



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

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**Comprehensive Annual Financial Report  
Fiscal Year Ended December 31, 2016**

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

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## **Comprehensive Annual Financial Report Fiscal Year Ended December 31, 2016**

The Finance Department is responsible for the preparation  
of this Comprehensive Annual Financial Report

# **Charter Township of Grand Blanc**

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# CHARTER TOWNSHIP OF GRAND BLANC

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May 24, 2017

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. State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants, within six months of the close of each fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report has been prepared in accordance with all regulations and standards by the State of Michigan and the Governmental Accounting Standards Board to fulfill the requirement for the fiscal year ended December 31, 2016.

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 provide a reasonable basis for making these representations, management of the Charter Township of Grand Blanc has established a comprehensive internal control framework to ensure the accuracy and reliability of the accounting system which 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. To the best of management's 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.



*Scott Bennett, Supervisor*

*Cathy Lane, Clerk   Dennis Liimatta, Township Superintendent   Earl R. Guzak, Treasurer*

*Trustees:*

*Ken Thomas   Joe Massey   Al Mansour   D. Clark Kent*

The financial statements of the Charter Township of Grand Blanc have been audited by Plante & Moran, PLLC (Plante Moran), a firm of licensed certified accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. Plante Moran has issued an unqualified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2016. The independent auditor's report is located at the front of the financial section of this report.

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.

## **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 based upon the 2010 census, which is an increase of nearly 26% over the prior ten-year period.

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. The Township is known for its close access to both recreational activities and proximity to larger metropolitan areas such as Clarkston and Detroit, and 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's Board is comprised of the Supervisor, Clerk, Treasurer, and four Trustees. All Board members are elected to four-year terms which coincide with the presidential election. Policy-making and legislative authority are vested with the Board of Trustees. They oversee a full range of services provided to the citizens of the Charter Township of Grand Blanc. Among these are police protection, community development, planning & zoning, building code enforcement, property assessment, general administrative services, voter registration, garbage collection, mosquito control, water and sewer distribution 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 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 to reflect the current needs and financial position of the Township. A separate capital budget is prepared for the upcoming fiscal year and the succeeding five years.

The Charter Township of Grand Blanc has adopted financial policies that guide the Township in its financial management practices. The Charter Township follows these policies in the preparation of the annual budget and in reviewing the budget status throughout the year. A fund balance policy was adopted which requires that the General Fund maintain a fund balance between 12 percent and 15 percent of General Fund revenue. In addition, the Charter Township has also adopted various other financial management policies regarding debt management, investment of assets, fixed assets and transfer of funds.



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.

## **ECONOMIC CONDITION AND OUTLOOK**

The Charter Township of Grand Blanc has a diverse regional economy, anchored by major employers in the healthcare industry (Genesys Regional Medical Center), automotive industry (General Motors and the Serra Automotive Group), and manufacturing (Magna Electronics). The Township's workforce is also very diverse, including those skilled in manufacturing, retail, business services, and healthcare services. The Grand Blanc Township unemployment rate is 3.4%, which is below the state unemployment rate of 5.1% and the national average of 4.7%.

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 customer care and after-market sales which employs approximately 1,000 people. With the growth of several commercial businesses in various industries, the Charter Township no longer relies on a single major taxpayer or industry.

Even though some parts of the state of Michigan and Genesee County continue to experience economic tensions, the Charter Township's close 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 Connector project which is expected to be a significant catalyst for development in the area. The Dort Highway Connector is a capital project with pre-construction elements that focuses on two primary objectives:

1. Completion of the Dort Highway interchange at I-75 to improve traffic flow and relieve current and anticipated congestion at the Holly Road I-75 interchange in Grand Blanc Township.
2. Improve the conditions for economic development in the Genesee County region with the addition of the Dort Highway Connector which will connect people and communities with centers of employment, education, healthcare and commerce to stimulate long-term job growth.

U.S. Department of Transportation National Infrastructure Investments/TIGER Discretionary funds will be utilized to complete the interchange at Dort Highway (M-54) and I-75 to create a full-access interchange and construct a four-lane extension of Dort Highway from the interchange south to Baldwin Road in Grand Blanc Township. This project also includes a non-motorized trail connection along the new road that would establish connections to an existing trail system to link residential, civic, commercial and recreational centers.

The Dort Highway Connector Project is exceptionally significant for Genesee County, the region and the nation to leverage planned economic development that will require an improved transportation infrastructure to establish new businesses and maintain their long-term viability. Like dropping a pebble in a pool of water, this project will represent a capstone investment needed not only to initiate immediate business development within Grand Blanc Township, but also to send a ripple of economic benefit throughout the county to link a solid infrastructure of local universities, colleges and hospital systems to support an emerging education and healthcare industry. New healthcare and education initiatives show promise to build upon automotive manufacturing workforce skills transferable to the life science industry, as well as attract talented professionals and students to conduct research, develop and commercialize related products and contribute to the overall economic development of the region.

With the development of the Dort Highway Connector Project, the Charter Township is also hoping to attract high-tech companies and direct future development in a way that maximizes the benefit for the Charter Township. Our Community Development department has implemented a “Technology Village” area in the southern portion of the Charter Township and the Genesee Regional Chamber of Commerce is vigorously marketing properties to emerging businesses 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.

The Technology Village area of the Township has substantial assets including interstate access, major arterials, a major employer and healthcare provider associated with the Genesys system, and a number of local property owners, residents and elected officials that believe in its future. The character and location between denser population centers to its north and south make the site an attractive place to live and to operate potential employment-generating activity. The challenge for Grand Blanc and for property ownership with Technology Village moving forward is to recognize how the population and economy are changing and to set policies that expand its vibrancy.

In 2016, the Charter Township welcomed the expansion of one of its financial institutions, Security Credit Union, within the township, comprising nearly \$2 million of investment. A new independent living senior community, Tranquility Estates, began construction in an area near Genesys Health Park. It is expected to invest nearly \$5 million over two years. Tranquility Estates represents the pinnacle of senior living in the region. In addition, construction began on a \$1.1 million expansion/construction project for Laird Industries, a vehicle electronics research and development facility, to expand their business within the Charter Township.

Grand Blanc Township is a growing community and an employment generator for residents of Genesee County. Between 2010 and 2015, Grand Blanc Township permitted roughly 400 new housing units. During that time frame, all of the units permitted were single-family units. During the same time frame, Genesee County permitted about 1,250 units. Therefore, about one-third of the County units were from the Township. During 2016, the Township issued 97 residential

building permits with a construction value of \$27,850,000. During the same time period, they also issued eight permits for new commercial construction with a construction value of \$36,227,000 and an additional 50 permits for improvements on existing commercial construction with a construction value of \$44,461,000.

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. The Charter Township envisions building upon an unparalleled quality of life in the years to come and is 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 \$3,913,942, or 26.85 percent of total General Fund revenue, which falls within the policy guidelines set by the Charter Township's fund balance policy for budgetary and planning purposes. The fund balance increased by \$390,038 in 2016. 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. The Charter Township has taken the necessary steps to preserve its General Fund balance, even during times of slowdown in economic activity, and will continue to do so in the future.

## **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. Recently, the Grand Blanc Township Police Department was honored during the Governor's Traffic Safety Advisory Commission (GTSAC) annual awards presentation at the Kellogg Hotel and Conference Center in East Lansing for Operation Safe Arrival. The commission honors organizations, programs, and individuals for outstanding contributions to traffic safety. Operation Safe Arrival is a partnership between the Grand Blanc Township Police Department, the Grand Blanc City Police Department, and the Grand Blanc Community Schools that reminds motorists that school is back in session. Marked patrol vehicles, with their emergency lights activated, will sit in school zones during the first week of classes. The program focuses on drivers speeding in school zones and vehicles failing to stop for buses with red flashing lights.

In 2016, voters of Grand Blanc Township approved a new parks and recreation millage in the amount of .25 mills, which will generate approximately \$290,000 annually. The major focus of the funding will be on large scale improvements and repairs to the facilities within Creasey Bicentennial Park. Some of the projects include:

- Replacement of basketball courts and inline skating area
- Replacement of splash pad flooring
- Annual upkeep and maintenance of paved trail through the park
- Dedicated annual upkeep and improvements to 10 softball/baseball fields and four soccer fields
- Install security camera system throughout the park
- Upgrades and replacement of park equipment needed to maintain and prepare facilities for program and event use
- Replace flooring at original large pavilion

- Upgrade kitchen and bathrooms at original large pavilion
- Replace surface of original playscape on south side of park
- Upgrade adult softball field backstops
- Dog park upgrades

Creasey Bicentennial Park receives more than 175,000 visitors each year, not including the people using the walking/jogging/biking trail, dog park visitors, and general picnickers. The park is nearly 40 years old, as it has been open to the public for 38 years and has received a tremendous amount of use.

Grand Blanc Township is also part of the Lost Lake Nature Preserve, 538 acres located in both Holly Township and Grand Blanc Township, which has 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.

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 2016 included \$577,000 for the Holly Road pump station abandonment project; \$136,000 for sewer system pipe linings; \$115,000 for water meter purchase and replacement; and \$188,000 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 \$185,000 invested in vehicles and equipment.

The Charter Township Governmental Funds invested \$40,000 in 2016 for the replacement of a police patrol vehicle and an additional \$72,000 for the repair of the fire department's training tower. Approximately \$200,000 was expended on land and facility improvements at Creasy Bicentennial Park. An additional \$21,000 was expended within the Information Technology Department for enhanced security and networking capabilities. The Capital Projects Fund balance of \$2,186,727 will be carried forward to the 2017 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, 2015. This was the twenty-first 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.

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,

A handwritten signature in cursive script, reading "Cathleen Szostak".

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, 2015**

Executive Director/CEO



# Charter Township of Grand Blanc

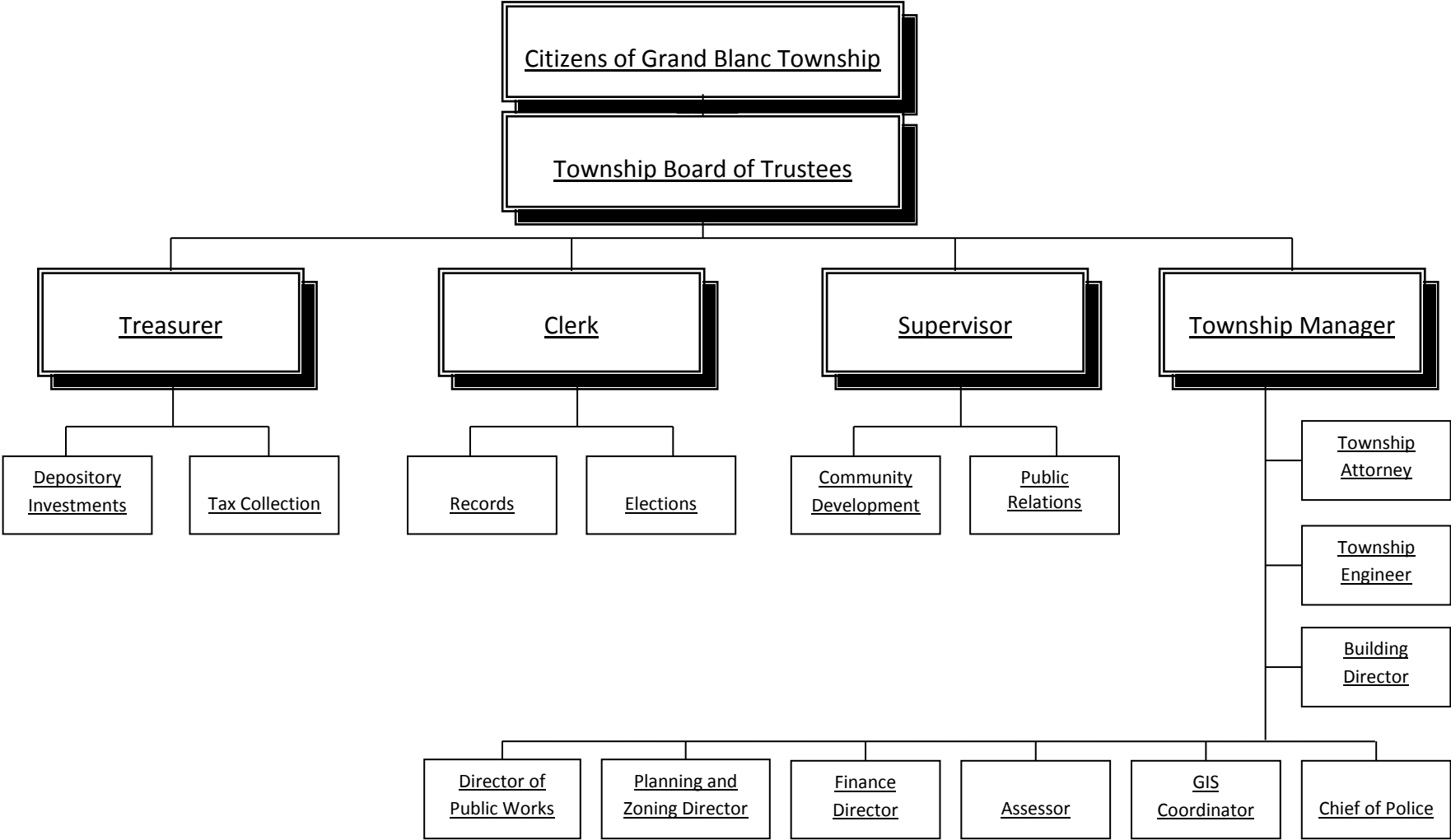
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## List of Principal Officials

<u>Title</u>	<u>Name</u>
Supervisor	Scott Bennett
Clerk	Cathy Lane
Treasurer	Earl Guzak
Board of Trustees	Clark Kent Al Mansour Joe Massey Ken Thomas
Township Superintendent	Dennis Liimatta
Finance Director	Cathy Szostak
Director of Public Works	Jeff Sears
Police Chief	Ronald Wiles
Fire Chief	Robert Burdette
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, 2016, 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, 2016, 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.

