

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

**Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2015**

Prepared by the Finance Department

Charter Township of Grand Blanc

Contents

Introductory Section

Letter of Transmittal	i-viii
------------------------------	--------

Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	ix
---	----

List of Principal Officials	x
------------------------------------	---

Organization Chart	xi
---------------------------	----

Financial Section

Independent Auditor's Report	1-3
-------------------------------------	-----

Management's Discussion and Analysis	4-15
---	------

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17-18

Fund Financial Statements:

Governmental Funds:	
Balance Sheet	19
Reconciliation of the Balance Sheet to the Statement of Net Position	20
Statement of Revenue, Expenditures, and Changes in Fund Balances	21
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22

Proprietary Funds - Department of Public Works:

Statement of Net Position	23
Statement of Revenue, Expenses, and Changes in Net Position	24
Statement of Cash Flows	25

Fiduciary Funds:

Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position - Pension and Employee Benefits Trust Fund	27

Notes to Financial Statements	28-56
--------------------------------------	-------

Charter Township of Grand Blanc

Contents (Continued)

Required Supplemental Information	57
Description of Fund - General Fund	58
Budgetary Comparison Schedule - General Fund	59
Description of Fund - Major Special Revenue Fund	60
Budgetary Comparison Schedule - Major Special Revenue Fund	61
Note to Required Supplemental Information	62
Schedule of Funding Progress - OPEB	63
Schedule of Changes in the Net Pension Liability and Related Ratios	64
Schedule of Pension Contributions	65
Other Supplemental Information	66
Nonmajor Governmental Funds:	
Fund Descriptions	67-68
Combining Balance Sheet	69-70
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	71-72
Budgetary Comparisons:	
Drug Forfeiture Fund	73
Law Enforcement Fund	74
Federal Equitable Sharing Fund	75
PEG Channel Grant Fund	76
CDBG Fund	77
Master Campus Project Fund	78
Capital Projects Fund	79
Bicentennial Park Fund	80
Fiduciary Funds:	
Description of Funds	81
Statement of Assets and Liabilities - Pension and Other Employee Benefits Trust Funds	82
Combining Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefits Trust Funds	83
Statement of Changes in Assets and Liabilities - Agency Funds	84

Charter Township of Grand Blanc

Contents (Continued)

Statistical Section	85
Description of Statistical Section	86
Financial Trend Information:	
Net Position by Component	87-88
Changes in Governmental Net Position	89-90
Changes in Business-type Net Position	91-92
Fund Balances - Governmental Funds	93-94
Changes in Fund Balances - Governmental Funds	95-96
Revenue Capacity Information:	
Assessed Value and Actual Value of Taxable Property	97-98
Direct and Overlapping Property Tax Rates	97-98
Principal Property Taxpayers	99
Property Tax Levies and Collections	99
Debt Capacity Information:	
Ratios of Outstanding Debt	100-101
Ratios of General Bonded Debt Outstanding	102
Direct and Overlapping Governmental Activities Debt	102
Legal Debt Margins	103-104
Demographic and Economic Information:	
Demographic and Economic Statistics	105
Principal Employers	105
Operating Information:	
Full-time Equivalent Government Employees	106
Operating Indicators	107-108
Capital Asset Statistics	109

CHARTER TOWNSHIP OF GRAND BLANC

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June 28, 2016

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 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 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 have issued an unqualified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.



Marilyn M. Hoffman, *Supervisor*
Cris Rariden, *Clerk* Dennis Liimatta, *Township Superintendent* Earl R. Guzak, *Treasurer*
Trustees:
Larry J. Anderson Scott Bennett Dr. Jude Rariden D. Clark Kent

PROFILE OF CHARTER TOWNSHIP OF GRAND BLANC

Grand Blanc, which literally means “great white,” was originally settled by Chippewa Indians. The name came from the French Traders who arrived before 1800. By 1823, pioneer families were settling on the abundant farmland. The Charter Township of Grand Blanc was incorporated on April 1, 1833 as Genesee County’s first unit of government. It is located in the southeastern part of Genesee County, which is situated 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 people, an increase of nearly 26% over the last ten 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 31st 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 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 2.9%, which is below the State (4.5%) and National (4.8%) averages despite the fact that the Charter Township is located in close proximity to the City of Flint, whose unemployment rate is 8.4%.

The Charter Township has two General Motors facilities within its boundaries which help to support its tax base. One of these facilities is the world headquarters for General Motors Service and Parts Operation which employs approximately 1,900 people. With the growth of other commercial businesses in various industries, the Charter Township no longer relies on GM as a major taxpayer.

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 System has plans to develop a total medical campus in the southern end of the Charter Township along the Dort Highway extension. The environmental assessment phase of the Dort Highway extension project is well underway. Once completed Grand Blanc Township will assess the infrastructure needs within the southern end of the Charter Township in order to begin the development phase of the project. The Dort Highway Connector will facilitate the implementation of the first phase of the Genesys Health System 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 2015, the Charter Township welcomed the expansion of two financial institutions, Dort Federal Credit Union and Security Credit Union, within the township, comprising over \$6.5 million of investment between the two of them. Spud Software, a computer programming business, invested nearly \$1 million to expand their facilities within the Township. 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 2015 on a project estimated at over \$4 million and construction began on a \$1,750,000 warehouse construction project for Grand Blanc Processing to expand their business within the Charter Township. Both have estimated completion dates in 2016.

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 with plans of expanding in the Charter Township. The area known as Technology Village consists of approximately 4,100 acres and is located in the south-central portion of the Township. It includes the Genesys Health Park, industrial property, and undeveloped sites with unique natural features. A development plan, prepared for this site, outlines a vibrant center that would incorporate knowledge-based employment with housing, recreation, culture, diversity and entertainment.

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 with its enticing amenities such as: 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 \$3,523,904, or 25.6 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 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.

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*, who 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 2015 included \$77,000 for repair and replacement of generators at various pump stations throughout the Township; \$154,000 for sewer system pipe linings; \$197,000 for water meter purchase and replacement; and \$245,000 on sanitary sewer system improvements. These projects were funded by the revenue generated from the water and sewer tap in fees. In addition, the Department of Public Works expanded its fleet with an additional \$435,000 invested in vehicles and equipment.

The Charter Township Governmental Funds invested \$95,000 in 2015 for the replacement of three police patrol vehicles and an additional \$62,000 for additional equipment for the Police Department. The Perry House, a historical building in the community, received over \$110,000 of renovations during the year. An additional \$13,000 was expended within the Information Technology Department for enhanced networking and storage server capabilities. The capital projects fund balance of \$2,202,281 will be carried forward to the 2016 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, 2014. This was the twentieth 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

June 28, 2016

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, 2014

A handwritten signature in black ink that reads "Jeffrey P. Emmer".

Executive Director/CEO

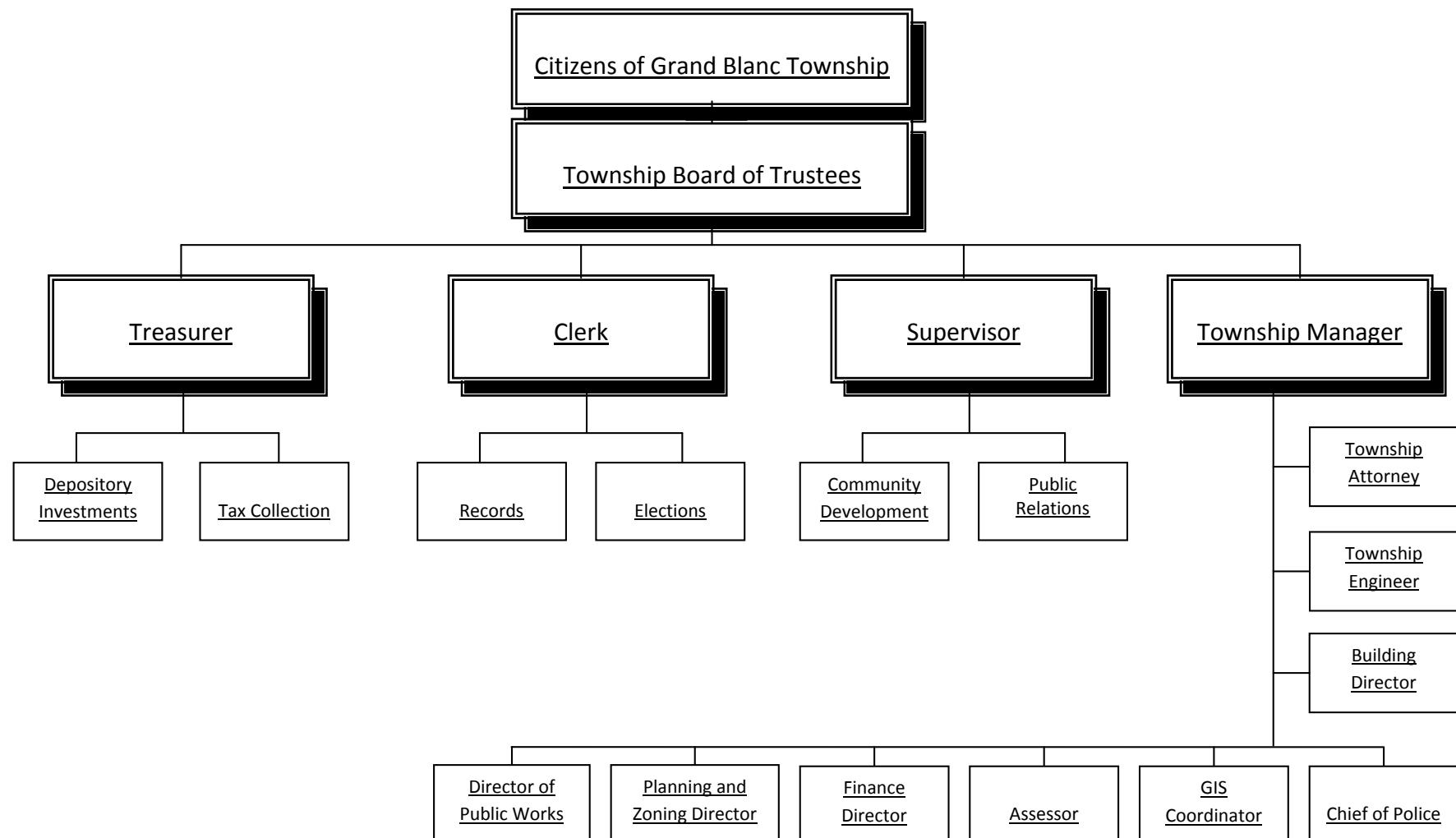
Charter Township of Grand Blanc

List of Principal Officials

<u>Title</u>	<u>Name</u>
Supervisor	Marilyn M. Hoffman
Clerk	Cris Rariden
Treasurer	Earl Guzak
Board of Trustees	Scott Bennett Larry Anderson Dr. Jude Rariden Clark Kent
Township Superintendent	Dennis Liimatta
Finance Director	Cathy Szostak
Director of Public Works	Jeff Sears
Police Chief	Ronald Wiles
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

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 (the "Charter Township") as of and for the year ended December 31, 2015 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, 2015 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

Emphasis of Matter

As discussed in Note 17 to the basic financial statements, during the year ended December 31, 2015, the Charter Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, which establish accounting and financial reporting standards for defined benefit pensions provided to the employees of governmental employers through pension plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison schedules, schedule of changes in the net pension liability and related ratios, schedule of pension contributions, and OPEB schedules of funding progress, 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, 2014, from which such partial information was derived. We have previously audited the Charter Township of Grand Blanc's December 31, 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated May 27, 2015. In our opinion, the prior year comparative information presented herein for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

June 1, 2016

Charter Township of Grand Blanc

Management's Discussion and Analysis

This section of the Charter Township of Grand Blanc's (the "Charter Township") annual financial report presents our discussion and analysis of the Charter Township's financial performance during the fiscal year ended December 31, 2015. 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

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 for OPEB, schedule of changes in the net pension liability and related ratios, and schedule of pension contributions. 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 \$97 million for the fiscal year ended December 31, 2015. This was a total decrease of approximately \$5.7 million or 5.6 percent for 2015. The primary contributing factor to the decrease in net position was the net pension liability of \$7.7 million being added to the liabilities in the statement of net position, as required with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. The primary objective of GASB Statement No. 68 is to improve the accounting and financial reporting by state and local governments for pensions to provide more comparable and visible information within the annual financial statements of governments that provide defined benefit pensions. As such, GASB Statement No. 68 requires employers to report the difference between the actuarial total pension liability and the fair value of the legally restricted plan assets as the net pension liability on the statement of net position. Previously, a liability was only recorded if the actuarial contributions made to the plan were less than the actuarial calculated contributions for the year.

