date of its most recent actuarial report. In 2014, the Charter Township contributed the required annual contribution of \$738,228 to its defined benefit plan and \$973,879 of the \$1,137,910 annual required contribution toward its retiree healthcare plan. The Charter Township will address the unfunded liability within its retiree healthcare plan by continuing its contribution to a healthcare trust fund for future retiree healthcare obligations along with funding the current obligation for present retirees until it is financially able to contribute the entire required contribution.

Even though the demand for new housing had slowed down in recent years, the housing market is now beginning to pick up. During 2014, 116 new house permits were issued and 328 housing improvement permits were issued. During that same timeframe, there were eight new commercial development permits and 42 commercial improvement permits issued. The demand for commercial property permits and commercial improvement permits has allowed the Charter Township of Grand Blanc to remain one of the most active governmental entities for permits issued in Genesee County.

In light of the decline in property tax value in recent years, a slowdown in residential building permits, healthcare cost increases, the demand for additional services, and difficult economic conditions for the State of Michigan, the Charter Township has been able to maintain its fund balance as specified in its policy. In addition, in 2014, the fund balance of the General Fund increased an additional \$800,000 to \$2.7 million. This is indicative of the strong financial management that has been exercised by the Charter Township over the last several years. As a result, the Charter Township has continued to maintain its strong financial base which will allow for continued investment in the community to improve the quality of life for all residents and business of the Charter Township.

### **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, 5371 South Saginaw Street, P.O. Box 1833, Grand Blanc, Michigan 48480-0057, 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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 10,967,674	\$ 8,338,307	\$ 19,305,981
Investments (Note 3)	2,636,000	-	2,636,000
Receivables:			
Property taxes	3,736,457	-	3,736,457
Customers	491,886	3,619,345	4,111,231
Accrued interest and other	251,129	-	251,129
Receivables billed on tax roll	341	308,208	308,549
Due from other governmental units	583,284	8,801	592,085
Special assessments	958,227	-	958,227
Internal balances	(6,472)	6,472	-
Prepaid expenses and other assets	127,367	33,440	160,807
Net OPEB asset	-	1,149	1,149
Capital assets (Note 5):			
Assets not subject to depreciation	1,973,510	1,091,946	3,065,456
Assets subject to depreciation	16,386,887	79,010,884	95,397,771
Capital connections receivable - Net of current portion	-	296,344	296,344
<b>Total assets</b>	<b>38,106,290</b>	<b>92,714,896</b>	<b>130,821,186</b>
<b>Liabilities</b>			
Accounts payable	423,056	1,645,179	2,068,235
Due to other governmental units	1,779	-	1,779
Accrued liabilities and other	663,129	355,145	1,018,274
Noncurrent liabilities:			
Due within one year (Note 7):			
Compensated absences	213,970	26,918	240,888
Current portion of long-term debt	634,283	10,000	644,283
Due in more than one year:			
Net OPEB obligation (Note 14)	4,025,156	-	4,025,156
Long-term debt (Note 7)	10,830,011	226,288	11,056,299
<b>Total liabilities</b>	<b>16,791,384</b>	<b>2,263,530</b>	<b>19,054,914</b>
<b>Deferred Inflows of Resources (Note 4)</b>			
Property taxes levied for the following year	7,388,752	-	7,388,752
Other resources received before the period resources may be used	1,431,845	-	1,431,845
<b>Total deferred inflows of resources</b>	<b>8,820,597</b>	<b>-</b>	<b>8,820,597</b>
<b>Net Position</b>			
Net investment in capital assets	8,203,104	79,866,542	88,069,646
Restricted for:			
Mosquito spraying	22,996	-	22,996
Solid waste	243,440	-	243,440
Drug forfeiture and federal equitable sharing	100,767	-	100,767
Law enforcement	10,043	-	10,043
PEG Channel Grant	37,995	-	37,995
Unexpendable cemetery fund	153,266	-	153,266
Expendable cemetery fund	192,164	-	192,164
Unrestricted	3,530,534	10,584,824	14,115,358
<b>Total net position</b>	<b>\$ 12,494,309</b>	<b>\$ 90,451,366</b>	<b>\$ 102,945,675</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	\$ 2,745,106	\$ 229,012	\$ 34,907	\$ -
Public safety	8,236,466	999,165	199,355	-
Public works	2,110,008	1,679,494	-	85,190
Community and economic development	102,656	37,335	-	-
Recreation and culture	412,919	24,000	-	-
Interest on long-term debt	627,123	-	-	-
Total governmental activities	14,234,278	2,969,006	234,262	85,190
Business-type activities	13,264,855	13,938,463	-	1,232,285
<b>Total primary government</b>	<b>\$ 27,499,133</b>	<b>\$ 16,907,469</b>	<b>\$ 234,262</b>	<b>\$ 1,317,475</b>

#### General revenue:

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

Total general revenue

#### Change in Net Position

**Net Position** - Beginning of year

**Net Position** - End of year

**Statement of Activities**  
**Year Ended December 31, 2014**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,481,187)	\$ (2,481,187)	
(7,037,946)	(7,037,946)	
(345,324)	(345,324)	
(65,321)	(65,321)	
(388,919)	(388,919)	
(627,123)	(627,123)	
(10,945,820)	(10,945,820)	
-	1,905,893	<u>1,905,893</u>
(10,945,820)	1,905,893	(9,039,927)
7,380,963	-	7,380,963
2,915,367	-	2,915,367
34,627	25,466	60,093
619,835	-	619,835
150,762	-	150,762
11,101,554	25,466	11,127,020
155,734	1,931,359	2,087,093
12,338,575	88,520,007	100,858,582
<b>\$ 12,494,309</b>	<b>\$ 90,451,366</b>	<b><u>\$ 102,945,675</u></b>

# Charter Township of Grand Blanc

## Governmental Funds Balance Sheet December 31, 2014

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 9,716,231	\$ 1,183,399	\$ 68,044	\$ 10,967,674
Investments (Note 3)	2,359,540	-	276,460	2,636,000
Receivables:				
Property taxes	3,736,457	-	-	3,736,457
Customers	-	491,886	-	491,886
Accrued interest and other	250,203	-	926	251,129
Other receivables	341	-	-	341
Due from other governmental units	583,284	-	-	583,284
Special assessments	958,227	-	-	958,227
Due from other funds (Note 6)	-	-	5,736,743	5,736,743
Prepaid expenses and other assets	127,367	-	-	127,367
<b>Total assets</b>	<b>\$ 17,731,650</b>	<b>\$ 1,675,285</b>	<b>\$ 6,082,173</b>	<b>\$ 25,489,108</b>
<b>Liabilities</b>				
Accounts payable	\$ 413,679	\$ -	\$ 9,377	\$ 423,056
Undistributed tax collections and other	1,779	-	-	1,779
Due to other funds (Note 6)	5,743,215	-	-	5,743,215
Accrued liabilities and other	549,480	-	-	549,480
<b>Total liabilities</b>	<b>6,708,153</b>	<b>-</b>	<b>9,377</b>	<b>6,717,530</b>
<b>Deferred Inflows of Resources (Note 4)</b>				
Unavailable revenue	957,800	-	-	957,800
Property taxes levied for the following year	7,388,752	-	-	7,388,752
Other resources received before the period resources may be used	-	1,431,845	-	1,431,845
<b>Total deferred inflows of resources</b>	<b>8,346,552</b>	<b>1,431,845</b>	<b>-</b>	<b>9,778,397</b>
<b>Fund Balances</b>				
Nonspendable:				
Prepays	127,367	-	-	127,367
Cemetery endowment	-	-	153,266	153,266
Restricted:				
Public safety	-	-	110,810	110,810
Solid waste	-	243,440	-	243,440
Mosquito spraying	22,996	-	-	22,996
PEG channel	-	-	37,995	37,995
Cemetery	-	-	192,164	192,164
Committed - Bicentennial Park improvements	-	-	20,687	20,687
Assigned:				
Capital projects	375,000	-	2,450,187	2,825,187
Debt service	-	-	3,107,687	3,107,687
Compensated absences	200,000	-	-	200,000
Other postemployment benefits	200,000	-	-	200,000
Unassigned	1,751,582	-	-	1,751,582
<b>Total fund balances</b>	<b>2,676,945</b>	<b>243,440</b>	<b>6,072,796</b>	<b>8,993,181</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 17,731,650</b>	<b>\$ 1,675,285</b>	<b>\$ 6,082,173</b>	<b>\$ 25,489,108</b>

# Charter Township of Grand Blanc

## Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2014

Fund Balance Reported in Governmental Funds	\$ 8,993,181
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	18,360,397
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	913,855
Certain receivables are expected to be collected in future years and are not available to pay for current year expenditures	43,945
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(11,464,294)
Accrued interest is not due and payable in the current period and is not reported in the funds	(113,649)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(213,970)
Net other postemployment benefit obligation is not recorded as a liability in the funds	<u>(4,025,156)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 12,494,309</u></b>

# Charter Township of Grand Blanc

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2014

	Solid Waste			
	General Fund	Fund	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes (Note 8)	\$ 7,391,754	\$ -	\$ -	\$ 7,391,754
Licenses and permits	890,713	-	-	890,713
Federal sources	89,357	-	2,500	91,857
State sources	3,019,491	-	15,124	3,034,615
Charges for services	-	1,405,009	-	1,405,009
Fines and forfeitures	85,258	-	50,511	135,769
Investment income	17,763	411	16,453	34,627
Other revenue:				
Special assessments	545,674	-	-	545,674
Local donations	-	-	34,907	34,907
Cable franchise fees	619,835	-	-	619,835
Other miscellaneous income	537,720	-	174,588	712,308
Total revenue	13,197,565	1,405,420	294,083	14,897,068
<b>Expenditures</b>				
Current:				
General government	2,609,447	-	434	2,609,881
Public safety	7,596,961	-	28,774	7,625,735
Public works	824,282	1,402,156	-	2,226,438
Recreation and culture	218,197	-	28,742	246,939
Capital outlay	-	-	200,841	200,841
Debt service	398,996	-	631,015	1,030,011
Total expenditures	11,647,883	1,402,156	889,806	13,939,845
<b>Excess of Revenue Over (Under) Expenditures</b>	1,549,682	3,264	(595,723)	957,223
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	-	-	12,377	12,377
Transfers in	-	-	750,000	750,000
Transfers out	(750,000)	-	-	(750,000)
Total other financing (uses) sources	(750,000)	-	762,377	12,377
<b>Net Change in Fund Balances</b>	799,682	3,264	166,654	969,600
<b>Fund Balances - Beginning of year</b>	1,877,263	240,176	5,906,142	8,023,581
<b>Fund Balances - End of year</b>	<b>\$ 2,676,945</b>	<b>\$ 243,440</b>	<b>\$ 6,072,796</b>	<b>\$ 8,993,181</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, 2014

