



Charter Township of Grand Blanc
Genesee County, Michigan

**Annual Comprehensive Financial Report
with Supplemental Information
For the Period Ended December 31, 2020**

Charter Township of Grand Blanc Genesee County, Michigan

Annual Comprehensive Financial Report with Supplemental Information For the Period Ended December 31, 2020

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

Introductory Section

Letter of Transmittal	i-xi
GFOA Certificate of Achievement	xii
List of Principal Officials	xiii
Organization Chart	xiv

Financial Section

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-16

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18-19
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	20
Reconciliation of the Balance Sheet to the Statement of Net Position	21
Statement of Revenue, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	23
Proprietary Fund:	
Statement of Net Position	24
Statement of Revenue, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Fiduciary Funds:	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Notes to Financial Statements	29-51

Required Supplemental Information	52
--	-----------

General Fund Description	53
Budgetary Comparison Schedule - General Fund	54
Major Special Revenue Fund Description	55
Budgetary Comparison Schedule - Major Special Revenue Fund	56
Schedule of Changes in the Net Pension Liability and Related Ratios	57
Schedule of Pension Contributions	58
Schedule of Changes in the Net OPEB Liability and Related Ratios	59
Schedule of OPEB Contributions	60
Schedule of OPEB Investment Returns	61
Notes to Required Supplemental Information	62

Other Supplemental Information	63
Nonmajor Governmental Funds:	
Fund Descriptions	64-65
Combining Balance Sheet	66-67
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	68-69
Budgetary Comparison Schedule - Nonmajor Governmental Funds	70-78
Component Unit:	
Governmental Fund Balance Sheet - Downtown Development Authority	79
Statement of Revenue, Expenditures, and Changes in Fund Balance - Downtown Development Authority	80
<u>Statistical Section</u>	
Description of the Statistical Section	81
Financial Trend Information	
Net Position by Component	82-83
Changes in Governmental Net Position	84-85
Changes in Business Type Net Position	86-87
Fund Balances, Governmental Funds	88-89
Changes in Fund Balances, Governmental Funds	90-91
Revenue Capacity Information	
Taxable Value and Estimated Actual Value of Taxable Property	92-93
Direct and Overlapping Property Tax Rates	92-93
Principal Property Tax Payers	94
Property Tax Levies and Collections	95
Debt Capacity Information	
Ratios of Outstanding Debt	96-97
Ratios of General Bonded Debt Outstanding	98
Direct and Overlapping Governmental Activities Debt	99
Legal Debt Margin	100-101
Demographic and Economic Information	
Demographic and Economic Statistics	102
Principal Employers	103
Operating Information	
Full-Time Equivalent Government Employees	104
Operating Indicators	105-106
Capital Asset Statistics	107

CHARTER TOWNSHIP OF GRAND BLANC

5371 South Saginaw Street P.O. Box 1833 Grand Blanc, MI 48480-0057

810-424-2600 Fax 810-694-2881

www.twp.grand-blanc.mi.us

June 3, 2021

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

The Annual Comprehensive Financial Report (ACFR) 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 annual comprehensive 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, 2020.

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



Scott Bennett, Supervisor

Dave Robertson, Clerk Dennis Liimatta, Township Superintendent Mark Kilmer, Treasurer

Trustees:

Joel Feick Sarah Hugo Jude Rariden Paul White

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.

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 unmodified opinion on the Charter Township of Grand Blanc's financial statements for the year ended December 31, 2020. 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 was originally settled by Chippewa Indians. The Township took its name, French for "Great White", from 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 Ascension 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 and fire 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 provides recreational activities through the Grand Blanc Parks and Recreation/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. The fund balance policy adopted by the Board of Trustees 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 (Ascension 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. While the coronavirus pandemic substantially affected the unemployment rates throughout the nation, Grand Blanc Township's unemployment rate for 2020 is 7.2%, which is below the State unemployment rate of 9.9% and the national average of 10.2%.