The largest portion of the Charter Township's net position (92 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 are 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.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

In a condensed format, the table below shows a comparison of the net position as of December 31, 2015 and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
	(in thousands)		(in thousands)		(in thousands)	
Assets						
Current and other assets	\$ 19,317	\$ 19,745	\$ 15,645	\$ 12,612	\$ 34,962	\$ 32,357
Capital assets	17,895	18,361	80,130	80,103	98,025	98,464
Total assets	37,212	38,106	95,775	92,715	132,987	130,821
Deferred Outflows	1,184	-	-	-	1,184	-
Liabilities						
Long-term liabilities outstanding	22,778	14,855	490	226	23,268	15,081
Other liabilities	2,037	1,936	2,825	2,038	4,862	3,974
Total liabilities	24,815	16,791	3,315	2,264	28,130	19,055
Deferred Inflows of Resources	8,816	8,821	-	-	8,816	8,821
Net Position						
Net investment in capital assets	9,492	8,203	79,903	79,867	89,395	88,070
Restricted	909	760	-	-	909	760
Unrestricted	(5,636)	3,531	12,557	10,584	6,921	14,115
Total net position	<u>\$ 4,765</u>	<u>\$ 12,494</u>	<u>\$ 92,460</u>	<u>\$ 90,451</u>	<u>\$ 97,225</u>	<u>\$ 102,945</u>

The business-type activities comprised \$92.5 million and government activities accounted for \$4.8 million of the total net position. The governmental activities experienced a decrease in net position of \$1,017,556, not including the effects of GASB Statement No. 68. The business-type activities experienced an increase in net position of \$2,008,982. 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 and cost containment measures. The increase in additional cash reserves is intended for upcoming capital improvements. The decrease in the governmental activities net position is the result of \$1,000,000 of funds, held in the form of investments, used to reduce the principal balance of the general obligation capital improvement bond which was refunded during the year with a new debt issue in a lesser amount. The other category changes are minimal and consistent with the prior year.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

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	
	2015	2014	2015	2014	2015	2014
	(in thousands)		(in thousands)		(in thousands)	
Revenue						
Program revenue:						
Charges for service	\$ 2,968	\$ 2,969	\$ 15,198	\$ 13,938	\$ 18,166	\$ 16,907
Operating grants and contributions	178	234	-	-	178	234
Capital grants and contributions	344	85	1,630	1,232	1,974	1,317
General revenue:						
Property taxes	7,429	7,381	-	-	7,429	7,381
State-shared revenue	2,918	2,915	-	-	2,918	2,915
Unrestricted investment earnings	42	34	32	26	74	60
Miscellaneous	1,454	771	23	-	1,477	771
Total revenue	15,333	14,389	16,883	15,196	32,216	29,585
Expenses						
General government	3,502	2,745	-	-	3,502	2,745
Public safety	9,488	8,236	-	-	9,488	8,236
Public works	2,248	2,110	-	-	2,248	2,110
Community and economic development	108	103	-	-	108	103
Recreation and culture	405	413	-	-	405	413
Interest on long-term debt	599	627	-	-	599	627
Water and sewer	-	-	14,874	13,265	14,874	13,265
Total expenses	16,350	14,234	14,874	13,265	31,224	27,499
(Decrease) Increase in Net Position	(1,017)	155	2,009	1,931	992	2,086
Net Position - Beginning of year (as restated)	5,782	12,339	90,451	88,520	96,233	100,859
Net Position - End of year	\$ 4,765	\$ 12,494	\$ 92,460	\$ 90,451	\$ 97,225	\$ 102,945

Governmental Activities

The net position of the governmental activities decreased \$1,017,556 in 2015 (not including the effects of restatement due to GASB Statement No. 68) to \$4,764,591. Revenue for the governmental activities totaled \$15.3 million, of which \$7.4 million, or approximately 49 percent, was in the form of property tax collections. The Charter Township levied a total of 6.1322 mills for fiscal year 2015 (levied in December of 2014), distributed as follows - 3.8531 mills for the Charter Township's operation, 0.7 mills for the municipal campus plan, 0.9104 mills for the Charter Township's police, 0.4987 mills for the Fire Commission, and 0.1700 mills for the Charter Township's mosquito control.

State-shared revenue contributed 19 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.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Charges for governmental services represent just over 19 percent of total revenue. The Charter Township's housing construction activities provide revenue in the form of building permits and inspection fees, which represent 36.7 percent of the charges for services revenue. The building permits and inspection fees increased by approximately \$243,000 over the previous year.

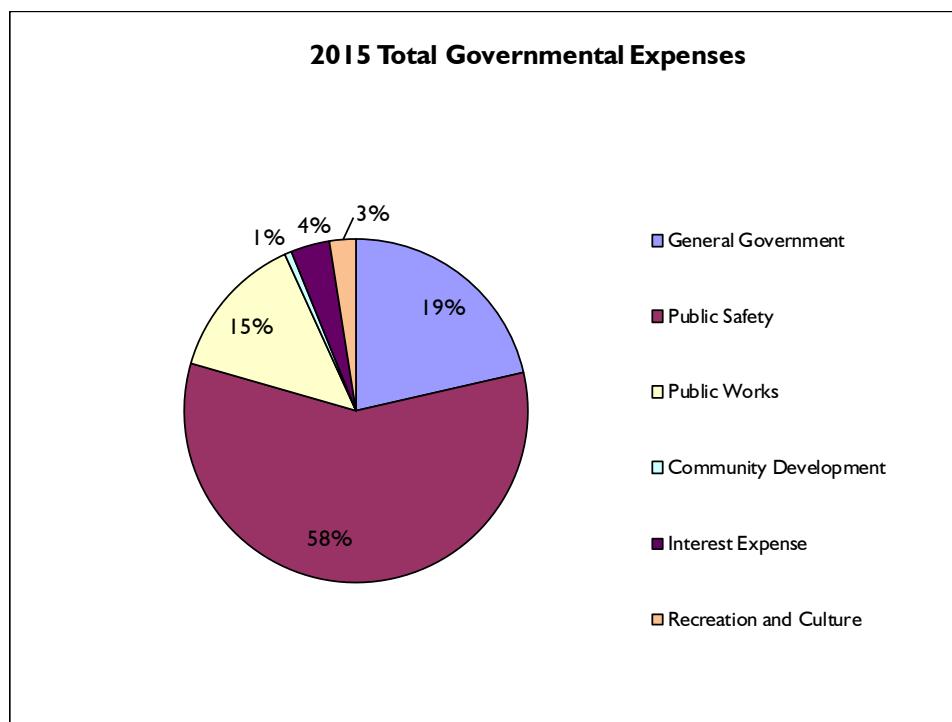
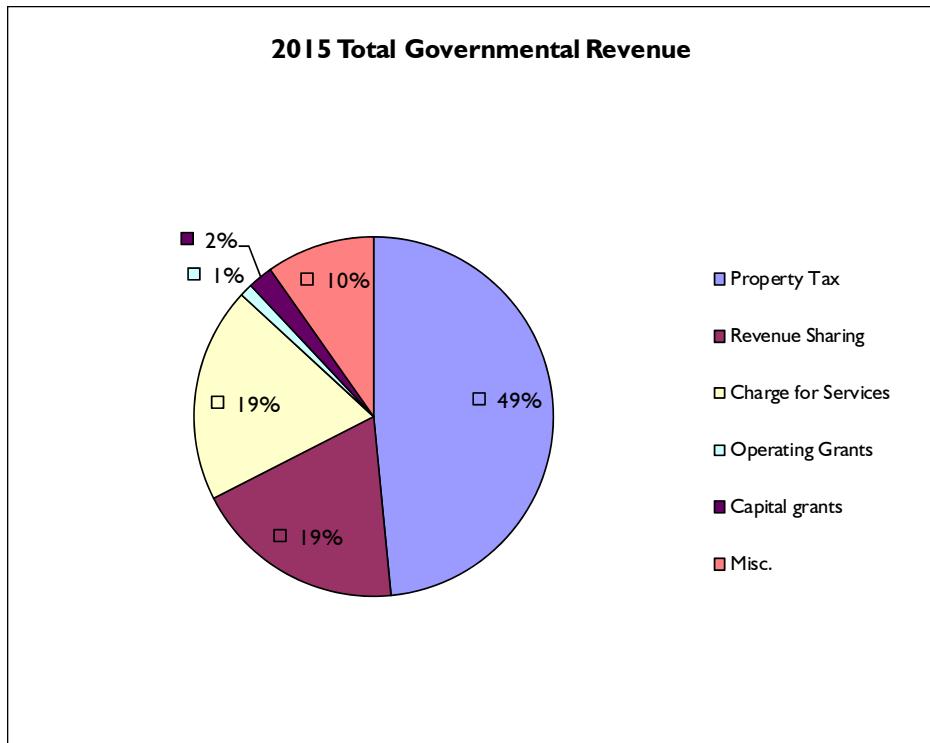
Business-type Activities

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 \$15.2 million covered all of the \$14.9 million of water and sewer expenses. The Charter Township's goal is to have the water and sewer operations be self-supporting. Any revenue 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 2015 reflects an increase of \$2,008,982.

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 \$98,024,746. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2015 and 2014. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,948	\$ 1,948	\$ 257	\$ 257	\$ 2,205	\$ 2,205
Construction in progress	51	25	315	835	366	860
Buildings and improvements	12,699	13,115	1,415	1,444	14,114	14,559
Furniture and equipment	422	273	487	263	909	536
Infrastructure	2,629	2,868	-	-	2,629	2,868
Water and sewer distribution systems	-	-	77,337	77,130	77,337	77,130
Vehicles	146	131	319	174	465	305
Total	<u>\$ 17,895</u>	<u>\$ 18,360</u>	<u>\$ 80,130</u>	<u>\$ 80,103</u>	<u>\$ 98,025</u>	<u>\$ 98,463</u>

The Charter Township's governmental funds invested approximately \$431,600 in 2015 for capital projects/purchases. The governmental funds capital investments included the addition of police vehicles and equipment, information technology equipment, and improvements to the historical Perry House. An additional \$45,000 was used for repairs and improvements to the Fire Department's training tower. The fund balance in the Capital Projects Fund of approximately \$2,202,000 will be carried forward to the 2016 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 \$1,168,750 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. In addition, an expansion of both the water and sewer lines into the southern end of the Township is anticipated with the Dort Highway extension project. Some of the capital improvements/purchases during 2015 within the Department of Public Works Fund included the replacement of a vactor truck in the Sewer Department at a cost of \$315,000 and a dump truck for \$94,000, sewer lining replacement in the amount of \$154,000, several generator and pump replacements throughout the system totaling over \$77,000, an upgrade to the SCADA system for \$240,000, 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

Management's Discussion and Analysis (Continued)

Long-term Debt

The Charter Township has a total of \$10,538,799 in long-term governmental debt and \$252,211 in long-term business-type activity debt as of December 31, 2015. Of this total debt, \$8,631,492 or 82 percent is related to the issuance of a 25-year general obligation limited tax capital improvement bond for construction of a new police station which was refunded during the year and is anticipated to save the Township \$1.5 million over the remaining 15 years of payments. In addition, \$254,220 or 2.4 percent is related to employee-compensated absences, and \$1,679,010 or 16 percent of the debt is related to road improvement projects. The remaining 2 percent or \$226,288 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 from the road improvement. The Charter Township's debt represents 10.8 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 67 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.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

- **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.

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 59 and the Solid Waste Fund on page 61 of this report. The total amount of revenue budgeted in the General Fund for 2015 was \$13,477,100 with actual revenue recorded at \$13,756,988. This was a positive variance with the budget of \$279,888 or 2.1 percent. The areas with positive variances which exceeded the budgeted revenue included licenses and permits, federal sources, investment income, special assessment revenue, cable franchise fees, and miscellaneous income. The other categories did not meet the revenue expectations in the budget.

State-shared revenue was originally budgeted at \$3,049,000, with actual state-shared revenue received amounting to \$2,917,622 for a shortfall of \$131,378. 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 \$12,878,697 in 2015, with actual expenditures amounting to \$12,242,871. The net effect for 2015 shows an excess of revenue over expenditures (prior to other financing sources and uses) of \$1,514,117. After net other financing uses of \$667,158, revenue exceeded expenditures and other financing uses by \$846,959. As a result, the Charter Township's 2015 General Fund balance increased to \$3,523,904. The December 31, 2015 unassigned General Fund balance is \$3,311,598 or 24.1 percent of 2015 General Fund revenue, which exceeds the recommended amount in 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 \$1,450,300 and the actual revenue recognized was \$1,430,790. The result was a difference of \$19,510 under budget. The Solid Waste Special Revenue Fund had original and amended budgeted expenditures of \$1,392,000. The actual expenditures were \$1,348,619 which resulted in a difference of \$43,381 under budget. The net effect for 2015 reflects an excess of revenue over expenditures of \$82,171. This increased the fund balance of the Charter Township's 2015 Solid Waste Fund to \$325,611 or 22.75 percent of 2015 Solid Waste Fund revenue.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

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 2016. 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 constant or rise minimally after several years of decline. 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 \$7.7 million as of December 31, 2014, the date of its most recent actuarial report. The funded ratio of the plan is 60 percent. In addition, the retiree healthcare plan has an unfunded liability of approximately \$30.2 million as of December 31, 2014, and a funding level of 13.2 percent. In 2015, the Charter Township contributed the required annual contribution of \$790,503 to its defined benefit plan and \$1,639,020 of the \$2,924,453 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 2015, 121 new house permits and 65 condominium housing permits were issued with construction values totaling \$30,410,575 and \$6,944,144, respectively. In addition, 371 permits were issued for housing improvements with a total construction value of \$25,374,200. 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 was able to maintain its fund balance as specified in its policy. In addition, in 2015, the fund balance of the General Fund increased an additional \$847,000 to \$3.5 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 businesses of the Charter Township.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Contacting the Charter Township's Financial Management

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the Charter Township's finances and to show the Charter Township's accountability for the money it receives. If you have questions about this report or need additional financial information, 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.