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 969,600</b>
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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	88,350
Depreciation expense	(930,090)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end

	(218,928)
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)

	538,283
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Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds

	(4,002)
--	---------

Increase 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

	(14,169)
--	----------

Increase in net other postemployment benefit obligations does not require the use of current resources, and therefore is not reported in the governmental funds until it comes due for payment

	(273,310)
--	-----------

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 155,734</b>
--	-------------------

# Charter Township of Grand Blanc

**Proprietary Funds**  
**Department of Public Works**  
**Statement of Net Position**  
**December 31, 2014**

## Assets

Current assets:	
Cash and cash equivalents (Note 3)	\$ 8,338,307
Receivables:	
Customers	3,619,345
Receivables billed on tax roll	308,208
Due from other governmental units	8,801
Due from other funds	6,472
Prepaid expenses and other assets	<u>33,440</u>
Total current assets	12,314,573
Noncurrent assets:	
Net pension/OPEB asset	1,149
Capital assets (Note 5):	
Assets not subject to depreciation	1,091,946
Assets subject to depreciation	79,010,884
Tap-in assessments receivable	<u>296,344</u>
Total noncurrent assets	<u>80,400,323</u>
Total assets	<u>92,714,896</u>

## Liabilities

Current liabilities:	
Accounts payable	1,645,179
Accrued liabilities and other	355,145
Compensated absences	26,918
Current portion of long-term debt (Note 7)	<u>10,000</u>
Total current liabilities	2,037,242
Noncurrent liabilities - Long-term debt (Note 7)	<u>226,288</u>
Total liabilities	<u>2,263,530</u>

## Net Position

Net investment in capital assets	79,866,542
Unrestricted	<u>10,584,824</u>
Total net position	<u>\$ 90,451,366</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, 2014**

	December 31	
	2014	2013
<b>Operating Revenue</b>		
Sale of water	\$ 6,513,557	\$ 6,112,063
Sewage disposal charges	6,905,598	6,539,230
Water meters	128,917	54,306
Penalties and other charges for services	<u>390,391</u>	<u>189,065</u>
Total operating revenue	13,938,463	12,894,664
<b>Operating Expenses</b>		
Cost of water	4,910,063	4,694,003
Cost of sewage treatment	4,898,012	4,623,397
Billing and administrative costs	1,725,675	1,632,463
Depreciation	<u>1,723,555</u>	<u>1,720,711</u>
Total operating expenses	13,257,305	12,670,574
<b>Operating Income</b>	681,158	224,090
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	25,466	40,261
Interest expense	<u>(7,550)</u>	<u>(5,823)</u>
Total nonoperating revenue	17,916	34,438
<b>Net Income - Before contributions</b>	699,074	258,528
<b>Capital Contributions</b>		
Capital charges and line inspection fees	1,232,285	633,953
Lines donated by developers	-	20,000
Total capital contributions	<u>1,232,285</u>	<u>653,953</u>
<b>Change in Net Position</b>	1,931,359	912,481
<b>Net Position - Beginning of year</b>	<u>88,520,007</u>	<u>87,607,526</u>
<b>Net Position - End of year</b>	<b><u>\$ 90,451,366</u></b>	<b><u>\$ 88,520,007</u></b>

# Charter Township of Grand Blanc

**Proprietary Funds**  
**Department of Public Works**  
**Statement of Cash Flows**  
**Year Ended December 31, 2014**

## **Cash Flows from Operating Activities**

Receipts from customers	\$ 13,720,154
Payments to interfund services and reimbursements	(8,675)
Payments to suppliers	(10,138,155)
Payments to employees	<u>(1,742,703)</u>
Net cash provided by operating activities	1,830,621

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

Capital charge collections	1,348,847
Purchase of capital assets	(1,221,134)
Interest paid on capital debt	<u>(17,550)</u>

Net cash provided by capital and related financing activities	110,163
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## **Cash Flows from Investing Activities - Interest received on investments**

	<u>25,466</u>
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## **Net Increase in Cash and Cash Equivalents**

	1,966,250
--	-----------

## **Cash and Cash Equivalents - Beginning of year**

	<u>6,372,057</u>
--	------------------

## **Cash and Cash Equivalents - End of year**

	<u>\$ 8,338,307</u>
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## **Reconciliation of Operating Income to Net Cash from Operating Activities**

Operating income	\$ 681,158
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	1,723,555
Changes in assets and liabilities:	
Receivables	(218,309)
Due from others	(8,675)
Accounts payable	(257,390)
Accrued and other liabilities	<u>(89,718)</u>
Net cash provided by operating activities	<u>\$ 1,830,621</u>

# Charter Township of Grand Blanc

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

	Pension and Employee Benefits Trust	
	Fund	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 4,539,021	\$ 4,476,072
Investments:		
Mutual funds	4,992,464	-
Bonds	219,916	-
Receivables	7,470	-
Due from primary government	177,487	-
Total assets	9,936,358	<b>\$ 4,476,072</b>
<b>Liabilities - Undistributed tax collections and other</b>		
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>		
	<b>\$ 9,936,358</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, 2014

	Pension and Employee Benefits Trust Fund
<b>Additions</b>	
Investment income:	
Interest and dividends	\$ 148,296
Net increase in fair value of investments	<u>245,096</u>
Net investment income	393,392
Contributions - Employer	<u>1,212,098</u>
Total additions	1,605,490
<b>Deductions</b>	
Benefit payments	1,397,435
Administrative expenses	<u>6,786</u>
Total deductions	<u>1,404,221</u>
<b>Net Increase in Net Position Held in Trust</b>	201,269
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b>	
Beginning of year	<u>9,735,089</u>
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b>	
End of year	<u>\$ 9,936,358</u>

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2014

### Note I - Nature of Business and Significant Accounting Policies

#### Reporting Entity

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

#### Accounting and Reporting Principles

The Charter Township follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

#### Fund Accounting

The Charter Township accounts for its various activities in several different funds, in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures that specific revenues were used for. The various funds are aggregated into three broad fund types:

**Governmental Funds** - Include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Charter Township reports the following funds as "major" governmental funds:

- 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.
- 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.

**Proprietary Funds** - Include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Charter Township reports the following fund as a "major" enterprise 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.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

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

**Fiduciary Funds** - Include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- Pension and Other Employee Benefits Trust Fund - The Pension and Other Employee Benefits Trust Fund accounts for the activities of the employees of the Charter Township other than public safety personnel, and 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.

**Interfund Activity** - During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **Basis of Accounting**

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

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

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenues are not recognized until they are collected, or collected soon enough after the end of the year that they are available to pay for obligations outstanding at the end of the year. For this purpose, the Charter Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue 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 inflow."

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### **Report Presentation**

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenue.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

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

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Charter Township's water and sewer function and various other functions of the Charter Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

#### Specific Balances and Transactions

**Cash, Cash Equivalents, 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:

Capital Asset Class	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

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

### **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 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 expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source" as well as bond premiums and discounts. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Charter Township has no deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Charter Township has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: special assessments, delinquent property taxes, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has property taxes and special assessments received before the period levied. These items are shown as deferred inflows of resources on both the governmental funds balance sheet as well as the statement of net position. Those property taxes and special assessments will be recognized as revenue next year, as those amounts were levied for the subsequent year's budgeted operations.

#### **Net Position Flow Assumption**

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

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

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

#### **Fund Balance Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **Fund Balance Policies**

**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.
- 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.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2014

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

#### Property Tax Revenue

Property taxes are levied and become a lien 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.

**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.

**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. All other accrued compensated absences are reported in the government-wide financial statements; generally, the funds that report each employee's compensation are used to liquidate the obligation. 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.

**Proprietary Funds Operating Classification** - Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Department of Public Works Fund are charges to customers for sales and services. The Department of Public Works Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

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

**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, 2014	\$ (1,948,794)
Building permit revenue	836,522
Related expenses:	
Direct costs	\$ 393,344
Estimated indirect costs	<u>59,002</u> <u>452,346</u>
Current year surplus	<u>384,176</u>
Cumulative shortfall at December 31, 2014	<u>\$ (1,564,618)</u>

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

### **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 seven 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 \$10,509,429 of bank deposits (certificates of deposit, checking, and savings accounts). Of that amount, \$678,355 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, 2014

### 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
Corporate bonds (pension)	\$ 219,916	20.9 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
<b>Primary Government</b>			
Corporate bonds (pension)	\$ 219,916	A+/A2	Morningstar
Money market	3,915,277	Aa3	Moody's
Money market	3,263,134	A2	Moody's
Money market	3,467,917	Baa1	Moody's
Money market	4,852,539	N/A	Not rated

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

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

### Note 4 - Deferred Inflows of Resources

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds	Governmental Activities
Property taxes levied for 2015 operations	\$ 7,388,752	\$ 7,388,752
Solid waste charges billed for 2015 operations	1,431,845	1,431,845
Special assessments - Unavailable	913,855	-
Delinquent property taxes - Unavailable	35,122	-
Grant revenue - Unavailable	8,823	-
<b>Total deferred inflows</b>	<b>\$ 9,778,397</b>	<b>\$ 8,820,597</b>

