



Charter Township of Grand Blanc
Genesee County, Michigan

**Comprehensive Annual Financial Report
with Supplemental Information
December 31, 2017**

Charter Township of Grand Blanc Genesee County, Michigan

Comprehensive Annual Financial Report with Supplemental Information December 31, 2017

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

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CHARTER TOWNSHIP OF GRAND BLANC

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May 25, 2018

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, 2017.

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, 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, 2017. 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 36,750 people.

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 both its close access to recreational activities and proximity to the Detroit area, offering all the amenities of a larger metropolitan area. It 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

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 including the 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. 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, purchase and maintenance of 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, and healthcare services. The Grand Blanc Township unemployment rate is 3.6%, which is below the State unemployment rate of 4.6% and the national average of 4.4%.

The Charter Township's second largest taxpayer, General Motors, has two 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 900 people. With the growth of several commercial businesses in various industries, the Charter Township has a tax base covering a wide-range of sectors and no longer relies on a single major taxpayer or industry, as in the past, when it historically relied on the automotive industry.

Even though some parts of the State of Michigan and Genesee County continue to experience economic tensions, Grand Blanc Township has experienced modest annual growth in taxable value over the last several years. The 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. The

Dort Highway Connector project 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 4-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 will establish connections to an existing trail system to link residential, civic, commercial and recreational centers.

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 economic development for the Charter Township. Our Community Development department has implemented a "Technology Village" area in the southern portion of the Charter Township and 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 Tech Village area of the Township has substantial assets including interstate access, major arterials, a major employer and health care 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 Township and for property ownership with Tech Village moving forward is to recognize how the population and economy are changing and to set policies that expand its vibrancy.

The development of the Dort Highway Connector Project has also served as a catalyst for the expansion of Genesys Health Systems to develop a total medical campus in the southern end of the Charter Township. A proposal to bring a new \$106 million retirement community that would create over 250 jobs is the first in a series of planned projects that could potentially expand Genesys Health Park into a retail and wellness hub in Genesee County. Genesys Senior Living Village, a skilled nursing facility, is under development and is expected to open in 2018 with an investment of \$13.8 million upon completion. In close proximity to the health park, a hotel is under construction with an estimated value of \$8.3 million upon completion, as well as, a \$24 million investment in an industrial facility to house Magna Electronics, an innovative electronics manufacturer. Also on the horizon is the construction of a strip mall, a physical therapy/rehabilitation center, a gas station and a warehouse storage facility.

In 2017, the Charter Township welcomed the expansion of one of its financial institutions, Security Credit Union, which erected corporate offices within the township, comprising \$5.9 million of investment. The healthcare industry expanded its presence in the Charter Township when a new assisted living facility, Bella Vita Senior Living, opened its doors to the senior community with the completion of a \$5.5 million facility and McLaren Health Care Corporation invested \$10.1 million in the construction of corporate offices. In addition, construction was completed on a \$6.9 industrial building 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. It is experiencing growth in construction and increased property values, far exceeding that of other communities in Genesee County. During 2017, the Township issued 62 residential building permits for new construction with a construction value of \$16,837,000 and 643 permits for additions or improvement to existing structures with a construction value of \$44,608,000. During the same timeperiod, the Township also issued 7 permits for new commercial construction with a construction value of \$7,993,000 and an additional 41 permits for improvements on existing commercial structures with a construction value of \$3,789,000.

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 research and development companies with its enticing amenities such as, the Grand Blanc Community Schools which are among the best in the State of Michigan and the Charter Township's per capita income and educational levels that are among the highest in Genesee County. In addition, 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 \$3,419,385, or 23 percent of total General Fund revenue, which exceeds the policy guidelines set by the Charter Township's fund balance policy for budgetary and planning purposes. The Board of Trustees amended the budget within the general fund to include a contribution of \$1.7 million, using unassigned fund balance, to its defined benefit pension system and retiree healthcare trust to reduce its unfunded liability. Although the general fund experienced a modest decrease to the fund balance of \$494,557 in 2017, it was far below the projected reduction. The positive variance was a result of efforts to contain costs within various departments within the Charter Township and vacancies left unfilled within the public safety department. 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, Governor Rick Snyder announced the appointment of Grand Blanc Township Police Chief, Ronald Wiles, to the Governor’s Traffic Safety Advisory Commission. Housed within the Michigan Department of State Police, Office of Highway Safety Planning, the 11-person commission identifies traffic safety challenges and works to develop, promote, and implement strategies to support traffic safety programs.

In 2016, voters of Grand Blanc Township approved a new parks and recreation millage in the amount of .25 mills, which will generate approximately \$300,000 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 has been open to the public for nearly 40 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 174 miles of water mains and 224 miles of sanitary sewer mains and are continuously improving our infrastructure system. Capital improvements to the water and sewer systems in 2017 included \$540,000 for the Heritage Park water loop project; \$619,000 for sewer system pipe linings; \$36,000 for water meter purchase and replacement; and \$435,000 on painting the water tower at Holly and Baldwin Roads. These projects were funded by the revenue generated from the water and sewer tap in fees. In addition, the Department of Public Works expanded/improved its fleet with an additional \$277,000 invested in vehicles and equipment.

The Charter Township Governmental Funds invested \$147,000 in 2017 for the replacement of a police patrol vehicles and an additional \$90,000 for computer software, hardware, and a document management system. An additional \$42,000 was expended to improve the audio/visual equipment in the auditorium of the Township Government Center. Approximately \$250,000 was expended over the last two years on land and facility improvements, and equipment replacement at Creasy Bicentennial Park. The capital projects fund balance of \$2,068,107 will be carried forward to the 2018 fiscal year to be used for road improvements, police vehicles, building improvements 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, 2016. This was the twenty-second 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**

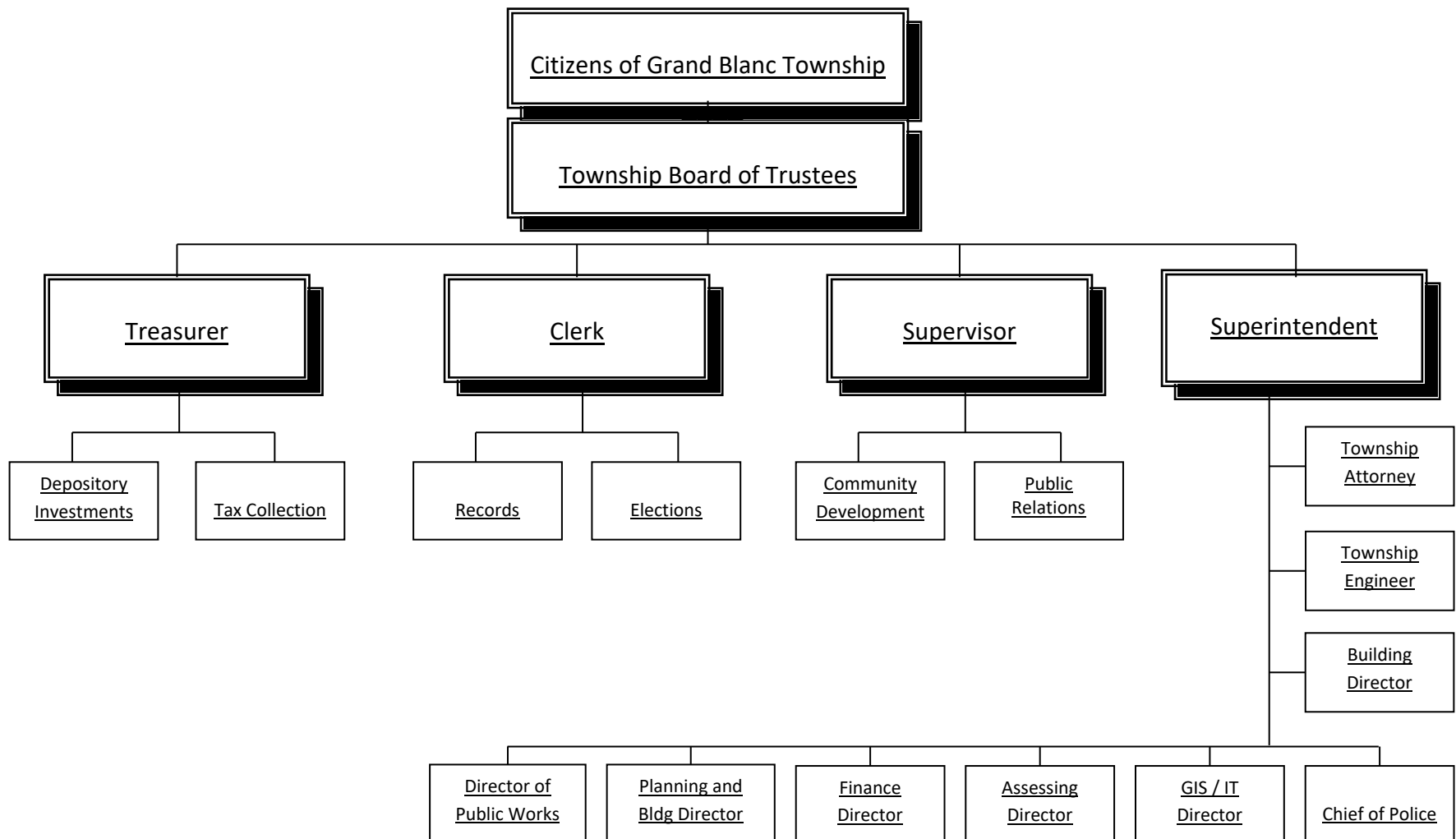
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrell

Executive Director/CEO

<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
Assessing Director	Rebecca Salvati
Parks and Recreation Director	Kae Eidson
Planning and Building Director	Mark Lloyd
GIS/IT Director	Robbie Beller



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 Charter Township of Grand Blanc (the "Charter Township") as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise 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 opinion.

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 Charter Township of Grand Blanc as of December 31, 2017 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Charter Township of Grand Blanc

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 an opinion on the financial statements that collectively comprise 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 schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules 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.

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 State of America. Accordingly, such information should be read in conjunction with the Charter Township's financial statements for the year ended December 31, 2016, from which such partial information was derived. We have previously audited Charter Township of Grand Blanc's December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

May 25, 2018

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, 2017. 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

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 \$98.2 million for the fiscal year ended December 31, 2017. The net position of the business-type activities increased by approximately \$616,000, due to the fact that capital contributions exceeded the loss incurred as a result of expenses exceeding revenue. Revenue decreased in 2017 since water sales were down, as a consequence of higher than normal rainfall totals in the summer of 2017 and, thus, less water usage. The governmental activities experienced a net decrease of approximately \$314,000 in its net position. While both the net pension liability and long-term debt decreased, the obligation for other postemployment benefits increased causing the decrease in net position. Combining the governmental and business-type activities, the net position of the primary government as a whole increased approximately \$302,000.

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, 2017 and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
	(in thousands)		(in thousands)		(in thousands)	
Assets						
Current and other assets	\$ 20,350	\$ 20,242	\$ 18,085	\$ 17,252	\$ 38,435	\$ 37,494
Capital assets	<u>16,837</u>	<u>17,267</u>	<u>79,821</u>	<u>79,772</u>	<u>96,658</u>	<u>97,039</u>
Total assets	37,187	37,509	97,906	97,024	135,093	134,533
Deferred Outflows of Resources	2,931	3,180	-	-	2,931	3,180
Liabilities						
Long-term liabilities outstanding	24,466	25,333	587	645	25,053	25,978
Other liabilities	<u>1,932</u>	<u>2,158</u>	<u>2,670</u>	<u>2,345</u>	<u>4,602</u>	<u>4,503</u>
Total liabilities	26,398	27,491	3,257	2,990	29,655	30,481
Deferred Inflows of Resources	<u>10,174</u>	<u>9,339</u>	<u>-</u>	<u>-</u>	<u>10,174</u>	<u>9,339</u>
Net Position						
Net investment in capital assets	8,884	8,747	79,615	79,556	88,499	88,303
Restricted	888	854	-	-	888	854
Unrestricted	<u>(6,226)</u>	<u>(5,741)</u>	<u>15,034</u>	<u>14,477</u>	<u>8,808</u>	<u>8,736</u>
Total net position	<u>\$ 3,546</u>	<u>\$ 3,860</u>	<u>\$ 94,649</u>	<u>\$ 94,033</u>	<u>\$ 98,195</u>	<u>\$ 97,893</u>

The business-type activities comprised \$94.6 million of the total net position and the governmental activities accounted for the remaining \$3.5 million of the total net position. The governmental activities experienced a decrease in net position of \$313,935 and the business-type activities experienced an increase in net position of \$615,641. The change in net assets of the business-type activities is attributable to an increase in cash and investments primarily due to \$1.1 million of capital contributions through tap-in 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 \$313,935 is primarily the result of assets in the form of cash and investments being used to pay down the existing long-term obligation for pension and 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	
	2017	2016	2017	2016	2017	2016
	(in thousands)		(in thousands)		(in thousands)	
Revenue						
Program revenue:						
Charges for service	\$ 2,664	\$ 2,753	\$ 16,934	\$ 17,044	\$ 19,598	\$ 19,797
Operating grants and contributions	265	505	-	-	265	505
Capital grants and contributions	656	62	1,115	1,116	1,771	1,178
General revenue:						
Property taxes	8,046	7,666	-	-	8,046	7,666
State-shared revenue	3,224	2,991	-	-	3,224	2,991
Unrestricted investment earnings	118	66	103	56	221	122
Miscellaneous	1,590	1,464	26	27	1,616	1,491
Total revenue	16,563	15,507	18,178	18,243	34,741	33,750
Expenses						
General government	4,098	3,943	-	-	4,098	3,943
Public safety	9,414	9,779	-	-	9,414	9,779
Public works	2,577	2,002	-	-	2,577	2,002
Community and economic development	107	12	-	-	107	12
Recreation and culture	462	401	-	-	462	401
Interest on long-term debt	219	275	-	-	219	275
Water and sewer	-	-	17,562	16,670	17,562	16,670
Total expenses	16,877	16,412	17,562	16,670	34,439	33,082
(Decrease) Increase in Net Position	(314)	(905)	616	1,573	302	668
Net Position - Beginning of year	3,860	4,765	94,033	92,460	97,893	97,225
Net Position - End of year	<u>\$ 3,546</u>	<u>\$ 3,860</u>	<u>\$ 94,649</u>	<u>\$ 94,033</u>	<u>\$ 98,195</u>	<u>\$ 97,893</u>

Governmental Activities

Revenue for the governmental activities totaled \$16.5 million, of which \$8 million, or approximately 49 percent, was in the form of property tax collections. The Charter Township levied a total of 6.3978 mills for fiscal year 2017 (levied in December 2016), distributed as follows - 3.865 mills for the Charter Township's operation, 0.7 mil for the municipal campus plan, 0.9128 mil for the Charter Township's police, 0.5 mil for the Fire Commission, 0.17 mil for the Charter Township's mosquito control program, and 0.25 mil for the Parks and Recreation program.