Charter Township of Grand Blanc

Statement of Net Position December 31, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 11,724,114	\$ 10,521,580	\$ 22,245,694
Investments (Note 3)	1,679,709	715,000	2,394,709
Receivables:			
Property taxes	3,746,203	-	3,746,203
Customers	-	3,782,862	3,782,862
Accrued interest and other	833	69	902
Receivables billed on tax roll	235,556	359,431	594,987
Due from other governmental units	514,648	-	514,648
Special assessments	1,276,538	-	1,276,538
Tap-in receivable	-	229,402	229,402
Internal balances	(7,135)	7,135	-
Prepays	145,996	30,560	176,556
Capital assets (Note 5):			
Assets not subject to depreciation	1,998,647	572,915	2,571,562
Assets subject to depreciation	15,896,461	79,556,723	95,453,184
Total assets	37,211,570	95,775,677	132,987,247
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments (Note 11)	157,422	-	157,422
Employer contributions to the plan subsequent to the measurement date (Note 11)	791,064	-	791,064
Taxes collected and remitted to the Grand Blanc Fire Authority	235,889	-	235,889
Total deferred outflows of resources	1,184,375	-	1,184,375
Liabilities			
Accounts payable	516,471	2,571,061	3,087,532
Due to other governmental units	25,003	-	25,003
Accrued liabilities and other	621,443	218,270	839,713
Noncurrent liabilities:			
Due within one year (Note 7):			
Compensated absences (Note 7)	228,297	25,923	254,220
Current portion of long-term debt	645,283	10,000	655,283
Due in more than one year:			
Net OPEB obligation (Note 14)	5,389,240	273,787	5,663,027
Net pension liability (Note 11)	7,724,378	-	7,724,378
Long-term debt (Note 7)	9,665,219	216,288	9,881,507
Total liabilities	24,815,334	3,315,329	28,130,663
Deferred Inflows of Resources (Note 4)			
Property taxes levied for the following year	7,619,765	-	7,619,765
Other resources received before the period resources may be used	1,196,255	-	1,196,255
Total deferred inflows of resources	8,816,020	-	8,816,020
Net Position			
Net investment in capital assets	9,492,098	79,903,350	89,395,448
Restricted for:			
Mosquito spraying	19,607	-	19,607
Solid waste	325,611	-	325,611
Drug forfeiture and federal equitable sharing	73,331	-	73,331
Law enforcement	10,043	-	10,043
PEG Channel Grant	74,603	-	74,603
Unexpendable cemetery fund	161,000	-	161,000
Expendable cemetery fund	198,511	-	198,511
Tree replacement	46,703	-	46,703
Unrestricted	(5,636,916)	12,556,998	6,920,082
Total net position	\$ 4,764,591	\$ 92,460,348	\$ 97,224,939

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

Charter Township of Grand Blanc

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,502,152	\$ 21,292	\$ 36,608	\$ -
Public safety	9,487,970	1,172,981	141,108	-
Public works	2,247,743	1,701,853	-	252,040
Community and economic development	108,031	71,876	-	91,491
Recreation and culture	405,378	-	-	-
Interest on long-term debt	597,971	-	-	-
Total governmental activities	16,349,245	2,968,002	177,716	343,531
Business-type activities	14,874,331	15,198,010	-	1,630,205
Total primary government	\$ 31,223,576	\$ 18,166,012	\$ 177,716	\$ 1,973,736

General revenue:

Property taxes
 State-shared revenue (unrestricted)
 Investment income
 Cable franchise fees
 Other miscellaneous income
 Gain on sale of fixed assets

Total general revenue

Change in Net Position

Net Position - Beginning of year - As restated (Note 17)

Net Position - End of year

Statement of Activities
Year Ended December 31, 2015

Net (Expense) Revenue and Changes in Net Position		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (3,444,252)	\$ -	\$ (3,444,252)
(8,173,881)	-	(8,173,881)
(293,850)	-	(293,850)
55,336	-	55,336
(405,378)	-	(405,378)
(597,971)	-	(597,971)
(12,859,996)	-	(12,859,996)
-	1,953,884	1,953,884
(12,859,996)	1,953,884	(10,906,112)
7,429,486	-	7,429,486
2,917,622	-	2,917,622
41,785	32,198	73,983
656,100	-	656,100
774,514	-	774,514
22,933	22,900	45,833
11,842,440	55,098	11,897,538
(1,017,556)	2,008,982	991,426
5,782,147	90,451,366	96,233,513
\$ 4,764,591	\$ 92,460,348	\$ 97,224,939

Charter Township of Grand Blanc

Governmental Funds Balance Sheet December 31, 2015

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 10,535,851	\$ 1,113,786	\$ 74,477	\$ 11,724,114
Investments (Note 3)	1,395,765	-	283,944	1,679,709
Receivables:				
Property taxes	3,746,203	-	-	3,746,203
Accrued interest and other	-	-	833	833
Other receivables	235,299	-	257	235,556
Due from other governmental units	514,648	-	-	514,648
Special assessments	868,458	408,080	-	1,276,538
Due from other funds (Note 6)	-	-	4,595,608	4,595,608
Prepays	<u>145,996</u>	<u>-</u>	<u>-</u>	<u>145,996</u>
Total assets	17,442,220	1,521,866	4,955,119	23,919,205
Deferred Outflows of Resources - Taxes collected and remitted to the Grand Blanc Fire Authority	235,889	-	-	235,889
Total assets and deferred outflows of resources	<u>\$ 17,678,109</u>	<u>\$ 1,521,866</u>	<u>\$ 4,955,119</u>	<u>\$ 24,155,094</u>
Liabilities				
Accounts payable	\$ 471,404	\$ -	\$ 45,067	\$ 516,471
Due to other governmental units	25,003	-	-	25,003
Due to other funds (Note 6)	4,602,743	-	-	4,602,743
Accrued liabilities and other	568,190	-	-	568,190
Total liabilities	5,667,340	-	45,067	5,712,407
Deferred Inflows of Resources (Note 4)				
Unavailable revenue	867,100	-	-	867,100
Property taxes levied for the following year	7,619,765	-	-	7,619,765
Other resources received before the period resources may be used	-	1,196,255	-	1,196,255
Total deferred inflows of resources	8,486,865	1,196,255	-	9,683,120
Fund Balances				
Nonspendable:				
Prepays	145,996	-	-	145,996
Cemetery endowment	-	-	161,000	161,000
Restricted:				
Public safety	-	-	83,374	83,374
Solid waste	-	325,611	-	325,611
Mosquito spraying	19,607	-	-	19,607
PEG channel	-	-	74,603	74,603
Cemetery	-	-	198,511	198,511
Tree replacement	46,703	-	-	46,703
Committed - Bicentennial Park improvements	-	-	4,687	4,687
Assigned:				
Capital projects	500,000	-	2,202,281	2,702,281
Debt service	-	-	2,185,596	2,185,596
Compensated absences	225,000	-	-	225,000
Other postemployment benefits	500,000	-	-	500,000
Pension	275,000	-	-	275,000
Unassigned	1,811,598	-	-	1,811,598
Total fund balances	3,523,904	325,611	4,910,052	8,759,567
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,678,109</u>	<u>\$ 1,521,866</u>	<u>\$ 4,955,119</u>	<u>\$ 24,155,094</u>

Charter Township of Grand Blanc

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2015

Fund Balance Reported in Governmental Funds	\$ 8,759,567
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	17,895,108
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	822,753
Certain receivables are expected to be collected in future years and are not available to pay for current year expenditures	44,347
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(9,689,010)
Bond premium is to be amortized over the remaining life of the bond and is not reported in the funds	(621,492)
Accrued interest is not due and payable in the current period and is not reported in the funds	(53,253)
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	(228,297)
Net other postemployment benefit obligation is not recorded as a liability in the funds	(5,389,240)
Deferred outflows of resources - Pension difference between projected and actual investment earnings as well as contributions made to the plan after the measurement date	948,486
Net pension liability is not due and payable in the current period and is not reported on the funds	<u>(7,724,378)</u>
Net Position of Governmental Activities	<u>\$ 4,764,591</u>

Charter Township of Grand Blanc

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2015

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
Revenue				
Property taxes (Note 8)	\$ 7,429,086	\$ -	\$ -	\$ 7,429,086
Licenses and permits	1,186,910	-	-	1,186,910
Federal sources	97,417	-	91,491	188,908
State sources	2,961,313	-	13,010	2,974,323
Charges for services	-	1,430,470	-	1,430,470
Fines and forfeitures	71,903	-	7,336	79,239
Investment income	24,409	320	17,056	41,785
Other revenue:				
Special assessments	601,513	-	-	601,513
Local donations	-	-	36,608	36,608
Cable franchise fees	656,100	-	-	656,100
Other miscellaneous income	728,337	-	46,177	774,514
Total revenue	13,756,988	1,430,790	211,678	15,399,456
Expenditures				
Current:				
General government	2,729,002	-	140,276	2,869,278
Public safety	8,009,652	-	34,902	8,044,554
Public works	899,124	1,348,619	-	2,247,743
Community and economic development	-	-	108,031	108,031
Recreation and culture	218,197	-	20,000	238,197
Capital outlay	-	-	336,042	336,042
Debt service	386,896	-	719,375	1,106,271
Total expenditures	12,242,871	1,348,619	1,358,626	14,950,116
Excess of Revenue Over (Under) Expenditures				
	1,514,117	82,171	(1,146,948)	449,340
Other Financing Sources (Uses)				
Face value of debt issue	149,000	-	7,710,000	7,859,000
Debt premium or discount	-	-	628,283	628,283
Proceeds from sale of capital assets	11,937	-	10,996	22,933
Transfers in	-	-	844,635	844,635
Transfers out	(828,095)	-	(16,540)	(844,635)
Payment to bond refunding escrow agent	-	-	(9,193,170)	(9,193,170)
Total other financing uses	(667,158)	-	(15,796)	(682,954)
Net Change in Fund Balances				
Fund Balances - Beginning of year	2,676,945	243,440	6,072,796	8,993,181
Fund Balances - End of year	\$ 3,523,904	\$ 325,611	\$ 4,910,052	\$ 8,759,567

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, 2015

Net Change in Fund Balances - Total Governmental Funds \$ (233,614)

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	431,576
Depreciation expense	(896,865)

Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end (90,700)

Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position (7,859,000)

Repayment of bond principal and payment to escrow agent are expenditures in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 9,641,075

Bond premiums are recorded as other financing sources in the governmental funds, but are capitalized and amortized over the life of the bond in the full accrual statements (628,284)

Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds 60,397

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 (14,327)

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 (1,364,084)

The change in the net pension liability is recorded when incurred in the statement of activities (63,730)

Change in Net Position of Governmental Activities \$ (1,017,556)

Charter Township of Grand Blanc

Proprietary Funds
Department of Public Works
Statement of Net Position
December 31, 2015

Assets

Current assets:	
Cash and cash equivalents (Note 3)	\$ 10,521,580
Investments (Note 3)	715,000
Receivables:	
Customers	3,782,862
Accrued interest and other	69
Receivables billed on tax roll	359,431
Due from other funds (Note 6)	7,135
Prepays	<u>30,560</u>
	15,416,637
Total current assets	15,416,637
Noncurrent assets:	
Tap-in assessments receivable	229,402
Capital assets (Note 5):	
Assets not subject to depreciation	572,915
Assets subject to depreciation	<u>79,556,723</u>
	80,359,040
Total noncurrent assets	80,359,040
	Total assets
	95,775,677

Liabilities

Current liabilities:	
Accounts payable	2,571,061
Accrued liabilities and other	218,270
Compensated absences (Note 7)	25,923
Current portion of long-term debt (Note 7)	<u>10,000</u>
	2,825,254
Total current liabilities	2,825,254
Noncurrent liabilities:	
Net OPEB obligation (Note 14)	273,787
Long-term debt (Note 7)	<u>216,288</u>
	490,075
Total noncurrent liabilities	490,075
	Total liabilities
	<u>3,315,329</u>

Net Position

Net investment in capital assets	79,903,350
Unrestricted	<u>12,556,998</u>
	<u>\$ 92,460,348</u>
Total net position	<u>\$ 92,460,348</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, 2015

	December 31	
	2015	2014
Operating Revenue		
Sale of water	\$ 7,332,358	\$ 6,513,557
Sewage disposal charges	7,436,010	6,905,598
Water meters	110,476	128,917
Penalties and other charges for services	<u>319,166</u>	<u>390,391</u>
Total operating revenue	15,198,010	13,938,463
Operating Expenses		
Cost of water	5,759,170	4,910,063
Cost of sewage treatment	5,114,259	4,898,012
Billing and administrative costs	2,235,467	1,725,675
Depreciation	<u>1,759,590</u>	<u>1,723,555</u>
Total operating expenses	<u>14,868,486</u>	<u>13,257,305</u>
Operating Income	329,524	681,158
Nonoperating Revenue (Expenses)		
Investment income	32,198	25,466
Interest expense	(5,845)	(7,550)
Gain on sale of assets	<u>22,900</u>	-
Total nonoperating revenue	<u>49,253</u>	<u>17,916</u>
Net Income - Before contributions	378,777	699,074
Capital Contributions		
Capital charges and line inspection fees	1,206,755	1,232,285
Lines donated by developers	<u>423,450</u>	-
Total capital contributions	<u>1,630,205</u>	<u>1,232,285</u>
Change in Net Position	2,008,982	1,931,359
Net Position - Beginning of year	<u>90,451,366</u>	<u>88,520,007</u>
Net Position - End of year	<u>\$ 92,460,348</u>	<u>\$ 90,451,366</u>

Charter Township of Grand Blanc

Proprietary Funds
Department of Public Works
Statement of Cash Flows
Year Ended December 31, 2015

Cash Flows from Operating Activities

Receipts from customers	\$ 14,992,496
Payments to interfund services and reimbursements	(663)
Payments to suppliers	(10,038,326)
Payments to employees	<u>(2,004,742)</u>
Net cash provided by operating activities	2,948,765

Cash Flows from Capital and Related Financing Activities

Capital charge collections	1,206,755
Special assessment collections	66,517
Proceeds from sales of capital assets	22,900
Purchase of capital assets	(1,362,948)
Interest paid on capital debt	<u>(15,845)</u>
Net cash used in capital and related financing activities	(82,621)

Cash Flows from Investing Activities

Interest received on investments	32,129
Purchase of investment securities	<u>(715,000)</u>
Net cash used in investing activities	(682,871)

Net Increase in Cash and Cash Equivalents

Cash and Cash Equivalents - Beginning of year	8,338,307
Cash and Cash Equivalents - End of year	<u>\$ 10,521,580</u>

Reconciliation of Operating Income to Net Cash from Operating Activities

Operating income	\$ 329,524
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	1,759,590
Changes in assets and liabilities:	
Receivables	(205,514)
Due from others	(663)
Prepaid and other assets	2,880
Accounts payable	925,882
Accrued and other liabilities	<u>137,066</u>
Net cash provided by operating activities	<u>\$ 2,948,765</u>

Charter Township of Grand Blanc

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2015

	Pension and Employee Benefits Trust	
	Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 5,369,087	\$ 1,178,838
Investments:		
Mutual funds	4,594,240	-
Bonds	212,734	-
Receivables	13,103	-
Due from primary government	19,339	-
	<hr/>	<hr/>
Total assets	10,208,503	\$ 1,178,838
Liabilities - Undistributed tax collections and other	<hr/>	<hr/>
		\$ 1,178,838
Net Position Held in Trust for Pension and Other Employee Benefits	<hr/>	<hr/>
		\$ 10,208,503

Charter Township of Grand Blanc

Fiduciary Funds **Statement of Changes in Fiduciary Net Position - Pension and** **Employee Benefits Trust Fund** **Year Ended December 31, 2015**

	Pension and Employee Benefits Trust Fund
Additions	
Investment income - Interest and dividends	\$ 146,295
Net decrease in fair value of investments	(230,329)
Contributions - Employer	<u>1,530,039</u>
Total additions	1,446,005
Deductions	
Benefit payments	1,167,343
Administrative expenses	<u>6,517</u>
Total deductions	<u>1,173,860</u>
Net Increase in Net Position Held in Trust	272,145
Net Position Held in Trust for Pension and Other Employee Benefits -	
Beginning of year	<u>9,936,358</u>
Net Position Held in Trust for Pension and Other Employee Benefits -	
End of year	<u>\$ 10,208,503</u>

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

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 for which specific revenue was used. 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 trash collection and disposal system, primarily transportation to a privately owned and operated landfill. Revenue is generated via a charge on tax bills.