### Note 5 - Capital Assets

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

Governmental Activities	Balance January 1, 2014	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2014
Capital assets not being depreciated:					
Land and land improvements	\$ 1,948,097	\$ -	\$ 56,566	\$ -	\$ 1,948,097
Construction in progress	212,053	(243,206)			25,413
Subtotal	2,160,150	(243,206)	56,566	-	1,973,510
Capital assets being depreciated:					
Buildings and improvements	17,770,307	243,206	22,302	(2,417)	18,033,398
Vehicles	934,945	-	-	(64,919)	870,026
Furniture and equipment	2,200,772	-	9,482	(8,355)	2,201,899
Infrastructure	5,694,713	-	-	-	5,694,713
Subtotal	26,600,737	243,206	31,784	(75,691)	26,800,036
Accumulated depreciation:					
Buildings and improvements	4,451,838	-	468,535	(2,417)	4,917,956
Vehicles	697,956	-	106,154	(64,919)	739,191
Furniture and equipment	1,839,902	-	97,041	(8,355)	1,928,588
Infrastructure	2,569,054	-	258,360	-	2,827,414
Subtotal	9,558,750	-	930,090	(75,691)	10,413,149
Net capital assets being depreciated	17,041,987	243,206	(898,306)	-	16,386,887
Net capital assets	\$ 19,202,137	\$ -	\$ (841,740)	\$ -	\$ 18,360,397

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

### Note 5 - Capital Assets (Continued)

Business-type Activities	Balance January 1, 2014	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2014
Capital assets not being depreciated:					
Land	\$ 235,852	\$ -	\$ 21,578	\$ -	\$ 257,430
Construction in progress	284,642	-	549,874	-	834,516
Subtotal	520,494	-	571,452	-	1,091,946
Capital assets being depreciated:					
Water and sewer distribution systems	103,639,577	-	466,350	-	104,105,927
Buildings and improvements	1,800,448	-	-	-	1,800,448
Vehicles	1,367,023	-	183,333	(62,120)	1,488,236
Furniture and equipment	1,617,473	-	-	(20,214)	1,597,259
Subtotal	108,424,521	-	649,683	(82,334)	108,991,870
Accumulated depreciation:					
Water and sewer distribution systems	25,429,077	-	1,547,451	-	26,976,528
Buildings and improvements	330,701	-	25,216	-	355,917
Vehicles	1,261,576	-	114,909	(62,120)	1,314,365
Furniture and equipment	1,318,410	-	35,980	(20,214)	1,334,176
Subtotal	28,339,764	-	1,723,556	(82,334)	29,980,986
Net capital assets being depreciated	80,084,757	-	(1,073,873)	-	79,010,884
Net capital assets	\$ 80,605,251	\$ -	\$ (502,421)	\$ -	\$ 80,102,830

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

#### Governmental activities:

General government	\$ 361,361
Public safety	437,203
Public works	4,976
Recreation and culture	126,550
Total governmental activities	\$ 930,090

Business-type activities - Water and sewer

\$ 1,723,556

**Construction Commitments** - At year end, the Township's active construction project relates to the Baldwin/Gainey sewer sanitary project for a total cost of \$758,031, with \$38,104 remaining until completion.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

### 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	\$ 6,472
Nonmajor governmental fund - Master Campus Fund	General Fund	3,107,687
Nonmajor governmental fund - Capital Projects Fund	General Fund	2,450,187
Other nonmajor governmental funds	General Fund	<u>178,869</u>
	Total	\$ 5,743,215

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	\$ 750,000

The transfer from the General Fund to the Master Campus Project Fund represents the transfer of unrestricted resources for debt service.

### 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.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

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

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	\$ 9,800,000	\$ -	\$ 200,000	\$ 9,600,000	\$ 300,000
Maturing through 2031							
Special assessment bonds - 2009 Deerfield Road Bonds							
Amount of issue: \$158,000	2.89%	\$32,000	32,000	-	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	382,000	-	56,000	326,000	56,000
Maturing through 2020							
Special assessment bonds - 2012 Water Edge Bond							
Amount of issue \$350,000	2.00%	\$25,000 - \$37,000	325,000	-	37,000	288,000	37,000
Maturing through 2022							
Special assessment bonds - 2013 Braemoor Road Bond							
Amount of issue \$742,000	.65% - 3.25%	\$49,000 - \$77,000	742,000	-	49,000	693,000	77,000
Maturing through 2023							
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	721,577	-	164,283	557,294	164,283
Maturing through 2018							
Total bonds payable			12,002,577	-	538,283	11,464,294	634,283
Accumulated compensated absences			199,801	668,252	654,083	213,970	213,970
Total governmental activities			\$ 12,202,378	\$ 668,252	\$ 1,192,366	\$ 11,678,264	\$ 848,253

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

### 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 \$236,288 has been drawn down Maturing through 2033	2.5%	\$10,000 - \$15,000	\$ 246,288	\$ -	\$ 10,000	\$ 236,288	\$ 10,000
Accumulated compensated absences			<u>38,142</u>	<u>150,469</u>	<u>161,693</u>	<u>26,918</u>	<u>26,918</u>
Total business-type activities			<u><u>\$ 284,430</u></u>	<u><u>\$ 150,469</u></u>	<u><u>\$ 171,693</u></u>	<u><u>\$ 263,206</u></u>	<u><u>\$ 36,918</u></u>

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

Year Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 634,283	\$ 458,360	\$ 1,092,643	\$ 10,000	\$ 5,907	\$ 15,907
2016	639,282	433,340	1,072,622	10,000	5,657	15,657
2017	705,125	405,677	1,110,802	10,000	5,407	15,407
2018	651,604	378,701	1,030,305	10,000	5,157	15,157
2019	667,000	354,446	1,021,446	10,000	4,907	14,907
2020-2024	3,267,000	1,410,685	4,677,685	50,000	20,785	70,785
2025-2029	3,500,000	705,512	4,205,512	75,000	13,286	88,286
2030-2034	1,400,000	63,000	1,463,000	61,288	3,879	65,167
Total	<u>\$ 11,464,294</u>	<u>\$ 4,209,721</u>	<u>\$ 15,674,015</u>	<u>\$ 236,288</u>	<u>\$ 64,985</u>	<u>\$ 301,273</u>

For the year ended December 31, 2014, interest expense was \$469,656.

### Note 8 - Property Tax Revenue

The Charter Township's governmental funds recognize the December 1, 2013 property tax levy as revenue for the year ended December 31, 2014. 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	\$ 4,296,000
.70 mills - Master campus project	778,000
Police millage - .9128 mills - Voted millage for police	1,015,000
Fire millage - .50 mills - Voted millage for fire	556,000
Mosquito millage - .1725 mills - Charter limit of 5.0 mills	192,000
Act 198/255 taxes and administration fees	459,000

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

### **Note 8 - Property Tax Revenue (Continued)**

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2013 was approximately \$1,111,432,000.

The police and fire millages raised less revenue than expenditures. To date, the mosquito millage has raised \$22,996 more revenue than expenditures. As a result, \$22,996 of the fund balance was restricted in the General Fund as of December 31, 2014.

### **Note 9 - Risk Management**

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

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

### **Note 10 - Defined Benefit Pension Plan**

**Plan Description** - The Charter Township participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers all 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 7.87 percent to 8 percent of gross wages.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

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

**Annual Pension Cost** - For the year ended December 31, 2014, the Charter Township's annual pension cost of \$738,228 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, 2012, using the entry age actuarial cost method.

Significant actuarial assumptions used include (a) an 8 percent investment rate of return, and (b) projected salary increases of 1 percent to 17.5 percent per year. Both (a) and (b) include an inflation component of 4.5 percent (1 percent for calendar year 2014, 2 percent for 2015, and 3 percent for 2016). 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.

#### Three-year Trend Information

	Fiscal Year Ended December 31		
	2014	2013	2012
Annual pension cost (APC)	\$ 738,228	\$ 708,629	\$ 663,925
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -

	Fiscal Year Ended December 31		
	2013	2012	2011
Actuarial value of assets	\$ 10,615,371	\$ 9,873,271	\$ 9,302,571
Actuarial accrued liability (AAL) (entry age)	\$ 17,952,697	\$ 17,383,093	\$ 16,339,953
Unfunded AAL (UAAL)	\$ 7,337,326	\$ 7,509,822	\$ 7,037,382
Funded ratio	59.1 %	56.8 %	56.9 %
Covered payroll	\$ 2,690,920	\$ 2,801,771	\$ 2,702,092
UAAL as a percentage of covered payroll	272.7 %	268.0 %	260.4 %

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

### **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 the Charter Township and presented as a trust fund. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate one year after the date of employment. 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 \$238,233 during the current year and there was no employee contribution.

### **Note 12 - Joint Ventures**

The Charter Township is a member of the Grand Blanc District Library Commission, which provides library services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$47,500 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 \$170,697 for its operations. The Charter Township has no equity interest in the Grand Blanc Parks and Recreation Commission at December 31, 2014. 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 \$526,300 for its operations, plus an additional \$555,716 from the new dedicated millage. The Charter Township has no equity interest in the Grand Blanc Fire Commission at December 31, 2014. 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.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

### 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, 2014.

### 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 108 members (including 77 employees in active service and 31 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, 2014, 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)	\$ 1,137,910
Interest on the prior year's net OPEB obligation	282,256
Less adjustment to the annual required contribution	<u>(185,689)</u>
Annual OPEB cost	1,234,477
Amounts contributed:	
Payments of current premiums	(615,249)
Advance funding	<u>(358,631)</u>
Increase in net OPEB obligation	260,597
OPEB obligation - Beginning of year	<u>3,763,410</u>
OPEB obligation - End of year	\$ 4,024,007

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

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

The end of year OPEB obligation of \$4,024,007 represents an obligation of \$4,025,156 for governmental activities and an asset of \$1,149 for business-type activities.

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Other Postemployment Benefit Cost			Percentage Contributed	Net OPEB Obligation
12/31/12	12/31/11	\$ 1,309,376		70.6	\$ 3,393,715	
12/31/13	12/31/11	1,289,317		71.3	3,763,410	
12/31/14	12/31/11	1,234,477		78.9	4,024,007	

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			UAAL as a Percentage of Covered Payroll		
		Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	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.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2014

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

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.