State-shared revenue contributed 19 percent, or \$3.2 million, of the total revenue. Even though revenue sharing increased in 2017 for the first time in many years, it 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 possible funding reductions to all governmental entities.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Charges for governmental services represent just over 16 percent of total revenue. The largest portion (50 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 35 percent of the charges for services revenue.

The governmental activities expenditures totaled \$16.9 million in 2017 which is less than a 3 percent increase compared to 2016. Public works experienced the largest increase of just over \$500,000, which was the result of a street project improving the infrastructure in the Concord Green subdivision. Overall, the net position of the governmental activities decreased \$313,935 in 2017 to \$3,546,221.

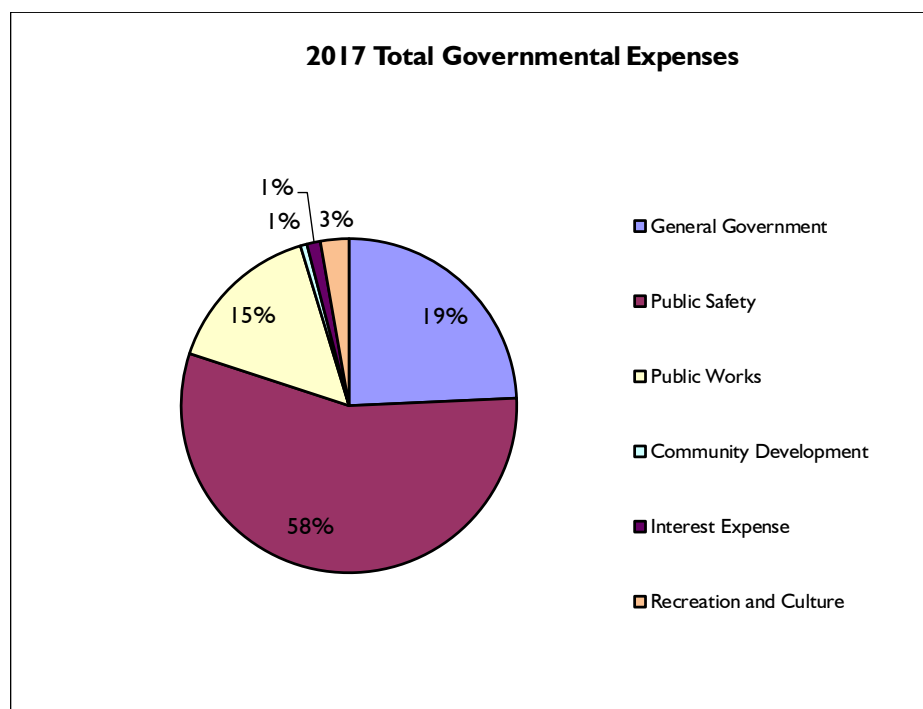
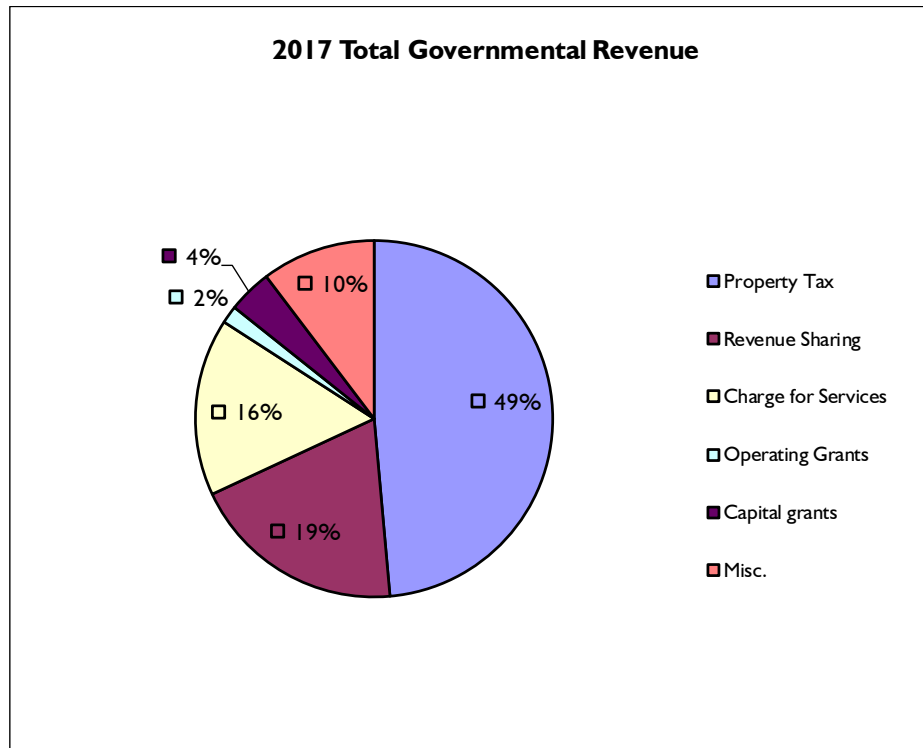
Business-type Activities

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 \$16.9 million covered nearly all of the \$17.6 million of water and sewer expenses. The remaining \$0.7 million of expenses were covered by the capital contributions and investment earnings. 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 2017 reflects an increase of \$615,641 to \$94,648,796.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

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



Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

Capital Assets

The Charter Township has combined net capital assets of \$96,658,273. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2017 and 2016. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 1,948	\$ 1,948	\$ 257	\$ 257	\$ 2,205	\$ 2,205
Construction in progress	-	202	727	376	727	578
Buildings and improvements	12,120	12,308	1,341	1,377	13,461	13,685
Furniture and equipment	429	331	363	416	792	747
Infrastructure	2,173	2,386	-	-	2,173	2,386
Water and sewer distribution systems	-	-	76,376	76,689	76,376	76,689
Vehicles	167	92	757	657	924	749
Total	<u>\$ 16,837</u>	<u>\$ 17,267</u>	<u>\$ 79,821</u>	<u>\$ 79,772</u>	<u>\$ 96,658</u>	<u>\$ 97,039</u>

The Charter Township's governmental activities invested approximately \$400,000, in 2017 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 Township's administrative offices, including upgrades to the audio/visual equipment in the auditorium. The fund balance in the Capital Projects Fund of \$2,068,107 will be carried forward to the 2018 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 \$1,115,067 in capital contributions through 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 2017 within the Department of Public Works Fund included the replacement of four vehicles within the DPW Department totaling \$277,000, sewer lining replacement in the amount of \$619,000, the Heritage Park water loop project at a cost of \$520,000, several meter, generator, and pump replacements throughout the system totaling over \$95,000, the painting and refurbishment of the Holly/Baldwin Road water tower at a cost of \$435,000, 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)

Long-Term Debt

The Charter Township has a total of \$9,071,406 in long-term governmental debt and \$221,597 in long-term business-type activity debt as of December 31, 2017. Of this total debt, \$7,879,984 or 87 percent of the governmental debt 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. The refunding of this bond is anticipated to save the Township \$1.5 million over the life of the bond. In addition, \$212,131 or 2.3 percent of all long-term debt is related to employee compensated absences, and \$994,600 of the debt is related to road improvement projects. 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 remaining \$206,288 of debt is associated with a bond issued for sanitary sewer system improvements. The Charter Township's debt represents 9.5 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 59 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 Parks and Recreation 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 Parks and Recreation Fund was established to track revenue received from a dedicated millage to be used for capital improvements within Bicentennial Park and lease proceeds from a cell tower located on property, within the Charter Township, that is used by the local parks and recreation department. In addition, some of the funds are used for the

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

maintenance and improvements of the Perry Homestead, a historical site with walking trails within the township.

- **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 50 and the Solid Waste Fund on page 52 of this report. The total amount of revenue budgeted in the General Fund for 2017 was \$14,772,986 with actual revenue recorded at \$14,827,720. This was a positive variance of \$54,734. The most significant area with a positive variance was State sources which exceeded the budgeted revenue by \$323,641 primarily as a result of an increase in state-shared revenues. Other areas with positive variances included licenses and permits, federal sources, property taxes, special assessments, investment income and miscellaneous income.

State-shared revenue, originally budgeted at \$2,984,432, was received in the amount of \$3,217,062 and as a result, exceeded the budget by \$232,630. The Charter Township has been very conservative in its estimates for state-shared revenue since it has decreased or remained stagnant every year for the last fifteen years. The state-shared revenues increased 7.5% from 2016, which was the first measureable increase that the Charter Township has received since the State starting reducing the amount it passed on to local municipalities in the 2002 fiscal year.

The Charter Township's General Fund had budgeted expenditures of \$15,688,118 in 2017, with actual expenditures amounting to \$14,508,284. The net effect for 2017 shows an excess of revenue over expenditures (prior to other financing sources and uses) of \$319,436. After factoring in the net other financing uses of \$813,993, expenditures and other financing uses exceeded revenue by \$494,557. The effect on the Charter Township's General Fund balance was a decrease to \$3,419,385. However, the actual result was better than anticipated, as the Board of Trustees included in the budget a use of \$1.7 million of fund balance to be contributed to the trust funds for the unfunded pension and OPEB liabilities. Even after the contribution, the fund balance decreased less than \$500,000. The Charter Township also funded the improvement of streets within the Concord Green subdivision in the amount of \$463,000 which is expected to be paid back by a special assessment to the affected homeowners. The December 31, 2017 unassigned General Fund balance is \$3,119,122 or 21 percent of 2017 General Fund expenditures, which exceeds the recommended amount of 12-15 percent in the Charter Township's fund balance policy for the General Fund.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

The Charter Township's Solid Waste Special Revenue Fund's original budgeted revenue was \$1,342,500 and the actual revenue recognized was \$1,350,082. The source of this revenue is primarily from a special assessment placed on the tax bill of all residents and used for the collection of waste within the Township. The Solid Waste Special Revenue Fund had amended budgeted expenditures of \$1,350,500. The actual expenditures were \$1,346,589 which resulted in a difference of \$3,911 under budget. The net effect for 2017 reflects an excess of revenue over expenditures of \$3,493. This increased the fund balance of the Charter Township's 2017 Solid Waste Fund to \$194,225 or 14 percent of the Solid Waste Fund revenue. The funds remaining from the special assessment will be used to pay for future waste collection and recycling programs within the Township.

Current Economic Conditions

Property taxes, the primary funding source of the General Fund increased approximately 1% in 2017 as compared to 2016. Property values are projected to increase slightly in 2018, but still remain below the assessed property values assessed 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 increased in 2017 after many years of either decline or stagnancy, but remains low relative to historic norms experienced prior to 2002. 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 over the next several years.

Another issue of concern to the Charter Township is the unfunded liabilities of its defined benefit retirement plan of approximately \$8.1 million as of December 31, 2016, the date of its most recent actuarial report. The funded ratio of the plan is 63 percent. In addition, the retiree healthcare plan has an unfunded liability of approximately \$30.2 million as of December 31, 2014, and a funding level of 13.2 percent. In 2017, the Charter Township contributed the required annual contribution of \$978,191, as well as an additional \$700,000, to its defined benefit plan and \$2,159,068 of the \$3,138,563 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. The Township has addressed its unfunded liability within its retiree healthcare plan by requiring new retirees to contribute towards the premium of their individual healthcare plans. In addition, retiree healthcare is no longer afforded to new employees of the Township upon retirement.

Charter Township of Grand Blanc

Management's Discussion and Analysis (Continued)

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 2017, 62 new house permits were issued with construction values totaling \$16,837,205. In addition, 643 permits were issued for housing improvements with a total construction value of \$44,608,126. During that same timeframe, there were seven new commercial development permits with a construction value of \$7,993,442 and 41 commercial improvement permits issued with a construction value of \$3,788,724. The demand for commercial property and improvement permits has allowed the Charter Township of Grand Blanc to remain one of the most active governmental entities for permits issued in Genesee County.

In light of the decline in property tax value 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 2017, the Township was able to make an additional contribution of \$1 million towards the unfunded liability for postemployment benefits and an additional \$700,000 towards the unfunded pension liability, but only experienced a decrease to the fund balance in the General Fund of approximately \$495,000 to \$3.4 million. This is indicative of the strong financial management that has been exercised by the Charter Township over the last several years. As a result, the Charter Township has continued to maintain its strong financial base which will allow for continued investment in the community to improve the quality of life for all residents and businesses of the Charter Township.