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

Notes to Financial Statements December 31, 2015

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

Notes to Financial Statements **December 31, 2015**

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 healthcare-related costs, or sick and vacation pay) are not expended until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is 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 revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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 revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (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 revenue are reported instead as general revenue.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

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 revenue 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

Notes to Financial Statements December 31, 2015

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 deferred outflows of resources related to the defined benefit pension liability, consisting of the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, as well as employer contributions made subsequent to the measurement date. The Charter Township also has deferred outflows related to taxes collected and remitted to the Grand Blanc Fire Authority.

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 revenue from two sources: special assessments and delinquent property taxes. 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.

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2015**

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

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.

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. Furthermore, 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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

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

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

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 - The Charter Township offers a defined benefit pension plan to its public safety employees through the Municipal Employees' Retirement System of Michigan (MERS). The Charter Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Charter Township's pension plan, and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund will be used to liquidate the net pension liability.

Other Postemployment Benefit Costs - The Charter Township offers 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, 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. The fund in which the employee is assigned to (generally the General Fund or DPW Fund) will be used to liquidate the liability.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

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

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 revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating 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 revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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

Comparative Data/Reclassifications - Comparative total data for the prior year has been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

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, 2015	\$ (1,564,618)
Building permit revenue	1,104,046
Related expenses:	
Direct costs	\$ 427,507
Estimated indirect costs	<u>64,126</u> 491,633
Current year surplus	<u>612,413</u>
Cumulative shortfall at December 31, 2015	<u>\$ (952,205)</u>

Note 3 - Deposits and Investments

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

The Pension Trust Fund 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.

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2015**

Note 3 - Deposits and Investments (Continued)

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 \$14,119,919 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount, \$848,211 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.

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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 3 - Deposits and Investments (Continued)

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)	\$ 212,734	19.92 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
Primary Government			
Corporate bonds (pension)	\$ 212,734	A	Fitch
Money market	839,487	Aa2	Moody's
Money market	3,542,330	Aa3	Moody's
Money market	3,688,033	A2	Moody's
Money market	10,723,383	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, 2015

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 2016 operations	\$ 7,619,765	\$ 7,619,765
Solid waste charges billed for 2016 operations	1,196,255	1,196,255
Special assessments - Unavailable	822,753	-
Delinquent property taxes - Unavailable	44,347	-
Total deferred inflows	\$ 9,683,120	\$ 8,816,020

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, 2015	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2015
Capital assets not being depreciated:					
Land and land improvements	\$ 1,948,097	\$ -	\$ -	\$ -	\$ 1,948,097
Construction in progress	25,413	(19,863)	45,000	-	50,550
Subtotal	1,973,510	(19,863)	45,000	-	1,998,647
Capital assets being depreciated:					
Buildings and improvements	18,033,398	-	55,608	-	18,089,006
Vehicles	870,026	19,863	108,403	(104,333)	893,959
Furniture and equipment	2,201,899	-	222,565	-	2,424,464
Infrastructure	5,694,713	-	-	-	5,694,713
Subtotal	26,800,036	19,863	386,576	(104,333)	27,102,142
Accumulated depreciation:					
Buildings and improvements	4,917,956	-	472,240	-	5,390,196
Vehicles	739,191	-	113,334	(104,333)	748,192
Furniture and equipment	1,928,588	-	73,788	-	2,002,376
Infrastructure	2,827,414	-	237,503	-	3,064,917
Subtotal	10,413,149	-	896,865	(104,333)	11,205,681
Net capital assets being depreciated	16,386,887	19,863	(510,289)	-	15,896,461
Net capital assets	\$ 18,360,397	\$ -	\$ (465,289)	\$ -	\$ 17,895,108

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 5 - Capital Assets (Continued)

Business-type Activities	Balance January 1, 2015	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2015
Capital assets not being depreciated:					
Land	\$ 257,430	\$ -	\$ -	\$ -	\$ 257,430
Construction in progress	834,516	(762,077)	243,046	-	315,485
Subtotal	1,091,946	(762,077)	243,046	-	572,915
Capital assets being depreciated:					
Water and sewer distribution systems	104,105,927	734,334	774,076	-	105,614,337
Buildings and improvements	1,800,448	-	-	-	1,800,448
Vehicles	1,488,236	62,120	434,730	(262,812)	1,722,274
Furniture and equipment	1,597,259	(34,377)	334,546	-	1,897,428
Subtotal	108,991,870	762,077	1,543,352	(262,812)	111,034,487
Accumulated depreciation:					
Water and sewer distribution systems	26,976,528	-	1,565,212	(262,812)	28,278,928
Buildings and improvements	355,917	-	29,768	-	385,685
Vehicles	1,314,366	-	88,888	-	1,403,254
Furniture and equipment	1,334,175	-	75,722	-	1,409,897
Subtotal	29,980,986	-	1,759,590	(262,812)	31,477,764
Net capital assets being depreciated	79,010,884	762,077	(216,238)	-	79,556,723
Net capital assets	\$ 80,102,830	\$ -	\$ 26,808	\$ -	\$ 80,129,638

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

Governmental activities:

General government	\$ 342,353
Public safety	427,354
Public works	4,977
Recreation and culture	122,181
Total governmental activities	\$ 896,865

Business-type activities - Water and sewer

\$ 1,759,590

Construction Commitments - At year end, the Charter Township's active construction project relates to the Holly Road pump station abandonment project for a total cost of approximately \$735,000 with an estimated \$606,351 remaining until completion.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
Department of Public Works Fund	General Fund	\$ 7,135
Nonmajor governmental fund - Master Campus Fund	General Fund	2,185,596
Nonmajor governmental fund - Capital Projects Fund	General Fund	2,247,281
Other nonmajor governmental funds	General Fund	<u>162,731</u>
	Total	\$ 4,602,743

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, net of expenditures. 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	\$ 788,095
	Capital Projects Fund	<u>40,000</u>
	Total General Fund	828,095
Capital Projects Fund	Community Development Block Grant Fund	<u>16,540</u>
	Total	\$ 844,635

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2015**

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

The transfer from the General Fund to the Master Campus Project Fund represents the transfer of unrestricted resources for debt service, whereas the transfer from the General Fund to the Capital Projects Fund represents the transfer of unrestricted resources for the purchase of equipment. The transfer from the Capital Projects Fund to the Community Development Block Grant Fund represents monies used for Perry House related improvements that were denied reimbursement by CDBG.

Note 7 - Long-term Debt

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

The proceeds from the 2006 Capital Improvement Bonds were used to finance the construction of the Grand Blanc Township Police Department building. In October 2015, the Capital Improvement Bonds were refinanced; see further detail outlined in the "Advance and Current Refundings" paragraph below. 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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

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
Governmental Activities							
General obligation limited tax bonds - 2006 Capital Improvement Bonds							
Amount of issue: \$10,800,000	4.125% - 5.00%	\$200,000- \$700,000	\$ 9,600,000	\$ -	\$ 9,300,000	\$ 300,000	\$ 300,000
Maturing through 2031							
General obligation limited tax refunding bonds, Series 2015							
Amount of issue: \$7,710,000	3.00% - 4.00%	\$365,000 - \$605,000	-	7,710,000	-	7,710,000	-
Maturing through 2031							
Premium on bonds payable							
Special assessment bonds - 2010 Holly Springs Bond							
Amount of issue: \$535,000	1.70% - 4.15%	\$37,000 - \$59,000	326,000	-	56,000	270,000	55,000
Maturing through 2020							
Special assessment bonds - 2012 Water Edge Bond							
Amount of issue \$350,000		\$25,000 - \$37,000	288,000	-	37,000	251,000	37,000
Maturing through 2022	2.00%						
Special assessment bonds - 2013 Braemoor Road Bond							
Amount of issue \$742,000	.65% - 3.25%	\$49,000 - \$77,000	693,000	-	77,000	616,000	77,000
Maturing through 2023							
Special assessment bonds - 2015 Sandalwood Road Bond							
Amount of issue \$149,000		\$12,000 - \$15,000	-	149,000	-	149,000	12,000
Maturing through 2025	1.75%						
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	557,294	-	164,284	393,010	164,283
Maturing through 2018							
Total bonds payable			11,464,294	8,487,284	9,641,076	10,310,502	645,283
Accumulated compensated absences			213,970	746,629	732,302	228,297	228,297
Total governmental activities			\$ 11,678,264	\$ 9,233,913	\$ 10,373,378	\$ 10,538,799	\$ 873,580

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
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	\$ 236,288	\$ -	\$ 10,000	\$ 226,288	\$ 10,000
Accumulated compensated absences			26,918	148,705	149,700	25,923	25,923
Total business-type activities			\$ 263,206	\$ 148,705	\$ 159,700	\$ 252,211	\$ 35,923

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
2016	\$ 645,283	\$ 297,545	\$ 942,828	\$ 10,000	\$ 5,657	\$ 15,657
2017	691,125	294,811	985,936	10,000	5,407	15,407
2018	638,602	273,548	912,150	10,000	5,157	15,157
2019	642,000	253,790	895,790	10,000	4,907	14,907
2020	631,000	235,259	866,259	10,000	4,657	14,657
2021-2025	3,001,000	909,297	3,910,297	55,000	19,535	74,535
2026-2030	2,890,000	395,600	3,285,600	75,000	11,411	86,411
2031-2035	550,000	11,000	561,000	46,288	2,347	48,635
Total	\$ 9,689,010	\$ 2,670,850	\$ 12,359,860	\$ 226,288	\$ 59,078	\$ 285,366

For the year ended December 31, 2015, interest expense was \$455,303.

Advance and Current Refundings - During the year, the Charter Township issued \$7,710,000 in revenue bonds at a premium of \$628,284 with an average interest rate of 3.50 percent. The proceeds of these bonds along with an additional cash payment from the Charter Township of \$1,000,000 were used to advance refund \$9,000,000 of outstanding revenue bonds with an average interest rate of 4.56 percent. The net proceeds of \$9,193,170 (after payment of \$145,113 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds will be removed after the final payment is made in 2016. The advance refunding reduced total debt service payments over the next 15 years by approximately \$1,450,000, which represents an economic gain of \$1,045,411.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 8 - Property Tax Revenue

The Charter Township's governmental funds recognize the December 1, 2014 property tax levy as revenue for the year ended December 31, 2015. The following is a breakdown of tax levies reported in the General Fund.

	Approximate Revenue
Operating millage - Charter limit of 5.0 mills:	
3.8531 mills - Operating	\$ 4,350,000
.70 mills - Master campus project	792,000
Police millage - .9104 mills - Voted millage for police	1,030,000
Fire millage - .4987 mills - Voted millage for fire	564,000
Mosquito millage - .1700 mills - Charter limit of 5.0 mills	192,000
Act 198/255 taxes and administration fees	469,000

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2014 was approximately \$1,131,032,000.

The police and fire millages raised less revenue than expenditures. To date, the mosquito millage has raised \$19,607 more revenue than expenditures. As a result, \$19,607 of the fund balance was restricted in the General Fund as of December 31, 2015.

Note 9 - Risk Management

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

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

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2015**

Note 10 - 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 \$247,155 during the current year and there was no employee contribution.

Note 11 - Defined Benefit Pension Plan

Plan Description - The Charter Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS of Michigan), which covers all public safety employees of the Charter Township. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided - The Plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amended the benefit provisions of the participants in MERS.

Retirement benefits for command and patrol employees are calculated as 2.50 percent of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service, or a reduced payout at age 55 and 15 years of service. The vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 11 - Defined Benefit Pension Plan (Continued)

Retirement benefits for closed BU employees are calculated as 2.50 percent for command and 2.00 percent for other employees of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service, or a reduced payout at age 55 and 15 years of service. The vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.50 percent, noncompounding.