### 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 11) and the postemployment healthcare plan (see Note 14). The plans do not issue separate financial statements.

	Employee		
	Pension Trust	Benefits	Total
<b><u>Statement of Net Position</u></b>			
Cash and investments	\$ 5,316,274	\$ 4,435,127	\$ 9,751,401
Other assets	18,856	166,101	184,957
Net position	<u>\$ 5,335,130</u>	<u>\$ 4,601,228</u>	<u>\$ 9,936,358</u>
<b><u>Statement of Changes in Net Position</u></b>			
Investment income	\$ 382,628	\$ 10,764	\$ 393,392
Contributions	238,233	973,865	1,212,098
Benefit payments	(782,186)	(615,249)	(1,397,435)
Other decreases	(6,786)	-	(6,786)
Net change in net position	<u>\$ (168,111)</u>	<u>\$ 369,380</u>	<u>\$ 201,269</u>

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements** **December 31, 2014**

### **Note 16 - Upcoming Accounting Pronouncements**

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.

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted, during the Charter Township's 2016 fiscal year.

## **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, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 7,011,352	\$ 7,270,812	\$ 7,391,754	\$ 120,942
Licenses and permits	667,800	814,800	890,713	75,913
Federal sources	80,000	83,600	89,357	5,757
State sources	2,943,000	2,983,000	3,019,491	36,491
Fines and forfeitures	110,000	110,000	85,258	(24,742)
Rental income	22,600	22,600	17,763	(4,837)
Other revenue:				
Special assessments	594,000	674,000	545,674	(128,326)
Cable franchise fees	580,000	580,000	619,835	39,835
Other miscellaneous income	489,400	495,281	537,720	42,439
Total revenue	12,498,152	13,034,093	13,197,565	163,472
<b>Expenditures - Current</b>				
General government:				
Legislative	191,999	194,686	187,258	7,428
Supervisor's office	92,660	133,348	126,555	6,793
General office	473,454	432,766	349,305	83,461
GIS/IT	366,273	366,273	330,451	35,822
Treasurer's office	374,748	374,748	349,893	24,855
Assessor's office	383,389	383,389	346,817	36,572
Clerk's office	193,069	211,368	209,593	1,775
Elections	75,300	56,312	56,183	129
Buildings and grounds	176,200	176,200	156,795	19,405
Legal and attorney	145,000	200,726	186,393	14,333
Planning and zoning	137,312	142,350	110,204	32,146
Insurance and other functions	-	200,000	200,000	-
Total general government	2,609,404	2,872,166	2,609,447	262,719
Public safety:				
Police	6,415,284	6,415,284	6,121,601	293,683
Fire	1,052,600	1,052,600	1,082,016	(29,416)
Building and zoning	263,927	399,234	393,344	5,890
Total public safety	7,731,811	7,867,118	7,596,961	270,157
Public works	788,000	892,747	824,282	68,465
Recreation and culture - Parks and recreation	218,217	218,217	218,197	20
Debt service	404,900	404,900	398,996	5,904
Total expenditures	11,752,332	12,255,148	11,647,883	607,265
<b>Excess of Revenue Over Expenditures</b>	745,820	778,945	1,549,682	770,737
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	5,000	5,000	-	(5,000)
Transfers out	(750,820)	(750,820)	(750,000)	820
Total other financing uses	(745,820)	(745,820)	(750,000)	(4,180)
<b>Net Change in Fund Balance</b>	-	33,125	799,682	766,557
<b>Fund Balance - Beginning of year</b>	1,877,263	1,877,263	1,877,263	-
<b>Fund Balance - End of year</b>	<b>\$ 1,877,263</b>	<b>\$ 1,910,388</b>	<b>\$ 2,676,945</b>	<b>\$ 766,557</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, 2014

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Charges for services	\$ 1,395,000	\$ 1,831,070	\$ 1,405,009	\$ (426,061)
Investment income	750	750	411	(339)
Total revenue	1,395,750	1,831,820	1,405,420	(426,400)
<b>Expenditures</b> - Current - Rubbish disposal	1,384,300	1,402,500	1,402,156	344
<b>Net Change in Fund Balance</b>	11,450	429,320	3,264	(426,056)
<b>Fund Balance</b> - Beginning of year	240,176	240,176	240,176	-
<b>Fund Balance</b> - End of year	<b>\$ 251,626</b>	<b>\$ 669,496</b>	<b>\$ 243,440</b>	<b>\$ (426,056)</b>

# **Charter Township of Grand Blanc**

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## **Note to Required Supplemental Information Year Ended December 31, 2014**

**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, 2014 is not significant. Unexpended appropriations lapse at year end.

All funds were budgeted in accordance with Michigan Public Act 2, with the exception of the PEG Channel Grant Fund which was amended during the year, creating a budgeted fund deficit. Actual expenditures did not create a fund deficit, however.

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Drug Forfeiture Fund - Public safety	\$ 10,650	\$ 28,774	\$ (18,124)
General Fund - Fire	1,052,600	1,082,016	(29,416)

# Charter Township of Grand Blanc

## Required Supplemental Information Schedule of Funding Progress - Pension Year Ended December 31, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial		Actuarial		Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
	Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)			
12/31/11	\$ 9,302,571	\$ 16,339,953	\$ 7,037,382	56.9	\$ 2,702,092	260.4	
12/31/12	9,873,271	17,383,093	7,509,822	56.8	2,801,771	268.0	
12/31/13	10,615,371	17,952,697	7,337,326	59.1	2,690,920	272.7	

# Charter Township of Grand Blanc

## Required Supplemental Information Schedule of Funding Progress - OPEB Year Ended December 31, 2014

The schedule of funding progress 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)
10/31/06	\$ 1,577,000	\$ 12,537,422	\$ 10,960,422	12.6
12/31/08	2,028,960	13,175,632	11,146,672	15.4
12/31/11	3,335,965	12,852,353	9,516,388	26.0

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/12	12/31/11	\$ 1,225,429	74.8
12/31/13	12/31/11	1,198,161	76.7
12/31/14	12/31/11	1,137,910	85.6

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2011, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	None
*Includes inflation at	5.0%
Cost of living adjustments	None

## **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 Fund**

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

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

# Charter Township of Grand Blanc

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	Special Revenue Funds					Debt Service Fund
	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	76,330	10,043	33,814	37,995	3,107,687	
<b>Total assets</b>	<b>\$ 76,330</b>	<b>\$ 10,043</b>	<b>\$ 33,814</b>	<b>\$ 37,995</b>	<b>\$ 3,107,687</b>	
<b>Liabilities and Fund Balances</b>						
<b>Liabilities - Accounts payable</b>	<b>\$ 9,377</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>						
Nonspendable - Cemetery endowment	-	-	-	-	-	-
Restricted:						
Public safety	66,953	10,043	33,814	-	-	-
PEG channel	-	-	-	37,995	-	-
Cemetery	-	-	-	-	-	-
Committed - Bicentennial Park improvements	-	-	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	3,107,687	
<b>Total fund balances</b>	<b>66,953</b>	<b>10,043</b>	<b>33,814</b>	<b>37,995</b>	<b>3,107,687</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 76,330</b>	<b>\$ 10,043</b>	<b>\$ 33,814</b>	<b>\$ 37,995</b>	<b>\$ 3,107,687</b>	

**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2014**

Capital Projects Funds			Permanent Funds				Total Nonmajor Governmental Funds
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund			
\$ -	\$ -	\$ 2,162	\$ 50,186	\$ 15,696	\$ 68,044		
-	-	58,556	112,622	105,282	276,460		
-	-	204	458	264	926		
<u>2,450,187</u>	<u>20,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,736,743</u>		
<b>\$ 2,450,187</b>	<b>\$ 20,687</b>	<b>\$ 60,922</b>	<b>\$ 163,266</b>	<b>\$ 121,242</b>	<b>\$ 6,082,173</b>		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,377		
-	-	17,298	112,622	23,346	153,266		
-	-	-	-	-	110,810		
-	-	-	-	-	37,995		
-	-	43,624	50,644	97,896	192,164		
-	20,687	-	-	-	20,687		
<u>2,450,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450,187</u>		
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,107,687</u>		
<b>2,450,187</b>	<b>20,687</b>	<b>60,922</b>	<b>163,266</b>	<b>121,242</b>	<b>6,072,796</b>		
<b>\$ 2,450,187</b>	<b>\$ 20,687</b>	<b>\$ 60,922</b>	<b>\$ 163,266</b>	<b>\$ 121,242</b>	<b>\$ 6,082,173</b>		

# Charter Township of Grand Blanc

	Special Revenue Funds				Debt Service Fund
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	Master Campus Project Fund
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Revenue</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State-shared revenue and grants	-	-	-	-	-
Fines and forfeitures	24,642	-	25,869	-	-
Investment income	-	-	136	-	4,298
Other revenue	-	-	-	34,907	100
Total revenue	24,642	-	26,005	34,907	4,398
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	28,774	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	631,015
Total expenditures	28,774	-	-	-	631,015
<b>Excess of Revenue (Under) Over Expenditures</b>	(4,132)	-	26,005	34,907	(626,617)
<b>Other Financing Sources</b>					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	750,000
Total other financing sources	-	-	-	-	750,000
<b>Net Change in Fund Balances</b>	(4,132)	-	26,005	34,907	123,383
<b>Fund Balances - Beginning of year</b>	71,085	10,043	7,809	3,088	2,984,304
<b>Fund Balances - End of year</b>	<b>\$ 66,953</b>	<b>\$ 10,043</b>	<b>\$ 33,814</b>	<b>\$ 37,995</b>	<b>\$ 3,107,687</b>