The Charter Township's largest employer, Ascension Genesys Regional Medical Center which provides healthcare services, employs over 2800 people. In addition, the Charter Township's second largest taxpayer and second largest employer, 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 over a thousand 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. Construction of the long-awaited extension of Dort Highway from Interstate 75 to Baldwin Road was completed late in 2020. The project included the construction of 1.3 miles of new roadway, including three new roundabouts to connect Cook Road to the northbound I-75 exit ramp. The Dort Highway Connector project is expected to be a significant catalyst for development in the area. The construction elements of this project focused on two primary objectives, which included (1) improvement to traffic flow at the Dort Highway interchange at I-75 and to relieve current and anticipated congestion at the Holly Road I-75 interchange in Grand Blanc Township and (2) improve the conditions for economic development in the Genesee County region which will connect people and communities with centers of employment, education, healthcare and commerce to stimulate long-term job growth. 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. The pathway is expected to be completed in 2021.

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. The Township's 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 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 Ascension 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. Located in the same vicinity of the Township, a \$26 million investment in an industrial facility to house Magna Electronics, an innovative electronics manufacturer, was recently completed. With the continued economic development in the Township, the need for additional housing continues to grow. As a result, a \$19 million apartment complex, Banbury Commons, was recently constructed which includes single story units similar to condominiums. During the year, Grand Blanc Township also saw the construction of a strip mall, a storage unit facility, and two office buildings totaling over \$7 million in construction value combined. With the influx of new businesses and housing, many other industries are expanding their businesses to meet the increased demands. Also on the horizon for the upcoming year is the completion of a 4,400 square-foot office building with a construction value of \$12,400,000 to house Elga Credit, which will include administrative offices and a full-service branch that features four state-of-the-art ATM machines offering extended hours for teller service. In addition, another hotel valued at \$6.7 million and additional office space valued at \$1.7 million are currently under construction with expected completion in 2021.

Grand Blanc Township is a growing community and an employment generator for many residents of Genesee County. It is experiencing growth in construction and increased property values, far exceeding that of other communities in Genesee County. During 2020, the Township issued 69 residential building permits for new construction with a construction value of \$6,505,000 and 469 permits for additions or improvement to existing structures with a construction value of \$18,720,000. During the same period of time, the Township also issued 5 permits for new commercial construction with a construction value of \$21,100,000 and an

additional 24 permits for improvements on existing commercial structures with a construction value of \$7,240,000.

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 \$4,269,601, or 23.9 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 \$716,000, using unassigned fund balance, to the retiree healthcare trust to reduce its unfunded liability. This was in addition to the \$1,284,000 included in the original budget using operating revenues for a total of \$2,000,000 additional contribution to the retiree healthcare trust to reduce its unfunded liability. Even with this additional contribution to its retiree healthcare trust, the general fund experienced an increase to the fund balance of \$119,656 in 2020. 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. The Grand Blanc Township Police Department received their Accreditation Award from the Michigan Association of Chiefs of Police. This professional accomplishment affirms the departments voluntary compliance with the standards set forth by the Michigan Law Enforcement Accreditation Commission. The award makes the department one of the first 20 police departments in the state to receive this honor.

In September of 2018, Grand Blanc Township saw the return of a professional golf tournament, after the Buick Open ended in 2009. The Ally Challenge is a PGA Tour Champions event held at Warwick Hills Golf and Country Club in Grand Blanc Township. The tournament is sponsored by Grand Blanc-based McLaren Health Care. The event is designed to showcase the best golf on the PGA TOUR Champions for the enjoyment of spectators and to benefit local charities in the greater Flint area. All three official rounds are internationally televised on the Golf Channel.

In 2016, voters of Grand Blanc Township approved a new parks and recreation millage in the amount of .25 mills, which will generate over \$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. In 2020, approximately \$54,000 was spent on the improvement of the park facilities and purchase of equipment for the operation and care of the park.