Contacting the Charter Township's Financial Management

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

Charter Township of Grand Blanc

Statement of Net Position

December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 5,642,659	\$ 5,850,290	\$ 11,492,949
Investments (Note 3)	8,131,839	7,480,279	15,612,118
Receivables:			
Property taxes	3,975,632	-	3,975,632
Special assessments	1,464,409	125,876	1,590,285
Customers	-	4,214,602	4,214,602
Accrued interest and other	16,017	12,273	28,290
Other receivables	196,238	358,792	555,030
Due from other governments	737,863	-	737,863
Internal balances	(14,110)	14,110	-
Prepays	199,969	28,878	228,847
Capital assets: (Note 6)			
Assets not subject to depreciation	1,948,097	984,722	2,932,819
Assets subject to depreciation	14,889,040	78,836,414	93,725,454
Total assets	37,187,653	97,906,236	135,093,889
Deferred Outflows of Resources			
Taxes collected and remitted to the Grand Blanc Fire Authority	224,103	-	224,103
Deferred outflows related to pensions (Note 11)	2,706,818	-	2,706,818
Total deferred outflows of resources	2,930,921	-	2,930,921
Liabilities			
Accounts payable	340,726	2,345,835	2,686,561
Due to other governmental units	199,555	-	199,555
Accrued liabilities and other	574,110	299,301	873,411
Noncurrent liabilities:			
Due within one year: (Note 8)			
Compensated absences	196,822	15,309	212,131
Current portion of long-term debt	620,600	10,000	630,600
Due in more than one year:			
Net pension liability (Note 11)	8,311,303	-	8,311,303
Net OPEB obligation (Note 14)	7,901,064	390,707	8,291,771
Long-term debt (Note 8)	8,253,984	196,288	8,450,272
Total liabilities	26,398,164	3,257,440	29,655,604
Deferred Inflows of Resources (Note 5)			
Property taxes levied for the following year	8,229,414	-	8,229,414
Other resources received before the period resources may be used	1,355,882	-	1,355,882
Deferred inflows related to pensions (Note 11)	588,893	-	588,893
Total deferred inflows of resources	10,174,189	-	10,174,189
Net Position			
Net investment in capital assets	8,884,553	79,614,848	88,499,401
Restricted:			
Mosquito spraying	26,760	-	26,760
Solid waste	194,225	-	194,225
Drug forfeiture and federal equitable sharing	83,822	-	83,822
Law enforcement	11,476	-	11,476
PEG Channel Grant	103,831	-	103,831
Unexpendable cemetery fund	177,416	-	177,416
Expendable cemetery fund	218,031	-	218,031
Tree replacement	72,303	-	72,303
Unrestricted	(6,226,196)	15,033,948	8,807,752
Total net position	\$ 3,546,221	\$ 94,648,796	\$ 98,195,017

Charter Township of Grand Blanc

		Program Revenue		
		Charges for	Operating	Capital Grants
	Expenses	Services	Grants and	and
			Contributions	Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 4,097,830	\$ 18,180	\$ 120,225	\$ -
Public safety	9,413,996	932,776	144,854	-
Public works	2,576,857	1,598,184	-	548,988
Community and economic development	106,730	114,626	-	106,730
Recreation and culture	462,441	-	-	-
Interest on long-term debt	218,938	-	-	-
Total governmental activities	16,876,792	2,663,766	265,079	655,718
Business-type activities	17,562,415	16,933,895	-	1,115,067
Total primary government	\$ 34,439,207	\$ 19,597,661	\$ 265,079	\$ 1,770,785
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Gain on sale of capital assets				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended December 31, 2017

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (3,959,425)	\$ -	\$ (3,959,425)
(8,336,366)	-	(8,336,366)
(429,685)	-	(429,685)
114,626	-	114,626
(462,441)	-	(462,441)
(218,938)	-	(218,938)
(13,292,229)	-	(13,292,229)
-	486,547	486,547
(13,292,229)	486,547	(12,805,682)
8,046,464	-	8,046,464
3,224,062	-	3,224,062
117,778	103,303	221,081
658,570	-	658,570
921,804	-	921,804
9,616	25,791	35,407
12,978,294	129,094	13,107,388
(313,935)	615,641	301,706
3,860,156	94,033,155	97,893,311
\$ 3,546,221	\$ 94,648,796	\$ 98,195,017

Charter Township of Grand Blanc

Governmental Funds Balance Sheet

December 31, 2017

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 3,558,860	\$ 1,092,498	\$ 991,301	\$ 5,642,659
Investments (Note 3)	3,654,976	-	4,476,863	8,131,839
Receivables:				
Property taxes	3,827,756	-	147,876	3,975,632
Special assessments	1,010,449	453,960	-	1,464,409
Accrued interest and other	5,181	-	10,836	16,017
Other receivables	188,110	-	8,128	196,238
Due from other governments	703,828	-	34,035	737,863
Due from other funds (Note 7)	24,151	3,649	266,807	294,607
Prepays	199,969	-	-	199,969
Total assets	13,173,280	1,550,107	5,935,846	20,659,233
Deferred Outflows of Resources - Taxes collected and remitted to the Grand Blanc Fire Authority	224,103	-	-	224,103
Total assets and deferred outflows of resources	\$ 13,397,383	\$ 1,550,107	\$ 5,935,846	\$ 20,883,336
Liabilities				
Accounts payable	\$ 285,965	\$ -	\$ 54,761	\$ 340,726
Due to other governmental units	199,555	-	-	199,555
Due to other funds (Note 7)	85,732	-	222,985	308,717
Accrued liabilities and other	506,496	-	-	506,496
Total liabilities	1,077,748	-	277,746	1,355,494
Deferred Inflows of Resources (Note 5)				
Unavailable revenue	976,248	-	-	976,248
Property taxes levied for the following year	7,924,002	-	305,412	8,229,414
Other resources received before the period resources may be used	-	1,355,882	-	1,355,882
Total deferred inflows of resources	8,900,250	1,355,882	305,412	10,561,544
Fund Balances				
Nonspendable:				
Prepays	199,969	-	-	199,969
Cemetery endowment	-	-	177,416	177,416
Restricted:				
Public safety	-	-	94,067	94,067
Solid waste	-	194,225	-	194,225
Mosquito spraying	26,760	-	-	26,760
PEG Channel	-	-	103,831	103,831
Cemetery	-	-	218,031	218,031
Tree replacement	72,303	-	-	72,303
Police LESO	1,231	-	-	1,231
Committed - Bicentennial Park improvements	-	-	21,931	21,931
Assigned:				
Capital projects	400,000	-	2,068,107	2,468,107
Debt service	-	-	2,669,305	2,669,305
Postemployment benefits	1,000,000	-	-	1,000,000
Unassigned	1,719,122	-	-	1,719,122
Total fund balances	3,419,385	194,225	5,352,688	8,966,298
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,397,383	\$ 1,550,107	\$ 5,935,846	\$ 20,883,336

Charter Township of Grand Blanc

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2017

Fund Balances Reported in Governmental Funds	\$ 8,966,298
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	16,837,137
Special assessment receivables are expected to be collected in future years and are not available to pay for current year expenditures	950,916
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	25,332
Deferred outflows of resources related to pension are reported in the government-wide statements, but not in the governmental funds	2,706,818
Deferred inflows of resources related to pension are reported in the government-wide statements, but not in the governmental funds	(588,893)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(8,334,600)
Bond premium is to be amortized over the remaining life of the bond and is not reported in the funds	(539,984)
Accrued interest is not due and payable in the current period and is not reported in the funds	(67,614)
Some employee fringe benefits 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:	
Employee compensated absences	(196,822)
Pension benefits	(8,311,303)
Retiree healthcare benefits	(7,901,064)
Net Position of Governmental Activities	<u>\$ 3,546,221</u>

Charter Township of Grand Blanc

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2017

	General Fund	Solid Waste Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Property taxes (Note 1)	\$ 7,770,705	\$ -	\$ 292,197	\$ 8,062,902
Special assessments	471,821	-	-	471,821
Intergovernmental:				
Federal sources	112,510	-	106,730	219,240
State-shared revenue and grants	3,342,573	-	17,899	3,360,472
Charges for services	-	1,346,200	-	1,346,200
Fines and forfeitures	93,999	-	-	93,999
Licenses and permits	971,583	-	-	971,583
Investment income	66,476	3,882	47,420	117,778
Other revenue:				
Local donations	725	-	34,058	34,783
Other miscellaneous income	1,338,758	-	50,549	1,389,307
Cable franchise fees	658,570	-	-	658,570
Total revenue	14,827,720	1,350,082	548,853	16,726,655
Expenditures				
Current services:				
General government	3,839,564	-	29,340	3,868,904
Public safety	8,878,669	-	3,350	8,882,019
Public works	1,230,268	1,346,589	-	2,576,857
Community and economic development	-	-	106,730	106,730
Recreation and culture	218,212	-	35,763	253,975
Capital outlay	-	-	449,334	449,334
Debt service	341,571	-	630,686	972,257
Total expenditures	14,508,284	1,346,589	1,255,203	17,110,076
Excess of Revenue Over (Under) Expenditures	319,436	3,493	(706,350)	(383,421)
Other Financing Sources (Uses)				
Transfers in	-	-	1,021,763	1,021,763
Transfers out	(823,609)	-	(198,154)	(1,021,763)
Proceeds from sale of capital assets	9,616	-	-	9,616
Total other financing (uses) sources	(813,993)	-	823,609	9,616
Net Change in Fund Balances	(494,557)	3,493	117,259	(373,805)
Fund Balances - Beginning of year	3,913,942	190,732	5,235,429	9,340,103
Fund Balances - End of year	<u>\$ 3,419,385</u>	<u>\$ 194,225</u>	<u>\$ 5,352,688</u>	<u>\$ 8,966,298</u>

Charter Township of Grand Blanc

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended December 31, 2017

Net Change in Fund Balance Reported in Governmental Funds	\$ (373,805)
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	410,683
Depreciation expense	(840,374)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	294,814
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	749,881
Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds	3,437
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	29,508
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	(1,102,718)
Change in the net pension liability and deferred items related to pension are recorded when incurred in the statement of activities	514,639
Change in Net Position of Governmental Activities	\$ (313,935)

Charter Township of Grand Blanc

Proprietary Funds Department of Public Works Statement of Net Position

December 31, 2017

Assets

Current assets:

Cash and cash equivalents (Note 3)	\$ 5,850,290
Investments (Note 3)	7,480,279
Receivables:	
Customers	4,214,602
Accrued interest and other	12,273
Other receivables	358,792
Due from other funds (Note 7)	14,110
Prepays	28,878

Total current assets 17,959,224

Noncurrent assets:

Tap-in assessments receivable	125,876
Capital assets: (Note 6)	
Assets not subject to depreciation	984,722
Assets subject to depreciation	78,836,414

Total noncurrent assets 79,947,012

Total assets 97,906,236

Liabilities

Current liabilities:

Accounts payable	2,345,835
Accrued liabilities and other	299,301
Compensated absences (Note 8)	15,309
Current portion of long-term debt (Note 8)	10,000

Total current liabilities 2,670,445

Noncurrent liabilities:

Net OPEB obligation (Note 14)	390,707
Long-term debt (Note 8)	196,288

Total noncurrent liabilities 586,995

Total liabilities 3,257,440

Net Position

Net investment in capital assets	79,614,848
Unrestricted	15,033,948

Total net position \$ 94,648,796

Charter Township of Grand Blanc

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

Years Ended December 31, 2017 and 2016

	2017	2016
Operating Revenue		
Sale of water	\$ 8,925,345	\$ 9,273,076
Sewage disposal charges	7,548,030	7,431,014
Water meters	94,320	84,985
Penalties and other charges for services	366,200	254,481
Total operating revenue	16,933,895	17,043,556
Operating Expenses		
Cost of water	7,778,342	7,068,644
Cost of sewage treatment	5,001,361	5,199,345
Billing and administrative costs	2,838,226	2,476,443
Depreciation	1,939,141	1,919,794
Total operating expenses	17,557,070	16,664,226
Operating (Loss) Income	(623,175)	379,330
Nonoperating Revenue (Expense)		
Investment income	103,303	55,692
Interest expense	(5,345)	(5,595)
Gain on sale of assets	25,791	27,156
Total nonoperating revenue	123,749	77,253
(Loss) Income - Before capital contributions	(499,426)	456,583
Capital Contributions - Capital charges and line inspection fees	1,115,067	1,116,224
Change in Net Position	615,641	1,572,807
Net Position - Beginning of year	94,033,155	92,460,348
Net Position - End of year	\$ 94,648,796	\$ 94,033,155

Charter Township of Grand Blanc

Proprietary Funds Department of Public Works Statement of Cash Flows

Year Ended December 31, 2017

Cash Flows from Operating Activities

Receipts from customers	\$ 16,775,649
Payments from interfund services and reimbursements	(9,054)
Payments to suppliers	(13,363,880)
Payments to employees	<u>(1,975,842)</u>

Net cash provided by operating activities 1,426,873

Cash Flows from Capital and Related Financing Activities

Capital charge collections	1,115,067
Special assessment collections	34,888
Proceeds from sale of capital assets	25,791
Purchase of capital assets	(1,987,973)
Principal and interest paid on capital debt	<u>(15,345)</u>

Net cash used in capital and related financing activities (827,572)

Cash Flows from Investing Activities

Interest received on investments	107,933
Purchase of investment securities	<u>(2,817,770)</u>

Net cash used in investing activities (2,709,837)

Net Decrease in Cash and Cash Equivalents

(2,110,536)

Cash and Cash Equivalents - Beginning of year

7,960,826

Cash and Cash Equivalents - End of year

\$ 5,850,290

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (623,175)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	1,939,141
Changes in assets and liabilities:	
Receivables	(158,246)
Due to and from other funds	(9,054)
Prepaid and other assets	1,164
Accrued and other liabilities	(56,764)
Accounts payable	<u>333,807</u>

Total adjustments 2,050,048

Net cash provided by operating activities \$ 1,426,873

Charter Township of Grand Blanc

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2017

	Agency
Assets - Cash and cash equivalents	\$ 1,706,540
Liabilities - Undistributed tax collections and other	\$ 1,706,540

December 31, 2017

Note 1 - Significant Accounting Policies

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 Government Accounting Standards Board.

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 the financial statements.

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

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

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Charter Township reports the following funds as "major" enterprise funds:

- 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.

Fiduciary Funds

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:

- 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.

December 31, 2017**Note 1 - Significant Accounting Policies (Continued)****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.

Furthermore, 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.

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.

December 31, 2017

Note 1 - Significant Accounting Policies (Continued)

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.

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	Depreciable Life - Years
Buildings and improvements	10-50
Water and sewer distribution systems	45-99
Vehicles	3-10
Furniture and equipment	3-20

December 31, 2017**Note 1 - 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 reports 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, and 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 reports 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.

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 Assumptions

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.

December 31, 2017

Note 1 - Significant Accounting Policies (Continued)

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 by the governing body or the finance director in conjunction with the Charter Township's superintendent, who is authorized by resolution approved by the governing body to make assignments.
- *Unassigned* - Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

Property Tax Revenue

Property taxes that are levied 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. The following is a breakdown of tax levies reported in the General Fund:

Purpose	Millage Rate	Approximate Revenue
Operating millage	3.865 \$	4,548,000
Master campus project	0.7	824,000
Police millage	0.9128	1,074,000
Fire millage	0.5	588,000
Mosquito millage	0.17	200,000
Parks and recreation	.25	294,000
Act 198/255 taxes and administration fees		524,000

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2016 was approximately \$1,172,171,000.