Employees Covered by Benefit Terms - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	44
	<hr/>
Total employees covered by MERS	67
	<hr/>

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For command and patrol, the plan provides that the employer and employees contribute amounts necessary to fund the actuarially determined benefits. Employees are required to contribute 8.00 percent of compensation. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current rate is 20.00 percent of annual covered payroll.

For closed BU employees, the plan provides that the employer contribute amounts necessary to fund the actuarially determined benefits. The Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Township's current flat rate is \$19,855 per month.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 11 - Defined Benefit Pension Plan (Continued)

Net Pension Liability

The net pension liability reported at December 31, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$ 17,499,810	\$ 9,997,146	\$ 7,502,664
Service cost	417,196	-	417,196
Interest	1,428,077	-	1,428,077
Contributions - Employer	-	790,503	(790,503)
Contributions - Employee	-	220,671	(220,671)
Net investment income	-	635,862	(635,862)
Benefit payments, including refunds	(796,761)	(796,761)	-
Administrative expenses	-	(23,477)	23,477
Net changes	<u>1,048,512</u>	<u>826,798</u>	<u>221,714</u>
Balance at December 31, 2014	<u>\$ 18,548,322</u>	<u>\$ 10,823,944</u>	<u>\$ 7,724,378</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the Charter Township recognized pension expense of \$854,794. At December 31, 2015, the Charter Township reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 157,422
Employer contributions to the plan subsequent to the measurement date	791,064
Total	\$ 948,486

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 11 - Defined Benefit Pension Plan (Continued)

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

Years Ending June 30	Amount
2016	\$ 39,356
2017	39,356
2018	39,356
2019	39,354

Actuarial Assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 % - 4 %
Salary increases	4.5 % In the long term, 1 percent, 2 percent, and 3 percent for calendar years 2014, 2015, and 2016, respectively, including inflation
Investment rate of return	8.25 % Net of pension plan investment expense, including inflation

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period from January 1, 2009 through December 31, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 11 - Defined Benefit Pension Plan (Continued)

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	58 %	5.00 %
Global fixed income	20 %	2.20 %
Real assets	12 %	4.20 %
Diversifying strategies	10 %	6.60 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Charter Township, calculated using the discount rate of 8.25 percent, as well as what the Charter Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	I Percent Decrease (7.25%)	Current Discount Rate (8.25%)	I Percent Increase (9.25%)
Net pension liability of the Charter Township	\$ 10,481,583	\$ 7,724,378	\$ 5,467,732

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2015**

Note 11 - Defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

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, 2015. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Parks and Recreation Commission can be obtained from the administrative offices at 131 East Grand Blanc Road, Grand Blanc, MI 48439.

Charter Township of Grand Blanc

Notes to Financial Statements **December 31, 2015**

Note 12 - Joint Ventures (Continued)

The Charter Township is a member of the Grand Blanc Fire Commission, which provides fire protection services to the residents of the Charter Township and the city of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$526,300 for its operations, plus an additional \$566,826 from the dedicated millage. The Charter Township has no equity interest in the Grand Blanc Fire Commission at December 31, 2015. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Fire Commission can be obtained from the administrative offices at 117 High Street, Grand Blanc, MI 48439.

Note 13 - Contingent Liabilities

The Charter Township has been named as a defendant in multiple claims and lawsuits requesting damages of various amounts. The various proceedings have not yet progressed to the point where legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. The Charter Township has not recorded an estimate of this liability at December 31, 2015.

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 113 members (including 80 employees in active service and 33 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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 14 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended December 31, 2015, the Charter Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2014. 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)	\$ 2,924,453
Interest on the prior year's net OPEB obligation	201,200
Less adjustment to the annual required contribution	<u>(203,748)</u>
Annual OPEB cost	2,921,905
Amounts contributed:	
Payments of current premiums	(682,885)
Advance funding	<u>(600,000)</u>
Increase in net OPEB obligation	1,639,020
OPEB obligation - Beginning of year	<u>4,024,007</u>
OPEB obligation - End of year	<u>\$ 5,663,027</u>

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
12/31/13	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
12/31/15	12/31/14	2,921,905			43.9	5,663,027

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 Liability (AAL) (b)*	Actuarial			Covered Payroll (c)	Percentage of Covered Payroll	UAAL as a Percentage of Covered Payroll
			Accrued (b-a)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)			
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	
12/31/14	4,601,228	34,779,739	30,178,511	13.2		4,195,319	719.3	

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 14 - Other Postemployment Benefits (Continued)

- * The significant increase in the actuarial accrued liability from December 31, 2011 to December 31, 2014 is due to a decrease in the investment rate of return as well as an increase in retiree medical insurance premiums.

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

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

In the December 31, 2014 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 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 4 percent annually. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis over 30 years.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 15 - Pension and Other Employee Benefit Trust Funds

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

	Pension Trust	Employee Benefits	Total
<u>Statement of Net Position</u>			
Cash and investments	\$ 4,970,164	\$ 5,205,897	\$ 10,176,061
Other assets	19,339	13,103	32,442
Net position	<u>\$ 4,989,503</u>	<u>\$ 5,219,000</u>	<u>\$ 10,208,503</u>
<u>Statement of Changes in Net Position</u>			
Investment (loss) income	\$ (101,806)	\$ 17,772	\$ (84,034)
Contributions	247,155	1,282,884	1,530,039
Benefit payments	(484,459)	(682,884)	(1,167,343)
Other decreases	(6,517)	-	(6,517)
Net change in net position	<u>\$ (345,627)</u>	<u>\$ 617,772</u>	<u>\$ 272,145</u>

Note 16 - Upcoming Accounting Pronouncements

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.

Charter Township of Grand Blanc

Notes to Financial Statements December 31, 2015

Note 16 - Upcoming Accounting Pronouncements (Continued)

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Charter Township to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the Charter Township of Grand Blanc Post-Employment Health Benefits plan. 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 the Charter Township's financial statements for the year ending December 31, 2018.

Note 17 - Change in Accounting

During the current year, the Charter Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. As a result, the government-wide statements and the proprietary fund now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension footnote for further details. This change does not impact the General Fund or any other governmental fund.

The financial statements for the year ended December 31, 2014 have been restated in order to reflect this change in accounting. Under GASB Statement Nos. 68 and 71, the Charter Township is now reflecting a liability for the difference between the total pension liability and the value of assets to offset the liability.

The effect of this change is as follows:

	Governmental Activities
Net position - December 31, 2014 - As previously reported	\$ 12,494,309
Adjustment to record beginning net pension liability	<u>(6,712,162)</u>
Net position - December 31, 2014 - As restated	<u>\$ 5,782,147</u>

Required Supplemental Information

General Fund

The General Fund contains the records of the ordinary activities of the Charter Township that are not accounted for in another fund. General Fund activities are funded by revenue from state-shared revenue, general property taxes, and other sources. The schedule comparing revenue 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, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 7,385,400	\$ 7,501,800	\$ 7,429,086	\$ (72,714)
Licenses and permits	697,400	1,051,400	1,186,910	135,510
Federal sources	65,000	65,000	97,417	32,417
State sources	3,070,000	3,070,000	2,961,313	(108,687)
Fines and forfeitures	100,000	100,000	71,903	(28,097)
Investment income	15,600	15,600	24,409	8,809
Other revenue:				
Special assessments	510,000	510,000	601,513	91,513
Cable franchise fees	590,000	590,000	656,100	66,100
Other miscellaneous income	573,300	573,300	728,337	155,037
Total revenue	13,006,700	13,477,100	13,756,988	279,888
Expenditures - Current				
General government:				
Legislative	189,135	210,070	202,339	7,731
Supervisor's office	170,155	59,466	39,076	20,390
General office	332,293	342,861	311,176	31,685
GIS/IT	385,058	395,541	364,353	31,188
Treasurer's office	361,051	361,051	345,192	15,859
Assessor's office	470,090	480,533	435,101	45,432
Clerk's office	198,180	198,180	186,222	11,958
Elections	48,500	48,500	47,407	1,093
Buildings and grounds	176,200	176,200	149,257	26,943
Legal and attorney	145,000	145,000	140,819	4,181
Planning and zoning	137,148	137,148	108,060	29,088
Insurance and other functions	200,000	400,000	400,000	-
Total general government	2,812,810	2,954,550	2,729,002	225,548
Public safety	7,948,232	8,340,592	8,009,652	330,940
Public works	870,438	960,438	899,124	61,314
Recreation and culture - Parks and recreation	218,217	218,217	218,197	20
Debt service	404,900	404,900	386,896	18,004
Total expenditures	12,254,597	12,878,697	12,242,871	635,826
Excess of Revenue Over Expenditures	752,103	598,403	1,514,117	915,714
Other Financing Sources (Uses)				
Face value of debt issue	-	170,000	149,000	(21,000)
Proceeds from sale of capital assets	3,000	3,000	11,937	8,937
Transfers out	(734,200)	(830,000)	(828,095)	1,905
Total other financing uses	(731,200)	(657,000)	(667,158)	(10,158)
Net Change in Fund Balance	20,903	(58,597)	846,959	905,556
Fund Balance - Beginning of year	2,676,945	2,676,945	2,676,945	-
Fund Balance - End of year	\$ 2,697,848	\$ 2,618,348	\$ 3,523,904	\$ 905,556

Major Special Revenue Fund

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

Charter Township of Grand Blanc

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Solid Waste Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Charges for services	\$ 1,450,000	\$ 1,450,000	\$ 1,430,470	\$ (19,530)
Investment income	300	300	320	20
Total revenue	1,450,300	1,450,300	1,430,790	(19,510)
Expenditures - Current - Rubbish disposal	1,392,000	1,392,000	1,348,619	43,381
Net Change in Fund Balance	58,300	58,300	82,171	23,871
Fund Balance - Beginning of year	243,440	243,440	243,440	-
Fund Balance - End of year	\$ 301,740	\$ 301,740	\$ 325,611	\$ 23,871

Charter Township of Grand Blanc

Note to Required Supplemental Information Year Ended December 31, 2015

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, 2015 is not significant. Unexpended appropriations lapse at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Charter Township had expenditures over appropriations in the other financing uses category of the Master Campus Project Fund.

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Funding Progress - OPEB Year Ended December 31, 2015

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)
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
12/31/14	4,601,228	34,779,739	30,178,511	13.2

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/13	12/31/11	\$ 1,198,161	76.7
12/31/14	12/31/11	1,137,910	85.6
12/31/15	12/31/14	2,924,453	43.9

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2014, 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	5.0%
Projected salary increases	None
*Includes inflation at	4.0%
Cost of living adjustments	None

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years

	<u>2015</u>
Total Pension Liability	
Service cost	\$ 417,196
Interest	1,428,077
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	<u>(796,761)</u>
Net change in total pension liability	1,048,512
Total pension liability - Beginning of year	<u>17,499,810</u>
Total pension liability - End of year	<u>\$ 18,548,322</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 790,503
Contributions - Member	220,671
Net investment income	635,862
Administrative expenses	(23,476)
Benefit payments, including refunds	<u>(796,762)</u>
Other	-
Net change in plan fiduciary net position	826,798
Plan fiduciary net position - Beginning of year	<u>9,997,146</u>
Plan fiduciary net position - End of year	<u>\$ 10,823,944</u>
Charter Township's net pension liability - Ending	<u>\$ 7,724,378</u>
Plan fiduciary net position as a percentage of total pension liability	58.36 %
Covered employee payroll	\$ 2,847,756
Charter Township's net pension liability as a percentage of covered employee payroll	271.2 %

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Pension Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 772,692	\$ 738,228	\$ 708,629	\$ 663,925	\$ 569,994	\$ 573,243	\$ 635,636	\$ 566,886	\$ 534,688	\$ 527,617
Contributions in relation to the actuarially determined contribution	<u>772,692</u>	<u>738,228</u>	<u>708,629</u>	<u>663,925</u>	<u>569,994</u>	<u>573,243</u>	<u>635,636</u>	<u>566,886</u>	<u>534,688</u>	<u>527,617</u>
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,847,756	\$ 2,690,920	\$ 2,801,771	\$ 2,702,092	\$ 2,673,831	\$ 3,096,096	\$ 3,094,761	\$ 3,127,798	\$ 2,940,411	\$ 2,762,316
Contributions as a percentage of covered employee payroll	27.1 %	27.4 %	25.3 %	24.6 %	21.3 %	18.5 %	20.5 %	18.1 %	18.2 %	19.1 %

Notes to Schedule of Charter Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Charter Township's fiscal year ended December 31, 2015 were determined based on the actuarial valuation as of December 31, 2013. The most recent valuation is as of December 31, 2014.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	24 years
Asset valuation method	10-year smoothed market
Inflation	4.5%
Salary increases	4.5%
Investment rate of return	8.0%
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	1994 Group Annuity Mortality Table of a 50 percent male and 50 female blend
Other information	None

Other Supplemental Information

Charter Township of Grand Blanc

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).

CDBG Fund - This fund accounts for monies reimbursed by the federal government related to the Community Development Block Grant.

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.