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 177 miles of water mains and 226 miles of sanitary sewer mains and are continuously improving our infrastructure system. Capital improvements to the water and sewer systems in 2020 included \$1,032,500 for the sewer lines within the Dort Highway extension project; \$268,000 for sewer system pipe linings; and

\$53,000 for water meters. These projects were funded in part by the revenue generated from the water and sewer tap in fees. In 2020, the Township also recorded \$500,000 in water and sewer lines donated by developers and \$854,000 in capital charges and line inspection fees.

The Charter Township Governmental Funds invested \$179,000 in 2020 for the replacement of police patrol vehicles. The Township also completed some building improvements totaling \$85,000, purchased computer equipment and a new phone system in the amount of \$56,000 and voting machines and other miscellaneous equipment in the amount of \$38,000. The Township also invested \$290,000 in breathing apparatus and extraction equipment for the Fire Department and an additional \$825,000 for the purchase of a fire truck. The capital projects fund balance of \$1,123,000 will be carried forward to the 2021 fiscal year to be used for road improvements, police and fire 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 Annual Comprehensive Financial Report for the fiscal year ended December 31, 2019. This was the twenty-fifth 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 Annual Comprehensive 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 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

June 3, 2021

The preparation of the Annual Comprehensive Financial Report was made possible by the efficient and dedicated services of the 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". The ink is dark and the signature is fluid.

Cathleen Szostak
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Charter Township of Grand Blanc
Michigan**

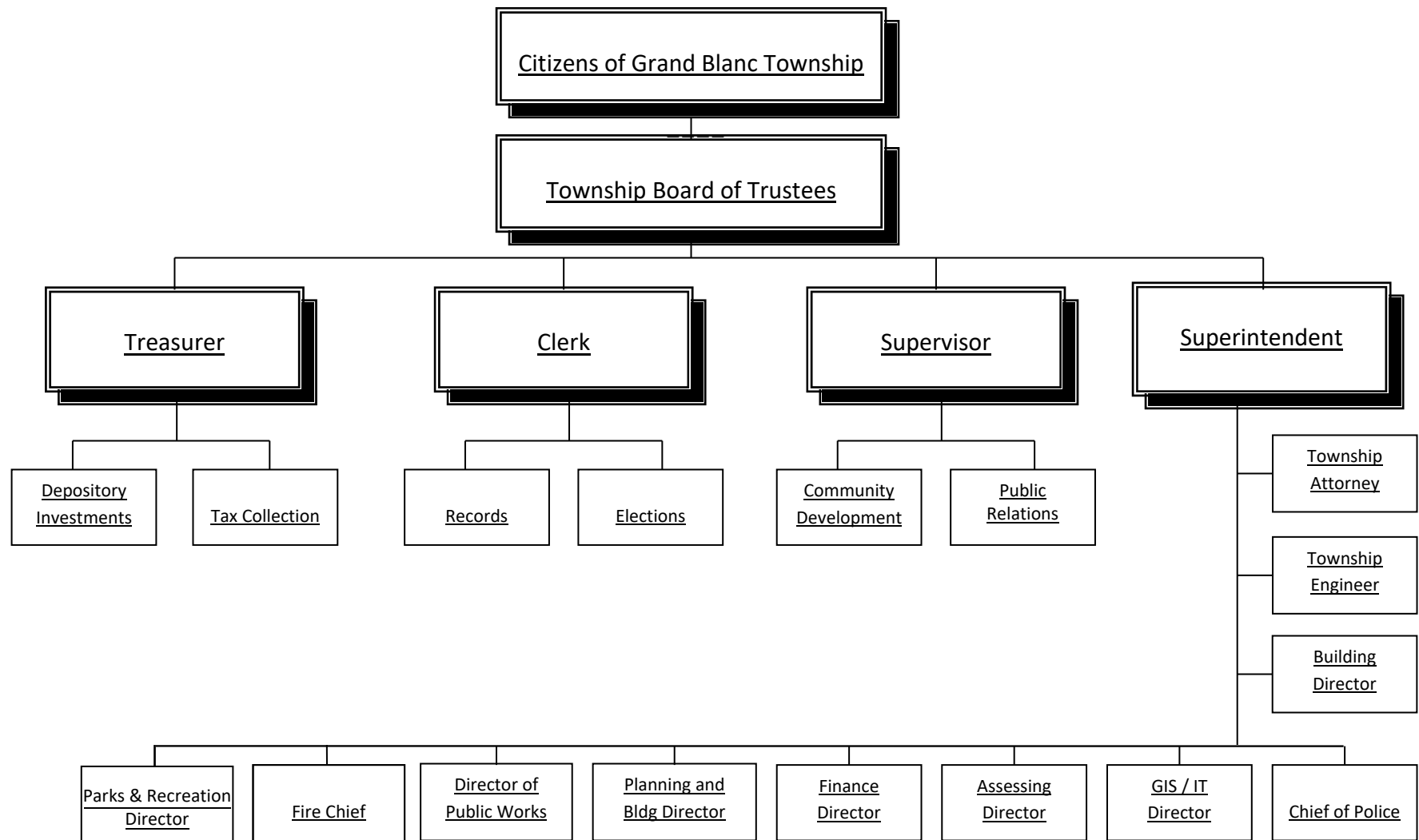
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