## **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, as identified in the table of contents, and introductory section and statistical section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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, 2015, from which such partial information was derived. We have previously audited the Charter Township of Grand Blanc's December 31, 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 1, 2016. In our opinion, the prior year comparative information presented herein for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Plante & Moreau, PLLC*

May 24, 2017

# Charter Township of Grand Blanc

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## Management's Discussion and Analysis

This section of the Charter Township of Grand Blanc's (the "Charter Township") annual financial report presents our discussion and analysis of the Charter Township's financial performance during the fiscal year ended December 31, 2016. 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 sheet 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 operations.

**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**

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

**Required Supplemental Information** - Includes the budgetary comparison schedules 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 \$98 million for the fiscal year ended December 31, 2016. The business-type activities increased its net position by approximately \$1.6 million due to increased water sales and reduced expenses as a result of cost containment. However, the governmental activities experienced a net decrease of approximately \$900,000 in its net position as a result of an increase in both the net pension liability and the obligation for other postemployment benefits. As a result, the net position of the primary government as a whole increased approximately \$0.7 million or 0.7 percent for 2016.

The largest portion of the Charter Township's net position (90 percent) reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Charter Township uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



# 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, 2016 and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
	(in thousands)		(in thousands)		(in thousands)	
<b>Assets</b>						
Current and other assets	\$ 20,242	\$ 19,317	\$ 17,252	\$ 15,645	\$ 37,494	\$ 34,962
Capital assets	<u>17,267</u>	<u>17,895</u>	<u>79,772</u>	<u>80,130</u>	<u>97,039</u>	<u>98,025</u>
Total assets	37,509	37,212	97,024	95,775	134,533	132,987
<b>Deferred Outflows of Resources</b>	3,180	1,184	-	-	3,180	1,184
<b>Liabilities</b>						
Long-term liabilities outstanding	25,333	22,778	645	490	25,978	23,268
Other liabilities	<u>2,158</u>	<u>2,037</u>	<u>2,345</u>	<u>2,825</u>	<u>4,503</u>	<u>4,862</u>
Total liabilities	27,491	24,815	2,990	3,315	30,481	28,130
<b>Deferred Inflows of Resources</b>	<u>9,339</u>	<u>8,816</u>	<u>-</u>	<u>-</u>	<u>9,339</u>	<u>8,816</u>
<b>Net Position</b>						
Net investment in capital assets	8,747	9,492	79,556	79,903	88,303	89,395
Restricted	854	909	-	-	854	909
Unrestricted	<u>(5,741)</u>	<u>(5,636)</u>	<u>14,477</u>	<u>12,557</u>	<u>8,736</u>	<u>6,921</u>
Total net position	<u>\$ 3,860</u>	<u>\$ 4,765</u>	<u>\$ 94,033</u>	<u>\$ 92,460</u>	<u>\$ 97,893</u>	<u>\$ 97,225</u>

The business-type activities comprised \$94 million of the total net position and the government activities accounted for the remaining \$3.9 million of the total net position. The governmental activities experienced a decrease in net position of \$904,435. The business-type activities experienced an increase in net position of \$1,572,807. 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 of \$904,435 is primarily the result of an increase in the net pension liability and an increase in the net obligation for other postemployment liabilities.

# 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	
	2016	2015	2016	2015	2016	2015
	(in thousands)		(in thousands)		(in thousands)	
<b>Revenue</b>						
Program revenue:						
Charges for service	\$ 2,753	\$ 2,968	\$ 17,044	\$ 15,198	\$ 19,797	\$ 18,166
Operating grants and contributions	505	178	-	-	505	178
Capital grants and contributions	62	344	1,116	1,630	1,178	1,974
General revenue:						
Property taxes	7,666	7,429	-	-	7,666	7,429
State-shared revenue	2,991	2,918	-	-	2,991	2,918
Unrestricted investment earnings	66	42	56	32	122	74
Miscellaneous	1,464	1,454	27	23	1,491	1,477
Total revenue	15,507	15,333	18,243	16,883	33,750	32,216
<b>Expenses</b>						
General government	3,943	3,502	-	-	3,943	3,502
Public safety	9,779	9,488	-	-	9,779	9,488
Public works	2,002	2,248	-	-	2,002	2,248
Community and economic development	12	108	-	-	12	108
Recreation and culture	401	405	-	-	401	405
Interest on long-term debt	275	599	-	-	275	599
Water and sewer	-	-	16,670	14,874	16,670	14,874
Total expenses	16,412	16,350	16,670	14,874	33,082	31,224
<b>(Decrease) Increase in Net Position</b>	(905)	(1,017)	1,573	2,009	668	992
<b>Net Position - Beginning of year</b>	4,765	5,782	92,460	90,451	97,225	96,233
<b>Net Position - End of year</b>	<u>\$ 3,860</u>	<u>\$ 4,765</u>	<u>\$ 94,033</u>	<u>\$ 92,460</u>	<u>\$ 97,893</u>	<u>\$ 97,225</u>

### Governmental Activities

The net position of the governmental activities decreased \$904,435 in 2016 to \$3,860,156. Revenue for the governmental activities totaled \$15.5 million, of which \$7.7 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 2016 (levied in December 2015), 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 program.

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**

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

Charges for governmental services represent just over 17 percent of total revenue. The largest portion (43 percent) is attributable to the special assessment in the Solid Waste Fund. The Charter Township's housing construction activities provide a large portion of revenue in this category as well, in the form of building permits and inspection fees, which represent 40 percent of the charges for services revenue.

The governmental activities expenditures totaled \$16.4 million in 2016 which is less than a 1 percent increase compared to 2015.

### **Business-type Activities**

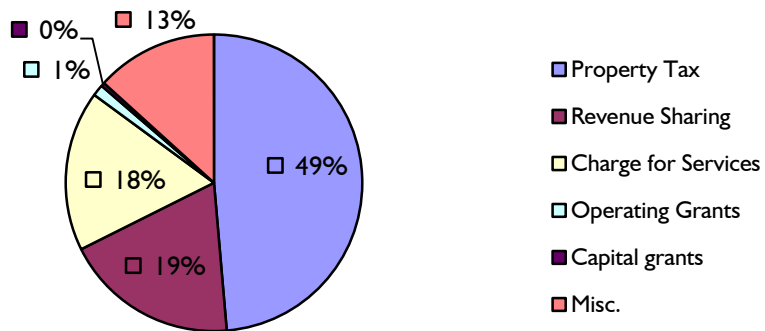
The Charter Township has one business-type activity, the Department of Public Works, which maintains the water and sewer systems. The Charter Township purchases water from Genesee County and the Charter Township's sewage is pumped to Genesee County treatment facilities. The water and sewer operations are primarily funded by user fees and charges for services. The revenue generated from charges for services of \$17 million covered all of the \$16.7 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 2016 reflects an increase of \$1,572,807.

# Charter Township of Grand Blanc

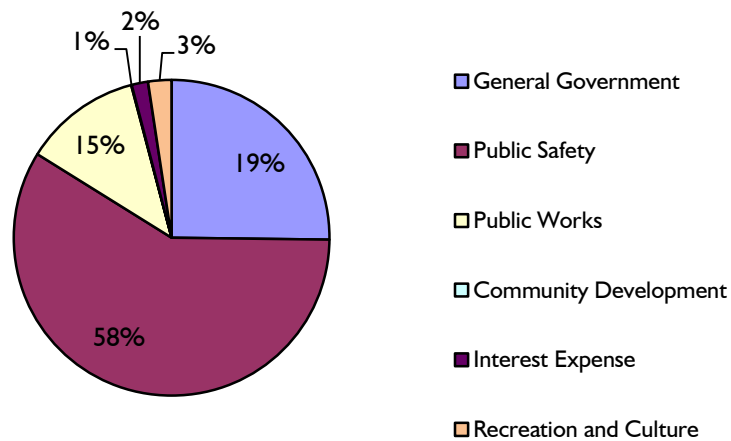
## Management's Discussion and Analysis (Continued)

The following pie charts offer a quick view of the revenue and expenditures of governmental activities as a percentage of the whole:

**2016 Total Governmental Revenue**



**2016 Total Governmental Expenses**



# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

### Capital Assets

The Charter Township has combined net capital assets of \$97,039,132. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2016 and 2015. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 1,948	\$ 1,948	\$ 257	\$ 257	\$ 2,205	\$ 2,205
Construction in progress	202	51	376	315	578	366
Buildings and improvements	12,308	12,699	1,377	1,415	13,685	14,114
Furniture and equipment	331	422	416	487	747	909
Infrastructure	2,386	2,629	-	-	2,386	2,629
Water and sewer distribution systems	-	-	76,689	77,337	76,689	77,337
Vehicles	92	146	657	319	749	465
Total	<u>\$ 17,267</u>	<u>\$ 17,895</u>	<u>\$ 79,772</u>	<u>\$ 80,130</u>	<u>\$ 97,039</u>	<u>\$ 98,025</u>

The Charter Township's governmental activities invested approximately \$285,000, including the construction in progress, in 2016 for capital projects/purchases. The governmental funds capital investments included the addition of police vehicles and equipment, security cameras, improvements to the skate park and basketball courts at Bicentennial Park, and the completion of the repairs and improvements to the Fire Department's training tower. The fund balance in the Capital Projects Fund of \$2,186,727 will be carried forward to the 2017 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 \$1,110,300 in tap-in fees which will be used to fund the infrastructure projects currently under construction, such as replacement of meters and lining of the sewer pipes as preventive maintenance. In addition, an expansion of both the water and sewer lines into the southern end of the Township is underway with the Dort Highway extension project. Some of the capital improvements/purchases during 2016 within the Department of Public Works Fund included the replacement of four vehicles within the DPW Department totaling \$182,000, sewer lining replacement in the amount of \$135,000, the Holly Road pump station abandonment project at a cost of \$577,500, several meter, generator, and pump replacements throughout the system totaling over \$115,000, the painting and refurbishment of the Saginaw Street water tower at a cost of \$366,000, and other miscellaneous water and sewer system improvements. Additional information on the Charter Township's capital asset activity can be found in Note 6 to the financial statements.

# Charter Township of Grand Blanc

## Management's Discussion and Analysis (Continued)

The Charter Township has a total of \$9,850,795 in long-term governmental debt and \$242,780 in long-term business-type activity debt as of December 31, 2016. Of this total debt, \$8,290,738 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 in 2015 and is anticipated to save the Township \$1.5 million over the remaining 14 years of payments. In addition, \$252,822 or 2.5 percent is related to employee compensated absences, and \$1,333,727 or 13.2 percent of the debt is related to road improvement projects. The remaining 2 percent or \$216,288 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 8 to the financial the statements.

### The Charter Township's Nonmajor Governmental Funds

Beginning on page 66 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, PEG (public, educational, and government) Channel Grant Fund, and CDBG (Community Development Block 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 58 and the Solid Waste Fund on page 60 of this report. The total amount of revenue budgeted in the General Fund for 2016 was \$14,318,425 with actual revenue recorded at \$14,574,860. This was a positive variance with the budget of \$256,435 or 1.8 percent more than anticipated. Some of the more significant areas with positive variances which exceeded the budgeted revenue included licenses and permits, federal sources, state sources, cable franchise fees, and miscellaneous income.

State-shared revenue, was originally budgeted at \$3,083,376, with actual state-shared revenue received amounting to \$2,990,718 for a shortfall of \$92,658. 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 \$14,031,031 in 2016, with actual expenditures amounting to \$13,091,836. The net effect for 2016 shows an excess of revenue over expenditures (prior to other financing sources and uses) of \$1,483,024. After net other financing uses of \$1,092,986, revenue exceeded expenditures and other financing uses by \$390,038. As a result, the Charter Township's General Fund balance increased to \$3,913,942. The December 31, 2016 unassigned General Fund balance is \$1,933,826 or 13 percent of 2016 General Fund revenue, which is within the recommended amount of 12-15 percent 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 \$1,403,000 and the actual revenue recognized was \$1,195,744. The result was a difference of \$207,256 under budget. The Solid Waste Special Revenue Fund had original and amended budgeted expenditures of \$1,403,000. The actual expenditures were \$1,330,623 which resulted in a difference of \$72,377 under budget. The net effect for 2016 reflects an excess of expenditures over revenue \$134,879. This decreased the fund balance of the Charter Township's 2016 Solid Waste Fund to \$190,732 or 16 percent of 2016 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 increased slightly in 2016 as compared to 2015. Property values are projected to increase slightly in 2017, but still remain below the assessed property values in 2007.

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. Since 2002, the Charter Township and other Michigan communities have experienced a significant reduction in state-shared revenue. State revenue sharing remained steady in 2016 compared to 2015, but remains low relative to historic norms. This revenue source represents about 20 percent of the total General Fund revenue. No additional reductions have been forecasted 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.

Another issue of concern to the Charter Township is the unfunded liabilities of its defined benefit retirement plan of approximately \$8.8 million as of December 31, 2015, the date of its most recent actuarial report. The funded ratio of the plan is 58 percent. For the actuarial report dated December 31, 2015, there was a change in assumptions causing the unfunded liability to go up and the funded percentage to go down. 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 2016, the Charter Township contributed the required annual contribution of \$980,035, as well as an additional \$275,000, to its defined benefit plan and \$1,520,221 of the \$3,029,816 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 during the recession, the housing market has been on the rise in Grand Blanc Township for the last three years. During 2016, 100 new house permits and 13 condominium housing permits were issued with construction values totaling \$27,849,370 and \$1,420,744, respectively. In addition, 927 permits were issued for housing improvements with a total construction value of \$78,982,994. During that same timeframe, there were eight new commercial development permits with a construction value of \$36,227,434 and 50 commercial improvement permits issued with a construction value of \$44,461,487. 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.



# **Charter Township of Grand Blanc**

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

In light of the decline in property tax value that occurred throughout the nation, a slowdown in residential building permits during the recession, 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 2016, the fund balance of the General Fund increased approximately an additional \$390,000 to \$3.9 million in spite of the fact that an additional contribution of \$775,000 was made towards the unfunded liability for postemployment benefits. 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.

### **Contacting the Charter Township's Financial Management**

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the Charter Township's finances and to show the Charter Township's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the finance director at the Charter Township of Grand Blanc, 5371 South Saginaw Street, P.O. Box 1833, Grand Blanc, Michigan 48480-0057, or visit our website at [www.twp.grand-blanc.mi.us](http://www.twp.grand-blanc.mi.us).