The police, fire, and parks and recreation millages raised less revenue than expenditures. To date, the mosquito millage has raised \$26,760 more revenue than expenditures. As a result, \$26,760 of the fund balance was restricted in the General Fund as of December 31, 2017.

December 31, 2017**Note 1 - Significant Accounting Policies (Continued)****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, pension and OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Charter Township reports the full accrual cost equal to the current year required contribution adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any. The fund to which the employee is assigned (generally the General Fund or Department of Public Works Fund) will be used to liquidate the liability.

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 obligations. 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.

December 31, 2017

Note 1 - Significant Accounting Policies (Continued)

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 operation of these funds.

Upcoming Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Charter Township to recognize on the face of the financial statements its proportionate share of the net OPEB liability related to its participation in the OPEB plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Charter Township's financial statements for the year ending December 31, 2018.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Charter Township's financial statements for the year ending June 30, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Charter Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Charter Township's financial statements for the year ending June 30, 2021.

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 surplus or shortfall generated since July 1, 2000 is as follows:

Cumulative shortfall at January 1, 2017		\$	(363,868)
Current year permit revenue			851,236
Related expenses:			
Direct costs	\$	482,436	
Estimated indirect costs		72,365	554,801
			<hr/>
Current year surplus			296,435
			<hr/>
Cumulative shortfall at December 31, 2017		\$	(67,433)
			<hr/>

December 31, 2017

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.

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 \$22,112,178 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount, \$1,407,049 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 fewer than five years. There are no investments subject to investment risk.

December 31, 2017

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
Primary Government			
Money market	\$ 191,643	Aa3	Moody's
Money market	85,576	A2	Moody's
Money market	7,128,742	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 Measurements

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 assets. 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, 2017:

- Publicly traded stocks of \$192,153 are valued using quoted market prices (Level 1 inputs).
- Michigan CLASS Pooled Account in the amount of \$3,994,941 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.

As of the year ended December 31, 2017, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS Pooled Account	\$ 3,994,941	\$ -	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.

December 31, 2017

Note 5 - Deferred Inflows/Outflows of Resources

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

	Governmental Funds	Governmental Activities
Property taxes levied for 2018 operations	\$ 8,229,414	\$ 8,229,414
Solid waste charges billed for 2018 operations	1,355,882	1,355,882
Special assessments - Unavailable	950,916	-
Delinquent property taxes - Unavailable	25,332	-
Deferred inflows related to pensions	-	588,893
	<u> </u>	<u> </u>
Total	<u>\$ 10,561,544</u>	<u>\$ 10,174,189</u>

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

	Governmental Funds	Governmental Activities
Taxes collected and remitted to the Grand Blanc Fire Authority	\$ 224,103	\$ 224,103
Deferred outflows related to pensions	-	2,706,818
	<u> </u>	<u> </u>
Total	<u>\$ 224,103</u>	<u>\$ 2,930,921</u>

December 31, 2017

Note 6 - Capital Assets

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

Governmental Activities

	Balance January 1, 2017	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2017
Capital assets not being depreciated:					
Land and land improvements	\$ 1,948,097	\$ -	\$ -	\$ -	\$ 1,948,097
Construction in progress	202,098	(212,040)	9,942	-	-
Subtotal	2,150,195	(212,040)	9,942	-	1,948,097
Capital assets being depreciated:					
Buildings and improvements	18,160,581	212,040	55,740	-	18,428,361
Vehicles	795,732	-	147,459	(44,757)	898,434
Furniture and equipment	2,171,733	-	197,542	-	2,369,275
Infrastructure	5,694,713	-	-	-	5,694,713
Subtotal	26,822,759	212,040	400,741	(44,757)	27,390,783
Accumulated depreciation:					
Buildings and improvements	5,852,741	-	455,045	-	6,307,786
Vehicles	704,376	-	71,113	(44,757)	730,732
Furniture and equipment	1,839,825	-	100,904	-	1,940,729
Infrastructure	3,309,184	-	213,312	-	3,522,496
Subtotal	11,706,126	-	840,374	(44,757)	12,501,743
Net capital assets being depreciated	15,116,633	212,040	(439,633)	-	14,889,040
Net governmental activities capital assets	\$ 17,266,828	\$ -	\$ (429,691)	\$ -	\$ 16,837,137

December 31, 2017

Note 6 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2017	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2017
Capital assets not being depreciated:					
Land	\$ 257,430	\$ -	\$ -	\$ -	\$ 257,430
Construction in progress	376,062	(191,300)	542,530	-	727,292
Subtotal	633,492	(191,300)	542,530	-	984,722
Capital assets being depreciated:					
Water and sewer distribution systems	106,721,934	191,300	1,142,124	-	108,055,358
Buildings and improvements	1,800,448	-	-	-	1,800,448
Vehicles	1,902,143	-	277,476	(138,122)	2,041,497
Furniture and equipment	1,908,228	-	25,843	-	1,934,071
Subtotal	112,332,753	191,300	1,445,443	(138,122)	113,831,374
Accumulated depreciation:					
Water and sewer distribution systems	30,033,371	-	1,646,498	-	31,679,869
Buildings and improvements	422,521	-	36,837	-	459,358
Vehicles	1,245,458	-	176,572	(138,122)	1,283,908
Furniture and equipment	1,492,591	-	79,234	-	1,571,825
Subtotal	33,193,941	-	1,939,141	(138,122)	34,994,960
Net capital assets being depreciated	79,138,812	191,300	(493,698)	-	78,836,414
Net business-type activity capital assets	<u>\$ 79,772,304</u>	<u>\$ -</u>	<u>\$ 48,832</u>	<u>\$ -</u>	<u>\$ 79,821,136</u>

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

Governmental activities:	
General government	\$ 333,948
Public safety	370,760
Public works	4,977
Recreation and culture	130,689
Total governmental activities	<u>\$ 840,374</u>
Business-type activities - Water and sewer	<u>\$ 1,939,141</u>

December 31, 2017

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Department of Public Works Fund	General Fund	\$ 14,110
Solid Waste Fund	General Fund	3,649
Nonmajor governmental funds	General Fund	67,973
Capital Projects Fund	Parks and Recreation Fund	198,834
General Fund	CDBG Fund	24,151
	Total	<u>\$ 308,717</u>

The balance owed from the Parks and Recreation Fund to the Capital Projects Fund represents a transfer due for reimbursement of capital expenditures. 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:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Master Campus Project Fund	\$ 815,500
	Parks and Recreation Fund	8,109
Parks and Recreation Fund	Capital Projects Fund	198,154
	Total	<u>\$ 1,021,763</u>

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 Parks and Recreation Fund to the Capital Projects Fund represents the transfer of resources for capital expenditures.

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.

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Note 8 - Long-term Debt (Continued)

Long-term debt activity can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation limited tax refunding bonds, Series 2015: Amount of issue: \$7,710,000 Maturing through 2031	3.00%-4.00%	\$365,000- \$605,000	\$ 7,710,000	\$ -	\$ (370,000)	\$ 7,340,000	\$ 365,000
Premium on bonds payable			580,738	-	(40,754)	539,984	-
Special assessment bonds - 2010 Holly Springs Bond: Amount of issue: \$535,000 Maturing through 2020	3.75%-4.15%	\$53,000- \$54,000	215,000	-	(54,000)	161,000	54,000
Special assessment bonds - 2012 Water Edge Bond: Amount of issue: \$350,000 Maturing through 2022	2.00%	\$35,000- \$36,000	214,000	-	(36,000)	178,000	36,000
Special assessment bonds - 2013 Braemoor Road Bond: Amount of issue: \$742,000 Maturing through 2023	1.75%-3.25%	\$77,000	539,000	-	(77,000)	462,000	77,000
Special assessment bonds - 2015 Sandalwood Road Bond: Amount of issue: \$149,000 Maturing through 2025	1.75%	\$15,000- \$16,000	137,000	-	(16,000)	121,000	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	228,727	-	(156,127)	72,600	72,600
Total bonds payable			9,624,465	-	(749,881)	8,874,584	620,600
Accumulated compensated absences			226,330	717,755	(747,263)	196,822	196,822
Total governmental activities			<u>\$ 9,850,795</u>	<u>\$ 717,755</u>	<u>\$ (1,497,144)</u>	<u>\$ 9,071,406</u>	<u>\$ 817,422</u>

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Limited Tax - General Obligation - 2011 Sanitary Sewer System SWQIF Bonds: Amount of issue: \$540,000, of which \$206,288 has been drawn down Maturing through 2033	2.5%	\$10,000 - \$15,000	\$ 216,288	\$ -	\$ (10,000)	\$ 206,288	\$ 10,000
Accumulated compensated absences			26,492	130,084	(141,267)	15,309	15,309
Total business-type activities			<u>\$ 242,780</u>	<u>\$ 130,084</u>	<u>\$ (151,267)</u>	<u>\$ 221,597</u>	<u>\$ 25,309</u>

December 31, 2017

Note 8 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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
2018	\$ 620,600	\$ 273,548	\$ 894,148	\$ 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	662,000	199,901	861,901	10,000	4,157	14,157
2023-2027	2,947,000	719,438	3,666,438	65,000	16,660	81,660
2028-2032	2,260,000	178,800	2,438,800	75,000	7,661	82,661
2033	-	-	-	16,288	407	16,695
Total	\$ 8,334,600	\$ 2,078,494	\$ 10,413,094	\$ 206,288	\$ 48,013	\$ 254,301

For the year ended December 31, 2017, interest expense was \$291,263.

Note 9 - Risk Management

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

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

Note 10 - Defined 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's 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 \$285,370 during the current year and there was no employee contribution.

Note 11 - Pension Plan

Plan Description

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

December 31, 2017

Note 11 - Pension Plan (Continued)

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 nonduty 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 nonduty 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 2.5 percent noncompounded.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the board of trustees, 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.

Employees Covered by Benefit Terms

At the December 31, 2016 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	45
	<hr/>
Total employees covered by the plan	68

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 8.32 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 21.33 percent of annual covered payroll.

December 31, 2017

Note 11 - Pension Plan (Continued)

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 \$27,969 per month.

Net Pension Liability

The net pension liability reported at December 31, 2017 was determined using a measure of the total pension liability and the pension net position as of December 31, 2016. The December 31, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2015	\$ 20,479,316	\$ 10,851,554	\$ 9,627,762
Changes for the year:			
Service cost	448,933	-	448,933
Interest	1,619,956	-	1,619,956
Changes in benefits	8,686	-	8,686
Differences between expected and actual experience	(668,282)	-	(668,282)
Contributions - Employer	-	1,239,870	(1,239,870)
Contributions - Employee	-	249,860	(249,860)
Net investment income	-	1,260,874	(1,260,874)
Benefit payments, including refunds	(874,070)	(874,070)	-
Administrative expenses	-	(24,852)	24,852
Miscellaneous other charges	(34,611)	(34,611)	-
Net changes	500,612	1,817,071	(1,316,459)
Balance at December 31, 2016	<u>\$ 20,979,928</u>	<u>\$ 12,668,625</u>	<u>\$ 8,311,303</u>

The plan's fiduciary net position represents 60.4 percent of the total pension liability.

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

For the year ended December 31, 2017, the Charter Township recognized pension expense of \$1,163,552. At December 31, 2017, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (588,893)
Changes in assumptions	604,889	-
Net difference between projected and actual earnings on pension plan investments	423,738	-
Employer contributions to the plan subsequent to the measurement date	1,678,191	-
Total	<u>\$ 2,706,818</u>	<u>\$ (588,893)</u>

December 31, 2017

Note 11 - Pension Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending December 31	Amount
2018	\$ 201,357
2019	201,357
2020	162,002
2021	(51,808)
2022	22,293
Thereafter	(95,467)

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.75-14.75 percent, an investment rate of return (net of investment expenses) of 8.0 percent, and using the RP-2014 mortality tables.

The actuarial assumptions used in the December 31, 2016 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. 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.

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, 2016, 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	58.00 %	5.00 %
Global fixed income	20.00	2.18
Real assets	12.00	4.23
Diversifying strategies	10.00	6.56

December 31, 2017

Note 11 - Pension Plan (Continued)

The preceding target allocation was amended as of January 1, 2017 to reduce the previous allocation to global equity and global fixed income and to increase the allocation of real assets and diversifying strategies. The target allocation as of January 1, 2017 will be 55.5 percent global equity, 18.5 percent global fixed income, 13.5 percent real assets, and 12.5 percent diversifying strategies.

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 8.0 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	\$ 11,492,248	\$ 8,311,303	\$ 5,707,704

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 of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 12 - Joint Ventures

The Charter Township is a member of the Grand Blanc District Library Commission, which provides library services to the residents of the Charter Township and the City of Grand Blanc, Michigan. 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, Michigan. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$170,712 for its operations. The Charter Township has no equity interest in the Grand Blanc Parks and Recreation Commission at December 31, 2017. 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.

December 31, 2017

Note 12 - Joint Ventures (Continued)

The Charter Township is a member of the Grand Blanc Fire Commission, which provides fire protection services to the residents of the Charter Township and the City of Grand Blanc, Michigan. The participating communities provide annual funding for its operations. During the current year, the Charter Township contributed \$582,500 for its operations, plus an additional \$584,408 from the dedicated millage. The Charter Township has no equity interest in the Grand Blanc Fire Commission at December 31, 2017. The Charter Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Grand Blanc Fire Commission can be obtained from the administrative offices at 117 High Street, Grand Blanc, MI 48439.

Note 13 - Contingent Liabilities

The Charter Township has been named as a defendant in a claim requesting damages of an unknown amount. 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 this matter. The Charter Township has not recorded an estimate of this liability at December 31, 2017.

Note 14 - Other Postemployment Benefits

Plan Description

The Charter Township provides retiree healthcare benefits to eligible employees and their spouses. Benefits are provided to all full-time employees. Currently, the plan has 113 members (including 80 employees in active service and retired 33 employees and 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's board through annual budget resolutions.