<u>Title</u>	<u>Name</u>
Supervisor	Scott Bennett
Clerk	Dave Robertson
Treasurer	Mark Kilmer
Board of Trustees	Joel Feick Sarah Hugo Jude Rariden Paul White
Township Superintendent	Dennis Liimatta
Finance Director	Cathleen Szostak
Director of Public Works	Jeff Sears
Police Chief	Ronald Wiles
Fire Chief	Robert Burdette
Assessing Director	Rebecca Salvati
Parks and Recreation Director	Patrick Linihan
Planning and Building Director	Vacant
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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc (the "Charter Township") as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Charter Township of Grand Blanc's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Grand Blanc as of December 31, 2020 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Grand Blanc's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section 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 States of America. Accordingly, such information should be read in conjunction with the Charter Township's financial statements for the year ended December 31, 2019 from which such partial information was derived. We have previously audited the Charter Township of Grand Blanc's December 31, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Board of Trustees
Charter Township of Grand Blanc

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021 on our consideration of the Charter Township of Grand Blanc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter Township of Grand Blanc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter Township of Grand Blanc's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

June 3, 2021

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, 2020. 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 non-major governmental funds and the component unit), 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 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.

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.

Required Supplemental Information – Includes the budgetary comparison schedules for the General Fund and major special revenue funds as well as budgetary notes. Also included are schedules of changes in the net pension liability and the net OPEB liability and related ratios, schedules of pension contributions and OPEB contributions, and the schedule of OPEB investment returns. 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 non-major capital projects funds, non-major governmental funds, the budget notes, and the combining schedules for the non-major 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 \$84.4 million for the fiscal year ended December 31, 2020. This was a total increase of approximately \$7.1 million or 9.2 percent from 2019. There were several contributing factors to the increase in net position including (1) an increase in cash and investments, (2) an increase in property tax and special assessment receivables as a result of increased revenues, (3) an increase in capital assets as a result of contributed capital from the Grand Blanc Fire Commission, and (4) a reduction of the Other Post- Employment Benefits (OPEB) liability. The deferred OPEB cost reductions also declined approximately \$1.5 million at December 31, 2020 to \$13.1 million. As required with the implementation of Governmental Accounting Standards Board (GASB) Statement no. 75 in 2018, the net OPEB liability was added to the statement of net position for the first time. The primary objective of GASB Statement No. 75 was to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The Township's government-wide statements now report the cost of retiree healthcare, as it is being earned by its employees. This is an improved method of measuring the cost of providing government services, and whether the current taxpayers have fully funded the full cost of services.

While the Township's total net position is still positive, it is all attributable to its business type activities, related to providing water and sewer services. With the addition of the net pension liability and the net OPEB liability added to the statement of net position in recent years, it has caused the net position of the governmental activities to be negative. This new measurement indicates that the Township's residents have paid less than the estimated cost of providing governmental services.