# Charter Township of Grand Blanc

## Statement of Net Position December 31, 2016

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 7,655,350	\$ 7,960,826	\$ 15,616,176
Investments (Note 3)	6,161,515	4,662,509	10,824,024
Receivables:			
Property taxes	3,921,813	-	3,921,813
Customers	-	4,056,543	4,056,543
Accrued interest and other	13,405	16,903	30,308
Receivables billed on tax roll	202,844	360,605	563,449
Due from other governmental units	940,494	-	940,494
Special assessments	1,142,572	-	1,142,572
Tap-in receivable	-	160,764	160,764
Internal balances	(5,056)	5,056	-
Prepays	209,677	28,042	237,719
Capital assets (Note 6):			
Assets not subject to depreciation	202,098	633,492	835,590
Assets subject to depreciation	17,064,730	79,138,812	96,203,542
Total assets	37,509,442	97,023,552	134,532,994
<b>Deferred Outflows of Resources</b>			
Taxes collected and remitted to the Grand Blanc Fire Authority	241,435	-	241,435
Deferred outflows related to pensions (Note 12)	2,939,042	-	2,939,042
Total deferred outflows of resources	3,180,477	-	3,180,477
<b>Liabilities</b>			
Accounts payable	407,079	2,012,028	2,419,107
Due to other governmental units	40,349	-	40,349
Accrued liabilities and other	766,729	296,363	1,063,092
Noncurrent liabilities:			
Due within one year (Note 8):			
Compensated absences	226,330	26,492	252,822
Current portion of long-term debt	717,283	10,000	727,283
Due in more than one year:			
Net OPEB obligation (Note 15)	6,798,346	439,226	7,237,572
Net pension liability (Note 12)	9,627,762	-	9,627,762
Long-term debt (Note 8)	8,907,182	206,288	9,113,470
Total liabilities	27,491,060	2,990,397	30,481,457
<b>Deferred Inflows of Resources (Note 5)</b>			
Property taxes levied for the following year	7,972,615	-	7,972,615
Other resources received before the period resources may be used	1,346,791	-	1,346,791
Deferred inflows related to pensions (Note 12)	19,297	-	19,297
Total deferred inflows of resources	9,338,703	-	9,338,703
<b>Net Position</b>			
Net investment in capital assets	8,747,363	79,556,016	88,303,379
Restricted for:			
Mosquito spraying	23,736	-	23,736
Solid waste	190,732	-	190,732
Drug forfeiture and federal equitable sharing	89,492	-	89,492
Law enforcement	10,121	-	10,121
PEG Channel Grant	110,928	-	110,928
Unexpendable cemetery fund	174,629	-	174,629
Expendable cemetery fund	208,252	-	208,252
Tree replacement	46,703	-	46,703
Unrestricted	(5,741,800)	14,477,139	8,735,339
Total net position	\$ 3,860,156	\$ 94,033,155	\$ 97,893,311

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

# Charter Township of Grand Blanc

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,943,043	\$ 17,820	\$ 343,376	\$ -
Public safety	9,778,628	1,229,558	161,997	-
Public works	2,001,597	1,468,084	-	50,271
Community and economic development	11,742	37,964	-	11,742
Recreation and culture	400,615	-	-	-
Interest on long-term debt	275,219	-	-	-
Total governmental activities	16,410,844	2,753,426	505,373	62,013
Business-type activities	16,669,821	17,043,556	-	1,116,224
Total primary government	<u>\$ 33,080,665</u>	<u>\$ 19,796,982</u>	<u>\$ 505,373</u>	<u>\$ 1,178,237</u>
General revenue:				
Property taxes				
State-shared revenue (unrestricted)				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain on sale of assets				
Total general revenue				
<b>Change in Net Position</b>				
<b>Net Position - Beginning of year</b>				
<b>Net Position - End of year</b>				

**Statement of Activities**  
**Year Ended December 31, 2016**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,581,847)	\$ -	\$ (3,581,847)
(8,387,073)	-	(8,387,073)
(483,242)	-	(483,242)
37,964	-	37,964
(400,615)	-	(400,615)
(275,219)	-	(275,219)
(13,090,032)	-	(13,090,032)
-	1,489,959	1,489,959
(13,090,032)	1,489,959	(11,600,073)
7,666,286	-	7,666,286
2,990,718	-	2,990,718
65,841	55,692	121,533
670,335	-	670,335
783,204	-	783,204
9,213	27,156	36,369
12,185,597	82,848	12,268,445
(904,435)	1,572,807	668,372
4,764,591	92,460,348	97,224,939
<b>\$ 3,860,156</b>	<b>\$ 94,033,155</b>	<b>\$ 97,893,311</b>

# Charter Township of Grand Blanc

## Governmental Funds Balance Sheet December 31, 2016

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
<b>Assets</b>				
Cash and cash equivalents (Note 3)	\$ 6,275,256	\$ 1,075,098	\$ 304,996	\$ 7,655,350
Investments (Note 3)	1,400,747	-	4,760,768	6,161,515
Receivables:				
Property taxes	3,921,813	-	-	3,921,813
Accrued interest and other	6,260	-	7,145	13,405
Other receivables	202,844	-	-	202,844
Due from other governmental units	878,938	-	61,556	940,494
Special assessments	680,147	462,425	-	1,142,572
Due from other funds (Note 7)	-	-	301,619	301,619
Prepays	209,677	-	-	209,677
Total assets	13,575,682	1,537,523	5,436,084	20,549,289
<b>Deferred Outflows of Resources</b> - Taxes collected and remitted to the Grand Blanc Fire Authority	241,435	-	-	241,435
Total assets and deferred outflows of resources	<u>\$ 13,817,117</u>	<u>\$ 1,537,523</u>	<u>\$ 5,436,084</u>	<u>\$ 20,790,724</u>
<b>Liabilities</b>				
Accounts payable	\$ 210,392	\$ -	\$ 196,687	\$ 407,079
Due to other governmental units	40,349	-	-	40,349
Due to other funds (Note 7)	302,707	-	3,968	306,675
Accrued liabilities and other	695,678	-	-	695,678
Total liabilities	1,249,126	-	200,655	1,449,781
<b>Deferred Inflows of Resources</b> (Note 5)				
Unavailable revenue	681,434	-	-	681,434
Property taxes levied for the following year	7,972,615	-	-	7,972,615
Other resources received before the period resources may be used	-	1,346,791	-	1,346,791
Total deferred inflows of resources	8,654,049	1,346,791	-	10,000,840
<b>Fund Balances</b>				
Nonspendable:				
Prepays	209,677	-	-	209,677
Cemetery endowment	-	-	174,629	174,629
Restricted:				
Public safety	-	-	99,613	99,613
Solid waste	-	190,732	-	190,732
Mosquito spraying	23,736	-	-	23,736
PEG channel	-	-	110,928	110,928
Cemetery	-	-	208,252	208,252
Tree replacement	46,703	-	-	46,703
Committed - Bicentennial Park improvements	-	-	5,528	5,528
Assigned:				
Capital projects	-	-	2,186,727	2,186,727
Debt service	-	-	2,449,752	2,449,752
Postemployment benefits	1,700,000	-	-	1,700,000
Unassigned	1,933,826	-	-	1,933,826
Total fund balances	3,913,942	190,732	5,235,429	9,340,103
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,817,117</u>	<u>\$ 1,537,523</u>	<u>\$ 5,436,084</u>	<u>\$ 20,790,724</u>

# Charter Township of Grand Blanc

## **Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2016**

**Fund Balance Reported in Governmental Funds** \$ 9,340,103

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 17,266,828

Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures 639,664

Certain receivables are expected to be collected in future years and are not available to pay for current year expenditures 41,770

Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds (9,043,727)

Bond premium is to be amortized over the remaining life of the bond and is not reported in the funds (580,738)

Accrued interest is not due and payable in the current period and is not reported in the funds (71,051)

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 (226,330)

Net other postemployment benefit obligation is not recorded as a liability in the funds (6,798,346)

Deferred outflows of resources - Pension difference between projected and actual investment earnings as well as contributions made to the plan after the measurement date 2,939,042

Deferred inflows of resources - Pension difference between projected and actual experience (19,297)

Net pension liability is not due and payable in the current period and is not reported on the funds (9,627,762)

**Net Position of Governmental Activities** \$ 3,860,156

# Charter Township of Grand Blanc

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

### Year Ended December 31, 2016

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
<b>Revenue</b>				
Property taxes (Note 9)	\$ 7,668,863	\$ -	\$ -	\$ 7,668,863
Licenses and permits	1,154,306	-	-	1,154,306
Federal sources	126,818	-	11,742	138,560
State sources	3,333,665	-	18,298	3,351,963
Charges for services	-	1,195,513	-	1,195,513
Fines and forfeitures	107,229	-	23,807	131,036
Investment income	33,372	231	32,238	65,841
Other revenue:				
Special assessments	487,634	-	-	487,634
Local donations	2,272	-	35,608	37,880
Cable franchise fees	670,335	-	-	670,335
Other miscellaneous income	990,366	-	46,800	1,037,166
Total revenue	14,574,860	1,195,744	168,493	15,939,097
<b>Expenditures</b>				
Current:				
General government	3,294,237	-	109	3,294,346
Public safety	8,518,451	-	8,312	8,526,763
Public works	670,974	1,330,623	-	2,001,597
Community and economic development	-	-	11,742	11,742
Recreation and culture	218,217	-	23,300	241,517
Capital outlay	-	-	348,352	348,352
Debt service	389,957	-	553,500	943,457
Total expenditures	13,091,836	1,330,623	945,315	15,367,774
<b>Excess of Revenue Over (Under) Expenditures</b>	1,483,024	(134,879)	(776,822)	571,323
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	9,213	-	-	9,213
Transfers in	-	-	1,102,199	1,102,199
Transfers out	(1,102,199)	-	-	(1,102,199)
Total other financing (uses) sources	(1,092,986)	-	1,102,199	9,213
<b>Net Change in Fund Balances</b>	390,038	(134,879)	325,377	580,536
<b>Fund Balances - Beginning of year</b>	3,523,904	325,611	4,910,052	8,759,567
<b>Fund Balances - End of year</b>	<u>\$ 3,913,942</u>	<u>\$ 190,732</u>	<u>\$ 5,235,429</u>	<u>\$ 9,340,103</u>

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

# 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, 2016**

**Net Change in Fund Balances - Total Governmental Funds** \$ 580,536

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	284,992
Depreciation expense	(913,272)

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	(185,667)
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	686,036
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Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds	(17,798)
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Change 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	1,967
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Change 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	(1,409,106)
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Change in the net pension liability and deferred items related to pension are recorded when incurred in the statement of activities	67,877
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**Change in Net Position of Governmental Activities** \$ (904,435)



# Charter Township of Grand Blanc

## Proprietary Funds Department of Public Works Statement of Net Position December 31, 2016

### Assets

Current assets:	
Cash and cash equivalents (Note 3)	\$ 7,960,826
Investments (Note 3)	4,662,509
Receivables:	
Customers	4,056,543
Accrued interest and other	16,903
Receivables billed on tax roll	360,605
Due from other funds (Note 7)	5,056
Prepays	<u>28,042</u>
Total current assets	17,090,484
Noncurrent assets:	
Tap-in assessments receivable	160,764
Capital assets (Note 6):	
Assets not subject to depreciation	633,492
Assets subject to depreciation	<u>79,138,812</u>
Total noncurrent assets	<u>79,933,068</u>
Total assets	<u>97,023,552</u>

### Liabilities

Current liabilities:	
Accounts payable	2,012,028
Accrued liabilities and other	296,363
Compensated absences (Note 8)	26,492
Current portion of long-term debt (Note 8)	<u>10,000</u>
Total current liabilities	2,344,883
Noncurrent liabilities:	
Net OPEB obligation (Note 15)	439,226
Long-term debt (Note 8)	<u>206,288</u>
Total noncurrent liabilities	<u>645,514</u>
Total liabilities	<u>2,990,397</u>

### Net Position

Net investment in capital assets	79,556,016
Unrestricted	<u>14,477,139</u>
Total net position	<u><u>\$ 94,033,155</u></u>

# Charter Township of Grand Blanc

## **Proprietary Funds** **Department of Public Works** **Statement of Revenue, Expenses, and Changes in Net Position**

	December 31	
	2016	2015
<b>Operating Revenue</b>		
Sale of water	\$ 9,273,076	\$ 7,332,358
Sewage disposal charges	7,431,014	7,436,010
Water meters	84,985	110,476
Penalties and other charges for services	254,481	319,166
Total operating revenue	17,043,556	15,198,010
<b>Operating Expenses</b>		
Cost of water	7,068,644	5,759,170
Cost of sewage treatment	5,199,345	5,114,259
Billing and administrative costs	2,476,443	2,235,467
Depreciation	1,919,794	1,759,590
Total operating expenses	16,664,226	14,868,486
<b>Operating Income</b>	379,330	329,524
<b>Nonoperating Revenue (Expenses)</b>		
Investment income	55,692	32,198
Interest expense	(5,595)	(5,845)
Gain on sale of assets	27,156	22,900
Total nonoperating revenue	77,253	49,253
<b>Net Income - Before contributions</b>	456,583	378,777
<b>Capital Contributions</b>		
Capital charges and line inspection fees	1,116,224	1,206,755
Lines donated by developers	-	423,450
Total capital contributions	1,116,224	1,630,205
<b>Change in Net Position</b>	1,572,807	2,008,982
<b>Net Position - Beginning of year</b>	92,460,348	90,451,366
<b>Net Position - End of year</b>	<b>\$ 94,033,155</b>	<b>\$ 92,460,348</b>

# Charter Township of Grand Blanc

## Proprietary Funds Department of Public Works Statement of Cash Flows Year Ended December 31, 2016

### Cash Flows from Operating Activities

Receipts from customers	\$ 16,768,701
Receipts from interfund services and reimbursements	2,079
Payments to suppliers	(13,353,505)
Payments to employees	<u>(1,703,341)</u>
Net cash provided by operating activities	1,713,934

### Cash Flows from Capital and Related Financing Activities

Capital charge collections	1,116,224
Special assessment collections	68,638
Proceeds from sales of capital assets	27,156
Purchase of capital assets	(1,562,460)
Principal and interest paid on capital debt	<u>(15,595)</u>
Net cash used in capital and related financing activities	(366,037)