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2014**

Capital Projects Fund		Permanent Funds			Total	
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry-McFarland Cemetery Fund	Maple Cemetery Fund	Nonmajor Governmental Funds	
\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ 2,500	
15,124	-	-	-	-	15,124	
-	-	-	-	-	50,511	
-	-	3,482	5,851	2,686	16,453	
<u>143,204</u>	<u>31,188</u>	<u>20</u>	<u>76</u>	<u>-</u>	<u>209,495</u>	
160,828	31,188	3,502	5,927	2,686	294,083	
-	-	-	384	50	434	
-	-	-	-	-	28,774	
-	28,742	-	-	-	28,742	
180,841	20,000	-	-	-	200,841	
-	-	-	-	-	631,015	
<u>180,841</u>	<u>48,742</u>	<u>-</u>	<u>384</u>	<u>50</u>	<u>889,806</u>	
(20,013)	(17,554)	3,502	5,543	2,636	(595,723)	
12,377	-	-	-	-	12,377	
-	-	-	-	-	750,000	
<u>12,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,377</u>	
(7,636)	(17,554)	3,502	5,543	2,636	166,654	
<u>2,457,823</u>	<u>38,241</u>	<u>57,420</u>	<u>157,723</u>	<u>118,606</u>	<u>5,906,142</u>	
<b><u>\$ 2,450,187</u></b>	<b><u>\$ 20,687</u></b>	<b><u>\$ 60,922</u></b>	<b><u>\$ 163,266</u></b>	<b><u>\$ 121,242</u></b>	<b><u>\$ 6,072,796</u></b>	

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Drug Forfeiture Fund Budgetary Comparison Year Ended December 31, 2014

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue - Fines and forfeitures</b>	\$ 74,369	\$ 24,640	\$ 24,642	\$ 2
<b>Expenditures - Public safety</b>	34,410	10,850	28,774	(17,924)
<b>Net Change in Fund Balance</b>	39,959	13,790	(4,132)	(17,922)
<b>Fund Balance - Beginning of year</b>	31,126	71,085	71,085	-
<b>Fund Balance - End of year</b>	<b>\$ 71,085</b>	<b>\$ 84,875</b>	<b>\$ 66,953</b>	<b>\$ (17,922)</b>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Law Enforcement Fund Budgetary Comparison Year Ended December 31, 2014

	Prior Year Actual	Amended Budget - Unaudited		Actual	\$	Variance with Amended Budget
<b>Revenue - Fines and forfeitures</b>	\$ 2,783	\$	-	\$ -	\$ -	-
<b>Expenditures - Public safety</b>	<u>2,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	452	-	-	-	-	-
<b>Fund Balance - Beginning of year</b>	<u>9,591</u>	<u>10,043</u>	<u>10,043</u>	<u>10,043</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<b>\$ 10,043</b>	<b>\$ 10,043</b>	<b>\$ 10,043</b>	<b>\$ 10,043</b>	<b>\$ -</b>	<b>-</b>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Federal Equitable Sharing Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2014**

	Prior Year Actual	Amended Budget - Unaudited		Actual	Variance with Amended Budget
<b>Revenue</b>					
Fines and forfeitures	\$ 76	\$ 26,230	\$ 25,869	\$ (361)	
Rental income	39	-	136	136	
Total revenue	115	26,230	26,005	(225)	
<b>Fund Balance - Beginning of year</b>	<u>7,694</u>	<u>7,809</u>	<u>7,809</u>	<u>-</u>	
<b>Fund Balance - End of year</b>	<u>\$ 7,809</u>	<u>\$ 34,039</u>	<u>\$ 33,814</u>	<u>\$ (225)</u>	

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - PEG Channel Grant Fund Budgetary Comparison Year Ended December 31, 2014

	Prior Year Actual	Amended Budget - Unaudited		Actual	\$	Variance with Amended Budget
<b>Revenue - PEG contributions</b>	\$ 33,105	\$ 29,610	\$ 34,907	\$ 34,907	\$ 5,297	
<b>Expenditures - General government</b>	<u>33,105</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	
<b>Net Change in Fund Balance</b>	-	(5,390)	34,907	34,907		40,297
<b>Fund Balance - Beginning of year</b>	<u>3,088</u>	<u>3,088</u>	<u>3,088</u>	<u>3,088</u>	<u>-</u>	
<b>Fund Balance - End of year</b>	<b><u>\$ 3,088</u></b>	<b><u>\$ (2,302)</u></b>	<b><u>\$ 37,995</u></b>	<b><u>\$ 37,995</u></b>	<b><u>\$ 40,297</u></b>	

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Master Campus Project Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2014**

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue - Investment income</b>	\$ 6,559	\$ 3,860	\$ 4,398	\$ 538
<b>Expenditures - Debt service</b>				
Principal	200,000	200,000	200,000	-
Interest on long-term debt	<u>439,205</u>	<u>432,000</u>	<u>431,015</u>	<u>985</u>
Total expenditures	<u>639,205</u>	<u>632,000</u>	<u>631,015</u>	<u>985</u>
<b>Excess of Expenditures Over Revenue</b>	(632,646)	(628,140)	(626,617)	1,523
<b>Other Financing Sources - Transfers in</b>	<u>770,800</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	138,154	121,860	123,383	1,523
<b>Fund Balance - Beginning of year</b>	<u>2,846,150</u>	<u>2,984,304</u>	<u>2,984,304</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<u><b>\$ 2,984,304</b></u>	<u><b>\$ 3,106,164</b></u>	<u><b>\$ 3,107,687</b></u>	<u><b>\$ 1,523</b></u>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Capital Projects Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2014**

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b>				
Federal sources	\$ -	\$ 2,000	\$ 2,500	\$ 500
State grants	16,508	15,000	15,124	124
Other revenue	18,700	141,700	143,204	1,504
Total revenue	35,208	158,700	160,828	2,128
<b>Expenditures - Capital outlay</b>	<u>651,025</u>	<u>600,000</u>	<u>180,841</u>	<u>419,159</u>
<b>Excess of Expenditures Over Revenue</b>	(615,817)	(441,300)	(20,013)	421,287
<b>Proceeds from Sale of Capital Assets</b>	19,219	12,000	12,377	377
<b>Other Financing Sources - Transfers in</b>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	103,402	(429,300)	(7,636)	421,664
<b>Fund Balance - Beginning of year</b>	<u>2,354,421</u>	<u>2,457,823</u>	<u>2,457,823</u>	<u>-</u>
<b>Fund Balance - End of year</b>	<b><u>\$ 2,457,823</u></b>	<b><u>\$ 2,028,523</u></b>	<b><u>\$ 2,450,187</u></b>	<b><u>\$ 421,664</u></b>

# Charter Township of Grand Blanc

**Other Supplemental Information**  
**Nonmajor Governmental Fund - Bicentennial Park Fund**  
**Budgetary Comparison**  
**Year Ended December 31, 2014**

	Prior Year Actual	Amended Budget - Unaudited		Actual	Variance with Amended Budget
<b>Revenue</b>					
Rental income	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Donations	12,693	7,180	7,188		8
Total revenue	36,693	31,180	31,188		8
<b>Expenditures - Capital outlay</b>	<b>53,529</b>	<b>48,742</b>	<b>48,742</b>		-
<b>Net Change in Fund Balance</b>	<b>(16,836)</b>	<b>(17,562)</b>	<b>(17,554)</b>		8
<b>Fund Balance - Beginning of year</b>	<b>55,077</b>	<b>38,241</b>	<b>38,241</b>		-
<b>Fund Balance - End of year</b>	<b>\$ 38,241</b>	<b>\$ 20,679</b>	<b>\$ 20,687</b>		<b>8</b>

## **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, 2014

	Pension Trust	Employee Benefits Trust	Total Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 103,894	\$ 4,435,127	\$ 4,539,021
Investments:			
Mutual funds	4,992,464	-	4,992,464
Bonds	219,916	-	219,916
Receivables - Accrued interest and other	-	7,470	7,470
Due from primary government	18,856	158,631	177,487
Total assets	<u>5,335,130</u>	<u>4,601,228</u>	<u>9,936,358</u>
<b>Net Position Held in Trust for Pension and Other Employee Benefits</b>	<b>\$ 5,335,130</b>	<b>\$ 4,601,228</b>	<b>\$ 9,936,358</b>

# 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, 2014

	Employee Pension Trust	Benefits Trust	Total
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 137,532	\$ 10,764	\$ 148,296
Net increase in fair value of investments	<u>245,096</u>	<u>-</u>	<u>245,096</u>
Net investment income	382,628	10,764	393,392
Contributions	<u>238,233</u>	<u>973,865</u>	<u>1,212,098</u>
Total additions	620,861	984,629	1,605,490
<b>Deductions</b>			
Benefit payments	782,186	615,249	1,397,435
Administrative expenses	<u>6,786</u>	<u>-</u>	<u>6,786</u>
Total deductions	788,972	615,249	1,404,221
<b>Net (Decrease) Increase in Net Position Held in Trust</b>	<b>(168,111)</b>	<b>369,380</b>	<b>201,269</b>
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	<b>5,503,241</b>	<b>4,231,848</b>	<b>9,735,089</b>
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<b><u>\$ 5,335,130</u></b>	<b><u>\$ 4,601,228</u></b>	<b><u>\$ 9,936,358</u></b>

# **Charter Township of Grand Blanc**

## **Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2014**

	<u>Balance at January 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2014</u>
<b>Assets - Cash and investments</b>	<b><u>\$ 1,772,848</u></b>	<b><u>\$ 49,098,172</u></b>	<b><u>\$ (46,394,948)</u></b>	<b><u>\$ 4,476,072</u></b>
<b>Liabilities - Undistributed tax collections and other</b>	<b><u>\$ 1,772,848</u></b>	<b><u>\$ 49,098,172</u></b>	<b><u>\$ (46,394,948)</u></b>	<b><u>\$ 4,476,072</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.