Charter Township of Grand Blanc

Other Supplemental Information

Nonmajor Funds

Fund Descriptions (Continued)

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

Special Revenue Funds						
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	CDBG	
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Due from other funds	39,454	10,043	33,944	74,603		
Total assets	\$ 39,454	\$ 10,043	\$ 33,944	\$ 74,603	\$	-
Liabilities and Fund Balances						
Liabilities - Accounts payable	\$ 67	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances						
Nonspendable - Cemetery endowment	-	-	-	-	-	-
Restricted:						
Public safety	39,387	10,043	33,944	-	-	-
PEG channel	-	-	-	74,603	-	-
Cemetery	-	-	-	-	-	-
Committed - Bicentennial Park improvements	-	-	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total fund balances	39,387	10,043	33,944	74,603	\$	-
Total liabilities and fund balances	\$ 39,454	\$ 10,043	\$ 33,944	\$ 74,603	\$	-

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

Debt Service

Fund	Capital Projects Funds			Permanent Funds				Total Nonmajor Governmental Funds
	Master Campus Project Fund	Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund		
\$ -	\$ -	\$ -	\$ -	\$ 3,552	\$ 52,283	\$ 18,642	\$ 74,477	
-	-	-	-	53,680	126,807	103,457	283,944	
-	-	-	-	406	505	179	1,090	
2,185,596	2,247,281	4,687	-	-	-	-	4,595,608	
\$ 2,185,596	\$ 2,247,281	\$ 4,687		\$ 57,638	\$ 179,595	\$ 122,278	\$ 4,955,119	
\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,067	
-	-	-	-	12,281	126,807	21,912	161,000	
-	-	-	-	-	-	-	83,374	
-	-	-	-	-	-	-	74,603	
-	-	-	45,357	52,788	100,366	198,511		
-	-	4,687	-	-	-	-	4,687	
-	2,202,281	-	-	-	-	-	2,202,281	
2,185,596	-	-	-	-	-	-	2,185,596	
2,185,596	2,202,281	4,687		57,638	179,595	122,278	4,910,052	
\$ 2,185,596	\$ 2,247,281	\$ 4,687		\$ 57,638	\$ 179,595	\$ 122,278	\$ 4,955,119	

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	CDBG	Master Campus Project Fund
Revenue						
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 91,491	\$ -
State-shared revenue and grants	-	-	-	-	-	-
Fines and forfeitures	7,336	-	-	-	-	-
Investment income (loss)	-	-	130	-	-	4,301
Other revenue	-	-	-	36,608	-	-
Total revenue	7,336	-	130	36,608	91,491	4,301
Expenditures						
Current:						
General government	-	-	-	-	-	140,225
Public safety	34,902	-	-	-	-	-
Community and economic development	-	-	-	-	108,031	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	719,375
Total expenditures	34,902	-	130	-	108,031	859,600
Excess of Revenue (Under) Over Expenditures	(27,566)	-	130	36,608	(16,540)	(855,299)
Other Financing Sources (Uses)						
Face value of debt issue	-	-	-	-	-	7,710,000
Debt premium or discount	-	-	-	-	-	628,283
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	16,540	788,095
Transfers out	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	(9,193,170)
Total other financing sources (uses)	-	-	-	-	16,540	(66,792)
Net Change in Fund Balances	(27,566)	-	130	36,608	-	(922,091)
Fund Balances - Beginning of year	66,953	10,043	33,814	37,995	-	3,107,687
Fund Balances - End of year	\$ 39,387	\$ 10,043	\$ 33,944	\$ 74,603	\$ -	\$ 2,185,596

Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015

Capital Projects Fund		Permanent Funds			Total Nonmajor Governmental Funds
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,491
13,010	-	-	-	-	13,010
-	-	-	-	-	7,336
-	-	(3,541)	16,329	(163)	17,056
<u>20,670</u>	<u>24,000</u>	<u>257</u>	<u>-</u>	<u>1,250</u>	<u>82,785</u>
33,680	24,000	(3,284)	16,329	1,087	211,678
-	-	-	-	51	140,276
-	-	-	-	-	34,902
-	-	-	-	-	108,031
-	20,000	-	-	-	20,000
316,042	20,000	-	-	-	336,042
-	-	-	-	-	719,375
<u>316,042</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>1,358,626</u>
(282,362)	(16,000)	(3,284)	16,329	1,036	(1,146,948)
-	-	-	-	-	7,710,000
-	-	-	-	-	628,283
10,996	-	-	-	-	10,996
40,000	-	-	-	-	844,635
(16,540)	-	-	-	-	(16,540)
					(9,193,170)
<u>34,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,796)</u>
(247,906)	(16,000)	(3,284)	16,329	1,036	(1,162,744)
<u>2,450,187</u>	<u>20,687</u>	<u>60,922</u>	<u>163,266</u>	<u>121,242</u>	<u>6,072,796</u>
\$ 2,202,281	\$ 4,687	\$ 57,638	\$ 179,595	\$ 122,278	\$ 4,910,052

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Drug Forfeiture Fund Budgetary Comparison Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - Fines and forfeitures	\$ 24,642	\$ 5,960	\$ 7,336	\$ 1,376
Expenditures - Public safety	28,774	38,000	34,902	3,098
Net Change in Fund Balance	(4,132)	(32,040)	(27,566)	4,474
Fund Balance - Beginning of year	71,085	66,953	66,953	-
Fund Balance - End of year	\$ 66,953	\$ 34,913	\$ 39,387	\$ 4,474

Charter Township of Grand Blanc

Other Supplemental Information
Nonmajor Governmental Fund - Law Enforcement Fund
Budgetary Comparison
Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited		Actual	Variance with Amended Budget
Fund Balance - Beginning of year	\$ 10,043	\$ 10,043	\$ 10,043	\$ 10,043	\$ -
Fund Balance - End of year	\$ 10,043	\$ 10,043	\$ 10,043	\$ 10,043	\$ -

Charter Township of Grand Blanc

Other Supplemental Information
Nonmajor Governmental Fund - Federal Equitable Sharing Fund
Budgetary Comparison
Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue				
Fines and forfeitures	\$ 25,869	\$ 300	\$ -	\$ (300)
Investment income	136	-	130	130
Total revenue	26,005	300	130	(170)
Expenditures - General government	-	300	-	300
Net Change in Fund Balance	26,005	-	130	130
Fund Balance - Beginning of year	7,809	33,814	33,814	-
Fund Balance - End of year	\$ 33,814	\$ 33,814	\$ 33,944	\$ 130

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - PEG Channel Grant Fund Budgetary Comparison Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - PEG contributions	\$ 34,907	\$ 25,000	\$ 36,608	\$ 11,608
Fund Balance - Beginning of year	<u>3,088</u>	<u>37,995</u>	<u>37,995</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 37,995</u>	<u>\$ 62,995</u>	<u>\$ 74,603</u>	<u>\$ 11,608</u>

Charter Township of Grand Blanc

Other Supplemental Information
Nonmajor Governmental Fund - CDBG Fund
Budgetary Comparison
Year Ended December 31, 2015

	Prior Year Actual	Amended Budget	Actual	Amended Budget	Variance with Amended Budget
Revenue - Federal sources	\$ -	\$ 91,491	\$ 91,491	\$ -	
Expenditures - Current - Community and economic development	- -	108,031	108,031	- -	
Excess of Expenditures Over Revenue	- -	(16,540)	(16,540)	- -	
Other Financing Sources - Transfers in	- -	16,540	16,540	- -	
Fund Balance - Beginning of year	- -	- -	- -	- -	
Fund Balance - End of year	\$ -	\$ -	\$ -	\$ -	

Charter Township of Grand Blanc

Other Supplemental Information Nonmajor Governmental Fund - Master Campus Project Fund Budgetary Comparison Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue - Investment income	\$ 4,398	\$ 3,000	\$ 4,301	\$ 1,301
Expenditures				
Bond issuance costs	-	-	140,225	(140,225)
Debt service				
Principal	200,000	300,000	300,000	-
Interest on long-term debt	<u>431,015</u>	<u>420,100</u>	<u>419,375</u>	<u>725</u>
Total expenditures	<u>631,015</u>	<u>720,100</u>	<u>859,600</u>	<u>(139,500)</u>
Excess of Expenditures Over Revenue	(626,617)	(717,100)	(855,299)	(138,199)
Other Financing Sources (Uses)				
Face value of debt issue	-	-	7,710,000	7,710,000
Debt premium or discount	-	-	628,283	628,283
Transfers in	750,000	790,000	788,095	(1,905)
Payment to bond refunding escrow agent	<u>-</u>	<u>-</u>	<u>(9,193,170)</u>	<u>(9,193,170)</u>
Total other financing sources (uses)	<u>750,000</u>	<u>790,000</u>	<u>(66,792)</u>	<u>(856,792)</u>
Net Change in Fund Balance	123,383	72,900	(922,091)	(994,991)
Fund Balance - Beginning of year	2,984,304	3,107,687	3,107,687	-
Fund Balance - End of year	<u>\$ 3,107,687</u>	<u>\$ 3,180,587</u>	<u>\$ 2,185,596</u>	<u>\$ (994,991)</u>

Charter Township of Grand Blanc

Other Supplemental Information
Nonmajor Governmental Fund - Capital Projects Fund
Budgetary Comparison
Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue				
Federal sources	\$ 2,500	\$ 10,000	\$ -	\$ (10,000)
State grants	15,124	15,000	13,010	(1,990)
Other revenue	<u>143,204</u>	<u>20,000</u>	<u>20,670</u>	<u>670</u>
Total revenue	<u>160,828</u>	<u>45,000</u>	<u>33,680</u>	<u>(11,320)</u>
Expenditures - Capital outlay	<u>180,841</u>	<u>683,460</u>	<u>316,042</u>	<u>367,418</u>
Excess of Expenditures Over Revenue	<u>(20,013)</u>	<u>(638,460)</u>	<u>(282,362)</u>	<u>356,098</u>
Proceeds from Sale of Capital Assets	<u>12,377</u>	<u>15,000</u>	<u>10,996</u>	<u>(4,004)</u>
Other Financing Sources (Uses)				
Transfers in	-	40,000	40,000	-
Transfers out	<u>-</u>	<u>(16,540)</u>	<u>(16,540)</u>	<u>-</u>
Net Change in Fund Balance	<u>(7,636)</u>	<u>(600,000)</u>	<u>(247,906)</u>	<u>352,094</u>
Fund Balance - Beginning of year	<u>2,457,823</u>	<u>2,450,187</u>	<u>2,450,187</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 2,450,187</u>	<u>\$ 1,850,187</u>	<u>\$ 2,202,281</u>	<u>\$ 352,094</u>

Charter Township of Grand Blanc

Other Supplemental Information
Nonmajor Governmental Fund - Bicentennial Park Fund
Budgetary Comparison
Year Ended December 31, 2015

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
Revenue				
Investment income	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Donations	7,188	-	-	-
Total revenue	31,188	24,000	24,000	-
Expenditures				
Parks and recreation	28,742	24,000	20,000	4,000
Capital outlay	20,000	20,000	20,000	-
Total expenditures	48,742	44,000	40,000	4,000
Net Change in Fund Balance	(17,554)	(20,000)	(16,000)	4,000
Fund Balance - Beginning of year	38,241	20,687	20,687	-
Fund Balance - End of year	\$ 20,687	\$ 687	\$ 4,687	\$ 4,000

Fiduciary Funds

A description of the fiduciary funds maintained by the Charter Township is as follows:

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

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

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, 2015

	Pension Trust	Employee Benefits Trust	Total Trust Funds
Assets			
Cash and cash equivalents	\$ 163,190	\$ 5,205,897	\$ 5,369,087
Investments:			
Mutual funds	4,594,240	-	4,594,240
Bonds	212,734	-	212,734
Receivables - Accrued interest and other	-	13,103	13,103
Due from primary government	19,339	-	19,339
Total assets	4,989,503	5,219,000	10,208,503
Net Position Held in Trust for Pension and Other Employee Benefits			
	\$ 4,989,503	\$ 5,219,000	\$ 10,208,503

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, 2015

	Employee Pension Trust	Employee Benefits Trust	Total
Additions			
Investment income:			
Interest and dividends	\$ 128,523	\$ 17,772	\$ 146,295
Net increase in fair value of investments	<u>(230,329)</u>	<u>-</u>	<u>(230,329)</u>
Net investment income	(101,806)	17,772	(84,034)
Contributions	<u>247,155</u>	<u>1,282,884</u>	<u>1,530,039</u>
Total additions	145,349	1,300,656	1,446,005
Deductions			
Benefit payments	484,459	682,884	1,167,343
Administrative expenses	<u>6,517</u>	<u>-</u>	<u>6,517</u>
Total deductions	490,976	682,884	1,173,860
Net (Decrease) Increase in Net Position Held in Trust	(345,627)	617,772	272,145
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>5,335,130</u>	<u>4,601,228</u>	<u>9,936,358</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 4,989,503</u>	<u>\$ 5,219,000</u>	<u>\$ 10,208,503</u>

Charter Township of Grand Blanc

Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2015

	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015
Assets - Cash and investments	\$ 4,476,072	\$ 50,679,377	\$ (53,976,611)	\$ 1,178,838
Liabilities - Undistributed tax collections and other	\$ 4,476,072	\$ 50,679,377	\$ (53,976,611)	\$ 1,178,838

Statistical Section

Charter Township of Grand Blanc

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

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
Net investment in capital assets	\$ 6,313,242	\$ 6,718,990	\$ 6,682,242	\$ 6,976,914
Restricted	790,887	798,720	683,180	635,810
Unrestricted	<u>5,877,983</u>	<u>5,938,999</u>	<u>4,724,292</u>	<u>3,039,134</u>
Total net position	12,982,112	13,456,709	12,089,714	10,651,858
Business-type Activities				
Net investment in capital assets	77,445,337	80,339,816	84,034,057	84,724,481
Unrestricted	<u>8,227,121</u>	<u>9,347,557</u>	<u>6,860,844</u>	<u>4,614,674</u>
Total net position	85,672,458	89,687,373	90,894,901	89,339,155
Primary Government in Total				
Net investment in capital assets	83,758,579	87,058,806	90,716,299	91,701,395
Restricted	790,887	798,720	683,180	635,810
Unrestricted	<u>14,105,104</u>	<u>15,286,556</u>	<u>11,585,136</u>	<u>7,653,808</u>
Total net position	<u>\$ 98,654,570</u>	<u>\$ 103,144,082</u>	<u>\$ 102,984,615</u>	<u>\$ 99,991,013</u>