### Cash Flows from Investing Activities

Interest received on investments	38,858
Purchase of investment securities	<u>(3,947,509)</u>
Net cash used in investing activities	<u>(3,908,651)</u>

**Net Decrease in Cash and Cash Equivalents** (2,560,754)

**Cash and Cash Equivalents - Beginning of year** 10,521,580

**Cash and Cash Equivalents - End of year** \$ 7,960,826

### Reconciliation of Operating Income to Net Cash from Operating Activities

Operating income	\$ 379,330
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation and amortization	1,919,794
Changes in assets and liabilities:	
Receivables	(274,855)
Due from others	2,079
Prepaid and other assets	2,518
Accounts payable	(559,033)
Accrued and other liabilities	<u>244,101</u>
Net cash provided by operating activities	<u><u>\$ 1,713,934</u></u>

# Charter Township of Grand Blanc

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## **Fiduciary Funds Statement of Fiduciary Net Position December 31, 2016**

	Pension and Employee Benefits Trust Fund	Agency Funds
<b>Assets</b> - Cash and cash equivalents	\$ -	\$ 1,136,262
<b>Liabilities</b> - Undistributed tax collections and other	\$ -	\$ 1,136,262

# Charter Township of Grand Blanc

## **Fiduciary Funds** **Statement of Changes in Fiduciary Net Position - Pension and** **Employee Benefits Trust Fund** **Year Ended December 31, 2016**

	Pension and Employee Benefits Trust Fund
<b>Additions</b>	
Investment income - Interest and dividends	\$ 106,772
Net increase in fair value of investments	375,196
Net investment income	481,968
Contributions - Employer	214,063
Total additions	696,031
<b>Deductions</b>	
Benefit payments	61,091
Transfer of assets to MERS	10,832,283
Administrative expenses	11,160
Total deductions	10,904,534
<b>Net Decrease in Net Position Held in Trust</b>	(10,208,503)
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b> Beginning of year	10,208,503
<b>Net Position Held in Trust for Pension and Other Employee Benefits -</b> End of year	\$ -

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2016

### 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

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## Notes to Financial Statements December 31, 2016

### **Note 1 - 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. During 2016, all assets were transferred to the Michigan Municipal Employees Retirement System for pension and other employee benefits.
- **Agency Fund** - The agency fund accounts for assets held by the Charter Township in a trustee capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

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

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

### **Basis of Accounting**

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

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 1 - 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, 2016

### Note 1 - 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 acquisition value.

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

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

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 1 - 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, changes in assumptions, 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 three 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 and 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. Additionally, the Charter Township has deferred inflows of resources related to the defined benefit pension liability, consisting of the variance between projected participant experience compared to the plan's actual participant experience.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 1 - 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

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## Notes to Financial Statements December 31, 2016

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

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

**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 9 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 to which the employee is assigned (generally the General Fund or DPW Fund) will be used to liquidate the liability.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2016

### **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 revenue of the Department of Public Works Fund is 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** - 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.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### 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, 2016		\$	(952,205)
Building permit revenue			1,107,031
Related expenses:			
Direct costs	\$	451,038	
Estimated indirect costs		<u>67,656</u>	<u>518,694</u>
Current year surplus			<u>588,337</u>
Cumulative shortfall at December 31, 2016		\$	<u><u>(363,868)</u></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 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.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2016

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

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 \$17,719,871 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount, \$1,483,351 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.

**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. There are no investments subject to investment risk.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

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

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

Investment	Fair Value	Rating	Rating Organization
<b>Primary Government</b>			
Money market	\$ 214,013	Aa2	Moody's
Money market	85,554	A2	Moody's
Money market	11,544,080	N/A	Not rated

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

### Note 4 - Fair Value Measurement

The Charter Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Charter Township's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Charter Township has the following recurring fair value measurements as of December 31, 2016:

- Publicly traded stocks of \$188,953 are valued using quoted market prices (Level 1 inputs).
- Michigan CLASS Pooled Account in the amount of \$1,544,104 is valued at net asset value (NAV).

#### Investments in Entities that Calculate Net Asset Value per Share

The Charter Township holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.



# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 4 - Fair Value Measurement (Continued)

At December 31, 2016, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Michigan CLASS Pooled Account	\$ 1,544,104	\$ -	None	None

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs to Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

### Note 5 - Deferred Inflows and Deferred Outflows of Resources

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

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Property taxes levied for 2017 operations	\$ 7,972,615	\$ 7,972,615
Solid waste charges billed for 2017 operations	1,346,791	1,346,791
Special assessments - Unavailable	639,664	-
Delinquent property taxes - Unavailable	41,770	-
Deferred inflows related to pensions	-	19,297
Total deferred inflows	<u>\$ 10,000,840</u>	<u>\$ 9,338,703</u>

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

	<u>Governmental Funds</u>	<u>Governmental Activities</u>
Taxes collected and remitted to the Grand Blanc Fire Authority	\$ 241,435	\$ 241,435
Deferred outflows related to pensions	-	2,939,042
Total deferred outflows	<u>\$ 241,435</u>	<u>\$ 3,180,477</u>

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 6 - Capital Assets

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

	Balance January 1, 2016	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2016
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land and land improvements	\$ 1,948,097	\$ -	\$ -	\$ -	\$ 1,948,097
Construction in progress	50,550	(71,575)	223,123	-	202,098
Subtotal	1,998,647	(71,575)	223,123	-	2,150,195
Capital assets being depreciated:					
Buildings and improvements	18,089,006	71,575	-	-	18,160,581
Vehicles	893,959	-	40,836	(139,063)	795,732
Furniture and equipment	2,424,464	-	21,033	(273,764)	2,171,733
Infrastructure	5,694,713	-	-	-	5,694,713
Subtotal	27,102,142	71,575	61,869	(412,827)	26,822,759
Accumulated depreciation:					
Buildings and improvements	5,390,196	-	462,545	-	5,852,741
Vehicles	748,192	-	95,247	(139,063)	704,376
Furniture and equipment	2,002,376	-	111,213	(273,764)	1,839,825
Infrastructure	3,064,917	-	244,267	-	3,309,184
Subtotal	11,205,681	-	913,272	(412,827)	11,706,126
Net capital assets being depreciated	15,896,461	71,575	(851,403)	-	15,116,633
Net capital assets	\$ 17,895,108	\$ -	\$ (628,280)	\$ -	\$ 17,266,828
<b>Business-type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 257,430	\$ -	\$ -	\$ -	\$ 257,430
Construction in progress	315,485	(577,512)	638,089	-	376,062
Subtotal	572,915	(577,512)	638,089	-	633,492
Capital assets being depreciated:					
Water and sewer distribution systems	105,614,337	577,512	671,224	(141,139)	106,721,934
Buildings and improvements	1,800,448	-	-	-	1,800,448
Vehicles	1,722,274	-	242,348	(62,479)	1,902,143
Furniture and equipment	1,897,428	-	10,800	-	1,908,228
Subtotal	111,034,487	577,512	924,372	(203,618)	112,332,753
Accumulated depreciation:					
Water and sewer distribution systems	28,278,928	262,812	1,632,770	(141,139)	30,033,371
Buildings and improvements	385,685	-	36,836	-	422,521
Vehicles	1,403,254	(262,812)	167,495	(62,479)	1,245,458
Furniture and equipment	1,409,897	-	82,694	-	1,492,591
Subtotal	31,477,764	-	1,919,795	(203,618)	33,193,941
Net capital assets being depreciated	79,556,723	577,512	(995,423)	-	79,138,812
Net capital assets	\$ 80,129,638	\$ -	\$ (357,334)	\$ -	\$ 79,772,304

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 6 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 357,232
Public safety	418,540
Public works	4,977
Recreation and culture	132,523

Total governmental activities	<u>\$ 913,272</u>
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Business-type activities - Water and sewer	<u>\$ 1,919,765</u>
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### Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from Other Funds</b>		
Department of Public Works Fund	General Fund	\$ 5,056
Nonmajor governmental funds	General Fund	297,651
Bicentennial Park Fund	Nonmajor governmental fund - Capital Projects Fund	3,968
	Total	<u>\$ 306,675</u>

The balance owed from the General Fund to the nonmajor governmental funds represents transfers due for capital projects, as well as distribution of interest earned and recorded in the General Fund to be transferred to the funds that hold the cash. 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	\$ 807,699
	Capital Projects Fund	294,500
	Total General Fund	<u>\$ 1,102,199</u>

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 7 - 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.

### **Note 8 - 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 (subsequently refunded in 2015) were used to finance the construction of the Grand Blanc Township Police Department building. The special assessment obligations represent the financing of road improvements done by the Genesee County Road Commission (the "Road Commission") that benefit certain districts within the Charter Township; these districts are assessed, at least in part, for the cost of the improvements. The remaining cost is split between the Road Commission and the Charter Township. The Charter Township funds its portion of the cost annually from General Fund revenue. No additional funds have been set aside for the future payment of this debt. Other long-term obligations include compensated absences. The General Fund and the Enterprise Fund pay obligations related to compensated absences.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 8 - 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
<b>Governmental Activities</b>							
General obligation limited tax bonds - 2006 Capital Improvement Bonds Amount of issue:	4.125% -						
\$10,800,000	5.00%	\$300,000	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -
General obligation limited tax refunding bonds, Series 2015 Amount of issue: \$7,710,000 Maturing through 2031 Premium on bonds payable	3.00% - 4.00%	\$365,000 - \$605,000	7,710,000 621,492	- -	- 40,754	7,710,000 580,738	370,000 -
Special assessment bonds - 2010 Holly Springs Bond Amount of issue: \$535,000 Maturing through 2020	1.70% - 4.15%	\$53,000 - \$54,000	270,000	-	55,000	215,000	54,000
Special assessment bonds - 2012 Water Edge Bond Amount of issue: \$350,000 Maturing through 2022	2.00%	\$35,000 - \$36,000	251,000	-	37,000	214,000	36,000
Special assessment bonds - 2013 Braemoor Road Bond Amount of issue: \$742,000 Maturing through 2023	.65% - 3.25%	\$77,000 - \$154,000	616,000	-	77,000	539,000	77,000
Special assessment bonds - 2015 Sandalwood Road Bond Amount of issue: \$149,000 Maturing through 2025	1.75%	\$12,000 - \$16,000	149,000	-	12,000	137,000	16,000
Other governmental obligations - Special assessment at large road districts of the Genesee County Road Commission Amount of issue: \$1,818,818 Maturing through 2018	3.9% - 4.87%	\$72,600 - \$170,285	393,010	-	164,283	228,727	164,283
Total bonds payable			10,310,502	-	686,037	9,624,465	717,283
Accumulated compensated absences			228,297	741,023	742,990	226,330	226,330
Total governmental activities			\$ 10,538,799	\$ 741,023	\$ 1,429,027	\$ 9,850,795	\$ 943,613

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 8 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>							
Limited Tax - General Obligation - 2011 Sanitary Sewer System SWQIF Bonds Amount of issue: \$540,000, of which \$236,288 has been drawn down Maturing through 2033	2.5%	\$10,000 - \$15,000	\$ 226,288	\$ -	\$ 10,000	\$ 216,288	\$ 10,000
Accumulated compensated absences			25,923	160,684	160,115	26,492	26,492
Total business-type activities			\$ 252,211	\$ 160,684	\$ 170,115	\$ 242,780	\$ 36,492

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

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 717,283	\$ 294,811	\$ 1,012,094	\$ 10,000	\$ 5,407	\$ 15,407
2018	612,444	273,548	885,992	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	572,000	217,758	789,758	10,000	4,407	14,407
2022-2026	3,024,000	817,239	3,841,239	60,000	18,160	78,160
2027-2031	2,845,000	280,900	3,125,900	75,000	9,536	84,536
2032-2033	-	-	-	31,288	1,189	32,477
Total	\$ 9,043,727	\$ 2,373,305	\$ 11,417,032	\$ 216,288	\$ 53,420	\$ 269,708

For the year ended December 31, 2016, interest expense was \$298,814.

### Note 9 - Property Tax Revenue

The Charter Township's governmental funds recognize the December 1, 2015 property tax levy as revenue for the year ended December 31, 2016. 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	\$ 4,480,000
.70 mills - Master campus project	814,000
Police millage - .9104 mills - Voted millage for police	1,059,000
Fire millage - .4987 mills - Voted millage for fire	580,000
Mosquito millage - .1700 mills - Charter limit of 5.0 mills	198,000
Act 198/255 taxes and administration fees	504,000

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 9 - Property Tax Revenue (Continued)**

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2015 was approximately \$1,162,559,000.

The police and fire millages raised less revenue than expenditures. To date, the mosquito millage has raised \$23,736 more revenue than expenditures. As a result, \$23,736 of the fund balance was restricted in the General Fund as of December 31, 2016.

### **Note 10 - Risk Management**

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

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

### **Note 11 - Defined Contribution Pension Plan**

The Charter Township provides pension benefits to all of its full-time employees (except police personnel, who are covered by a defined benefit plan effective January 1, 1993) through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate 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 \$214,063 during the current year and there was no employee contribution.

During the first nine months of the year, the Township's defined contribution plan was administered by the Charter Township and was presented as a trust fund. Beginning in October 2016, the Township transferred approximately \$5.6 million of assets to Michigan Municipal Employees Retirement System (MERS or the "System"), a single-employer defined contribution plan. The new System has taken over fiduciary responsibility, managing the assets of the defined contribution plan and providing benefits to plan members.

# Charter Township of Grand Blanc

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## Notes to Financial Statements December 31, 2016

### Note 12 - Agent Defined Benefit Pension Plan Description

**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](http://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 amends 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.

Retirement benefits for closed bargaining unit (BU) employees are calculated as 2.00 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.

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.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the city council, generally after negotiations of these terms with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.



# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 12 - Agent Defined Benefit Pension Plan Description (Continued)

**Employees Covered by Benefit Terms** - At the December 31, 2015 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	<u>46</u>
Total employees covered by MERS	<u><u>69</u></u>

**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 8.25 percent of compensation. The Charter Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Charter Township's current rate is 20.25 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 Charter Township makes employer contributions in accordance with funding requirements determined by the System's actuary. The Charter Township's current flat rate is \$24,199 per month.