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

Fiscal Year								
2009		2010		2011		2012	2013	2014
\$ 6,976,914	\$ 8,837,920	\$ 8,810,747	\$ 8,566,682	\$ 8,680,561	\$ 8,203,104			
635,810	521,165	610,139	592,117	679,079	760,671			
<u>3,039,134</u>	<u>4,325,796</u>	<u>4,780,135</u>	<u>3,258,537</u>	<u>2,978,935</u>	<u>3,530,534</u>			
10,651,858	13,684,881	14,201,021	12,417,336	12,338,575	12,494,309			
84,724,481	84,274,476	82,739,063	81,289,213	80,358,963	79,866,542			
4,614,674	3,665,155	4,916,438	6,318,313	8,161,044	10,584,824			
<u>89,339,155</u>	<u>87,939,631</u>	<u>87,655,501</u>	<u>87,607,526</u>	<u>88,520,007</u>	<u>90,451,366</u>			
91,701,395	93,112,396	91,549,810	89,855,895	89,039,524	88,069,646			
635,810	521,165	610,139	592,117	679,079	760,671			
<u>7,653,808</u>	<u>7,990,951</u>	<u>9,696,573</u>	<u>9,576,850</u>	<u>11,139,979</u>	<u>14,115,358</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>	<b><u>\$ 100,858,582</u></b>	<b><u>\$ 102,945,675</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	 3,036,812	 2,602,747	 2,917,890	 2,409,315
 <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	 10,008,727	 11,026,306	 11,516,779	 11,675,017
 <b>Total Change in Net Position</b>	 884,897	 695,690	 474,597	 (1,366,995)
 <b>Net Position - Beginning of year</b>	 11,401,525	 12,286,422	 12,982,112	 13,456,709
 <b>Net Position - End of year</b>	 <b>\$ 12,286,422</b>	 <b>\$ 12,982,112</b>	 <b>\$ 13,456,709</b>	 <b>\$ 12,089,714</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	2013	2014	
\$ 3,924,053	\$ 2,846,619	\$ 2,922,201	\$ 2,790,711	\$ 2,460,297	\$ 2,745,106	
8,111,389	7,859,301	7,887,239	8,194,852	8,622,129	8,236,466	
1,895,558	3,131,284	1,847,059	2,418,588	2,327,558	2,110,008	
430,874	177,831	181,727	148,055	91,969	102,656	
293,441	368,414	360,374	376,043	593,346	412,919	
467,876	465,058	508,282	520,386	539,785	627,123	
<u>15,123,191</u>	<u>14,848,507</u>	<u>13,706,882</u>	<u>14,448,635</u>	<u>14,635,084</u>	<u>14,234,278</u>	
367,266	504,225	254,420	227,186	205,498	229,012	
414,235	447,439	503,752	572,524	832,500	999,165	
1,333,850	1,437,568	1,593,016	1,648,615	1,691,529	1,679,494	
23,848	23,933	20,680	20,157	20,408	37,335	
16,560	18,837	19,094	23,587	24,000	24,000	
<u>2,155,759</u>	<u>2,432,002</u>	<u>2,390,962</u>	<u>2,492,069</u>	<u>2,773,935</u>	<u>2,969,006</u>	
239,948	216,394	323,725	264,468	304,043	234,262	
<u>315,004</u>	<u>752,721</u>	<u>99,647</u>	<u>522,242</u>	<u>798,954</u>	<u>85,190</u>	
<u>2,710,711</u>	<u>3,401,117</u>	<u>2,814,334</u>	<u>3,278,779</u>	<u>3,876,932</u>	<u>3,288,458</u>	
(12,412,480)	(11,447,390)	(10,892,548)	(11,169,856)	(10,758,152)	(10,945,820)	
8,422,105	8,357,695	7,898,025	7,416,001	7,228,532	7,380,963	
1,915,708	1,909,593	2,904,697	2,734,929	2,788,329	2,915,367	
166,926	70,995	52,783	75,323	54,804	34,627	
469,885	520,649	553,183	617,895	607,726	770,597	
<u>10,974,624</u>	<u>10,858,932</u>	<u>11,408,688</u>	<u>10,844,148</u>	<u>10,679,391</u>	<u>11,101,554</u>	
(1,437,856)	(588,458)	516,140	(325,708)	(78,761)	155,734	
<u>12,089,714</u>	<u>14,273,339</u>	<u>13,684,881</u>	<u>12,743,044</u>	<u>12,417,336</u>	<u>12,338,575</u>	
<b>\$ 10,651,858</b>	<b>\$ 13,684,881</b>	<b>\$ 14,201,021</b>	<b>\$ 12,417,336</b>	<b>\$ 12,338,575</b>	<b>\$ 12,494,309</b>	

# Charter Township of Grand Blanc

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	Fiscal Year Ended December 31				
	2005	2006	2007	2008	2009
<b>Expenses</b>	\$ 8,361,734	\$ 8,890,267	\$ 10,319,834	\$ 12,904,958	\$ 12,656,255
<b>Program Revenue</b>					
Charges for services	7,796,578	7,763,717	9,143,873	9,117,513	10,355,416
Operating grants and contributions	-	-	456,052	332,809	-
Capital grants and contributions	8,326,023	3,839,900	4,271,568	4,335,264	650,320
Total program revenue	16,122,601	11,603,617	13,871,493	13,785,586	11,005,736
<b>Net Revenue (Expense)</b>	7,760,867	2,713,350	3,551,659	880,628	(1,650,519)
<b>General Revenue</b>					
Property taxes	-	-	-	-	-
Unrestricted investment earnings	185,175	494,134	463,256	326,900	89,576
Proceeds from sale of capital assets	-	-	-	-	5,197
Transfers	(114,653)	-	-	-	-
Total general revenue	70,522	494,134	463,256	326,900	94,773
<b>Change in Net Position</b>	<b>\$ 7,831,389</b>	<b>\$ 3,207,484</b>	<b>\$ 4,014,915</b>	<b>\$ 1,207,528</b>	<b>\$ (1,555,746)</b>

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

Fiscal Year Ended December 31					
2010	2011	2012	2013	2014	
\$ 12,922,245	\$ 12,616,223	\$ 13,107,584	\$ 12,676,397	\$ 13,264,855	
10,734,832	11,664,319	12,547,628	12,894,664	13,938,463	
<u>736,812</u>	<u>602,900</u>	<u>468,569</u>	<u>653,953</u>	<u>1,232,285</u>	
<u>11,471,644</u>	<u>12,267,219</u>	<u>13,016,197</u>	<u>13,548,617</u>	<u>15,170,748</u>	
(1,450,601)	(349,004)	(91,387)	872,220	1,905,893	
-	-	-	-	-	
48,473	36,627	43,412	40,261	25,466	
2,604	28,247	-	-	-	
-	-	-	-	-	
<u>51,077</u>	<u>64,874</u>	<u>43,412</u>	<u>40,261</u>	<u>25,466</u>	
<b><u>\$ (1,399,524)</u></b>	<b><u>\$ (284,130)</u></b>	<b><u>\$ (47,975)</u></b>	<b><u>\$ 912,481</u></b>	<b><u>\$ 1,931,359</u></b>	

# Charter Township of Grand Blanc

	December 31			
	2005	2006	2007	2008
<b>Fund Balances</b>				
General Fund - Unreserved/Unassigned**	\$ 1,454,875	\$ 1,499,961	\$ 1,608,985	\$ 1,682,294
All governmental funds:				
Nonspendable**:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	-	-	-	-
Reserved/Restricted**:				
Mosquito spraying	-	3,898	6,047	6,275
Solid waste	-	-	-	-
Public safety	17,492	14,180	10,335	396
Drug forfeiture	5,907	14,091	23,185	13,483
Cable TV activities - PEG Fund	3,088	3,088	3,088	8,232
Cemetery	-	-	-	-
Committed** -				
Bicentennial Park improvements	-	-	-	-
Assigned**:				
Compensated absences	-	-	-	-
Other postemployment benefits	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds - Solid waste	466,345	467,283	498,710	448,191
Special Revenue Funds - Bicentennial Park	10,224	9,016	6,964	1,179
Capital Projects Funds	2,274,604	1,681,959	1,888,167	1,377,491
Master Campus Project	834,022	1,634,021	1,539,340	2,038,697
Civic Campus Fund	-	9,015,517	257,545	-
Debt Service Funds - Water and sewer	-	-	-	-
Permanent funds - Cemetery:				
Unexpendable	122,191	155,716	127,580	64,335
Expendable	130,058	132,631	135,822	142,268
Total all governmental funds	<u>\$ 5,318,806</u>	<u>\$ 14,631,361</u>	<u>\$ 6,105,768</u>	<u>\$ 5,782,841</u>

\*\* 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						
	2009	2010	2011	2012	2013	2014
\$	1,697,320	\$ 1,823,679	\$ 1,698,382	\$ 1,729,046	\$ 1,446,744	\$ 1,751,582
-	-	-	-	-	117,390	127,367
-	-	105,286	139,701	139,161	153,266	
1,986	2,025	6,113	11,793	13,129	22,996	
-	-	225,570	223,935	240,176	243,440	
2,353	3,831	107,056	48,411	88,937	110,810	
23,789	37,093	-	-	-	-	
3,088	3,088	3,088	3,088	3,088	37,995	
-	-	163,026	165,189	194,588	192,164	
-	-	11,453	55,077	38,241	20,687	
-	-	-	-	200,000	200,000	
-	-	-	-	100,000	200,000	
-	-	2,172,707	2,354,421	2,457,823	2,825,187	
-	-	2,685,792	2,846,150	2,984,304	3,107,687	
361,185	215,645	N/A	N/A	N/A	N/A	
7,240	12,310	N/A	N/A	N/A	N/A	
920,612	1,327,886	N/A	N/A	N/A	N/A	
2,147,383	2,463,357	N/A	N/A	N/A	N/A	
-	-	N/A	N/A	N/A	N/A	
-	-	N/A	N/A	N/A	N/A	
95,186	106,375	N/A	N/A	N/A	N/A	
148,223	153,101	N/A	N/A	N/A	N/A	
<b>\$ 5,408,365</b>	<b>\$ 6,148,390</b>	<b>\$ 7,178,473</b>	<b>\$ 7,576,811</b>	<b>\$ 8,023,581</b>	<b>\$ 8,993,181</b>	