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

Financial Trend Information
Net Position by Component

Fiscal Year						
	2010	2011	2012	2013	2014	2015
\$ 8,837,920	\$ 8,810,747	\$ 8,566,682	\$ 8,680,561	\$ 8,203,104	\$ 9,492,098	
521,165	610,139	592,117	679,079	760,671	909,409	
<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>	<u>(5,636,916)</u>	
13,684,881	14,201,021	12,417,336	12,338,575	12,494,309	4,764,591	
84,274,476	82,739,063	81,289,213	80,358,963	79,866,542	79,903,350	
<u>3,665,155</u>	<u>4,916,438</u>	<u>6,318,313</u>	<u>8,161,044</u>	<u>10,584,824</u>	<u>12,556,998</u>	
87,939,631	87,655,501	87,607,526	88,520,007	90,451,366	92,460,348	
93,112,396	91,549,810	89,855,895	89,039,524	88,069,646	89,395,448	
521,165	610,139	592,117	679,079	760,671	909,409	
<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>	<u>6,920,082</u>	
\$ 101,624,512	\$ 101,856,522	\$ 100,024,862	\$ 100,858,582	\$ 102,945,675	\$ 97,224,939	

Charter Township of Grand Blanc

	Fiscal Year Ended December 31			
	2006	2007	2008	2009
Expenses				
General government	\$ 3,151,040	\$ 2,715,114	\$ 3,328,975	\$ 3,924,053
Public safety	7,059,945	7,974,790	8,353,459	8,111,389
Public services	2,144,233	2,007,753	2,468,866	1,895,558
Community and economic development	259,316	432,944	402,485	430,874
Recreation and culture	120,673	345,344	406,377	293,441
Interest on long-term debt	198,156	484,127	491,165	467,876
 Total governmental activities	 12,933,363	 13,960,072	 15,451,327	 15,123,191
 Program Revenue	 	 	 	
Charges for services:				
General government	61,853	74,001	159,175	367,266
Public safety	953,146	1,199,517	592,056	414,235
Public services	1,055,304	1,134,598	1,161,807	1,333,850
Community and economic development	35,716	33,135	26,204	23,848
Recreation and culture	160,983	118,096	16,560	16,560
 Total charges for services	 2,267,002	 2,559,347	 1,955,802	 2,155,759
Operating grants and contributions	295,191	358,543	436,751	239,948
Capital grants and contributions	40,554	-	16,762	315,004
 Total program revenue	 2,602,747	 2,917,890	 2,409,315	 2,710,711
 Net Expense	 (10,330,616)	 (11,042,182)	 (13,042,012)	 (12,412,480)
 General Revenue	 	 	 	
Property taxes	7,528,398	8,120,917	8,505,344	8,422,105
State-shared revenue	2,568,081	2,288,035	2,220,797	1,915,708
Unrestricted investment earnings	651,273	1,016,079	509,379	166,926
Unrestricted fees and other	278,554	91,748	439,497	469,885
 Total general revenue	 11,026,306	 11,516,779	 11,675,017	 10,974,624
 Total Change in Net Position	 695,690	 474,597	 (1,366,995)	 (1,437,856)
 Net Position - Beginning of year	 12,286,422	 12,982,112	 13,456,709	 12,089,714
 Net Position - End of year	 \$ 12,982,112	 \$ 13,456,709	 \$ 12,089,714	 \$ 10,651,858

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

In fiscal year 2015, the Charter Township adopted GASB Statement No. 68, and recorded a net pension liability, which required beginning net position to be restated.

Charter Township of Grand Blanc

Financial Trend Information Changes in Governmental Net Position

Fiscal Year Ended December 31						
2010	2011	2012	2013	2014	2015	
\$ 2,846,619	\$ 2,922,201	\$ 2,790,711	\$ 2,460,297	\$ 2,745,106	\$ 3,361,927	
7,859,301	7,887,239	8,194,852	8,622,129	8,236,466	9,487,970	
3,131,284	1,847,059	2,418,588	2,327,558	2,110,008	2,247,743	
177,831	181,727	148,055	91,969	102,656	108,031	
368,414	360,374	376,043	593,346	412,919	405,378	
465,058	508,282	520,386	539,785	627,123	738,196	
14,848,507	13,706,882	14,448,635	14,635,084	14,234,278	16,349,245	
504,225	254,420	227,186	205,498	229,012	21,292	
447,439	503,752	572,524	832,500	999,165	1,172,981	
1,437,568	1,593,016	1,648,615	1,691,529	1,679,494	1,701,853	
23,933	20,680	20,157	20,408	37,335	71,876	
18,837	19,094	23,587	24,000	24,000	-	
2,432,002	2,390,962	2,492,069	2,773,935	2,969,006	2,968,002	
216,394	323,725	264,468	304,043	234,262	177,716	
752,721	99,647	522,242	798,954	85,190	343,531	
3,401,117	2,814,334	3,278,779	3,876,932	3,288,458	3,489,249	
(11,447,390)	(10,892,548)	(11,169,856)	(10,758,152)	(10,945,820)	(12,859,996)	
8,357,695	7,898,025	7,416,001	7,228,532	7,380,963	7,429,486	
1,909,593	2,904,697	2,734,929	2,788,329	2,915,367	2,917,622	
70,995	52,783	75,323	54,804	34,627	41,785	
520,649	553,183	617,895	607,726	770,597	1,453,547	
10,858,932	11,408,688	10,844,148	10,679,391	11,101,554	11,842,440	
(588,458)	516,140	(325,708)	(78,761)	155,734	(1,017,556)	
14,273,339	13,684,881	12,743,044	12,417,336	12,338,575	5,782,147	
\$ 13,684,881	\$ 14,201,021	\$ 12,417,336	\$ 12,338,575	\$ 12,494,309	\$ 4,764,591	

Charter Township of Grand Blanc

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

Financial Trend Information
Changes in Business-type Net Position

Fiscal Year Ended December 31						
2010	2011	2012	2013	2014	2015	
\$ 12,922,245	\$ 12,616,223	\$ 13,107,584	\$ 12,676,397	\$ 13,264,855	\$ 14,874,331	
10,734,832	11,664,319	12,547,628	12,894,664	13,938,463	15,198,010	
<u>736,812</u>	<u>602,900</u>	<u>468,569</u>	<u>653,953</u>	<u>1,232,285</u>	<u>1,630,205</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>	<u>16,828,215</u>	
(1,450,601)	(349,004)	(91,387)	872,220	1,905,893	1,953,884	
-	-	-	-	-	-	
48,473	36,627	43,412	40,261	25,466	32,198	
2,604	28,247	-	-	-	22,900	
-	-	-	-	-	-	
<u>51,077</u>	<u>64,874</u>	<u>43,412</u>	<u>40,261</u>	<u>25,466</u>	<u>55,098</u>	
\$ (1,399,524)	\$ (284,130)	\$ (47,975)	\$ 912,481	\$ 1,931,359	\$ 2,008,982	

Charter Township of Grand Blanc

	December 31			
	2006	2007	2008	2009
Fund Balances				
General Fund - Unreserved/Unassigned**	\$ 1,499,961	\$ 1,608,985	\$ 1,682,294	\$ 1,697,320
All governmental funds:				
Nonspendable**:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	-	-	-	-
Reserved/Restricted**:				
Mosquito spraying	3,898	6,047	6,275	1,986
Solid waste	-	-	-	-
Public safety	14,180	10,335	396	2,353
Drug forfeiture	14,091	23,185	13,483	23,789
Cable TV activities - PEG Fund	3,088	3,088	8,232	3,088
Cemetery	-	-	-	-
Tree replacement	-	-	-	-
Committed** -				
Bicentennial Park improvements	-	-	-	-
Assigned**:				
Compensated absences	-	-	-	-
Other postemployment benefits	-	-	-	-
Pension	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds - Solid waste	467,283	498,710	448,191	361,185
Special Revenue Funds - Bicentennial Park	9,016	6,964	1,179	7,240
Capital Projects Funds	1,681,959	1,888,167	1,377,491	920,612
Master Campus Project	1,634,021	1,539,340	2,038,697	2,147,383
Civic Campus Fund	9,015,517	257,545	-	-
Debt Service Funds - Water and sewer	-	-	-	-
Permanent funds - Cemetery:				
Unexpendable	155,716	127,580	64,335	95,186
Expendable	132,631	135,822	142,268	148,223
Total all other governmental funds	\$ 14,631,361	\$ 6,105,768	\$ 5,782,841	\$ 5,408,365

** 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						
2010	2011	2012	2013	2014	2015	
\$ 1,823,679	\$ 1,698,382	\$ 1,729,046	\$ 1,446,744	\$ 1,751,582	\$ 1,811,598	
-	-	-	117,390	127,367	145,996	
-	105,286	139,701	139,161	153,266	161,000	
2,025	6,113	11,793	13,129	22,996	19,607	
-	225,570	223,935	240,176	243,440	325,611	
3,831	107,056	48,411	88,937	110,810	83,374	
37,093	-	-	-	-	-	
3,088	3,088	3,088	3,088	37,995	74,603	
-	163,026	165,189	194,588	192,164	198,511	
					46,703	
-	11,453	55,077	38,241	20,687	4,687	
-	-	-	200,000	200,000	225,000	
-	-	-	100,000	200,000	500,000	
-	-	-	-	-	275,000	
-	2,172,707	2,354,421	2,457,823	2,825,187	2,702,281	
-	2,685,792	2,846,150	2,984,304	3,107,687	2,185,596	
215,645	N/A	N/A	N/A	N/A	N/A	
12,310	N/A	N/A	N/A	N/A	N/A	
1,327,886	N/A	N/A	N/A	N/A	N/A	
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	N/A	N/A	N/A	
106,375	N/A	N/A	N/A	N/A	N/A	
153,101	N/A	N/A	N/A	N/A	N/A	
\$ 6,148,390	\$ 7,178,473	\$ 7,576,811	\$ 8,023,581	\$ 8,993,181	\$ 8,759,567	

Charter Township of Grand Blanc

	Year Ended December 31			
	2006	2007	2008	2009
Revenue				
Property taxes	\$ 7,525,780	\$ 8,120,917	\$ 8,505,344	\$ 8,389,929
Licenses and permits	1,183,970	1,187,765	882,219	795,497
Federal grants	60,235	100,193	99,752	256,948
State-shared revenue and grants	2,627,621	2,371,390	2,329,109	2,022,440
Charges for services	1,050,136	1,129,260	1,156,629	1,152,097
Fines and forfeitures	118,065	114,199	121,168	117,166
Investment income	654,244	1,020,103	498,929	166,926
Other	374,482	302,862	480,247	667,705
Total revenue	13,594,533	14,346,689	14,073,397	13,568,708
Expenditures				
General government	2,863,050	2,855,104	2,996,256	2,635,967
Public safety	7,175,167	7,293,654	7,428,887	7,239,909
Public services	2,347,500	2,453,722	2,888,891	3,173,710
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	2,588,288	9,806,994	1,201,044	1,210,936
Debt service - Principal	-	229,369	235,418	349,325
Debt service - Interest	-	555,062	477,756	468,950
Other	-	-	-	-
Total expenditures	14,974,005	23,193,905	15,228,252	15,078,797
Excess of Revenue Over (Under) Expenditures	(1,379,472)	(8,847,216)	(978,146)	(1,260,764)
Other Financing Sources (Uses)				
Debt issuance	10,800,000	321,623	655,219	884,000
Debt premium or discount	(107,973)	-	1,485,246	-
Proceeds from sale of capital assets	-	-	-	2,288
Transfers in	946,990	1,257,353	(194,500)	1,216,000
Transfers out	(946,990)	(1,257,353)	(1,290,746)	(1,216,000)
Total other financing sources (uses)	10,692,027	321,623	655,219	886,288
Net Change in Fund Balances	9,312,555	(8,525,593)	(322,927)	(374,476)
Fund Balances - Beginning of year	5,318,806	14,631,361	6,105,768	5,782,841
Fund Balances - End of year	\$ 14,631,361	\$ 6,105,768	\$ 5,782,841	\$ 5,408,365
Debt service as a percentage of noncapital expenditures	0%	6%	5%	6%

Financial Trend Information
Changes in Fund Balances - Governmental Funds

Year Ended December 31						
2010	2011	2012	2013	2014	2015	
\$ 8,349,970	\$ 7,882,680	\$ 7,495,152	\$ 7,265,408	\$ 7,391,754	\$ 7,429,086	
360,728	423,622	473,652	748,623	890,713	1,186,910	
207,793	166,072	273,021	109,663	91,857	188,908	
2,096,949	3,034,888	2,855,715	2,907,675	3,034,615	2,974,323	
1,177,676	1,320,866	1,352,743	1,395,277	1,405,009	1,430,470	
139,836	176,078	140,212	178,828	135,769	79,239	
62,027	52,783	75,323	54,804	34,627	41,785	
1,454,838	1,455,829	1,524,254	1,711,993	1,912,724	2,068,735	
13,849,817	14,512,818	14,190,072	14,372,271	14,897,068	15,399,456	
2,682,007	2,547,644	2,617,706	2,435,650	2,609,881	2,729,053	
6,586,845	7,115,490	7,583,892	7,559,961	7,625,735	8,044,554	
2,793,129	2,028,173	2,406,016	2,795,736	2,226,438	2,247,743	
-	-	-	-	-	108,031	
246,554	233,016	241,838	251,726	246,939	238,197	
425,466	613,860	320,237	671,025	200,841	336,042	
472,432	484,119	515,943	484,284	654,083	641,076	
468,143	474,367	463,471	491,552	375,928	465,195	
-	-	-	-	-	-	
13,674,576	13,496,669	14,149,103	14,689,934	13,939,845	14,809,891	
175,241	1,016,149	40,969	(317,663)	957,223	589,565	
535,000	-	350,000	742,000	-	(1,474,395)	
-	-	-	-	-	628,283	
29,784	13,934	7,369	22,433	12,377	22,933	
1,538,477	2,240,890	1,197,273	1,470,800	750,000	844,635	
(1,538,477)	(2,240,890)	(1,197,273)	(1,470,800)	(750,000)	(844,635)	
564,784	13,934	357,369	764,433	12,377	(823,179)	
740,025	1,030,083	398,338	446,770	969,600	(233,614)	
5,408,365	6,148,390	7,178,473	7,576,811	8,023,581	8,993,181	
\$ 6,148,390	\$ 7,178,473	\$ 7,576,811	\$ 8,023,581	\$ 8,993,181	\$ 8,759,567	