#### **Net Pension Liability**

The net pension liability reported at December 31, 2016 was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 12 - Agent Defined Benefit Pension Plan Description (Continued)

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
<b>Balance at December 31, 2014</b>	<b>\$ 18,548,322</b>	<b>\$ 10,823,944</b>	<b>\$ 7,724,378</b>
Service cost	444,281	-	444,281
Interest	1,515,063	-	1,515,063
Changes in benefits	(40,553)	-	(40,553)
Differences between expected and actual experience	(22,513)	-	(22,513)
Changes in assumptions	846,845	-	846,845
Contributions - Employer	-	791,064	(791,064)
Contributions - Employee	-	240,707	(240,707)
Net investment income	-	(168,003)	168,003
Benefit payments, including refunds	(812,129)	(812,129)	-
Administrative expenses	-	(24,029)	24,029
Net changes	<u>1,930,994</u>	<u>27,610</u>	<u>1,903,384</u>
<b>Balance at December 31, 2015</b>	<b><u>\$ 20,479,316</u></b>	<b><u>\$ 10,851,554</u></b>	<b><u>\$ 9,627,762</u></b>

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

For the year ended December 31, 2016, the Charter Township recognized pension expense of \$1,171,996. At December 31, 2016, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 19,297
Changes in assumptions	725,868	-
Net difference between projected and actual earnings on pension plan investments	973,304	-
Employer contributions to the plan subsequent to the measurement date	<u>1,239,870</u>	<u>-</u>
Total	<u><u>\$ 2,939,042</u></u>	<u><u>\$ 19,297</u></u>

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 12 - Agent Defined Benefit Pension Plan Description (Continued)

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

<u>Years Ending December 31</u>	<u>Amount</u>
2017	\$ 370,927
2018	370,927
2019	370,927
2020	331,571
2021	117,762
Thereafter	117,761

**Actuarial Assumptions** - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% With merit increases totaling up to 11%, for a total of 3.75% - 14.75%
Investment rate of return	8.0% Net of pension plan investment expense, including inflation

Mortality rates were based on the 50 percent male, 50 percent female blend of the RP-2014 Healthy Annuitant, with rates multiplied by 105 percent, RP-2014 Employee Mortality Tables, and RP-2014 Juvenile Mortality Tables.

The actuarial assumptions used in the December 31, 2015 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 8.0 percent, a decrease from last year of 0.25 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.

### 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.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 12 - Agent Defined Benefit Pension Plan Description (Continued)

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, 2015, 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 %	2.18 %
Real assets	13 %	4.23 %
Diversifying strategies	10 %	6.56 %

**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 8.00 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 (7.00 percent) or 1 percentage point higher (9.00 percent) than the current rate:

	1 Percent Decrease (7.00%)	Current Discount Rate (8.00%)	1 Percent Increase (9.00%)
Net pension liability of the Charter Township	\$ 12,749,550	\$ 9,627,762	\$ 7,077,348

**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.

# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 13 - 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 \$170,717 for its operations. The Charter Township has no equity interest in the Grand Blanc Parks and Recreation Commission at December 31, 2016. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Parks and Recreation Commission can be obtained from the administrative offices at 131 East Grand Blanc Road, Grand Blanc, MI 48439.

The Charter Township is a member of the Grand Blanc Fire Commission, which provides fire protection services to the residents of the Charter Township and the City of Grand Blanc. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$526,300 for its operations, plus an additional \$573,973 from the dedicated millage and \$15,901 for essential services reimbursement. The Charter Township has no equity interest in the Grand Blanc Fire Commission at December 31, 2016. 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 14 - 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, 2016.

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 15 - Other Postemployment Benefits

During the first two months of the year, the Township's plan was administered by the Township. Beginning in March 2016, the Township transferred approximately \$5.2 million of assets to the Michigan Municipal Employees Retirement System Retiree Health Funding Vehicle (MERS or the "System"). The new System will manage the Township's assets and has assumed fiduciary responsibility.

**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.

**Funding Progress** - For the year ended December 31, 2016, 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)	\$ 3,029,816
Interest on the prior year's net OPEB obligation	283,151
Less adjustment to the annual required contribution	<u>(218,201)</u>
Annual OPEB cost	3,094,766
Amounts contributed:	
Payments of current premiums	(708,395)
Advance funding	<u>(811,826)</u>
Increase in net OPEB obligation	1,574,545
OPEB obligation - Beginning of year	<u>5,663,027</u>
OPEB obligation - End of year	<u>\$ 7,237,572</u>

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 15 - Other Postemployment Benefits (Continued)

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
12/31/14	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
12/31/16	12/31/14	3,094,766	49.1	7,237,572

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)*	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
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

\* 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

# Charter Township of Grand Blanc

## Notes to Financial Statements December 31, 2016

### Note 15 - Other Postemployment Benefits (Continued)

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.

### Note 16 - Pension and Other Employee Benefit Trust Funds

The following is a condensed financial statement for the Charter Township's defined contribution pension plan (see Note 11) and the postemployment healthcare plan (see Note 15). The plans do not issue separate financial statements.

	Pension Trust	Employee Benefits	Total
<b><u>Statement of Changes in Net Position</u></b>			
Investment income	\$ 478,018	\$ 3,950	\$ 481,968
Contributions	214,063	-	214,063
Transfer to MERS	(5,609,333)	(5,222,950)	(10,832,283)
Benefit payments	(61,091)	-	(61,091)
Other decreases	(11,160)	-	(11,160)
Net change in net position	<u>\$ (4,989,503)</u>	<u>\$ (5,219,000)</u>	<u>\$ (10,208,503)</u>



# **Charter Township of Grand Blanc**

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## **Notes to Financial Statements December 31, 2016**

### **Note 17 - Upcoming Accounting Pronouncements**

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans, whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive footnote disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Charter Township will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The Charter Township is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016 whereas GASB Statement No. 75 is effective one year later.

## **Required Supplemental Information**

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## **General Fund**

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The General Fund contains the records of the ordinary activities of the Charter Township that are not accounted for in another fund. General Fund activities are funded by revenue from state-shared revenue, general property taxes, and other sources. The schedule comparing revenue and expenditures - budgetary comparison schedule - compares the activity in the 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, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 7,826,729	\$ 7,871,729	\$ 7,668,863	\$ (202,866)
Licenses and permits	771,250	1,078,250	1,154,306	76,056
Federal sources	78,160	78,160	126,818	48,658
State sources	3,108,876	3,108,876	3,333,665	224,789
Fines and forfeitures	85,000	85,000	107,229	22,229
Investment income	20,700	20,700	33,372	12,672
Other revenue:				
Special assessments	430,000	482,000	487,634	5,634
Local donations	-	-	2,272	2,272
Cable franchise fees	625,000	625,000	670,335	45,335
Other miscellaneous income	953,710	968,710	990,366	21,656
<b>Total revenue</b>	<b>13,899,425</b>	<b>14,318,425</b>	<b>14,574,860</b>	<b>256,435</b>
<b>Expenditures - Current</b>				
General government:				
Legislative	195,960	195,880	192,507	3,373
Supervisor's office	219,605	219,605	192,496	27,109
General office	532,946	532,946	484,123	48,823
GIS/IT	403,223	403,223	375,271	27,952
Treasurer's office	385,857	385,857	372,755	13,102
Assessor's office	463,252	466,527	433,579	32,948
Clerk's office	218,828	232,968	222,507	10,461
Elections	88,350	88,350	73,055	15,295
Buildings and grounds	155,400	155,400	129,572	25,828
Legal and attorney	153,000	153,000	101,559	51,441
Planning and zoning	124,875	170,875	154,987	15,888
Insurance and other functions	61,826	561,826	561,826	-
<b>Total general government</b>	<b>3,003,122</b>	<b>3,566,457</b>	<b>3,294,237</b>	<b>272,220</b>
Public safety	8,749,267	9,079,018	8,518,451	560,567
Public works	756,337	756,337	670,974	85,363
Recreation and culture - Parks and recreation	218,217	218,217	218,217	-
Debt service	396,002	411,002	389,957	21,045
<b>Total expenditures</b>	<b>13,122,945</b>	<b>14,031,031</b>	<b>13,091,836</b>	<b>939,195</b>
<b>Excess of Revenue Over Expenditures</b>	<b>776,480</b>	<b>287,394</b>	<b>1,483,024</b>	<b>1,195,630</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	5,000	5,000	9,213	4,213
Transfers out	(781,480)	(1,306,500)	(1,102,199)	204,301
<b>Total other financing uses</b>	<b>(776,480)</b>	<b>(1,301,500)</b>	<b>(1,092,986)</b>	<b>208,514</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(1,014,106)</b>	<b>390,038</b>	<b>1,404,144</b>
<b>Fund Balance - Beginning of year</b>	<b>3,523,904</b>	<b>3,523,904</b>	<b>3,523,904</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 3,523,904</b>	<b>\$ 2,509,798</b>	<b>\$ 3,913,942</b>	<b>\$ 1,404,144</b>

## **Major Special Revenue Fund**

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

# Charter Township of Grand Blanc

## Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Solid Waste Fund Year Ended December 31, 2016

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Charges for services	\$ 1,402,500	\$ 1,402,500	\$ 1,195,513	\$ (206,987)
Investment income	500	500	231	(269)
Total revenue	1,403,000	1,403,000	1,195,744	(207,256)
<b>Expenditures</b> - Current - Rubbish disposal	1,403,000	1,403,000	1,330,623	72,377
<b>Net Change in Fund Balance</b>	-	-	(134,879)	(134,879)
<b>Fund Balance</b> - Beginning of year	325,611	325,611	325,611	-
<b>Fund Balance</b> - End of year	<u>\$ 325,611</u>	<u>\$ 325,611</u>	<u>\$ 190,732</u>	<u>\$ (134,879)</u>

# **Charter Township of Grand Blanc**

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## **Note to Required Supplemental Information Year Ended December 31, 2016**

**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, 2016 is not significant. Unexpended appropriations lapse at year end.

**Excess of Expenditures Over Appropriations in Budgeted Funds** - During the year, the Charter Township had no expenditures over appropriations.

# Charter Township of Grand Blanc

## Required Supplemental Information Schedule of Funding Progress - OPEB Year Ended December 31, 2016

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of		Unfunded AAL		Funded Ratio (Percent) (a/b)
	Assets (a)	Actuarial Accrued Liability (AAL) (b)	(UAAL) (b-a)		
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		Percentage Contributed
		Required Contribution *		
12/31/14	12/31/11	\$ 1,137,910		85.6
12/31/15	12/31/14	2,924,453		43.9
12/31/16	12/31/14	3,029,816		50.2

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, Measurement Date, Prospectively Built  
from 2014**

	2015	2014
<b>Total Pension Liability</b>		
Service cost	\$ 444,281	\$ 417,196
Interest	1,515,063	1,428,077
Changes in benefit terms	(40,553)	-
Differences between expected and actual experience	(22,513)	-
Changes in assumptions	846,845	-
Benefit payments, including refunds	(812,129)	(796,761)
<b>Net Change in Total Pension Liability</b>	<b>1,930,994</b>	<b>1,048,512</b>
<b>Total Pension Liability - Beginning of year</b>	<b>18,548,322</b>	<b>17,499,810</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 20,479,316</b>	<b>\$ 18,548,322</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 791,064	\$ 790,503
Contributions - Member	240,707	220,671
Net investment income	(168,003)	635,862
Administrative expenses	(24,029)	(23,476)
Benefit payments, including refunds	(812,129)	(796,762)
Other	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>27,610</b>	<b>826,798</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>10,823,944</b>	<b>9,997,146</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 10,851,554</b>	<b>\$ 10,823,944</b>
<b>Charter Township's Net Pension Liability - Ending</b>	<b>\$ 9,627,762</b>	<b>\$ 7,724,378</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>52.99 %</b>	<b>58.36 %</b>
<b>Covered Employee Payroll</b>	<b>\$ 3,032,637</b>	<b>\$ 2,847,756</b>
<b>Charter Township's Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>317.5 %</b>	<b>271.2 %</b>

# Charter Township of Grand Blanc

## Required Supplemental Information Schedule of Pension Contributions Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 893,011	\$ 791,064	\$ 738,228	\$ 708,629	\$ 663,925	\$ 569,994	\$ 573,243	\$ 635,636	\$ 566,886	\$ 534,688
Contributions in relation to the actuarially determined contribution	1,239,870	791,064	738,228	708,629	663,925	569,994	573,243	635,636	566,886	534,688
Contribution deficiency (excess)	<u>\$ (346,859)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,032,637	\$ 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
Contributions as a percentage of covered employee payroll	40.9 %	27.8 %	27.4 %	25.3 %	24.6 %	21.3 %	18.5 %	20.5 %	18.1 %	18.2 %

### 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, 2016 were determined based on the actuarial valuation as of December 31, 2014. The most recent valuation is as of December 31, 2015.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	23 years
Asset valuation method	10-year smoothed market
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	2014 Healthy Annuitant, Employee, and Juvenile Mortality Tables of a 50 percent male and 50 percent female blend
Other information	None

## **Other Supplemental Information**

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# Charter Township of Grand Blanc

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## Other Supplemental Information Nonmajor Governmental 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 Fund** - 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

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## **Other Supplemental Information Nonmajor Governmental 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
<b>Assets</b>					
Cash and cash equivalents	\$ 49,264	\$ 10,043	\$ 39,562	\$ 101,364	\$ -
Investments	-	-	-	-	-
Receivables	-	-	-	8,847	-
Due from other funds	372	78	294	717	-
Total assets	<u>\$ 49,636</u>	<u>\$ 10,121</u>	<u>\$ 39,856</u>	<u>\$ 110,928</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
<b>Fund Balances</b>					
Nonspendable - Cemetery endowment	-	-	-	-	-
Restricted:					
Public safety	49,636	10,121	39,856	-	-
PEG channel	-	-	-	110,928	-
Cemetery	-	-	-	-	-
Committed - Bicentennial Park improvements	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balances	<u>49,636</u>	<u>10,121</u>	<u>39,856</u>	<u>110,928</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 49,636</u>	<u>\$ 10,121</u>	<u>\$ 39,856</u>	<u>\$ 110,928</u>	<u>\$ -</u>