Charter Township of Grand Blanc

Management's Discussion and Analysis

The largest portion of the Charter Township's net position (109 percent) reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Charter Township uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In a condensed format, the table below shows a comparison of the net position as of December 31, 2020 and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
	(in thousands)		(in thousands)		(in thousands)	
Assets						
Current and other assets	\$ 24,717	\$ 23,249	\$ 21,367	\$ 19,734	\$ 46,084	\$ 42,983
Capital assets	18,735	16,105	79,644	79,777	98,379	95,882
Total assets	43,452	39,354	101,011	99,511	144,463	138,865
Deferred Outflows of Resources	3,704	2,985	108	-	3,812	2,985
Liabilities						
Long-term liabilities outstanding	34,424	33,435	-	-	34,424	33,435
Other liabilities	1,441	2,007	2,965	3,039	4,406	5,046
Total liabilities	35,865	35,442	2,965	3,039	38,830	38,481
Deferred Inflows of Resources	22,810	23,784	2,200	2,286	25,010	26,070
Net Position						
Net investment in capital assets	12,252	9,132	79,644	79,777	91,896	88,909
Restricted	1,874	1,745	-	-	1,874	1,745
Unrestricted	(25,645)	(27,764)	16,310	14,409	(9,335)	(13,355)
Total net position	\$ (11,519)	\$ (16,887)	\$ 95,954	\$ 94,186	\$ 84,435	\$ 77,299

The total net position of the Township is \$84.4 million. This is comprised of \$95.9 million within the business-type activities and negative \$11.5 million within the governmental activities. The negative net position within the governmental activities is caused by the net pension and OPEB liabilities of \$8,823,549 and \$16,945,287, respectively. Both were recently added to the government-wide statements as a result of new Governmental Accounting Standards Board requirements. During the 2020 fiscal year, the governmental activities experienced an increase in net position of \$5,368,088, which is primarily the result of contributed capital (Fire trucks and equipment) received from the dissolution of the Grand Blanc Fire Commission in which assets were split between contributing parties. In addition, cash and investments as well as receivables increased as a result of increased revenues in the form of property taxes and special assessments; the Township received federal resources through the Coronavirus Relief Funds grant; and experienced favorable results associated with the post-retirement healthcare benefits actuarial report resulting in reduced liabilities. The Township has taken measures to pay

Charter Township of Grand Blanc

Management's Discussion and Analysis

down the existing long-term obligation for other postemployment liabilities, modified its investment strategy for these long-term investments and switched its post-retirement healthcare provider to save money.

The business-type activities experienced an increase in net position of \$1,767,930, which is attributable to an increase in cash and investments primarily due to \$854,000 of capital contributions through tap-in fees and an additional \$500,000 of lines donated by developers. The increase in additional cash reserves and investments is intended for upcoming capital improvements. The business-type activities also experienced a reduction in its other postemployment liabilities. It now has a net OPEB asset of \$1,073,692, which is an increase of \$624,000 from last year, for the same reasons as the governmental activities.

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	
	2020	2019	2020	2019	2020	2019
	(in thousands)		(in thousands)		(in thousands)	
Revenue						
Program revenue:						
Charges for service	\$ 2,869	\$ 2,831	\$ 17,382	\$ 17,030	\$ 20,251	\$ 19,861
Operating grants and contributions	1,185	445	388	-	1,573	445
Capital grants and contributions	4,011	378	1,354	1,207	5,365	1,585
General revenue:						
Property taxes	9,752	9,426	-	-	9,752	9,426
State-shared revenue	3,431	3,446	-	-	3,431	3,446
Unrestricted investment earnings	237	328	213	348	450	676
Miscellaneous	1,587	1,909	-	35	1,587	1,944
Total revenue	23,072	18,763	19,337	18,620	42,409	37,383
Expenses						
General government	2,791	4,849	-	-	2,791	4,849
Public safety	9,926	8,409	-	-	9,926	8,409
Public works	3,523	2,458	-	-	3,523	2,458
Community and economic development	165	19	-	-	165	19
Recreation and culture	1,090	794	-	-	1,090	794
Interest on long-term debt	209	255	-	-	209	255
Water and sewer	-	-	17,569	17,588	17,569	17,588
Total expenses	17,704	16,784	17,569	17,588	35,273	34,372
(Decrease) Increase in Net Position	5,368	1,979	1,768	1,032	7,136	3,011
Net Position - Beginning of year	(16,887)	(18,866)	94,186	93,154	77,299	74,288
Net Position - End of year	\$ (11,519)	\$ (16,887)	\$ 95,954	\$ 94,186	\$ 84,435	\$ 77,299