Funding Progress

For the year ended December 31, 2017, 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 costs 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)	\$ 3,138,563
Interest on the prior year's net OPEB obligation	361,879
Less adjustment to the annual required contribution	<u>(287,175)</u>
Annual OPEB cost	3,213,267
Amounts contributed:	
Payment of current premiums	(583,663)
Advance funding	<u>(1,575,405)</u>
Increase in net OPEB obligation	1,054,199
OPEB obligation - Beginning of year	<u>7,237,572</u>
OPEB obligation - End of year	<u>\$ 8,291,771</u>

December 31, 2017

Note 14 - 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 Costs	Percentage OPEB Costs Contributed	Net OPEB Obligation
December 31, 2015	December 31, 2014	\$ 2,921,905	43.90 %	\$ 5,663,027
December 31, 2016	December 31, 2014	3,094,766	49.10	7,237,572
December 31, 2017	December 31, 2014	3,213,267	68.79	8,291,771

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
December 31, 2008	\$ 2,028,960	\$ 13,175,632	\$ 11,146,672	15.40 %	\$ 5,082,104	219.33 %
December 31, 2011	3,335,965	12,852,353	9,516,388	25.96	4,104,126	231.87
December 31, 2014	4,601,228	34,779,739	30,178,511	13.23	4,195,319	719.34

* 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 and 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.

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 a closed basis over 28 years.

Required Supplemental Information

General Fund

The General Fund contains the records of the ordinary activities of the Charter Township that are not accounted for in another fund. General Fund activities are funded by revenue from state-shared revenue, general property taxes, and other sources. The schedule comparing revenue and expenditures - budgetary comparison schedule - compares the activity 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, 2017

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 8,028,725	\$ 7,742,475	\$ 7,770,705	\$ 28,230
Special assessments	425,300	425,300	471,821	46,521
Intergovernmental:				
Federal sources	91,000	91,000	112,510	21,510
State sources	3,018,932	3,018,932	3,342,573	323,641
Fines and forfeitures	90,000	90,000	93,999	3,999
Licenses and permits	803,021	886,580	971,583	85,003
Investment income	28,850	53,850	66,476	12,626
Other revenue:				
Local donations	-	-	725	725
Other miscellaneous income	1,294,849	1,294,849	1,338,758	43,909
Cable franchise fees	670,000	670,000	658,570	(11,430)
Bond proceeds	-	500,000	-	(500,000)
Total revenue	14,450,677	14,772,986	14,827,720	54,734
Expenditures				
Current services:				
General government:				
Legislative	192,434	226,463	220,246	6,217
Superintendent's office	323,892	323,892	316,030	7,862
General office	483,688	483,688	432,500	51,188
GIS/IT	401,638	401,638	391,540	10,098
Treasurer's office	362,517	402,897	386,083	16,814
Assessor's office	477,367	477,367	461,285	16,082
Clerk's office	203,878	203,878	166,795	37,083
Buildings and grounds	152,000	152,000	125,144	26,856
Legal and attorney	143,000	143,000	89,615	53,385
Elections	36,350	20,970	15,201	5,769
Planning and zoning	200,287	166,258	154,720	11,538
Insurance and other functions	80,405	1,080,405	1,080,405	-
Public safety	8,922,888	9,711,447	8,878,669	832,778
Public works	792,230	1,282,230	1,230,268	51,962
Recreation and culture - Parks and recreation	218,217	218,217	218,212	5
Debt service	393,768	393,768	341,571	52,197
Total expenditures	13,384,559	15,688,118	14,508,284	1,179,834
Excess of Revenue Over (Under) Expenditures	1,066,118	(915,132)	319,436	1,234,568
Other Financing Sources (Uses)				
Transfers in	13,632	13,632	-	(13,632)
Transfers out	(1,106,750)	(825,500)	(823,609)	1,891
Proceeds from sale of capital assets	7,000	7,000	9,616	2,616
Total other financing uses	(1,086,118)	(804,868)	(813,993)	(9,125)
Net Change in Fund Balance	(20,000)	(1,720,000)	(494,557)	1,225,443
Fund Balance - Beginning of year	3,913,942	3,913,942	3,913,942	-
Fund Balance - End of year	<u>\$ 3,893,942</u>	<u>\$ 2,193,942</u>	<u>\$ 3,419,385</u>	<u>\$ 1,225,443</u>

Major Special Revenue Fund

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

Charter Township of Grand Blanc

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Solid Waste Fund

Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Charges for services	\$ 1,342,000	\$ 1,342,000	\$ 1,346,200	\$ 4,200
Investment income	500	500	3,882	3,382
Total revenue	1,342,500	1,342,500	1,350,082	7,582
Expenditures - Current - Rubbish disposal	1,342,500	1,350,500	1,346,589	3,911
Net Change in Fund Balance	-	(8,000)	3,493	11,493
Fund Balance - Beginning of year	190,732	190,732	190,732	-
Fund Balance - End of year	<u><u>\$ 190,732</u></u>	<u><u>\$ 182,732</u></u>	<u><u>\$ 194,225</u></u>	<u><u>\$ 11,493</u></u>

Charter Township of Grand Blanc

Required Supplemental Information Schedule of OPEB Funding Progress

Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
December 31, 2008	\$ 2,028,960	\$ 13,175,632	\$ 11,146,672	15.40
December 31, 2011	3,335,965	12,852,353	9,516,388	25.96
December 31, 2014	4,601,228	34,779,739	30,178,511	13.23

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	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	5.0 percent
Projected salary increases	None
*Includes inflation at	4.0 percent
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, Prospectively Built from 2014

	2016	2015	2014
Total Pension Liability			
Service cost	\$ 448,933	\$ 444,281	\$ 417,196
Interest	1,619,956	1,515,063	1,428,077
Changes in benefit terms	8,686	(40,553)	-
Differences between expected and actual experience	(668,282)	(22,513)	-
Changes in assumptions	-	846,845	-
Benefit payments, including refunds	(908,681)	(812,129)	(796,761)
Net Change in Total Pension Liability	500,612	1,930,994	1,048,512
Total Pension Liability - Beginning of year	20,479,316	18,548,322	17,499,810
Total Pension Liability - End of year	\$ 20,979,928	\$ 20,479,316	\$ 18,548,322
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,239,870	\$ 791,064	\$ 790,503
Contributions - Member	249,860	240,707	220,671
Net investment income (loss)	1,260,874	(168,003)	635,862
Administrative expenses	(24,852)	(24,029)	(23,476)
Benefit payments, including refunds	(908,681)	(812,129)	(796,762)
Net Change in Plan Fiduciary Net Position	1,817,071	27,610	826,798
Plan Fiduciary Net Position - Beginning of year	10,851,554	10,823,944	9,997,146
Plan Fiduciary Net Position - End of year	\$ 12,668,625	\$ 10,851,554	\$ 10,823,944
Charter Township's Net Pension Liability - Ending	\$ 8,311,303	\$ 9,627,762	\$ 7,724,378
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.38 %	52.99 %	58.36 %
Covered Employee Payroll	\$ 3,000,886	\$ 3,032,637	\$ 2,847,756
Charter Township's Net Pension Liability as a Percentage of Covered Employee Payroll	276.96 %	317.47 %	271.24 %

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Pension Contributions

	Last Ten Fiscal Years Years Ended December 31									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 978,987	\$ 893,011	\$ 791,064	\$ 738,228	\$ 708,629	\$ 663,925	\$ 569,994	\$ 573,243	\$ 635,636	\$ 566,886
Contributions in relation to the actuarially determined contribution	1,678,191	1,239,870	791,064	738,228	708,629	663,925	569,994	573,243	635,636	566,886
Contribution Excess	<u>\$ 699,204</u>	<u>\$ 346,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 3,000,886	\$ 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
Contributions as a Percentage of Covered Employee Payroll	55.92 %	40.88 %	27.78 %	27.43 %	25.29 %	24.57 %	21.32 %	18.52 %	20.54 %	18.12 %

Notes to Schedule of 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, 2017 were determined based on the actuarial valuation as of December 31, 2015. The most recent valuation is as of December 31, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	22 years
Asset valuation method	Five-year smoothed
Inflation	2.50 percent
Salary increase	3.75 percent
Investment rate of return	8.0 percent
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

December 31, 2017

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 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's supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Charter Township's board for review. Public hearings are held and the final budget is adopted no later than December 31.

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).

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. The amount of encumbrances outstanding at year end is not significant. Unexpended appropriations lapse at year end.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Charter Township had an unfavorable variance between expenditures and appropriations in the Parks and Recreation Fund. This difference is a result of capital expenditures being budgeted within capital outlay; however, monies were transferred out to the Capital Projects Fund for capital expenditure reimbursement.

Other Supplemental Information

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.

Debt Service Funds

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.

Capital Project 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.

Parks and Recreation Fund

This fund is used to account for revenue received from the parks and recreation millage and income associated with the lease of land within Bicentennial Park for a cellular tower, in addition to appropriations from the General Fund. The funds are expended on park facilities/improvements and the maintenance and improvement of the Perry Homestead.

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 Fund
Assets					
Cash and cash equivalents	\$ 46,286	\$ 10,121	\$ 39,856	\$ 94,596	\$ -
Investments	-	-	-	-	-
Receivables	-	-	-	8,128	34,035
Due from other funds	606	124	490	1,107	-
Total assets	\$ 46,892	\$ 10,245	\$ 40,346	\$ 103,831	\$ 34,035
Liabilities					
Accounts payable	\$ 3,416	\$ -	\$ -	\$ -	\$ 9,884
Due to other funds	-	-	-	-	24,151
Total liabilities	3,416	-	-	-	34,035
Deferred Inflows of Resources	-	-	-	-	-
Fund Balances					
Nonspendable - Cemetery endowment	-	-	-	-	-
Restricted:					
Public safety	43,476	10,245	40,346	-	-
PEG Channel	-	-	-	103,831	-
Cemetery	-	-	-	-	-
Committed - Bicentennial Park improvements	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balances	43,476	10,245	40,346	103,831	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 46,892	\$ 10,245	\$ 40,346	\$ 103,831	\$ 34,035

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2017

Debt Service Fund	Capital Project Funds		Permanent Funds			
Master Campus Project Fund	Capital Projects Fund	Parks and Recreation Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ -	\$ 340,284	\$ 368,558	\$ 6,889	\$ 60,877	\$ 23,834	\$ 991,301
2,612,050	1,561,927	-	57,355	136,644	108,887	4,476,863
9,875	-	147,876	112	601	248	200,875
47,380	207,309	9,791	-	-	-	266,807
\$ 2,669,305	\$ 2,109,520	\$ 526,225	\$ 64,356	\$ 198,122	\$ 132,969	\$ 5,935,846
\$ -	\$ 41,413	\$ 48	\$ -	\$ -	\$ -	\$ 54,761
-	-	198,834	-	-	-	222,985
-	41,413	198,882	-	-	-	277,746
-	-	305,412	-	-	-	305,412
-	-	-	15,319	136,644	25,453	177,416
-	-	-	-	-	-	94,067
-	-	-	-	-	-	103,831
-	-	-	49,037	61,478	107,516	218,031
-	-	21,931	-	-	-	21,931
-	2,068,107	-	-	-	-	2,068,107
2,669,305	-	-	-	-	-	2,669,305
2,669,305	2,068,107	21,931	64,356	198,122	132,969	5,352,688
\$ 2,669,305	\$ 2,109,520	\$ 526,225	\$ 64,356	\$ 198,122	\$ 132,969	\$ 5,935,846

Charter Township of Grand Blanc

	Special Revenue Funds				
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	CDBG Fund
Revenue					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:					
Federal sources	-	-	-	-	106,730
State-shared revenue and grants	-	-	-	-	-
Investment income	606	124	490	1,107	-
Other revenue	-	-	-	34,058	-
Total revenue	606	124	490	35,165	106,730
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	3,350	-	-	-	-
Community and economic development	-	-	-	-	106,730
Recreation and culture	-	-	-	-	-
Capital outlay	3,416	-	-	42,262	-
Debt service	-	-	-	-	-
Total expenditures	6,766	-	-	42,262	106,730
Excess of Revenue (Under) Over Expenditures	(6,160)	124	490	(7,097)	-
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(6,160)	124	490	(7,097)	-
Fund Balances - Beginning of year	49,636	10,121	39,856	110,928	-
Fund Balances - End of year	\$ 43,476	\$ 10,245	\$ 40,346	\$ 103,831	\$ -

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and Changes in Fund
Balances
Nonmajor Governmental Funds

Year Ended December 31, 2017

Debt Service Fund	Capital Project Funds		Permanent Funds			
Master Campus Project Fund	Capital Projects Fund	Parks and Recreation Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ -	\$ -	\$ 292,197	\$ -	\$ -	\$ -	\$ 292,197
-	-	-	-	-	-	106,730
-	17,899	-	-	-	-	17,899
34,739	-	491	3,127	3,575	3,161	47,420
-	20,500	27,300	-	1,200	1,549	84,607
34,739	38,399	319,988	3,127	4,775	4,710	548,853
-	29,294	-	-	-	46	29,340
-	-	-	-	-	-	3,350
-	-	-	-	-	-	106,730
-	-	35,763	-	-	-	35,763
-	325,879	77,777	-	-	-	449,334
630,686	-	-	-	-	-	630,686
630,686	355,173	113,540	-	-	46	1,255,203
(595,947)	(316,774)	206,448	3,127	4,775	4,664	(706,350)
815,500	198,154	8,109	-	-	-	1,021,763
-	-	(198,154)	-	-	-	(198,154)
815,500	198,154	(190,045)	-	-	-	823,609
219,553	(118,620)	16,403	3,127	4,775	4,664	117,259
2,449,752	2,186,727	5,528	61,229	193,347	128,305	5,235,429
\$ 2,669,305	\$ 2,068,107	\$ 21,931	\$ 64,356	\$ 198,122	\$ 132,969	\$ 5,352,688