**Other Supplemental Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2016**

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	
\$ 88	\$ 17,932	\$ 3,920	\$ 5,027	\$ 56,792	\$ 21,004	\$ 304,996
2,443,620	2,018,191	-	56,043	135,917	106,997	4,760,768
6,044	52,709	-	159	638	304	68,701
-	296,050	4,108	-	-	-	301,619
<b>\$ 2,449,752</b>	<b>\$ 2,384,882</b>	<b>\$ 8,028</b>	<b>\$ 61,229</b>	<b>\$ 193,347</b>	<b>\$ 128,305</b>	<b>\$ 5,436,084</b>
\$ -	\$ 194,187	\$ 2,500	\$ -	\$ -	\$ -	\$ 196,687
-	3,968	-	-	-	-	3,968
-	198,155	2,500	-	-	-	200,655
-	-	-	14,459	135,917	24,253	174,629
-	-	-	-	-	-	99,613
-	-	-	-	-	-	110,928
-	-	-	46,770	57,430	104,052	208,252
-	-	5,528	-	-	-	5,528
-	2,186,727	-	-	-	-	2,186,727
2,449,752	-	-	-	-	-	2,449,752
2,449,752	2,186,727	5,528	61,229	193,347	128,305	5,235,429
<b>\$ 2,449,752</b>	<b>\$ 2,384,882</b>	<b>\$ 8,028</b>	<b>\$ 61,229</b>	<b>\$ 193,347</b>	<b>\$ 128,305</b>	<b>\$ 5,436,084</b>

# Charter Township of Grand Blanc

	Special Revenue Funds					Debt Service Fund
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	CDBG	Master Campus Project Fund
<b>Revenue</b>						
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 11,742	\$ -
State-shared revenue and grants	-	-	-	-	-	-
Fines and forfeitures	18,189	-	5,618	-	-	-
Investment income	372	78	294	717	-	9,957
Other revenue	-	-	-	35,608	-	-
Total revenue	18,561	78	5,912	36,325	11,742	9,957
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	8,312	-	-	-	-	-
Community and economic development	-	-	-	-	11,742	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	553,500
Total expenditures	8,312	-	-	-	11,742	553,500
<b>Excess of Revenue Over (Under) Expenditures</b>	10,249	78	5,912	36,325	-	(543,543)
<b>Other Financing Sources -</b>						
Transfers in	-	-	-	-	-	807,699
<b>Net Change in Fund Balances</b>	10,249	78	5,912	36,325	-	264,156
<b>Fund Balances - Beginning of year</b>	39,387	10,043	33,944	74,603	-	2,185,596
<b>Fund Balances - End of year</b>	<u>\$ 49,636</u>	<u>\$ 10,121</u>	<u>\$ 39,856</u>	<u>\$ 110,928</u>	<u>\$ -</u>	<u>\$ 2,449,752</u>



**Other Supplemental Information**  
**Combining Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2016**

Capital Projects Fund		Permanent Funds			Total
Capital Projects Fund	Bicentennial Park Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,742
18,298	-	-	-	-	18,298
-	-	-	-	-	23,807
-	141	3,591	11,752	5,336	32,238
20,000	24,000	-	2,000	800	82,408
38,298	24,141	3,591	13,752	6,136	168,493
-	-	-	-	109	109
-	-	-	-	-	8,312
-	-	-	-	-	11,742
-	23,300	-	-	-	23,300
348,352	-	-	-	-	348,352
-	-	-	-	-	553,500
348,352	23,300	-	-	109	945,315
(310,054)	841	3,591	13,752	6,027	(776,822)
294,500	-	-	-	-	1,102,199
(15,554)	841	3,591	13,752	6,027	325,377
2,202,281	4,687	57,638	179,595	122,278	4,910,052
<b>\$ 2,186,727</b>	<b>\$ 5,528</b>	<b>\$ 61,229</b>	<b>\$ 193,347</b>	<b>\$ 128,305</b>	<b>\$ 5,235,429</b>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Drug Forfeiture Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b>				
Fines and forfeitures	\$ 7,336	\$ 5,000	\$ 18,189	\$ 13,189
Investment income	-	-	372	372
Total revenue	7,336	5,000	18,561	13,561
<b>Expenditures - Public safety</b>	34,902	20,000	8,312	11,688
<b>Net Change in Fund Balance</b>	(27,566)	(15,000)	10,249	25,249
<b>Fund Balance - Beginning of year</b>	66,953	39,387	39,387	-
<b>Fund Balance - End of year</b>	<u>\$ 39,387</u>	<u>\$ 24,387</u>	<u>\$ 49,636</u>	<u>\$ 25,249</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Law Enforcement Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b> - Investment income	\$ -	\$ -	\$ 78	\$ 78
<b>Net Change in Fund Balance</b>	-	-	78	78
<b>Fund Balance</b> - Beginning of year	10,043	10,043	10,043	-
<b>Fund Balance</b> - End of year	<u>\$ 10,043</u>	<u>\$ 10,043</u>	<u>\$ 10,121</u>	<u>\$ 78</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Federal Equitable Sharing Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b>				
Fines and forfeitures	\$ -	\$ 5,000	\$ 5,618	\$ 618
Investment income	130	-	294	294
Total revenue	130	5,000	5,912	912
<b>Net Change in Fund Balance</b>	130	5,000	5,912	912
<b>Fund Balance</b> - Beginning of year	33,814	33,944	33,944	-
<b>Fund Balance</b> - End of year	<u>\$ 33,944</u>	<u>\$ 38,944</u>	<u>\$ 39,856</u>	<u>\$ 912</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - PEG Channel Grant Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b>				
PEG contributions	\$ 36,608	\$ 36,000	\$ 35,608	\$ (392)
Investment income	-	-	717	717
Total revenue	36,608	36,000	36,325	325
<b>Fund Balance - Beginning of year</b>	37,995	74,603	74,603	-
<b>Fund Balance - End of year</b>	<u>\$ 74,603</u>	<u>\$ 110,603</u>	<u>\$ 110,928</u>	<u>\$ 325</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - CDBG Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b> - Federal sources	\$ 91,491	\$ 170,000	\$ 11,742	\$ (158,258)
<b>Expenditures</b> - Current - Community and economic development	108,031	170,000	11,742	158,258
<b>Excess of Expenditures Over Revenue</b>	(16,540)	-	-	-
<b>Other Financing Sources</b> - Transfers in	16,540	-	-	-
<b>Fund Balance</b> - Beginning of year	-	-	-	-
<b>Fund Balance</b> - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Master Campus Project Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b> - Investment income	\$ 4,301	\$ 4,500	\$ 9,957	\$ 5,457
<b>Expenditures</b>				
Bond issuance costs	140,225	-	-	-
Debt service				
Principal	300,000	400,000	300,000	100,000
Interest on long-term debt	419,375	397,075	253,500	143,575
Total expenditures	859,600	797,075	553,500	243,575
<b>Excess of Expenditures Over Revenue</b>	(855,299)	(792,575)	(543,543)	249,032
<b>Other Financing Sources (Uses)</b>				
Face value of debt issue	7,710,000	-	-	-
Debt premium or discount	628,283	-	-	-
Transfers in	788,095	781,480	807,699	26,219
Payment to bond refunding escrow agent	(9,193,170)	-	-	-
Total other financing (uses) sources	(66,792)	781,480	807,699	26,219
<b>Net Change in Fund Balance</b>	(922,091)	(11,095)	264,156	275,251
<b>Fund Balance</b> - Beginning of year	3,107,687	2,185,596	2,185,596	-
<b>Fund Balance</b> - End of year	<u>\$ 2,185,596</u>	<u>\$ 2,174,501</u>	<u>\$ 2,449,752</u>	<u>\$ 275,251</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Capital Projects Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b>				
State grants	\$ 13,010	\$ 13,000	\$ 18,298	\$ 5,298
Other revenue	20,670	24,000	20,000	(4,000)
Total revenue	33,680	37,000	38,298	1,298
<b>Expenditures - Capital outlay</b>	316,042	493,500	348,352	145,148
<b>Excess of Expenditures Over Revenue</b>	(282,362)	(456,500)	(310,054)	146,446
<b>Proceeds from Sale of Capital Assets</b>	10,996	12,000	-	(12,000)
<b>Other Financing Sources (Uses)</b>				
Transfers in	40,000	494,500	294,500	(200,000)
Transfers out	(16,540)	-	-	-
<b>Net Change in Fund Balance</b>	(247,906)	50,000	(15,554)	(65,554)
<b>Fund Balance - Beginning of year</b>	2,450,187	2,202,281	2,202,281	-
<b>Fund Balance - End of year</b>	<u>\$ 2,202,281</u>	<u>\$ 2,252,281</u>	<u>\$ 2,186,727</u>	<u>\$ (65,554)</u>



# Charter Township of Grand Blanc

## Other Supplemental Information Nonmajor Governmental Fund - Bicentennial Park Fund Budgetary Comparison Year Ended December 31, 2016

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget
<b>Revenue</b>				
Rental income	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Investment income	-	-	141	141
Total revenue	24,000	24,000	24,141	141
<b>Expenditures</b>				
Parks and recreation	20,000	24,000	23,300	700
Capital outlay	20,000	-	-	-
Total expenditures	40,000	24,000	23,300	700
<b>Net Change in Fund Balance</b>	(16,000)	-	841	841
<b>Fund Balance - Beginning of year</b>	20,687	4,687	4,687	-
<b>Fund Balance - End of year</b>	<u>\$ 4,687</u>	<u>\$ 4,687</u>	<u>\$ 5,528</u>	<u>\$ 841</u>

## **Fiduciary Funds**

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

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

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

The Pension Trust and Employee Benefits funds were closed in the current year with the transfer to the Michigan Municipal Employees Retirement System.

**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 Combining Statement of Changes in Fiduciary Net Position Pension and Other Employee Benefits Trust Funds Year Ended December 31, 2016

	Pension Trust	Employee Benefits Trust	Total
<b>Additions</b>			
Investment income:			
Interest and dividends	\$ 102,822	\$ 3,950	\$ 106,772
Net increase in fair value of investments	375,196	-	375,196
Net investment income	478,018	3,950	481,968
Contributions	214,063	-	214,063
Total additions	692,081	3,950	696,031
<b>Deductions</b>			
Benefit payments	61,091	-	61,091
Transfer to MERS	5,609,333	5,222,950	10,832,283
Administrative expenses	11,160	-	11,160
Total deductions	5,681,584	5,222,950	10,904,534
<b>Net Decrease in Net Position Held in Trust</b>	(4,989,503)	(5,219,000)	(10,208,503)
<b>Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year</b>	4,989,503	5,219,000	10,208,503
<b>Net Position Held in Trust for Pension and Other Employee Benefits - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Charter Township of Grand Blanc

## Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2016

	Balance at January 1, 2016	Additions	Reductions	Balance at December 31, 2016
<b>Assets</b> - Cash and investments	<u>\$ 1,178,838</u>	<u>\$ 52,849,887</u>	<u>\$ (52,892,463)</u>	<u>\$ 1,136,262</u>
<b>Liabilities</b> - Undistributed tax collections and other	<u>\$ 1,178,838</u>	<u>\$ 52,849,887</u>	<u>\$ (52,892,463)</u>	<u>\$ 1,136,262</u>

## **Statistical Section**

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# **Charter Township of Grand Blanc**

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## **Description of Statistical Section**

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

### **Contents**

#### **Financial Trends:**

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

#### **Revenue Capacity:**

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

#### **Debt Capacity:**

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

#### **Demographic Information:**

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

#### **Operating Information:**

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

### **Sources**

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

# Charter Township of Grand Blanc

	Fiscal Year			
	2007	2008	2009	2010
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 6,718,990	\$ 6,682,242	\$ 6,976,914	\$ 8,837,920
Restricted	798,720	683,180	635,810	521,165
Unrestricted	<u>5,938,999</u>	<u>4,724,292</u>	<u>3,039,134</u>	<u>4,325,796</u>
Total net position	13,456,709	12,089,714	10,651,858	13,684,881
<b>Business-type Activities</b>				
Net investment in capital assets	80,339,816	84,034,057	84,724,481	84,274,476
Unrestricted	<u>9,347,557</u>	<u>6,860,844</u>	<u>4,614,674</u>	<u>3,665,155</u>
Total net position	<u>89,687,373</u>	<u>90,894,901</u>	<u>89,339,155</u>	<u>87,939,631</u>
<b>Primary Government in Total</b>				
Net investment in capital assets	87,058,806	90,716,299	91,701,395	93,112,396
Restricted	798,720	683,180	635,810	521,165
Unrestricted	<u>15,286,556</u>	<u>11,585,136</u>	<u>7,653,808</u>	<u>7,990,951</u>
Total net position	<u><b>\$ 103,144,082</b></u>	<u><b>\$ 102,984,615</b></u>	<u><b>\$ 99,991,013</b></u>	<u><b>\$ 101,624,512</b></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					
2011	2012	2013	2014	2015	2016
\$ 8,810,747	\$ 8,566,682	\$ 8,680,561	\$ 8,203,104	\$ 9,492,098	\$ 8,747,363
610,139	592,117	679,079	760,671	909,409	854,593
4,780,135	3,258,537	2,978,935	3,530,534	(5,636,916)	(5,741,800)
14,201,021	12,417,336	12,338,575	12,494,309	4,764,591	3,860,156
82,739,063	81,289,213	80,358,963	79,866,542	79,903,350	79,556,016
4,916,438	6,318,313	8,161,044	10,584,824	12,556,998	14,477,139
87,655,501	87,607,526	88,520,007	90,451,366	92,460,348	94,033,155
91,549,810	89,855,895	89,039,524	88,069,646	89,395,448	88,303,379
610,139	592,117	679,079	760,671	909,409	854,593
9,696,573	9,576,850	11,139,979	14,115,358	6,920,082	8,735,339
<u>\$ 101,856,522</u>	<u>\$ 100,024,862</u>	<u>\$ 100,858,582</u>	<u>\$ 102,945,675</u>	<u>\$ 97,224,939</u>	<u>\$ 97,893,311</u>