Governmental Activities

Revenue for the governmental activities totaled \$23.1 million, of which \$9.8 million, or approximately 42 percent, was in the form of property tax collections. The Charter Township levied a total of 6.8673 mills for fiscal year 2020 (levied in December 2019), distributed as follows - 3.8025 mills for the Charter Township's operation, 0.7 mil for the municipal campus plan, 1.0000 mil for the Charter Township's police, 0.9974 mil for the

fire operations, 0.1210 mil for the Charter Township's mosquito control program, and 0.2464 mil for the Parks and Recreation program.

State-shared revenue contributed 15 percent, or \$3.4 million, of the total revenue and remained about the same as last year. For many years, the State has decreased state shared revenues to local municipalities. Only recently has revenue sharing stabilized either remaining relatively consistent from year to year or experiencing minor increases, and it continues to be an area of concern given the recent economic conditions. 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.

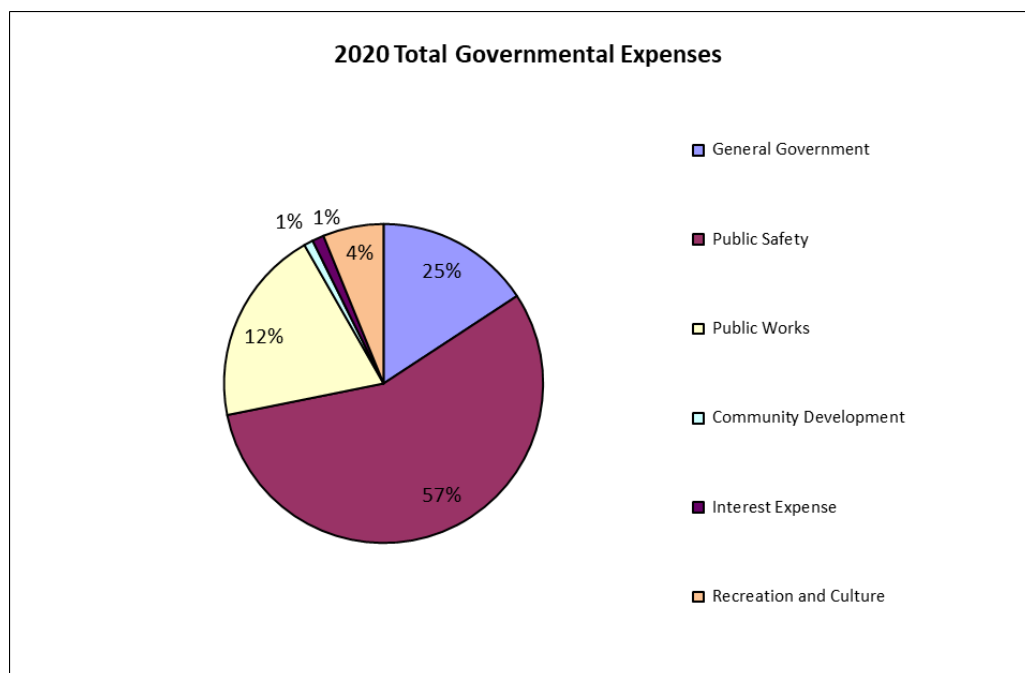
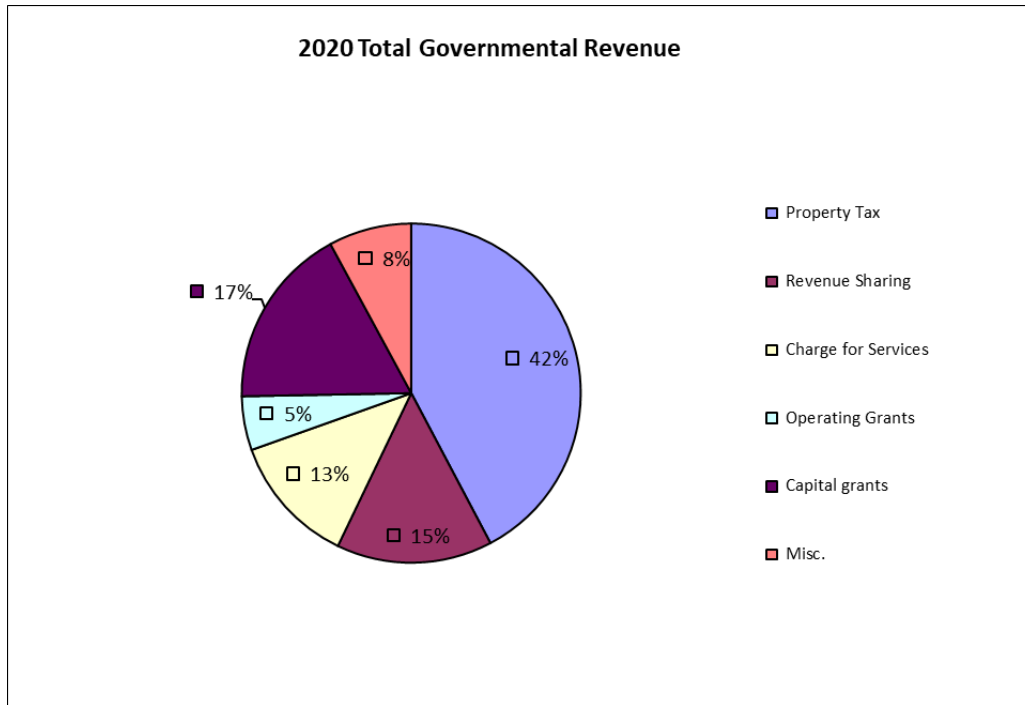
Charges for governmental services represent just over 12.4 percent of total revenue in the amount of \$2.9 million. The largest portion (48 percent) of charges for services is attributable to the special assessment in the Solid Waste Fund. The Charter Township's housing construction activities provide a large portion of revenue in this category as well, in the form of building permits and inspection fees, which represent 31 percent of the charges for service revenue.

The governmental activities expenditures totaled \$17.7 million in 2020 which is approximately a 5.5 percent increase compared to 2019. Public safety experienced the largest increase of just over \$1.5 million, which was the result of several large vehicle and equipment capital purchases within the Fire and Police Departments. Several special assessment road projects were completed throughout the year causing public works expenditures to increase as well. Overall, the net position of the governmental activities increased \$5,368,088 in 2020 to \$(11,518,552) from \$(16,886,640) in 2019, primarily due to the contributed capital in the form of Fire vehicles and equipment and the reduction in the net OPEB liability, as well as the increased revenues from property taxes and federal grants.

Business-type Activities

The Charter Township has one business-type activity, the Department of Public Works, which maintains the water and sewer systems. The Charter Township purchases water from Genesee County and the Charter Township's sewage is pumped to Genesee County treatment facilities. The water and sewer operations are primarily funded by user fees and charges for services. The revenue generated from charges for services of \$17.4 million covered nearly all of the \$17.6 million of water and sewer expenses. The remaining \$0.2 million of expenses were covered by the capital contributions, grants 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 2020 reflects an increase of \$1,767,930 to \$95,953,761, which also includes a reduction to the net OPEB liability creating a net OPEB asset of \$1,073,692, positively affecting the net position.