7%

7%

7%

7%

7%

8%

Charter Township of Grand Blanc

Taxable Value by Property Type

Real Property

Tax Year	Residential	Commercial	Industrial	Agricultural and Other	IFT Real	Personal Property
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
2015	810,533,329	225,587,055	43,366,103		1,801,500	80,048,000

Millage Rates - Direct City Taxes

Overlapping Taxes

Tax Year	Millage Rates - Direct City Taxes					Total Direct Taxes	Overlapping Taxes	
	General Operating	Debt	Mosquito	Police	Fire		Community County	College
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
2015	4.5531	-	0.1700	0.9104	0.4987	6.1322	11.4897	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 as a Percent of	
					Estimated	Actual
\$ 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%
14,225,600	1,159,534,487	16,027,100	1,175,561,587	6.1322	2,696,560,400	43.59%

Direct and Overlapping Property Tax Rates

Intermediate School District	Overlapping Taxes			Total Tax Rate	
	School - Homestead	School - Non- homestead	Homestead	Non- homestead	
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	
3.5341	12.1000	30.1000	36.1156	54.1156	

Charter Township of Grand Blanc

Revenue Capacity Information Principal Property Taxpayers

Principal Taxpayers	Type of Business	2015			2005		
		Percent of Total Taxable Value			2005 Taxable Value	Percent of Total	Rank
		Taxable Value	Value	Rank			
Consumers Energy	Utilities (Electric/Gas)	\$ 20,416,497	1.74%	1	\$ 17,039,521	1.30%	2
General Motors	Auto Manufacturing	15,034,379	1.28%	2	44,164,292	3.37%	1
Auker (Eldon Auker Trust)	Real Estate	10,120,172	0.86%	3	10,211,566	0.78%	5
Edward Rose Assoc, Inc.	Housing (Thornridge Apartments)	9,369,214	0.80%	4	9,873,600	0.75%	6
Grand Blanc Processing	Manufacturing	8,909,886	0.76%	5	7,190,794	0.55%	10
Edward Rose Development	Housing (Heatherwood Apartments)	8,457,571	0.72%	6	-	-	
Knollwood	Housing (Apartments)	7,765,143	0.66%	7	9,186,900	0.70%	7
MAGNA Electronics, Inc.	Manufacturing	7,547,100	0.64%	8			
Walmart	Retail Sales	5,534,869	0.47%	9	7,792,161	0.60%	9
Ring Screw LLC	Manufacturing	5,317,729	0.45%	10	15,333,979	1.17%	3
VEMCO	Auto Manufacturing	-	-		10,858,200	0.83%	4
Genesys Medsports	Health/Fitness/Conference Center	-	-		9,144,500	0.70%	8

Source: Township Assessing Department Records

Property Tax Levies and Collections

Fiscal Year Ended December 31	Total Levy (I)	Percent of Total					Collections to Tax Levy
		Current Collections		Levy Collected	Delinquent Collections	Total Tax Collections	
		Tax Levy	Collected	Collections	Collected	Collected	
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%	
2015	7,003,045	6,650,995	94.97%	227,663	6,878,658	98.22%	

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

Charter Township of Grand Blanc

	2006	2007	2008	2009
Governmental Activities				
General obligation bonds	\$ 10,800,000	\$ 10,800,000	\$ 10,700,000	\$ 10,600,000
Premium on bonds payable	-	-	-	-
Installment purchase agreements	90,000	75,000	60,000	40,000
Special assessment bonds	<u>185,811</u>	<u>376,530</u>	<u>896,331</u>	<u>1,572,312</u>
Total governmental activities	<u>11,075,811</u>	<u>11,251,530</u>	<u>11,656,331</u>	<u>12,212,312</u>
Business-type Activities				
SWQIF bonds	-	-	-	-
Installment purchase agreements	-	-	-	-
Total debt of the government	<u>\$ 11,075,811</u>	<u>\$ 11,251,530</u>	<u>\$ 11,656,331</u>	<u>\$ 12,212,312</u>
Median Household Income per Census	\$ 59,858	\$ 59,858	\$ 59,858	\$ 59,858
Total Population (Per Federal Census 10 Year)	25,392	29,827	29,827	29,827
Total Debt per Capita	\$ 436	\$ 377	\$ 391	\$ 409

**Debt Capacity Information
Ratios of Outstanding Debt**

2010	2011	2012	2013	2014	2015
\$ 10,400,000	\$ 10,200,000	\$ 10,000,000	\$ 9,800,000	\$ 9,600,000	\$ 8,010,000
-	-	-	-	-	621,492
20,000	-	-	-	-	-
1,895,430	1,656,146	1,744,861	2,202,577	1,864,294	1,679,010
<u>12,315,430</u>	<u>11,856,146</u>	<u>11,744,861</u>	<u>12,002,577</u>	<u>11,464,294</u>	<u>10,310,502</u>
-	141,682	201,379	246,288	236,288	226,288
-	-	-	-	-	-
\$ 12,315,430	\$ 11,997,828	\$ 11,946,240	\$ 12,248,865	\$ 11,700,582	\$ 10,536,790
\$ 59,858	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542
37,508	37,508	37,508	37,508	37,508	37,508
\$ 328	\$ 320	\$ 318	\$ 327	\$ 312	\$ 281

Charter Township of Grand Blanc

Debt Capacity Information Ratios of General Bonded Debt Outstanding

Fiscal Year	Less Pledged		Net General Bonded Debt	Total Taxable Value Ad Valorem and IFT	Debt as a Percentage of Taxable Value	General Obligation	
	General Obligation Bonds	Debt Service Funds				Estimated Population	Debt per Capita
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
2015	8,010,000	-	8,010,000	1,159,534,487	0.69%	37,508	214

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	\$ 10,310,502	100.00%		\$ 10,310,502
Overlapping debt:				
Genesee County	62,305,495	12.58%		7,838,031
Grand Blanc School District	65,710,000	73.89%		48,553,119
Goodrich School District	38,555,000	12.92%		4,981,306
Lake Fenton School District	18,875,000	2.01%		379,388
Mott Community College	43,450,000	11.98%		5,205,310
Bishop Airport Authority	18,755,000	12.58%		2,359,379
Subtotal - Overlapping debt	247,650,495			69,316,533
Total	<u>\$ 257,960,997</u>			<u>\$ 79,627,035</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

	2006	2007	2008	2009
Debt Limit (Fiscal Year Ended) (1)				
State equalized valuation (previous year)	\$ 1,558,529,700	\$ 1,628,440,700	\$ 1,557,658,800	\$ 1,453,248,100
Debt limit (10 percent of state equalized valuation)	155,852,970	162,844,070	155,765,880	145,324,810
Debt Applicable to Debt Limit				
Total debt	11,075,811	11,251,530	11,656,331	12,212,312
Less deductions allowed by law:				
Special assessment bonds	(185,811)	(376,530)	(896,331)	(1,572,311)
General obligation limited tax bonds	(10,800,000)	(10,800,000)	(10,700,000)	(10,600,000)
Total amount of debt applicable to debt limit	90,000	75,000	60,000	40,001
Legal Debt Margin	\$ 155,852,970	\$ 162,844,070	\$ 155,765,880	\$ 145,324,810
Net Debt Subject to Limit as Percentage of Debt Limit	0.06%	0.05%	0.04%	0.03%

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

Debt Capacity Information
Legal Debt Margins

	2010	2011	2012	2013	2014	2015
\$	1,263,780,500	\$ 1,166,161,500	\$ 1,135,442,000	\$ 1,154,558,600	\$ 1,131,032,099	\$ 1,159,534,487
	126,378,050	116,616,150	113,544,200	115,455,860	113,103,210	115,953,449
	12,315,430	11,856,146	11,744,861	12,002,577	11,464,294	10,310,502
	(1,895,430)	(1,656,146)	(1,744,861)	(2,202,577)	(1,864,294)	(1,679,010)
	(10,400,000)	(10,200,000)	(10,000,000)	(9,800,000)	(9,600,000)	(8,631,492)
	20,000	-	-	-	-	-
\$	126,378,050	\$ 116,616,150	\$ 113,544,200	\$ 115,455,860	\$ 113,103,210	\$ 115,953,449
	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%

Charter Township of Grand Blanc

Demographic and Economic Information Demographic and Economic Statistics

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%
2015	37,508	(A)	\$ 28,730	6.7%

(A) Not available

Principal Employers

Taxpayer	2015 Employees	Percentage of Total	2005 Employees	Percentage of Total
			2005 Employees	Percentage of Total
1 Genesys Regional Medical Center	3,563	27.42%	(A)	(A)
2 General Motors Customer Care & After Sales	938	7.22%	(A)	(A)
3 Grand Blanc Community Schools	955	7.35%	(A)	(A)
4 MAGNA (three facilities)	556	4.28%	(A)	(A)
5 Serra Automotive Group	430	3.31%	(A)	(A)
6 Acumet Global Industries (three facilities)	357	2.75%	(A)	(A)
7 Walmart	300	2.31%	(A)	(A)
8 Genesys Athletic Club	227	1.75%	(A)	(A)
9 TMI Custom Air Systems, Inc	215	1.65%	(A)	(A)
10 Sam's Club	210	1.62%	(A)	(A)

(A) Not available

Charter Township of Grand Blanc

Operating Information Full-time Equivalent Government Employees

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Supervisor	2	2	2	2	1	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	4	5	4	5	5	5	4	4	4
General office	4	4	3	3	2	2	3	3	3	3
Assessing	5	5	5	5	4	4	4	4	5	5
GIS-IT	-	-	-	-	3	3	3	3	3	3
Public Safety										
Police	53	53	51	49	44	46	44	42	45	50
Fire and EMS	2	2	2	2	2	5	5	5	5	5
Part-time volunteer	48	40	45	45	45	45	40	41	41	38
Public Services										
DPW	20	20	20	19	18	18	16	15	14	14
Building	6	5	3	3	2	2	2	2	2	3
Planning/Zoning	4	4	4	3	2	2	1	1	1	1
Parks and recreation	6	6	6	6	6	6	6	7	7	7
Total	159	149	150	145	138	143	134	132	135	138

Information obtained from the director of the department

Charter Township of Grand Blanc

Function/Program	2006	2007	2008	2009
Police:				
Physical arrests	2,410	2,273	2,436	2,472
Traffic violations	3,324	4,445	5,111	4,929
Traffic stops	-	8,599	9,337	8,771
Calls for service	16,184	17,208	17,798	16,990
Fire:				
Emergency responses	484	499	472	438
Fires extinguished	102	94	70	54
Inspections	-	-	-	-
Parks and recreation - Recreation programs	670	702	701	704
Library (B):				
Circulation (books borrowed)	2,358,562	2,434,035	2,580,077	2,734,882
Collection volume	678,740	665,165	645,235	632,330
Water:				
New connections	147	159	65	26
Water main breaks	7	9	1	3
Miles of water mains	182	188	193	193
Number of water meters	6,821	7,063	7,136	7,164
Number of water units	15,253	15,579	15,715	15,757
Total consumption	121,680,400	144,908,373	122,486,600	121,835,108
Average consumption per meter	17,839	20,517	17,165	17,007
Sewer:				
Miles of sanitary sewer mains	228	237	245	245
Number of sewer customers	20,473	11,155	11,216	11,241

(A) Information not available

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

Operating Information
Operating Indicators

2010	2011	2012	2013	2014	2015
2,502	2,825	2,193	2,054	1,797	1,985
3,594	3,968	3,099	2,505	1,815	1,608
8,171	9,631	8,763	7,303	6,029	7,142
17,340	21,788	21,093	20,669	18,842	19,491
422	469	706	857	767	707
113	98	128	54	87	100
453	490	118	236	142	65
702	706	737	741	743	743
3,008,370	3,309,207	3,640,128	4,004,141	267,964	1,784,498
695,563	765,119	841,631	637,196	95,713	731,993
23	25	45	83	104	183
5	-	7	5	5	3
193	193	193	193	193	193
7,193	7,219	7,267	7,351	7,455	7,641
15,771	15,700	15,884	15,746	15,909	16,078
113,610,700	126,184,500	123,554,920	106,497,100	105,107,660	107,976,160
15,795	15,771	17,002	14,487	14,099	14,131
241	241	241	241	241	241
11,257	11,273	11,305	11,377	11,480	11,652

Charter Township of Grand Blanc

Operating Information Capital Asset Statistics

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	(A)	(A)	17	17	17	17	16	17	17	17
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	7	7	9	9	10	7	7	7	11	11
Parks and recreation:										
Acreage	202	202	202	202	202	202	202	202	202	202
Playgrounds	1	1	1	1	1	1	1	1	1	2
Soccer fields	-	-	-	-	1	4	4	4	4	4
Baseball/Softball diamonds	10	10	10	10	10	10	10	10	10	10
Pools/Splash pad	1	1	1	1	1	1	1	1	1	1
Sand volleyball court	-	-	-	-	-	5	5	5	5	5
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water:										
Mains (miles)	182	188	193	193	193	193	193	193	193	193
Fire hydrants	(A)	2,160	2,200	2,200	2,216	2,216	2,216	2,216	2,049	2,058
Sewer:										
Miles of sanitary sewers	228	237	245	245	241	241	241	241	241	241

(A) Information not available

Information obtained from the director of the department