# Charter Township of Grand Blanc

	Year Ended December 31			
	2005	2006	2007	2008
<b>Revenue</b>				
Property taxes	\$ 6,947,143	\$ 7,525,780	\$ 8,120,917	\$ 8,505,344
Licenses and permits	1,440,310	1,183,970	1,187,765	882,219
Federal grants	-	60,235	100,193	99,752
State-shared revenue and grants	2,406,442	2,627,621	2,371,390	2,329,109
Charges for services	1,275,480	1,050,136	1,129,260	1,156,629
Fines and forfeitures	147,882	118,065	114,199	121,168
Investment income	328,203	654,244	1,020,103	498,929
Other	426,534	374,482	302,862	480,247
Total revenue	12,971,994	13,594,533	14,346,689	14,073,397
<b>Expenditures</b>				
General government	2,773,106	2,863,050	2,855,104	2,996,256
Public safety	6,746,784	7,175,167	7,293,654	7,428,887
Public services	1,950,818	2,347,500	2,453,722	2,888,891
Recreation and culture	-	-	-	-
Capital outlay	1,024,108	2,588,288	9,806,994	1,201,044
Debt service - Principal	-	-	229,369	235,418
Debt service - Interest			555,062	477,756
Other	-	-	-	-
Total expenditures	12,494,816	14,974,005	23,193,905	15,228,252
<b>Excess of Revenue Over (Under) Expenditures</b>	477,178	(1,379,472)	(8,847,216)	(978,146)
<b>Other Financing Sources (Uses)</b>				
Debt issuance	-	10,800,000	321,623	655,219
Debt premium or discount	-	(107,973)	-	1,485,246
Proceeds from sale of capital assets	-	-	-	-
Transfers in	993,305	946,990	1,257,353	(194,500)
Transfers out	(883,730)	(946,990)	(1,257,353)	(1,290,746)
Total other financing sources	109,575	10,692,027	321,623	655,219
<b>Net Change in Fund Balances</b>	586,753	9,312,555	(8,525,593)	(322,927)
<b>Fund Balances - Beginning of year</b>	4,732,053	5,318,806	14,631,361	6,105,768
<b>Fund Balances - End of year</b>	<b>\$ 5,318,806</b>	<b>\$ 14,631,361</b>	<b>\$ 6,105,768</b>	<b>\$ 5,782,841</b>
Debt service as a percentage of noncapital expenditures	0%	0%	6%	5%

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

Year Ended December 31						
2009	2010	2011	2012	2013	2014	
\$ 8,389,929	\$ 8,349,970	\$ 7,882,680	\$ 7,495,152	\$ 7,265,408	\$ 7,391,754	
795,497	360,728	423,622	473,652	748,623	890,713	
256,948	207,793	166,072	273,021	109,663	91,857	
2,022,440	2,096,949	3,034,888	2,855,715	2,907,675	3,034,615	
1,152,097	1,177,676	1,320,866	1,352,743	1,395,277	1,405,009	
117,166	139,836	176,078	140,212	178,828	135,769	
166,926	62,027	52,783	75,323	54,804	34,627	
667,705	1,454,838	1,455,829	1,524,254	1,711,993	1,912,724	
<b>13,568,708</b>	<b>13,849,817</b>	<b>14,512,818</b>	<b>14,190,072</b>	<b>14,372,271</b>	<b>14,897,068</b>	
2,635,967	2,682,007	2,547,644	2,617,706	2,435,650	2,609,881	
7,239,909	6,586,845	7,115,490	7,583,892	7,559,961	7,625,735	
3,173,710	2,793,129	2,028,173	2,406,016	2,795,736	2,226,438	
-	246,554	233,016	241,838	251,726	246,939	
1,210,936	425,466	613,860	320,237	671,025	200,841	
349,325	472,432	484,119	515,943	484,284	654,083	
468,950	468,143	474,367	463,471	491,552	375,928	
-	-	-	-	-	-	
<b>15,078,797</b>	<b>13,674,576</b>	<b>13,496,669</b>	<b>14,149,103</b>	<b>14,689,934</b>	<b>13,939,845</b>	
(1,260,764)	175,241	1,016,149	40,969	(317,663)	957,223	
884,000	535,000	-	350,000	742,000	-	
-	-	-	-	-	-	
2,288	29,784	13,934	7,369	22,433	12,377	
1,216,000	1,538,477	2,240,890	1,197,273	1,470,800	750,000	
(1,216,000)	(1,538,477)	(2,240,890)	(1,197,273)	(1,470,800)	(750,000)	
886,288	564,784	13,934	357,369	764,433	12,377	
(374,476)	740,025	1,030,083	398,338	446,770	969,600	
5,782,841	5,408,365	6,148,390	7,178,473	7,576,811	8,023,581	
<b>\$ 5,408,365</b>	<b>\$ 6,148,390</b>	<b>\$ 7,178,473</b>	<b>\$ 7,576,811</b>	<b>\$ 8,023,581</b>	<b>\$ 8,993,181</b>	
6%	7%	7%	7%	7%	7%	7%

# 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
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
2013	762,354,145	218,595,083	43,302,567	-	80,000	80,337,400
2014	782,853,699	223,406,759	42,664,041	-	1,499,200	82,107,600

## Millage Rates - Direct Charter Township Taxes

## Overlapping Taxes

Tax Year	General					Total Direct Taxes	Community	
	Operating	Debt	Mosquito	Police	Fire		County	College
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
2013	4.5650	-	0.1725	0.9128	0.5000	6.1503	10.5594	2.8596
2014	4.5531	-	0.1700	0.9104	0.4987	6.1322	11.0647	2.8596

## **Revenue Capacity Information**

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

#### Taxable Value by Property Type

IFT Pers.	Total Ad-Val	Total Abated	Total Value	GBT Tax Rate (Mills)	Taxable Value	
					Estimated	as a Percent of Actual
\$ 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%
12,174,700	1,104,589,195	12,254,700	1,116,843,895	6.1503	2,273,000,695	49.14%
13,435,600	1,131,032,099	14,934,800	1,145,966,899	6.1322	2,299,517,216	49.84%

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

School District	Overlapping Taxes		Total Tax Rate	
	Intermediate School - Homestead	School - Non-homestead	Homestead	Non-homestead
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
3.5341	12.1000	30.1000	35.2034	53.2034
3.5341	12.1000	30.1000	35.6906	53.6906

# Charter Township of Grand Blanc

## Revenue Capacity Information Principal Property Taxpayers

Principal Taxpayers	Type of Business	2014			2004		
		Percent of Total Taxable Value			2004		
		Rank	Total	Rank	Rank	Total	Rank
Consumers Energy	Utilities (Electric/Gas)	\$ 18,186,800	1.59%	1	\$ 21,958,551	1.79%	3
General Motors	Auto Manufacturing	15,091,057	1.32%	2	57,095,276	4.66%	1
MAGNA Electronics, Inc.	Manufacturing	12,314,700	1.07%	3	-	-	-
Ring Screw LLC	Manufacturing	11,640,878	1.02%	4	15,050,134	1.23%	4
Auker (Eldon Auker Trust)	Real Estate	9,911,101	0.86%	5	11,407,956	0.93%	5
Edward Rose Assoc, Inc.	Housing (Thornridge Apartments)	9,194,088	0.80%	6	10,346,800	0.85%	6
Edward Rose Development	Housing (Heatherwood Apartments)	8,331,664	0.73%	7	7,255,800	0.59%	9
Grand Blanc Processing	Manufacturing	7,819,185	0.68%	8	-	-	-
Walmart	Retail Sales	7,787,892	0.68%	9	-	-	-
Knollwood	Housing (Apartments)	7,619,999	0.66%	10	9,268,000	0.76%	7
VEMCO	Auto Manufacturing	-	-	-	23,877,800	1.95%	2
Genesys Medsports	Health/Fitness/Conference Center	-	-	-	9,157,100	0.75%	8
Fairways at Woodfield	Housing (Apartments)	-	-	-	6,782,556	0.55%	10

Source: Township Assessing Department Records

## Property Tax Levies and Collections

Fiscal Year Ended	December 31	Percent of						Percent of	
		Current		Levy		Delinquent		Total Tax	Total
		Total Levy (1)	Collections	Collected	Collected	Collections	Collections	Collections	Collections to Tax Levy
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%			
2013	7,280,705	6,895,937	94.72%	18,408	6,914,345	94.97%			
2014	6,880,176	6,460,740	93.90%	367,949	6,828,689	99.25%			

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

# Charter Township of Grand Blanc

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	2005	2006	2007	2008
<b>Governmental Activities</b>				
General obligation bonds	\$ -	\$ 10,800,000	\$ 10,800,000	\$ 10,700,000
Installment purchase agreements	105,000	90,000	75,000	60,000
Special assessment bonds	<u>284,000</u>	<u>185,811</u>	<u>376,530</u>	<u>896,331</u>
Total governmental activities	389,000	11,075,811	11,251,530	11,656,331
<b>Business-type Activities</b>				
SWQIF bonds	-	-	-	-
Installment purchase agreements	-	-	-	-
Total debt of the government	<u>\$ 389,000</u>	<u>\$ 11,075,811</u>	<u>\$ 11,251,530</u>	<u>\$ 11,656,331</u>
<b>Median Household Income per Census</b>				
<b>Total Population (Per Federal Census 10 Year)</b>	25,392	25,392	29,827	29,827
<b>Total Debt per Capita</b>	\$ 15	\$ 436	\$ 377	\$ 391

**Debt Capacity Information  
Ratios of Outstanding Debt**

2009	2010	2011	2012	2013	2014
\$ 10,600,000	\$ 10,400,000	\$ 10,200,000	\$ 10,000,000	\$ 9,800,000	\$ 9,600,000
40,000	20,000	-	-	-	-
<u>1,572,312</u>	<u>1,895,430</u>	<u>1,656,146</u>	<u>1,744,861</u>	<u>2,202,577</u>	<u>1,864,294</u>
12,212,312	12,315,430	11,856,146	11,744,861	12,002,577	11,464,294
-	-	141,682	201,379	246,288	236,288
-	-	-	-	-	-
<b>\$ 12,212,312</b>	<b>\$ 12,315,430</b>	<b>\$ 11,997,828</b>	<b>\$ 11,946,240</b>	<b>\$ 12,248,865</b>	<b>\$ 11,700,582</b>
\$ 59,858	\$ 59,858	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542
29,827	37,508	37,508	37,508	37,508	37,508
\$ 409	\$ 328	\$ 320	\$ 318	\$ 327	\$ 312