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds Drug Forfeiture Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Fines and forfeitures	\$ 18,189	\$ 5,000	\$ -	\$ (5,000)
Investment income	372	-	606	606
Total revenue	18,561	5,000	606	(4,394)
Expenditures - Public safety	8,312	20,000	6,766	13,234
Net Change in Fund Balance	10,249	(15,000)	(6,160)	8,840
Fund Balance - Beginning of year	39,387	49,636	49,636	-
Fund Balance - End of year	<u><u>\$ 49,636</u></u>	<u><u>\$ 34,636</u></u>	<u><u>\$ 43,476</u></u>	<u><u>\$ 8,840</u></u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Law Enforcement Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue - Investment income	\$ 78	\$ -	\$ 124	\$ 124
Expenditures	-	-	-	-
Net Change in Fund Balance	78	-	124	124
Fund Balance - Beginning of year	10,043	10,121	10,121	-
Fund Balance - End of year	<u>\$ 10,121</u>	<u>\$ 10,121</u>	<u>\$ 10,245</u>	<u>\$ 124</u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Federal Equitable Sharing Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Fines and forfeitures	\$ 5,618	\$ 5,000	\$ -	\$ (5,000)
Investment income	294	-	490	490
Total revenue	5,912	5,000	490	(4,510)
Expenditures	-	5,000	-	5,000
Net Change in Fund Balance	5,912	-	490	490
Fund Balance - Beginning of year	33,944	39,856	39,856	-
Fund Balance - End of year	<u><u>\$ 39,856</u></u>	<u><u>\$ 39,856</u></u>	<u><u>\$ 40,346</u></u>	<u><u>\$ 490</u></u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) PEG Channel Grant Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Investment income	\$ 717	\$ -	\$ 1,107	\$ 1,107
PEG contributions	35,608	36,000	34,058	(1,942)
Total revenue	36,325	36,000	35,165	(835)
Expenditures - Capital outlay	-	50,000	42,262	7,738
Net Change in Fund Balance	36,325	(14,000)	(7,097)	6,903
Fund Balance - Beginning of year	74,603	110,928	110,928	-
Fund Balance - End of year	<u>\$ 110,928</u>	<u>\$ 96,928</u>	<u>\$ 103,831</u>	<u>\$ 6,903</u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) CDBG Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue - Federal sources	\$ 11,742	\$ 140,000	\$ 106,730	\$ (33,270)
Expenditures - Current - Community and economic development	11,742	140,000	106,730	33,270
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Master Campus Project Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue - Investment income	\$ 9,957	\$ 3,000	\$ 34,739	\$ 31,739
Expenditures				
Debt service:				
Principal	300,000	370,000	370,000	-
Interest on long-term debt	253,500	261,650	260,686	964
Total expenditures	553,500	631,650	630,686	964
Excess of Revenue Under Expenditures	(543,543)	(628,650)	(595,947)	32,703
Other Financing Sources - Transfers in	807,699	815,500	815,500	-
Net Change in Fund Balance	264,156	186,850	219,553	32,703
Fund Balance - Beginning of year	2,185,596	2,449,752	2,449,752	-
Fund Balance - End of year	<u>\$ 2,449,752</u>	<u>\$ 2,636,602</u>	<u>\$ 2,669,305</u>	<u>\$ 32,703</u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Capital Projects Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
State grants	\$ 18,298	\$ 18,000	\$ 17,899	\$ (101)
Other revenue	20,000	20,000	20,500	500
Total revenue	38,298	38,000	38,399	399
Expenditures				
Current services - General government	3,592	-	29,294	(29,294)
Capital outlay	344,760	505,898	325,879	180,019
Total expenditures	348,352	505,898	355,173	150,725
Excess of Revenue Under Expenditures	(310,054)	(467,898)	(316,774)	151,124
Other Financing Sources				
Transfers in	294,500	-	198,154	198,154
Proceeds from sale of capital assets	-	12,000	-	(12,000)
Total other financing sources	294,500	12,000	198,154	186,154
Net Change in Fund Balance	(15,554)	(455,898)	(118,620)	337,278
Fund Balance - Beginning of year	2,202,281	2,186,727	2,186,727	-
Fund Balance - End of year	<u><u>\$ 2,186,727</u></u>	<u><u>\$ 1,730,829</u></u>	<u><u>\$ 2,068,107</u></u>	<u><u>\$ 337,278</u></u>

Charter Township of Grand Blanc

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Parks and Recreation Fund

Year Ended December 31, 2017

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Property taxes	\$ -	\$ 291,250	\$ 292,197	\$ 947
Investment income	141	-	491	491
Rental income	24,000	24,000	27,300	3,300
Total revenue	24,141	315,250	319,988	4,738
Expenditures				
Parks and recreation	23,300	59,000	35,763	23,237
Capital outlay	-	266,250	77,777	188,473
Total expenditures	23,300	325,250	113,540	211,710
Other Financing Sources (Uses)				
Transfers in	-	10,000	8,109	(1,891)
Transfers out	-	-	(198,154)	(198,154)
Total other financing sources (uses)	-	10,000	(190,045)	(200,045)
Net Change in Fund Balances	841	-	16,403	16,403
Fund Balances - Beginning of year	4,687	5,528	5,528	-
Fund Balances - End of year	<u>\$ 5,528</u>	<u>\$ 5,528</u>	<u>\$ 21,931</u>	<u>\$ 16,403</u>

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

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 Schedule of Changes in Assets and Liabilities Agency Funds

Year Ended December 31, 2017

	Agency			
	January 1, 2017	Additions	Deductions	December 31, 2017
Assets - Cash and investments	<u>\$ 1,136,262</u>	<u>\$ 55,273,286</u>	<u>\$ (54,703,008)</u>	<u>\$ 1,706,540</u>
Liabilities - Undistributed tax collections and other	<u>\$ 1,136,262</u>	<u>\$ 55,273,286</u>	<u>\$ (54,703,008)</u>	<u>\$ 1,706,540</u>

Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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.

The statistical section is organized into the following main categories:

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 Charter Township's most significant local revenue source, property taxes.

Debt capacity

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

Demographic and economic information

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

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the Charter Township's financial report relates to the services the government 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

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:				
Net investment in capital assets	\$ 6,682,242	\$ 6,976,914	\$ 8,837,920	\$ 8,810,747
Restricted	683,180	635,810	521,165	610,139
Unrestricted	<u>4,724,292</u>	<u>3,039,134</u>	<u>4,325,796</u>	<u>4,780,135</u>
Total net position	<u>\$ 12,089,714</u>	<u>\$ 10,651,858</u>	<u>\$ 13,684,881</u>	<u>\$ 14,201,021</u>
Business Type Activities:				
Net investment in capital assets	\$ 84,034,057	\$ 84,724,481	\$ 84,274,476	\$ 82,739,063
Unrestricted	<u>6,860,844</u>	<u>4,614,674</u>	<u>3,665,155</u>	<u>4,916,438</u>
Total net position	<u>\$ 90,894,901</u>	<u>\$ 89,339,155</u>	<u>\$ 87,939,631</u>	<u>\$ 87,655,501</u>
Primary government in total:				
Net investment in capital assets	\$ 90,716,299	\$ 91,701,395	\$ 93,112,396	\$ 91,549,810
Restricted	683,180	635,810	521,165	610,139
Unrestricted	<u>11,585,136</u>	<u>7,653,808</u>	<u>7,990,951</u>	<u>9,696,573</u>
Total net position	<u>\$ 102,984,615</u>	<u>\$ 99,991,013</u>	<u>\$ 101,624,512</u>	<u>\$ 101,856,522</u>

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

Net Position by Component

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 8,566,682	\$ 8,680,561	\$ 8,203,104	\$ 9,492,098	\$ 8,747,363	\$ 8,884,553
592,117	679,079	760,671	909,409	854,593	887,864
<u>3,258,537</u>	<u>2,978,935</u>	<u>3,530,534</u>	<u>(5,636,916)</u>	<u>(5,741,800)</u>	<u>(6,226,196)</u>
<u>\$ 12,417,336</u>	<u>\$ 12,338,575</u>	<u>\$ 12,494,309</u>	<u>\$ 4,764,591</u>	<u>\$ 3,860,156</u>	<u>\$ 3,546,221</u>
\$ 81,289,213	\$ 80,358,963	\$ 79,866,542	\$ 79,903,350	\$ 79,556,016	\$ 79,614,848
<u>6,318,313</u>	<u>8,161,044</u>	<u>10,584,824</u>	<u>12,556,998</u>	<u>14,477,139</u>	<u>15,033,948</u>
<u>\$ 87,607,526</u>	<u>\$ 88,520,007</u>	<u>\$ 90,451,366</u>	<u>\$ 92,460,348</u>	<u>\$ 94,033,155</u>	<u>\$ 94,648,796</u>
\$ 89,855,895	\$ 89,039,524	88,069,646	89,395,448	88,303,379	\$ 88,499,401
592,117	679,079	760,671	909,409	854,593	887,864
<u>9,576,850</u>	<u>11,139,979</u>	<u>14,115,358</u>	<u>6,920,082</u>	<u>8,735,339</u>	<u>8,807,752</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>	<u>\$ 98,195,017</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses:				
General government	\$ 3,328,975	\$ 3,924,053	\$ 2,846,619	\$ 2,922,201
Public safety	8,353,459	8,111,389	7,859,301	7,887,239
Public services	2,468,866	1,895,558	3,131,284	1,847,059
Community & economic development	402,485	430,874	177,831	181,727
Recreation and culture	406,377	293,441	368,414	360,374
Interest on long-term debt	491,165	467,876	465,058	508,282
Total governmental activities	<u>15,451,327</u>	<u>15,123,191</u>	<u>14,848,507</u>	<u>13,706,882</u>
Program revenues:				
Charges for services				
General government	159,175	367,266	504,225	254,420
Public safety	592,056	414,235	447,439	503,752
Public services	1,161,807	1,333,850	1,437,568	1,593,016
Community & economic development	26,204	23,848	23,933	20,680
Recreation and culture	16,560	16,560	18,837	19,094
Total charges for services	<u>1,955,802</u>	<u>2,155,759</u>	<u>2,432,002</u>	<u>2,390,962</u>
Operating grants and contributions	436,751	239,948	216,394	323,725
Capital grants and contributions	16,762	315,004	752,721	99,647
Total program revenue	<u>2,409,315</u>	<u>2,710,711</u>	<u>3,401,117</u>	<u>2,814,334</u>
Net (expense) revenue	<u>(13,042,012)</u>	<u>(12,412,480)</u>	<u>(11,447,390)</u>	<u>(10,892,548)</u>
General revenues:				
Property taxes	8,505,344	8,422,105	8,357,695	7,898,025
State-shared revenues	2,220,797	1,915,708	1,909,593	2,904,697
Unrestricted investment earnings	509,379	166,926	70,995	52,783
Unrestricted fees and other	439,497	469,885	520,649	553,183
Total general revenues	<u>11,675,017</u>	<u>10,974,624</u>	<u>10,858,932</u>	<u>11,408,688</u>
Change in net position	<u>\$ (1,366,995)</u>	<u>\$ (1,437,856)</u>	<u>\$ (588,458)</u>	<u>\$ 516,140</u>

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

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.

Changes in Governmental Net Position

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 2,790,711	\$ 2,460,297	\$ 2,745,106	\$ 3,502,152	\$ 3,943,043	\$ 4,097,830
8,194,852	8,622,129	8,236,466	9,487,970	9,778,628	9,413,996
2,418,588	2,327,558	2,110,008	2,247,743	2,001,597	2,576,857
148,055	91,969	102,656	108,031	11,742	106,730
376,043	593,346	412,919	405,378	400,615	462,441
520,386	539,785	627,123	597,971	275,219	218,938
<u>14,448,635</u>	<u>14,635,084</u>	<u>14,234,278</u>	<u>16,349,245</u>	<u>16,410,844</u>	<u>16,876,792</u>
227,186	205,498	229,012	21,292	17,820	18,180
572,524	832,500	999,165	1,172,981	1,229,558	932,776
1,648,615	1,691,529	1,679,494	1,701,853	1,468,084	1,598,184
20,157	20,408	37,335	71,876	37,964	114,626
23,587	24,000	24,000	-	-	-
<u>2,492,069</u>	<u>2,773,935</u>	<u>2,969,006</u>	<u>2,968,002</u>	<u>2,753,426</u>	<u>2,663,766</u>
264,468	304,043	234,262	177,716	505,373	265,079
522,242	798,954	85,190	343,531	62,013	655,718
<u>3,278,779</u>	<u>3,876,932</u>	<u>3,288,458</u>	<u>3,489,249</u>	<u>3,320,812</u>	<u>3,584,563</u>
<u>(11,169,856)</u>	<u>(10,758,152)</u>	<u>(10,945,820)</u>	<u>(12,859,996)</u>	<u>(13,090,032)</u>	<u>(13,292,229)</u>
7,416,001	7,228,532	7,380,963	7,429,486	7,666,286	8,046,464
2,734,929	2,788,329	2,915,367	2,917,622	2,990,718	3,224,062
75,323	54,804	34,627	41,785	65,841	117,778
617,895	607,726	770,597	1,453,547	1,462,752	1,589,990
<u>10,844,148</u>	<u>10,679,391</u>	<u>11,101,554</u>	<u>11,842,440</u>	<u>12,185,597</u>	<u>12,978,294</u>
<u>\$ (325,708)</u>	<u>\$ (78,761)</u>	<u>\$ 155,734</u>	<u>\$ (1,017,556)</u>	<u>\$ (904,435)</u>	<u>\$ (313,935)</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Program Revenue				
Charges for services	\$ 9,117,513	\$ 10,355,416	\$ 10,734,832	\$ 11,664,319
Operating grants and contributions	332,809	-	-	-
Capital grants and contributions	<u>4,335,264</u>	<u>650,320</u>	<u>736,812</u>	<u>602,900</u>
Total program revenue	<u>13,785,586</u>	<u>11,005,736</u>	<u>11,471,644</u>	<u>12,267,219</u>
Expenses	12,904,958	12,656,255	12,922,245	12,616,223
Net Revenue (Expense)	880,628	(1,650,519)	(1,450,601)	(349,004)
General Revenue				
Property taxes	-	-	-	-
Unrestricted investment earnings	326,900	89,576	48,473	36,627
Proceeds from sale of capital assets	<u>-</u>	<u>5,197</u>	<u>2,604</u>	<u>28,247</u>
Total general revenue	<u>326,900</u>	<u>94,773</u>	<u>51,077</u>	<u>64,874</u>
Change in Net Position	<u>\$ 1,207,528</u>	<u>\$ (1,555,746)</u>	<u>\$ (1,399,524)</u>	<u>\$ (284,130)</u>