# Charter Township of Grand Blanc

	Fiscal Year Ended December 31			
	2007	2008	2009	2010
<b>Expenses</b>				
General government	\$ 2,715,114	\$ 3,328,975	\$ 3,924,053	\$ 2,846,619
Public safety	7,974,790	8,353,459	8,111,389	7,859,301
Public services	2,007,753	2,468,866	1,895,558	3,131,284
Community and economic development	432,944	402,485	430,874	177,831
Recreation and culture	345,344	406,377	293,441	368,414
Interest on long-term debt	484,127	491,165	467,876	465,058
Total governmental activities	13,960,072	15,451,327	15,123,191	14,848,507
<b>Program Revenue</b>				
Charges for services:				
General government	74,001	159,175	367,266	504,225
Public safety	1,199,517	592,056	414,235	447,439
Public services	1,134,598	1,161,807	1,333,850	1,437,568
Community and economic development	33,135	26,204	23,848	23,933
Recreation and culture	118,096	16,560	16,560	18,837
Total charges for services	2,559,347	1,955,802	2,155,759	2,432,002
Operating grants and contributions	358,543	436,751	239,948	216,394
Capital grants and contributions	-	16,762	315,004	752,721
Total program revenue	2,917,890	2,409,315	2,710,711	3,401,117
<b>Net Expense</b>	(11,042,182)	(13,042,012)	(12,412,480)	(11,447,390)
<b>General Revenue</b>				
Property taxes	8,120,917	8,505,344	8,422,105	8,357,695
State-shared revenue	2,288,035	2,220,797	1,915,708	1,909,593
Unrestricted investment earnings	1,016,079	509,379	166,926	70,995
Unrestricted fees and other	91,748	439,497	469,885	520,649
Total general revenue	11,516,779	11,675,017	10,974,624	10,858,932
<b>Total Change in Net Position</b>	474,597	(1,366,995)	(1,437,856)	(588,458)
<b>Net Position - Beginning of year</b>	12,982,112	13,456,709	12,089,714	14,273,339
<b>Net Position - End of year</b>	<u>\$ 13,456,709</u>	<u>\$ 12,089,714</u>	<u>\$ 10,651,858</u>	<u>\$ 13,684,881</u>

**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.

## Financial Trend Information

### Changes in Governmental Net Position

Fiscal Year Ended December 31					
2011	2012	2013	2014	2015	2016
\$ 2,922,201	\$ 2,790,711	\$ 2,460,297	\$ 2,745,106	\$ 3,502,152	\$ 3,943,043
7,887,239	8,194,852	8,622,129	8,236,466	9,487,970	9,778,628
1,847,059	2,418,588	2,327,558	2,110,008	2,247,743	2,001,597
181,727	148,055	91,969	102,656	108,031	11,742
360,374	376,043	593,346	412,919	405,378	400,615
508,282	520,386	539,785	627,123	597,971	275,219
13,706,882	14,448,635	14,635,084	14,234,278	16,349,245	16,410,844
254,420	227,186	205,498	229,012	21,292	17,820
503,752	572,524	832,500	999,165	1,172,981	1,229,558
1,593,016	1,648,615	1,691,529	1,679,494	1,701,853	1,468,084
20,680	20,157	20,408	37,335	71,876	37,964
19,094	23,587	24,000	24,000	-	-
2,390,962	2,492,069	2,773,935	2,969,006	2,968,002	2,753,426
323,725	264,468	304,043	234,262	177,716	505,373
99,647	522,242	798,954	85,190	343,531	62,013
2,814,334	3,278,779	3,876,932	3,288,458	3,489,249	3,320,812
(10,892,548)	(11,169,856)	(10,758,152)	(10,945,820)	(12,859,996)	(13,090,032)
7,898,025	7,416,001	7,228,532	7,380,963	7,429,486	7,666,286
2,904,697	2,734,929	2,788,329	2,915,367	2,917,622	2,990,718
52,783	75,323	54,804	34,627	41,785	65,841
553,183	617,895	607,726	770,597	1,453,547	1,462,752
11,408,688	10,844,148	10,679,391	11,101,554	11,842,440	12,185,597
516,140	(325,708)	(78,761)	155,734	(1,017,556)	(904,435)
13,684,881	12,743,044	12,417,336	12,338,575	5,782,147	4,764,591
<b>\$ 14,201,021</b>	<b>\$ 12,417,336</b>	<b>\$ 12,338,575</b>	<b>\$ 12,494,309</b>	<b>\$ 4,764,591</b>	<b>\$ 3,860,156</b>

# Charter Township of Grand Blanc

	Fiscal Year Ended December 31			
	2007	2008	2009	2010
<b>Expenses</b>	\$ 10,319,834	\$ 12,904,958	\$ 12,656,255	\$ 12,922,245
<b>Program Revenue</b>				
Charges for services	9,143,873	9,117,513	10,355,416	10,734,832
Operating grants and contributions	456,052	332,809	-	-
Capital grants and contributions	4,271,568	4,335,264	650,320	736,812
Total program revenue	13,871,493	13,785,586	11,005,736	11,471,644
<b>Net Revenue (Expense)</b>	3,551,659	880,628	(1,650,519)	(1,450,601)
<b>General Revenue</b>				
Property taxes	-	-	-	-
Unrestricted investment earnings	463,256	326,900	89,576	48,473
Proceeds from sale of capital assets	-	-	5,197	2,604
Transfers	-	-	-	-
Total general revenue	463,256	326,900	94,773	51,077
<b>Change in Net Position</b>	<b>\$ 4,014,915</b>	<b>\$ 1,207,528</b>	<b>\$ (1,555,746)</b>	<b>\$ (1,399,524)</b>

## Financial Trend Information

### Changes in Business-type Net Position

Fiscal Year Ended December 31					
2011	2012	2013	2014	2015	2016
\$ 12,616,223	\$ 13,107,584	\$ 12,676,397	\$ 13,264,855	\$ 14,874,331	\$ 16,669,821
11,664,319	12,547,628	12,894,664	13,938,463	15,198,010	17,043,556
-	-	-	-	-	-
602,900	468,569	653,953	1,232,285	1,630,205	1,116,224
12,267,219	13,016,197	13,548,617	15,170,748	16,828,215	18,159,780
(349,004)	(91,387)	872,220	1,905,893	1,953,884	1,489,959
-	-	-	-	-	-
36,627	43,412	40,261	25,466	32,198	55,692
28,247	-	-	-	22,900	27,156
-	-	-	-	-	-
64,874	43,412	40,261	25,466	55,098	82,848
<b>\$ (284,130)</b>	<b>\$ (47,975)</b>	<b>\$ 912,481</b>	<b>\$ 1,931,359</b>	<b>\$ 2,008,982</b>	<b>\$ 1,572,807</b>

# Charter Township of Grand Blanc

	December 31			
	2007	2008	2009	2010
<b>Fund Balances</b>				
General Fund - Unreserved/Unassigned**	\$ 1,608,985	\$ 1,682,294	\$ 1,697,320	\$ 1,823,679
All governmental funds:				
Nonspendable**:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	-	-	-	-
Reserved/Restricted**:				
Mosquito spraying	6,047	6,275	1,986	2,025
Solid waste	-	-	-	-
Public safety	10,335	396	2,353	3,831
Drug forfeiture	23,185	13,483	23,789	37,093
Cable TV activities - PEG Fund	3,088	8,232	3,088	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	498,710	448,191	361,185	215,645
Special Revenue Funds - Bicentennial Park	6,964	1,179	7,240	12,310
Capital Projects Funds	1,888,167	1,377,491	920,612	1,327,886
Master Campus Project	1,539,340	2,038,697	2,147,383	2,463,357
Civic Campus Fund	257,545	-	-	-
Debt Service Funds - Water and sewer	-	-	-	-
Permanent funds - Cemetery:				
Unexpendable	127,580	64,335	95,186	106,375
Expendable	135,822	142,268	148,223	153,101
Total all other governmental funds	<u>\$ 6,105,768</u>	<u>\$ 5,782,841</u>	<u>\$ 5,408,365</u>	<u>\$ 6,148,390</u>

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

## Financial Trend Information Fund Balances - Governmental Funds

December 31					
2011	2012	2013	2014	2015	2016
\$ 1,698,382	\$ 1,729,046	\$ 1,446,744	\$ 1,751,582	\$ 1,811,598	\$ 1,933,826
-	-	117,390	127,367	145,996	209,677
105,286	139,701	139,161	153,266	161,000	174,629
6,113	11,793	13,129	22,996	19,607	23,736
225,570	223,935	240,176	243,440	325,611	190,732
107,056	48,411	88,937	110,810	83,374	99,613
-	-	-	-	-	-
3,088	3,088	3,088	37,995	74,603	110,928
163,026	165,189	194,588	192,164	198,511	208,252
-	-	-	-	46,703	46,703
11,453	55,077	38,241	20,687	4,687	5,528
-	-	200,000	200,000	225,000	-
-	-	100,000	200,000	500,000	1,700,000
-	-	-	-	275,000	-
2,172,707	2,354,421	2,457,823	2,825,187	2,702,281	2,186,727
2,685,792	2,846,150	2,984,304	3,107,687	2,185,596	2,449,752
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	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
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	N/A	N/A	N/A
<b>\$ 7,178,473</b>	<b>\$ 7,576,811</b>	<b>\$ 8,023,581</b>	<b>\$ 8,993,181</b>	<b>\$ 8,759,567</b>	<b>\$ 9,340,103</b>

# Charter Township of Grand Blanc

	Year Ended December 31			
	2007	2008	2009	2010
<b>Revenue</b>				
Property taxes	\$ 8,120,917	\$ 8,505,344	\$ 8,389,929	\$ 8,349,970
Licenses and permits	1,187,765	882,219	795,497	360,728
Federal grants	100,193	99,752	256,948	207,793
State-shared revenue and grants	2,371,390	2,329,109	2,022,440	2,096,949
Charges for services	1,129,260	1,156,629	1,152,097	1,177,676
Fines and forfeitures	114,199	121,168	117,166	139,836
Investment income	1,020,103	498,929	166,926	62,027
Other	302,862	480,247	667,705	1,454,838
Total revenue	14,346,689	14,073,397	13,568,708	13,849,817
<b>Expenditures</b>				
General government	2,855,104	2,996,256	2,635,967	2,682,007
Public safety	7,293,654	7,428,887	7,239,909	6,586,845
Public services	2,453,722	2,888,891	3,173,710	2,793,129
Community and economic development	-	-	-	-
Recreation and culture	-	-	-	246,554
Capital outlay	9,806,994	1,201,044	1,210,936	425,466
Debt service - Principal	229,369	235,418	349,325	472,432
Debt service - Interest	555,062	477,756	468,950	468,143
Other	-	-	-	-
Total expenditures	23,193,905	15,228,252	15,078,797	13,674,576
<b>Excess of Revenue (Under) Over Expenditures</b>	(8,847,216)	(978,146)	(1,260,764)	175,241
<b>Other Financing Sources (Uses)</b>				
Debt issuance	321,623	655,219	884,000	535,000
Debt premium or discount	-	1,485,246	-	-
Proceeds from sale of capital assets	-	-	2,288	29,784
Transfers in	1,257,353	(194,500)	1,216,000	1,538,477
Transfers out	(1,257,353)	(1,290,746)	(1,216,000)	(1,538,477)
Total other financing sources (uses)	321,623	655,219	886,288	564,784
<b>Net Change in Fund Balances</b>	(8,525,593)	(322,927)	(374,476)	740,025
<b>Fund Balances - Beginning of year</b>	14,631,361	6,105,768	5,782,841	5,408,365
<b>Fund Balances - End of year</b>	<b>\$ 6,105,768</b>	<b>\$ 5,782,841</b>	<b>\$ 5,408,365</b>	<b>\$ 6,148,390</b>
Debt service as a percentage of noncapital expenditures	6%	5%	6%	7%

## Financial Trend Information

### Changes in Fund Balances - Governmental Funds

Year Ended December 31					
2011	2012	2013	2014	2015	2016
\$ 7,882,680	\$ 7,495,152	\$ 7,265,408	\$ 7,391,754	\$ 7,429,086	\$ 7,668,863
423,622	473,652	748,623	890,713	1,186,910	1,154,306
166,072	273,021	109,663	91,857	188,908	138,560
3,034,888	2,855,715	2,907,675	3,034,615	2,974,323	3,351,963
1,320,866	1,352,743	1,395,277	1,405,009	1,430,470	1,195,513
176,078	140,212	178,828	135,769	79,239	131,036
52,783	75,323	54,804	34,627	41,785	65,841
1,455,829	1,524,254	1,711,993	1,912,724	2,068,735	2,233,015
14,512,818	14,190,072	14,372,271	14,897,068	15,399,456	15,939,097
2,547,644	2,617,706	2,435,650	2,609,881	2,729,053	3,294,346
7,115,490	7,583,892	7,559,961	7,625,735	8,044,554	8,526,763
2,028,173	2,406,016	2,795,736	2,226,438	2,247,743	2,001,597
-	-	-	-	108,031	11,742
233,016	241,838	251,726	246,939	238,197	241,517
613,860	320,237	671,025	200,841	336,042	348,352
484,119	515,943	484,284	654,083	641,076	686,037
474,367	463,471	491,552	375,928	465,195	257,420
-	-	-	-	-	-
13,496,669	14,149,103	14,689,934	13,939,845	14,809,891	15,367,774
1,016,149	40,969	(317,663)	957,223	589,565	571,323
-	350,000	742,000	-	(1,474,395)	-
-	-	-	-	628,283	-
13,934	7,369	22,433	12,377	22,933	9,213
2,240,890	1,197,273	1,470,800	750,000	844,635	1,102,199
(2,240,890)	(1,197,273)	(1,470,800)	(750,000)	(844,635)	(1,102,199)
13,934	357,369	764,433	12,377	(823,179)	9,213
1,030,083	398,338	446,770	969,600	(233,614)	580,536
6,148,390	7,178,473	7,576,811	8,023,581	8,993,181	8,759,567
<b>\$ 7,178,473</b>	<b>\$ 7,576,811</b>	<b>\$ 8,023,581</b>	<b>\$ 8,993,181</b>	<b>\$ 8,759,567</b>	<b>\$ 9,340,103</b>
7%	7%	7%	7%	8%	6%



# Charter Township of Grand Blanc

## Taxable Value by Property Type

### Real Property

Tax Year	Residential	Commercial	Industrial	Agricultural and Other	IFT Real	Personal Property
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
2016	835,732,904	226,146,706	42,722,273	-	3,640,964	67,801,600