# Charter Township of Grand Blanc

## Debt Capacity Information Ratios of General Bonded Debt Outstanding

Fiscal Year	General		Less Pledged		Total Taxable Value Ad Valorem and IFT	Debt as a Percentage of Taxable Value		Estimated Population	General Obligation Debt per Capita
	Obligation Bonds	Debt Service Funds	Net General Bonded Debt						
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	10,400,000	-	10,400,000	1,240,305,871	0.84%	37,508	277		
2011	10,200,000	-	10,200,000	1,139,051,263	0.90%	37,508	272		
2012	10,000,000	-	10,000,000	1,111,849,854	0.90%	37,508	267		
2013	9,800,000	-	9,800,000	1,115,428,242	0.88%	37,508	261		
2014	9,600,000	-	9,600,000	1,131,032,099	0.85%	37,508	256		

## Direct and Overlapping Governmental Activities Debt

Jurisdiction	Debt Outstanding	Percent Applicable to Charter Township		Amount Applicable to Charter Township
		Charter Township	Township	
Direct debt - Charter Township of Grand Blanc	\$ 11,464,294	100.00%		\$ 11,464,294
Overlapping debt:				
Genesee County	72,670,784	12.58%		9,141,985
Grand Blanc School District	69,940,000	73.89%		51,678,666
Goodrich School District	41,540,000	12.92%		5,366,968
Lake Fenton School District	20,500,000	2.01%		412,050
Mott Community College	50,630,000	11.98%		6,065,474
Bishop Airport Authority	10,255,000	12.58%		1,290,079
Subtotal - Overlapping debt	<u>265,535,784</u>			<u>73,955,223</u>
Total	<u>\$ 277,000,078</u>			<u>\$ 85,419,517</u>

Source: Local unit audit reports debt amounts. Percent applicable to the Charter Township from assessing department taxable value as a percentage of each taxable unit.

# Charter Township of Grand Blanc

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	2005	2006	2007	2008
<b>Debt Limit (Fiscal Year Ended) (1)</b>				
State equalized valuation (previous year)	\$ 1,473,832,800	\$ 1,558,529,700	\$ 1,628,440,700	\$ 1,557,658,800
Debt limit (10 percent of state equalized valuation)	147,383,280	155,852,970	162,844,070	155,765,880
<b>Debt Applicable to Debt Limit</b>				
Total debt	389,000	11,075,811	11,251,530	11,656,331
Less deductions allowed by law:				
Special assessment bonds	(284,000)	(185,811)	(376,530)	(896,331)
General obligation limited tax bonds	-	(10,800,000)	(10,800,000)	(10,700,000)
Total amount of debt applicable to debt limit	105,000	90,000	75,000	60,000
<b>Legal Debt Margin</b>	<b>\$ 147,383,280</b>	<b>\$ 155,852,970</b>	<b>\$ 162,844,070</b>	<b>\$ 155,765,880</b>
<b>Net Debt Subject to Limit as Percentage of Debt Limit</b>	0.07%	0.06%	0.05%	0.04%

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

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

	2009	2010	2011	2012	2013	2014
\$	1,453,248,100	\$ 1,263,780,500	\$ 1,166,161,500	\$ 1,135,442,000	\$ 1,154,558,600	\$ 1,131,032,099
	145,324,810	126,378,050	116,616,150	113,544,200	115,455,860	113,103,210
	12,212,312	12,315,430	11,856,146	11,744,861	12,002,577	11,464,294
	(1,572,311)	(1,895,430)	(1,656,146)	(1,744,861)	(2,202,577)	(1,864,294)
	(10,600,000)	(10,400,000)	(10,200,000)	(10,000,000)	(9,800,000)	(9,600,000)
	40,001	20,000	-	-	-	-
\$	<b>145,324,810</b>	<b>\$ 126,378,050</b>	<b>\$ 116,616,150</b>	<b>\$ 113,544,200</b>	<b>\$ 115,455,860</b>	<b>\$ 113,103,210</b>
	0.03%	0.02%	0.00%	0.00%	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
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%
2013	37,508	(A)	\$ 28,730	6.7%
2014	37,508	(A)	\$ 28,730	6.7%

(A) Not available

## Principal Employers

Taxpayer	2014 Employees	Percentage of Total	2004	Percentage of
			Employees	Total
Genesys Regional Medical Center	3,745	31.21%	(A)	(A)
General Motors Customer Care & After Sales	902	7.52%	(A)	(A)
Grand Blanc Community Schools	870	7.25%	(A)	(A)
MAGNA (three facilities)	450	3.75%	(A)	(A)
Serra Automotive Group	420	3.50%	(A)	(A)
Acumet Global Industries (three facilities)	345	2.88%	(A)	(A)
Walmart	290	2.42%	(A)	(A)
Genesys Athletic Club	231	1.93%	(A)	(A)
TMI Custom Air Systems, Inc	194	1.62%	(A)	(A)
Sam's Club	149	1.24%	(A)	(A)

(A) Not available

# Charter Township of Grand Blanc

## Operating Information Full-time Equivalent Government Employees

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
Supervisor	2	2	2	2	2	1	1	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	5	5	4	5	4	5	5	5	4	4
General office	4	4	4	3	3	2	2	3	3	3
Assessing	5	5	5	5	5	4	4	4	4	5
GIS-IT	-	-	-	-	-	3	3	3	3	3
<b>Public Safety</b>										
Police	52	53	53	51	49	44	46	44	42	45
Fire and EMS	2	2	2	2	2	2	5	5	5	5
Part-time volunteer	45	48	40	45	45	45	45	40	41	41
<b>Public Services</b>										
DPW	20	20	20	20	19	18	18	16	15	14
Building	5	6	5	3	3	2	2	2	2	2
Planning/Zoning	3	4	4	4	3	2	2	1	1	1
Parks and recreation	6	6	6	6	6	6	6	6	7	7
<b>Total</b>	<b>153</b>	<b>159</b>	<b>149</b>	<b>150</b>	<b>145</b>	<b>138</b>	<b>143</b>	<b>134</b>	<b>132</b>	<b>135</b>

Information obtained from the director of the department

# Charter Township of Grand Blanc

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Function/Program	2005	2006	2007	2008
<b>Police:</b>				
Physical arrests	2,527	2,410	2,273	2,436
Traffic violations	5,577	3,324	4,445	5,111
Traffic stops	-	-	8,599	9,337
Calls for service	(A)	16184	17,208	17,798
<b>Fire:</b>				
Emergency responses	438	484	499	472
Fires extinguished	79	102	94	70
Inspections	-	-	-	-
Public works - Refuse collected (tons)	14830	(A)	(A)	(A)
Parks and recreation - Recreation programs	662	670	702	701
<b>Library (B):</b>				
Circulation (books borrowed)	1,951,419	2,358,562	2,434,035	2,580,077
Collection volume	705,797	678,740	665,165	645,235
<b>Water:</b>				
New connections	(A)	147	159	65
Water main breaks	(A)	7	9	1
Miles of water mains	179	182	188	193
Number of water meters	6,480	6,821	7,063	7,136
Number of water units	14,859	15,253	15,579	15,715
Total consumption	130,772,000	121,680,400	144,908,373	122,486,600
Average consumption per meter	20,181	17,839	20,517	17,165
<b>Sewer:</b>				
Miles of sanitary sewer mains	227	228	237	245
Number of sewer customers	20,473	20,473	11,155	11,216

(A) Information not available

(B) Information provided for years 2005-2013 are for the Genesee District Library System. Information provided for 2014 is for the McFarlen Library in Grand Blanc Township.

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

2009	2010	2011	2012	2013	2014
2,472	2,502	2,825	2,193	2,054	1,797
4,929	3,594	3,968	3,099	2,505	1,815
8,771	8,171	9,631	8,763	7,303	6,029
16,990	17,340	21,788	21,093	20,669	18,842
438	422	469	706	857	767
54	113	98	128	54	87
-	453	490	118	236	142
(A)	(A)	(A)	(A)	(A)	(A)
704	702	706	737	741	743
2,734,882	3,008,370	3,309,207	3,640,128	4,004,141	267,964
632,330	695,563	765,119	841,631	637,196	95,713
26	23	25	45	83	104
3	5	-	7	5	5
193	193	193	193	193	193
7,164	7,193	7,219	7,267	7,351	7,455
15,757	15,771	15,700	15,884	15,746	15,909
121,835,108	113,610,700	126,184,500	123,554,920	106,497,100	105,107,660
17,007	15,795	15,771	17,002	14,487	14,099
245	241	241	241	241	241
11,241	11,257	11,273	11,305	11,377	11,480

# Charter Township of Grand Blanc

## Operating Information Capital Asset Statistics

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Stations	I	I	I	I	I	I	I	I	I	I
Patrol units	(A)	(A)	(A)	17	17	17	17	16	17	17
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	7	7	7	9	9	10	7	7	7	11
Parks and recreation:										
Acreage	202	202	202	202	202	202	202	202	202	202
Playgrounds	I	I	I	I	I	I	I	I	I	I
Soccer fields	-	-	-	-	-	I	4	4	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	I	I
Sand volleyball court	-	-	-	-	-	-	5	5	5	5
Libraries - Branches	I	I	I	I	I	I	I	I	I	I
Water:										
Mains (miles)	179	182	188	193	193	193	193	193	193	193
Fire hydrants	(A)	(A)	2,160	2,200	2,200	2,216	2,216	2,216	2,216	2,049
Sewer:										
Miles of sanitary sewers	227	228	237	245	245	241	241	241	241	241

(A) Information not available

Information obtained from the director of the department