Changes in Business Type Net Position

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 12,547,628	\$ 12,894,664	\$ 13,938,463	\$ 15,198,010	\$ 17,043,556	\$ 16,933,895
-	-	-	-	-	-
<u>468,569</u>	<u>653,953</u>	<u>1,232,285</u>	<u>1,630,205</u>	<u>1,116,224</u>	<u>1,115,067</u>
<u>13,016,197</u>	<u>13,548,617</u>	<u>15,170,748</u>	<u>16,828,215</u>	<u>18,159,780</u>	<u>18,048,962</u>
13,107,584	12,676,397	13,264,855	14,874,331	16,669,821	17,562,415
(91,387)	872,220	1,905,893	1,953,884	1,489,959	486,547
-	-	-	-	-	-
43,412	40,261	25,466	32,198	55,692	103,303
<u>-</u>	<u>-</u>	<u>-</u>	<u>22,900</u>	<u>27,156</u>	<u>25,791</u>
<u>43,412</u>	<u>40,261</u>	<u>25,466</u>	<u>55,098</u>	<u>82,848</u>	<u>129,094</u>
<u>\$ (47,975)</u>	<u>\$ 912,481</u>	<u>\$ 1,931,359</u>	<u>\$ 2,008,982</u>	<u>\$ 1,572,807</u>	<u>\$ 615,641</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Fund Balances				
General Fund - Unreserved/Unassigned**	\$ 1,682,294	\$ 1,697,320	\$ 1,823,679	\$ 1,698,382
All governmental funds:				
Nonspendable**:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	-	-	-	105,286
Reserved/Restricted**:				
Mosquito spraying	6,275	1,986	2,025	6,113
Solid waste	-	-	-	225,570
Public safety	396	2,353	3,831	107,056
Drug forfeiture	13,483	23,789	37,093	-
Cable TV activities - PEG Fund	8,232	3,088	3,088	3,088
Drug enforcement	-	-	-	-
Cemetery	-	-	-	163,026
Tree Replacement	-	-	-	-
Committed**:				
Bicentennial Park improvements	-	-	-	11,453
Assigned**:				
Compensated absences	-	-	-	-
Postemployment benefits	-	-	-	-
Pension	-	-	-	-
Capital projects	-	-	-	2,172,707
Debt service	-	-	-	2,685,792
Unreserved, reported in:				
Special Revenue Funds - Solid waste	448,191	361,185	215,645	N/A
Special Revenue Funds - Bicentennial Park	1,179	7,240	12,310	N/A
Capital Projects Funds	1,377,491	920,612	1,327,886	N/A
Master Campus Project	2,038,697	2,147,383	2,463,357	N/A
Civic Campus Fund	-	-	-	N/A
Debt Service Funds - Water and sewer	-	-	-	N/A
Permanent funds - Cemetery:				
Unexpendable	64,335	95,186	106,375	N/A
Expendable	<u>142,268</u>	<u>148,223</u>	<u>153,101</u>	<u>N/A</u>
Total all other governmental funds	<u>\$ 5,782,841</u>	<u>\$ 5,408,365</u>	<u>\$ 6,148,390</u>	<u>\$ 7,178,473</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.

Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 1,729,046	\$ (711,079)	\$ 1,751,582	\$ 1,811,598	\$ 1,933,826	\$ 1,719,122
-	117,390	127,367	145,996	209,677	199,969
139,701	139,161	153,266	161,000	174,629	177,416
11,793	13,129	22,996	19,607	23,736	26,760
223,935	240,176	243,440	325,611	190,732	194,225
48,411	88,937	110,810	83,374	99,613	94,067
-	-	-	-	-	-
3,088	3,088	37,995	74,603	110,928	103,831
-	-	-	-	-	1,231
165,189	194,588	192,164	198,511	208,252	218,031
-	-	-	46,703	46,703	72,303
55,077	38,241	20,687	4,687	5,528	21,931
-	200,000	200,000	225,000	-	-
-	100,000	200,000	500,000	1,700,000	1,000,000
-	-	-	275,000	-	-
2,354,421	2,457,823	2,825,187	2,702,281	2,186,727	2,468,107
2,846,150	2,984,304	3,107,687	2,185,596	2,449,752	2,669,305
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
<u>\$ 7,576,811</u>	<u>\$ 8,023,581</u>	<u>\$ 8,993,181</u>	<u>\$ 8,759,567</u>	<u>\$ 9,340,103</u>	<u>\$ 8,966,298</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenue				
Property taxes	\$ 8,505,344	\$ 8,389,929	\$ 8,349,970	\$ 7,882,680
Licenses and permits	882,219	795,497	360,728	423,622
Federal grants	99,752	256,948	207,793	166,072
State-shared revenues and grants	2,329,109	2,022,440	2,096,949	3,034,888
Charges for services	1,156,629	1,152,097	1,177,676	1,320,866
Fines and forfeitures	121,168	117,166	139,836	176,078
Investment income	498,929	166,926	62,027	52,783
Other	480,247	667,705	1,454,838	1,455,829
Total revenue	14,073,397	13,568,708	13,849,817	14,512,818
Expenditures				
Current:				
General government	2,996,256	2,635,967	2,682,007	2,547,644
Public safety	7,428,887	7,239,909	6,586,845	7,115,490
Public services	2,888,891	3,173,710	2,793,129	2,028,173
Community & economic development	-	-	-	-
Recreation and culture	-	-	246,554	233,016
Capital outlay	1,201,044	1,210,936	425,466	613,860
Debt service principal	235,418	349,325	472,432	484,119
Debt service interest	477,756	468,950	468,143	474,367
Total expenditures	15,228,252	15,078,797	13,674,576	13,496,669
Excess of Revenue Over Expenditures	(1,154,855)	(1,510,089)	175,241	1,016,149
Other Financing Sources (Uses)				
Debt issuance	655,219	884,000	535,000	-
Debt premium or discount	1,485,246	-	-	-
Proceeds from sale of capital assets	-	2,288	29,784	13,934
Transfers in	(194,500)	1,216,000	1,538,477	2,240,890
Transfers out	(1,290,746)	(1,216,000)	(1,538,477)	(2,240,890)
Total other financing sources (uses)	655,219	886,288	564,784	13,934
Net change in fund balances	(499,636)	(623,801)	740,025	1,030,083
Fund Balances - Beginning of year	6,105,768	5,782,841	5,408,365	6,148,390
Fund Balances - End of year	\$ 5,782,841	\$ 5,408,365	\$ 6,148,390	\$ 7,178,473
Debt service as a percentage of noncapital expenditures	5%	6%	7%	7%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 7,495,152	\$ 7,265,408	\$ 7,391,754	\$ 7,429,086	\$ 7,668,863	\$ 8,062,902
473,652	748,623	890,713	1,186,910	1,154,306	971,583
273,021	109,663	91,857	188,908	138,560	219,240
2,855,715	2,907,675	3,034,615	2,974,323	3,351,963	3,360,472
1,352,743	1,395,277	1,405,009	1,430,470	1,195,513	1,346,200
140,212	178,828	135,769	79,239	131,036	93,999
75,323	54,804	34,627	41,785	65,841	117,778
1,524,254	1,711,993	1,912,724	2,068,735	2,233,015	2,554,481
<u>14,190,072</u>	<u>14,372,271</u>	<u>14,897,068</u>	<u>15,399,456</u>	<u>15,939,097</u>	<u>16,726,655</u>
2,617,706	2,435,650	2,609,881	2,729,053	3,294,346	3,868,904
7,583,892	7,559,961	7,625,735	8,044,554	8,526,763	8,882,019
2,406,016	2,795,736	2,226,438	2,247,743	2,001,597	2,576,857
-	-	-	108,031	11,742	106,730
241,838	251,726	246,939	238,197	241,517	253,975
320,237	671,025	200,841	336,042	348,352	449,334
515,943	484,284	654,083	641,076	686,037	749,881
463,471	491,552	375,928	465,195	257,420	222,376
<u>14,149,103</u>	<u>14,689,934</u>	<u>13,939,845</u>	<u>14,809,891</u>	<u>15,367,774</u>	<u>17,110,076</u>
40,969	(317,663)	957,223	589,565	571,323	(383,421)
350,000	742,000	-	(1,474,395)	-	-
-	-	-	628,283	-	-
7,369	22,433	12,377	22,933	9,213	9,616
1,197,273	1,470,800	750,000	844,635	1,102,199	1,021,763
<u>(1,197,273)</u>	<u>(1,470,800)</u>	<u>(750,000)</u>	<u>(844,635)</u>	<u>(1,102,199)</u>	<u>(1,021,763)</u>
<u>357,369</u>	<u>764,433</u>	<u>12,377</u>	<u>(823,179)</u>	<u>9,213</u>	<u>9,616</u>
398,338	446,770	969,600	(233,614)	580,536	(373,805)
<u>7,178,473</u>	<u>7,576,811</u>	<u>8,023,581</u>	<u>8,993,181</u>	<u>8,759,567</u>	<u>9,340,103</u>
<u>\$ 7,576,811</u>	<u>\$ 8,023,581</u>	<u>\$ 8,993,181</u>	<u>\$ 8,759,567</u>	<u>\$ 9,340,103</u>	<u>\$ 8,966,298</u>

7%

7%

7%

8%

6%

6%

Charter Township of Grand Blanc

Taxable Value by Property Type

Real Property							
Tax Year	Residential	Commercial	Industrial	Agricultural & Other	IFT Real	Personal Property	IFT Pers.
2008	1,028,196,955	272,794,647	68,639,609	-	2,478,500	79,903,100	3,663,100
2009	959,112,832	277,779,895	66,891,980	-	1,077,700	94,827,200	2,839,800
2010	821,960,016	269,598,619	61,821,236	-	1,605,500	82,967,400	2,353,100
2011	773,463,997	230,138,564	52,604,012	-	1,587,700	78,488,900	4,320,500
2012	760,498,487	216,143,944	44,702,823	-	1,291,300	79,797,600	9,415,700
2013	762,354,145	218,595,083	43,302,567	-	80,000	80,337,400	12,174,700
2014	782,853,699	223,406,759	42,664,041	-	1,499,200	82,107,600	13,435,600
2015	810,533,329	225,587,055	43,366,103	-	1,801,500	80,048,000	14,225,600
2016	835,732,904	226,146,706	42,722,273	-	3,640,964	67,801,600	5,650,100
2017	868,419,226	229,607,900	42,157,581	-	4,302,803	74,437,500	5,174,800

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

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

Millage Rates - Direct Township Taxes

Tax Year	General Operating	Debt	Mosquito	Police	Fire	Parks & Recreation	Total Direct Taxes
2008	4.3806	-	0.1184	0.9128	-	-	5.4118
2009	4.5650	-	0.1267	0.9128	-	-	5.6045
2010	4.5650	-	0.1482	0.9128	0.5000	-	6.1260
2011	4.5650	-	0.1596	0.9128	0.5000	-	6.1374
2012	4.5650	-	0.1650	0.9128	0.5000	-	6.1428
2013	4.5650	-	0.1725	0.9128	0.5000	-	6.1503
2014	4.5531	-	0.1700	0.9104	0.4987	-	6.1322
2015	4.5531	-	0.1700	0.9104	0.4987	-	6.1322
2016	4.5650	-	0.1700	0.9128	0.5000	0.2500	6.3978
2017	4.5586	-	0.1698	0.9115	0.4993	0.2497	6.3889

Taxable Value and Estimated Actual Value of Taxable Property

December 31, 2017

Taxable Value by Property Type

Total Ad-Val	Total Abated	Total Value	GBT Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
1,449,534,311	6,141,600	1,455,675,911	5.4118	3,100,029,800	46.96%
1,398,611,907	3,917,500	1,402,529,407	5.6045	2,910,734,600	48.18%
1,236,347,271	3,958,600	1,240,305,871	6.1260	2,527,561,000	49.07%
1,134,695,473	5,908,200	1,140,603,673	6.1374	2,277,923,464	50.07%
1,101,142,854	10,707,000	1,111,849,854	6.1428	2,250,552,100	49.40%
1,104,589,195	12,254,700	1,116,843,895	6.1503	2,273,000,695	49.14%
1,131,032,099	14,934,800	1,145,966,899	6.1322	2,299,517,216	49.84%
1,159,534,487	16,027,100	1,175,561,587	6.1322	2,383,177,374	49.33%
1,172,403,483	9,291,064	1,181,694,547	6.1322	2,381,971,222	49.61%
1,214,622,207	9,477,603	1,224,099,810	6.3887	2,467,154,826	49.62%

Direct and Overlapping Property Tax Rates

County	Community College	Overlapping Taxes			Total Tax Rate:	
		Intermediate School District	School - Homestead	School - Non- homestead	Homestead	Non-homestead
10.2092	2.6796	3.5341	11.3600	29.3600	33.1947	51.1947
10.2094	2.6796	3.5341	11.3600	29.3600	33.3876	51.3876
10.2094	2.6796	3.5341	11.8000	29.8000	34.3491	52.3491
10.4594	2.8596	3.5341	12.2350	30.2350	35.2255	53.2255
10.5594	2.8596	3.5341	12.5200	30.5200	35.6159	53.6159
10.5594	2.8596	3.5341	12.1000	30.1000	35.2034	53.2034
11.0647	2.8596	3.5341	12.1000	30.1000	35.6906	53.6906
11.4897	2.8596	3.5341	12.1000	30.1000	36.1156	54.1156
11.4893	2.8096	3.7826	13.3000	31.3000	37.7793	55.7793
11.4896	2.8096	3.7826	13.2985	31.2985	37.7692	55.7692