## Millage Rates - Direct Township Taxes

## Overlapping Taxes

Tax Year	General						Total Direct Taxes	Community	
	Operating	Debt	Mosquito	Police	Fire	Parks & Recreation		County	College
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
2016	4.5650	-	0.1700	0.9128	0.5000	0.2500	6.3978	11.4893	2.8096

## 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)	Estimated Actual Value	Taxable Value as a Percent of
						Actual
\$ 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	2,383,177,374	49.33%
5,650,100	1,172,403,483	9,291,064	1,181,694,547	6.1322	2,381,971,222	49.61%

### Direct and Overlapping Property Tax Rates

Overlapping Taxes			Total Tax Rate	
Intermediate School District	School - Homestead	School - Non- homestead	Homestead	Non- homestead
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
3.7826	13.3000	31.3000	37.7793	55.7793

# Charter Township of Grand Blanc

## Revenue Capacity Information Principal Property Taxpayers

Principal Taxpayers	Type of Business	2016			2006		
		Taxable Value	Percent of Total Taxable		2005 Taxable Value	Percent of Total	
			Value	Rank		Total	Rank
Consumers Energy	Utilities (Electric/Gas)	\$ 20,416,497	1.73%	1	\$ 18,327,624	1.31%	2
General Motors	Auto Manufacturing	15,034,379	1.27%	2	42,494,669	3.04%	1
Auker (Eldon Auker Trust)	Real Estate	10,120,172	0.86%	3	10,421,525	0.74%	4
Edward Rose Assoc, Inc.	Housing (Thornridge Apartments)	9,369,214	0.79%	4	9,868,900	0.70%	5
Grand Blanc Processing	Manufacturing	8,909,886	0.75%	5	6,583,998	0.47%	10
Edward Rose Development	Housing (Heatherwood Apartments)	8,457,571	0.72%	6	9,002,588	0.64%	9
Knollwood	Housing (Apartments)	7,765,143	0.66%	7	9,186,700	0.66%	7
MAGNA Electronics, Inc.	Manufacturing	7,547,100	0.64%	8	-	-	
Serra Properties	Automotive Dealership	7,173,858	0.61%	9	-	-	
Genesys Health Systems	Healthcare	5,735,573	0.49%	10	-	-	
Ring Screw Works	Manufacturing	5,317,729	0.45%	13	15,731,705	1.12%	3
Walmart/Sam's Club	Auto Manufacturing	5,534,869	0.47%	12	9,469,107	0.68%	6
Genesys Medsports	Health/Fitness/Conference Center	5,629,472	0.48%	11	9,124,900	0.65%	8

Source: Charter Township Assessing Department Records

## Property Tax Levies and Collections

Fiscal Year	Percent of					Percent of
Ended		Current	Levy	Delinquent	Total Tax	Total
December 31	Total Levy (1)	Collections	Collected	Collections	Collections	Collections to
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%
2016	7,189,234	6,830,648	95.01%	256,097	7,086,745	98.57%

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

# Charter Township of Grand Blanc

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	2007	2008	2009	2010
<b>Governmental Activities</b>				
General obligation bonds	\$ 10,800,000	\$ 10,700,000	\$ 10,600,000	\$ 10,400,000
Premium on bonds payable	-	-	-	-
Installment purchase agreements	75,000	60,000	40,000	20,000
Special assessment bonds	<u>376,530</u>	<u>896,331</u>	<u>1,572,312</u>	<u>1,895,430</u>
Total governmental activities	11,251,530	11,656,331	12,212,312	12,315,430
<b>Business-type Activities</b>				
SWQIF bonds	-	-	-	-
Installment purchase agreements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt of the government	<u><b>\$ 11,251,530</b></u>	<u><b>\$ 11,656,331</b></u>	<u><b>\$ 12,212,312</b></u>	<u><b>\$ 12,315,430</b></u>
<b>Median Household Income per Census</b>	\$ 59,858	\$ 59,858	\$ 59,858	\$ 59,858
<b>Total Population (Per Federal Census 10 Year)</b>	29,827	29,827	29,827	37,508
<b>Total Debt per Capita</b>	\$ 377	\$ 391	\$ 409	\$ 328

## Debt Capacity Information Ratios of Outstanding Debt

2011	2012	2013	2014	2015	2016
\$ 10,200,000	\$ 10,000,000	\$ 9,800,000	\$ 9,600,000	\$ 8,010,000	\$ 7,710,000
-	-	-	-	621,492	580,738
-	-	-	-	-	-
<u>1,656,146</u>	<u>1,744,861</u>	<u>2,202,577</u>	<u>1,864,294</u>	<u>1,679,010</u>	<u>1,333,727</u>
11,856,146	11,744,861	12,002,577	11,464,294	10,310,502	9,624,465
141,682	201,379	246,288	236,288	226,288	216,288
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>\$ 11,997,828</u></b>	<b><u>\$ 11,946,240</u></b>	<b><u>\$ 12,248,865</u></b>	<b><u>\$ 11,700,582</u></b>	<b><u>\$ 10,536,790</u></b>	<b><u>\$ 9,840,753</u></b>
\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542
37,508	37,508	37,508	37,508	37,508	37,508
\$ 320	\$ 318	\$ 327	\$ 312	\$ 281	\$ 262

# Charter Township of Grand Blanc

## Debt Capacity Information Ratios of General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Less Pledged Debt Service Funds	Net General Bonded Debt	Total Taxable Value Ad Valorem and IFT	Debt as a Percentage of Taxable Value	Estimated Population	General Obligation Debt per Capita
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
2016	7,710,000	-	7,710,000	1,172,403,483	0.66%	37,508	206

## Direct and Overlapping Governmental Activities Debt

Jurisdiction	Debt Outstanding	Percent Applicable to Charter Township	Amount Applicable to Charter Township
Direct debt - Charter Township of Grand Blanc	\$ 9,840,753	100.00%	\$ 9,840,753
Overlapping debt:			
Genesee County	73,667,456	13.39%	9,864,072
Grand Blanc School District	62,765,000	73.93%	46,402,165
Goodrich School District	42,081,496	16.75%	7,048,651
Lake Fenton School District	14,215,000	1.95%	277,193
Genesee ISD	7,555,000	12.59%	951,175
Mott Community College	51,630,000	12.60%	6,505,380
Bishop Airport Authority	9,895,000	13.39%	1,324,941
Subtotal - Overlapping debt	261,808,952		72,373,576
Total	<u>\$ 271,649,705</u>		<u>\$ 82,214,329</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

	2007	2008	2009	2010
<b>Debt Limit (Fiscal Year Ended) (1)</b>				
State equalized valuation (previous year)	\$ 1,628,440,700	\$ 1,557,658,800	\$ 1,453,248,100	\$ 1,263,780,500
Debt limit (10 percent of state equalized valuation)	162,844,070	155,765,880	145,324,810	126,378,050
<b>Debt Applicable to Debt Limit</b>				
Total debt	11,251,530	11,656,331	12,212,312	12,315,430
Less deductions allowed by law:				
Special assessment bonds	(376,530)	(896,331)	(1,572,311)	(1,895,430)
General obligation limited tax bonds	(10,800,000)	(10,700,000)	(10,600,000)	(10,400,000)
Total amount of debt applicable to debt limit	75,000	60,000	40,001	20,000
<b>Legal Debt Margin</b>	<b>\$ 162,844,070</b>	<b>\$ 155,765,880</b>	<b>\$ 145,324,810</b>	<b>\$ 126,378,050</b>
<b>Net Debt Subject to Limit as Percentage of Debt Limit</b>	0.05%	0.04%	0.03%	0.02%

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

## Debt Capacity Information Legal Debt Margins

2011	2012	2013	2014	2015	2016
\$ 1,166,161,500	\$ 1,135,442,000	\$ 1,154,558,600	\$ 1,131,032,099	\$ 1,159,534,487	\$ 1,172,403,483
116,616,150	113,544,200	115,455,860	113,103,210	115,953,449	117,240,348
11,856,146	11,744,861	12,002,577	11,464,294	10,310,502	9,624,465
(1,656,146)	(1,744,861)	(2,202,577)	(1,864,294)	(1,679,010)	(1,333,727)
(10,200,000)	(10,000,000)	(9,800,000)	(9,600,000)	(8,631,492)	(8,290,738)
-	-	-	-	-	-
<b>\$ 116,616,150</b>	<b>\$ 113,544,200</b>	<b>\$ 115,455,860</b>	<b>\$ 113,103,210</b>	<b>\$ 115,953,449</b>	<b>\$ 117,240,348</b>
0.00%	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 (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2006	35,075	\$ 12,716,657	\$ 29,111	4.3
2007	35,075	12,922,834	29,775	4.3
2008	35,075	13,046,468	30,347	5.2
2009	34,775	12,608,063	29,652	7.9
2010	36,534	12,834,529	30,249	10.3
2011	36,885	13,442,021	31,820	7.4
2012	37,061	13,700,197	32,737	6.4
2013	37,060	13,944,618	33,552	6.3
2014	37,019	14,393,852	34,878	5.0
2015	36,870	15,042,062	(A)	3.8
2016	(A)	(A)	(A)	3.4

(A) Not available

Sources:

(1) U.S. Census Bureau (Estimate)

(2) Bureau of Economic Analysis, U.S. Department of Commerce - Information for Genesee County, Michigan

(3) Michigan Bureau of Labor Market Information and Strategic Initiatives

## Principal Employers

Taxpayer	2016 Employees	Percentage of Total	2006 Employees	Percentage of Total
1 Genesys Regional Medical Center	3,563	27.42%	3050	19.90%
2 General Motors Customer Care & After Sales	1,323	10.18%	(A)	(A)
3 Grand Blanc Community Schools	784	6.03%	280	1.83%
4 MAGNA (three facilities)	612	4.71%	(A)	(A)
5 Serra Automotive Group	460	3.54%	265	1.73%
6 Acumet Global Industries (three facilities)	440	3.39%	(A)	(A)
7 Walmart	294	2.26%	300	1.96%
8 Genesys Athletic Club	223	1.72%	(A)	(A)
9 TMI Custom Air Systems, Inc	206	1.59%	(A)	(A)
10 Sam's Club	156	1.20%	220	1.44%

(A) Not available

# Charter Township of Grand Blanc

## Operating Information Full-time Equivalent Government Employees

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government</b>										
Supervisor	2	2	2	1	1	1	1	1	1	3
Treasurer	2	2	2	2	2	2	2	2	2	2
Clerk	2	2	2	2	2	2	2	2	2	2
Finance	4	5	4	5	5	5	4	4	4	3
General office	4	3	3	2	2	3	3	3	3	3
Assessing	5	5	5	4	4	4	4	5	5	5
GIS-IT	-	-	-	3	3	3	3	3	3	3
<b>Public Safety</b>										
Police	53	51	49	44	46	44	42	45	50	46
Fire and EMS	2	2	2	2	5	5	5	5	5	3
Part-time volunteer	40	45	45	45	45	40	41	41	38	34
<b>Public Services</b>										
DPW	20	20	19	18	18	16	15	14	14	12
Building	5	3	3	2	2	2	2	2	3	2
Planning/Zoning	4	4	3	2	2	1	1	1	1	1
Parks and recreation	6	6	6	6	6	6	7	7	7	7
<b>Total</b>	<b>149</b>	<b>150</b>	<b>145</b>	<b>138</b>	<b>143</b>	<b>134</b>	<b>132</b>	<b>135</b>	<b>138</b>	<b>126</b>

Information obtained from the director of the department

# Charter Township of Grand Blanc

Function/Program	2007	2008	2009	2010
Police:				
Physical arrests	2,273	2,436	2,472	2,502
Traffic violations	4,445	5,111	4,929	3,594
Traffic stops	8,599	9,337	8,771	8,171
Calls for service	17,208	17,798	16,990	17,340
Fire:				
Emergency responses	499	472	438	422
Fires extinguished	94	70	54	113
Inspections	-	-	-	453
Parks and recreation - Recreation programs	702	701	704	702
Library (B):				
Circulation (books borrowed)	2,434,035	2,580,077	2,734,882	3,008,370
Collection volume	665,165	645,235	632,330	695,563
Water:				
New connections	159	65	26	23
Water main breaks	9	1	3	5
Miles of water mains	188	193	193	193
Number of water meters	7,063	7,136	7,164	7,193
Number of water units	15,579	15,715	15,757	15,771
Total consumption	144,908,373	122,486,600	121,835,108	113,610,700
Average consumption per meter	20,517	17,165	17,007	15,795
Sewer:				
Miles of sanitary sewer mains	237	245	245	241
Number of sewer customers	11,155	11,216	11,241	11,257

(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

2011	2012	2013	2014	2015	2016
2,825	2,193	2,054	1,797	1,985	1,896
3,968	3,099	2,505	1,815	1,608	1,757
9,631	8,763	7,303	6,029	7,142	7,510
21,788	21,093	20,669	18,842	19,491	18,836
469	706	857	767	707	693
98	128	54	87	100	101
490	118	236	142	65	184
706	737	741	743	743	762
3,309,207	3,640,128	4,004,141	267,964	1,784,498	1,806,647
765,119	841,631	637,196	95,713	731,993	743,369
25	45	83	104	183	143
-	7	5	5	3	3
193	193	193	193	193	173
7,219	7,267	7,351	7,455	7,641	7,786
15,700	15,884	15,746	15,909	16,078	16,270
126,184,500	123,554,920	106,497,100	105,107,660	107,976,160	122,781,290
15,771	17,002	14,487	14,099	14,131	15,769
241	241	241	241	241	226
11,273	11,305	11,377	11,480	11,652	11,785

# Charter Township of Grand Blanc

## Operating Information Capital Asset Statistics

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	(A)	17	17	17	17	16	17	17	17	17
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	7	9	9	10	7	7	7	11	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	2	2
Soccer fields	-	-	-	1	4	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	5
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water:										
Mains (miles)	188	173	173	173	173	173	173	173	173	173
Fire hydrants	2,160	2,200	2,200	2,216	2,216	2,216	2,216	2,049	2,058	2,058
Sewer - Miles of sanitary sewers	237	230	230	226	226	226	226	226	226	226

(A) Information not available

Information obtained from the director of the department