Charter Township of Grand Blanc

Principal Property Taxpayers

Current and Ten Years Ago

December 31, 2017

Principal Taxpayer	Type of Business	2017			2007		
		Taxable Value	Percent of Total Taxable Value	Rank	2007 Taxable Value	Percent of Total	Rank
Consumers Energy Co	Utilities (Electric/Gas)	\$ 24,086,524	1.98%	1	\$ 19,497,192	1.32%	2
General Motors	Auto Manufacturing	18,001,870	1.48%	2	38,617,002	2.61%	1
MIMG CXXI Fountain Pointe LLC	Housing (Apartments)	10,749,400	0.88%	3		0.00%	
MIMG CXXI Fox Hill Glens LLC	Housing (Apartments)	9,762,200	0.80%	4		0.00%	
Edward Rose Association Inc	Housing (Thornridge Apartments)	9,652,058	0.79%	5	9,896,100	0.67%	5
Edward Rose Development	Housing (Heatherwood Apartments)	8,701,857	0.72%	6	9,632,500	0.65%	9
Genesys Health Systems	Healthcare	8,396,538	0.69%	7		0.00%	
Knollwood	Housing (Apartments)	7,999,563	0.66%	8	9,186,600	0.62%	7
Serra Properties	Automotive Dealership	7,445,117	0.61%	9	-	0.00%	
McLaren Health Care Corp	Healthcare	7,018,598	0.58%	10	-	0.00%	
Ring Screw Works	Manufacturing				14,162,721	0.96%	3
Auker	Real Estate				10,429,633	0.70%	4
Walmart/Sam's Club	Retail Sales				9,418,500	0.64%	6
Genesys Medsports	Health/Fitness/Conference				9,065,400	0.61%	8
Grand Blanc Processing	Manufacturing				6,430,900	0.43%	10

Charter Township of Grand Blanc

Property Tax Levies and Collections

Last Ten Fiscal Years

December 31, 2017

Fiscal Year Ended December 31,	Total Levy (1)	Current Collections (2)	Percent of Levy Collected	Delinquent Collections (3)	Total Tax Collections	Percent of Total Collections to Tax Levy	Delinquent Taxes	Percent of Levy	Total Levy all Taxing Authorities	Ad Val Taxable Value
2008	\$ 7,955,313	\$ 7,924,883	99.62%	\$ 12,188	\$ 7,937,071	99.77%	\$ 34,986	0.44%	\$ 61,322,650	\$ 1,471,912,236
2009	7,851,685	7,831,893	99.75%	16,077	7,847,970	99.95%	84,484	1.08%	59,473,592	1,449,534,311
2010	7,838,228	7,746,496	98.83%	5,137	7,751,633	98.90%	86,595	1.10%	58,561,161	1,398,611,907
2011	7,839,799	7,759,833	98.98%	30,077	7,789,910	99.36%	49,889	0.64%	50,871,342	1,140,603,673
2012	7,545,270	7,444,920	98.67%	7,070	7,451,990	98.76%	61,285	0.81%	49,524,233	1,101,187,890
2013	7,280,705	6,895,937	94.72%	18,408	6,914,345	94.97%	27,795	0.38%	48,873,206	1,115,428,242
2014	6,880,276	6,835,590	99.35%	19,015	6,854,605	99.63%	25,671	0.37%	47,166,060	1,131,032,099
2015	6,966,031	6,899,852	99.05%	17,636	6,917,488	99.30%	48,543	0.70%	51,015,184	1,159,534,487
2016	7,129,248	7,050,626	98.90%	15,916	7,066,542	99.12%	62,706	0.88%	52,116,857	1,172,403,483
2017	7,528,702	7,461,594	99.11%	22,336	7,483,930	99.41%	44,772	0.59%	54,508,576	1,214,622,207

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

(2) Represents collections through the final distribution of taxes, including delinquent real taxes purchased by the county

(3) Represents all collections after the final distribution date, through the current date

Charter Township of Grand Blanc

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:				
General obligation bonds	\$ 10,700,000	\$ 10,600,000	\$ 10,400,000	\$ 10,200,000
Premium on bonds payable	-	-	-	-
Installment purchase agreements	60,000	40,000	20,000	-
Special assessment bonds	<u>896,331</u>	<u>1,572,312</u>	<u>1,895,430</u>	<u>1,656,146</u>
Total governmental activities	11,656,331	12,212,312	12,315,430	11,856,146
Business Type Activities:				
SWQIF bonds	-	-	-	141,682
Installment purchase agreements	-	-	-	-
Total debt of the government	<u>\$ 11,656,331</u>	<u>\$ 12,212,312</u>	<u>\$ 12,315,430</u>	<u>\$ 11,997,828</u>
Median Household Income per Census	\$ 59,858	\$ 59,858	\$ 59,858	\$ 60,542
Total Population (Per Federal Census 10 Year)	29,827	29,827	37,508	37,508
Total Debt per Capita	\$ 391	\$ 409	\$ 328	\$ 320

Ratios of Outstanding Debt

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 10,000,000	\$ 9,800,000	\$ 9,600,000	\$ 8,010,000	\$ 7,710,000	\$ 7,340,000
-	-	-	621,492	580,738	539,984
-	-	-	-	-	-
<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>	<u>994,600</u>
11,744,861	12,002,577	11,464,294	10,310,502	9,624,465	8,874,584
201,379	246,288	236,288	226,288	216,288	206,288
-	-	-	-	-	-
<u>\$ 11,946,240</u>	<u>\$ 12,248,865</u>	<u>\$ 11,700,582</u>	<u>\$ 10,536,790</u>	<u>\$ 9,840,753</u>	<u>\$ 9,080,872</u>
\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542
37,508	37,508	37,508	37,508	37,508	37,508
\$ 318	\$ 327	\$ 312	\$ 281	\$ 262	\$ 242

Charter Township of Grand Blanc

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

December 31, 2017

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
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	8,331,492	-	8,331,492	1,159,534,487	0.72%	37,508	222
2016	8,290,738	-	8,290,738	1,172,403,483	0.71%	37,508	221
2017	7,879,984	-	7,879,984	1,224,099,810	0.64%	37,508	210

Charter Township of Grand Blanc

Direct and Overlapping Governmental Activities Debt

December 31, 2017

Jurisdiction	Debt outstanding	Percent Applicable to Charter Township	Amount Applicable to Charter Township
Direct debt - Charter Township of Grand Blanc	\$ 9,080,872	100.00%	\$ 9,080,872
Overlapping debt:			
Genesee County	50,021,812	13.59%	6,797,964
Grand Blanc School District	60,915,000	73.70%	44,894,355
Goodrich School District	42,905,527	18.11%	7,770,191
Lake Fenton School District	14,295,000	1.99%	284,471
Genesee ISD	7,555,000	12.76%	964,018
Mott Community College	71,920,000	12.77%	9,184,184
Bishop Airport Authority	9,355,000	13.59%	1,271,345
Subtotal - Overlapping debt	256,967,339		71,166,528
Total	\$ 266,048,211		\$ 80,247,400

Source: Municipal Advisory Council of Michigan

Charter Township of Grand Blanc

	As of December 31,			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit (Fiscal Year Ended) (1):				
State equalized valuation (previous year)	\$ 1,557,658,800	\$ 1,453,248,100	\$ 1,263,780,500	\$ 1,166,161,500
Debt Limit (10 percent of state equalized valuation)	155,765,880	145,324,810	126,378,050	116,616,150
Debt Applicable to Debt Limit:				
Total debt	11,656,331	12,212,312	12,315,430	11,856,146
Less deduction allowed by law:				
Special assessment bonds	(896,331)	(1,572,311)	(1,895,430)	(1,656,146)
General obligation limited tax bonds	<u>(10,700,000)</u>	<u>(10,600,000)</u>	<u>(10,400,000)</u>	<u>(10,200,000)</u>
Total amount of debt applicable to debt limit	<u>60,000</u>	<u>40,001</u>	<u>20,000</u>	<u>-</u>
Legal Debt Margin	\$ 155,765,880	\$ 145,324,810	\$ 126,378,050	\$ 116,616,150
Net Debt Subject to Limit as Percentage of				
Debt Limit	0.04%	0.03%	0.02%	0.00%

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

Legal Debt Margin

December 31, 2017

As of December 31,

	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>
\$	1,135,442,000	\$	1,154,558,600	\$	1,131,032,099	\$	1,159,534,487	\$	1,172,403,483	\$	1,224,099,810
	113,544,200		115,455,860		113,103,210		115,953,449		117,240,348		122,409,981
	11,744,861		12,002,577		11,464,294		10,310,502		9,624,465		8,874,584
	(1,744,861)		(2,202,577)		(1,864,294)		(1,679,010)		(1,333,727)		(994,600)
	<u>(10,000,000)</u>		<u>(9,800,000)</u>		<u>(9,600,000)</u>		<u>(8,631,492)</u>		<u>(8,290,738)</u>		<u>(7,879,984)</u>
	-		-		-		-		-		-
\$	113,544,200	\$	115,455,860	\$	113,103,210	\$	115,953,449	\$	117,240,348	\$	122,409,981
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

Charter Township of Grand Blanc

Demographic and Economic Statistics

December 31, 2017

Fiscal year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2007	35,075	\$ 12,922,834	\$ 29,775	4.30%
2008	35,075	13,046,468	30,347	0.05%
2009	34,775	12,608,063	29,652	7.90%
2010	36,534	12,834,529	30,249	10.30%
2011	36,885	13,442,021	31,820	7.40%
2012	37,061	13,700,197	32,737	6.40%
2013	37,060	13,944,618	33,552	6.30%
2014	37,019	14,393,852	34,878	5.00%
2015	36,870	15,042,335	35,596	3.80%
2016	36,746	15,394,647	37,675	3.40%
2017	(A)	(A)	(A)	3.60%

(A) Information 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

Charter Township of Grand Blanc

Principal Employers

December 31, 2017

Taxpayer	2017 Employees	Percentage of Total	2007 Employees	Percentage of total	2007 rank
1 Genesys Regional Medical Center	3,400	26.16%	3050	19.90%	1
2 General Motors Customer Care & After Sales	879	6.76%	(A)	(A)	
3 Grand Blanc Community Schools	708	5.45%	812	5.30%	3
4 MAGNA (three facilities)	591	4.55%	(A)	(A)	
5 Serra Automotive Group	500	3.85%	260	1.73%	6
6 Acumet Global Industries (three facilities)	400	3.08%	200	1.73%	10
7 Walmart	291	2.24%	376	1.96%	5
8 Genesys Athletic Club	249	1.92%	210	1.96%	8
9 TMI Custom Air Systems, Inc	187	1.44%	(A)	(A)	
10 Sam's Club	166	1.28%	(A)	(A)	
General Motors Service Parts Operation			1330	7.83%	2
General Motors Stamping Plant			540	5.35%	4
Inalfa Roof Systems			218	3.59%	7
Hutchings Automotive Pro/Mehr Tube			203	2.12%	9

(A) Information not available.

Charter Township of Grand Blanc

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

December 31, 2017

Function/ Program:	As of December 31,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Supervisor	2	2	1	1	1	1	1	1	3	3
Treasurer	2	2	2	2	2	2	2	2	2	2
Clerk	2	2	2	2	2	2	2	2	2	2
Finance	5	4	5	5	5	4	4	4	3	3
General office	3	3	2	2	3	3	3	3	3	3
Assessing	5	5	4	4	4	4	5	5	5	5
GIS-IT	-	-	3	3	3	3	3	3	3	3
Public Safety										
Police	51	49	44	46	44	42	45	50	46	49
Fire and EMS	2	2	2	5	5	5	5	5	3	4
Part-time volunteer	45	45	45	45	40	41	41	38	34	34
Public Services										
DPW	20	19	18	18	16	15	14	14	12	15
Building	3	3	2	2	2	2	2	3	2	2
Planning/Zoning	4	3	2	2	1	1	1	1	1	2
Parks and recreation	6	6	6	6	6	7	7	7	7	7
Total	150	145	138	143	134	132	135	138	126	134

Information obtained from the director of the department

Charter Township of Grand Blanc

Function/ Program	As of December 31,			
	2008	2009	2010	2011
Police:				
Physical arrests	2,436	2,472	2,502	2,825
Traffic violations	5,111	4,929	3,594	3,968
Traffic stops	9,337	8,771	8,171	9,631
Calls for service	17,798	16,990	17,340	21,788
Fire:				
Emergency responses	472	438	422	469
Fires extinguished	70	54	113	98
Inspections	-	-	453	490
Parks and recreation - Recreation programs	701	704	702	706
Library (B):				
Circulation (books borrowed)	2,580,077	2,734,882	3,008,370	3,309,207
Collection volume	645,235	632,330	695,563	765,119
Water:				
New connections	65	26	23	25
Water main breaks	1	3	5	-
Miles of water mains	193	193	193	193
Number of water mains	7,136	7,164	7,193	7,219
Number of water units	15,715	15,757	15,771	15,700
Total Consumption (in CCFs)	122,486,600	121,835,108	113,610,700	126,184,500
Average consumption per user	17,165	17,007	15,795	15,771
Sewer:				
Miles of sanitary sewer mains	245	245	241	241
Number of sewer customers	11,216	11,241	11,257	11,273

(A) Information not available.

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

Operating Indicators

Last Ten Fiscal Years

December 31, 2017

As of December 31,					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2,193	2,054	1,797	1,985	1,896	2,159
3,099	2,505	1,815	1,608	1,757	1,739
8,763	7,303	6,029	7,142	7,510	8,002
21,093	20,669	18,842	19,491	18,836	19,737
706	857	767	707	693	783
128	54	87	100	101	122
118	236	142	65	184	95
737	741	743	743	762	767
3,640,128	4,004,141	267,964	1,784,498	1,806,647	1,701,696
841,631	637,196	95,713	731,993	743,369	762,819
45	83	104	183	143	118
7	5	5	3	3	7
193	193	193	193	173	174
7,267	7,351	7,455	7,641	7,786	7,910
15,884	15,746	15,909	16,078	16,270	16,202
123,554,920	106,497,100	105,107,660	107,976,160	122,781,290	116,398,160
17,002	14,487	14,099	14,131	15,769	14,715
241	241	241	241	226	224
11,305	11,377	11,480	11,652	11,785	11,900

Charter Township of Grand Blanc

Capital Asset Statistics

Last Ten Fiscal Years

December 31, 2017

Function/ program	As of December 31,				As of December 31,					
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	17	17	16	17	17	17	17	17
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Trucks	9	9	10	7	7	7	11	11	11	10
Parks and recreation:										
Acreage	202	202	202	202	202	202	202	202	202	202
Playgrounds	1	1	1	1	1	1	1	2	2	2
Soccer fields	-	-	-	4	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	5
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water:										
Mains (miles)	173	173	173	173	173	173	173	173	173	174
Fire hydrants	2,200	2,200	2,216	2,216	2,216	2,216	2,049	2,058	2,058	2,087
Sewer - Miles of sanitary sewers	230	230	226	226	226	226	226	226	226	224

Sources: Various township departments.