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



Capital Assets

The Charter Township has combined net capital assets of \$98,379,434. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2020 and 2019. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,948	\$ 1,948	\$ 1,176	\$ 1,176	\$ 3,124	\$ 3,124
Construction in progress	-	-	1,249	1,014	1,249	1,014
Buildings and improvements	11,375	11,797	1,258	1,301	12,633	13,098
Furniture and equipment	914	266	244	435	1,158	701
Infrastructure	1,599	1,771	-	-	1,599	1,771
Water and sewer distribution systems	-	-	75,083	75,118	75,083	75,118
Vehicles	2,899	323	634	733	3,533	1,056
Total	\$ 18,735	\$ 16,105	\$ 79,644	\$ 79,777	\$ 98,379	\$ 95,882

The Charter Township's governmental activities invested approximately \$1.5 million in 2020 for capital projects/purchases. The governmental funds capital improvements included the addition of police vehicles and equipment, building improvements, purchase of a fire truck, and breathing apparatus and extraction equipment for the Fire Department, as well as, various equipment purchases and upgrades. The fund balance in the Capital Projects Fund of \$1,123,121 will be carried forward to the 2021 fiscal year to be used for road improvements, police and fire 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 Department of Public Works proprietary fund, the Charter Township collected \$854,000 in capital contributions through tap-in fees, and an additional \$500,000 from lines donated by developers, which will be used to fund the infrastructure projects currently under construction or planned in the near future, such as replacement of meters and lining of the sewer pipes as preventive maintenance and new lines being added to support new development. In addition, an expansion of both the water and sewer lines into the southern end of the Township is underway to further development in that portion of the Township. Some of the capital improvements/purchases during 2020 within the Department of Public Works Fund included \$1,032,500 of sewer lines to expand in to the southern end of the Township; sewer lining replacement in the amount of \$268,000; several meter, generator, and pump replacements throughout the system totaling over \$53,000; and other miscellaneous water and sewer system improvements. Additional information on the Charter Township's capital asset activity can be found in Note 5 to the financial statements.

Long-Term Debt

The Charter Township has a total of \$8,654,709 in long-term governmental debt and \$25,768,836 of long-term pension and OPEB liabilities, within its governmental activities, as of December 31, 2020. Of this total debt, \$6,482,724 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, \$303,985 of all long-term debt is related to employee compensated absences, and \$1,868,000 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 long-term business-type activity debt includes \$31,262 for compensated absences and no long-term OPEB or pension liabilities. The Charter Township's long-term debt, including its pension and OPEB liabilities, represents 41 percent of total net position of the governmental activities and business-type activities together, even though the debt is primarily attributable to the governmental activities. Additional information on the Charter Township's long-term debt activity can be found in Note 7 to the financial statements.

The Charter Township's Nonmajor Governmental Funds

In the Other Supplemental Information section 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, CDBG (Community Development Block Grant) Fund, Building Fund, and Parks and Recreation Fund are special revenue funds due to their source of revenue being derived from specific revenue sources. The Parks and Recreation Fund was established as a special revenue fund in 2020 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. In addition to the capital improvements, the expenditures within this fund include park maintenance, programming activities and some of the funds are used for the maintenance and improvements of the Perry Homestead, a historical site with walking trails within the township.

- **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 Fund** – The Capital Projects Fund identifies specific capital projects and tracks the related expenditures. For this fund, the Charter Township board has identified specific tax revenue to be used for capital projects and improvements within the Charter 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 54 and the Solid Waste Fund on page 56 of the Required Supplemental Information section of this report. The total amount of revenue budgeted in the General Fund, including amendments for 2020, was \$17,600,877 with actual revenue recorded at \$17,843,985. This was a positive variance of \$243,108. The most significant area with a positive variance was State sources which exceeded the budgeted revenue by \$259,427 primarily as a result of an increase in state-shared revenues and higher than anticipated reimbursement for personal property taxes. Other areas with positive variances included special assessments, intergovernmental revenues including federal and state sources, local donations, and miscellaneous income.

State-shared revenue, originally budgeted at \$3,428,186 and amended to \$3,348,138 after the state revised its projections, was received in the amount of \$3,430,667 and as a result, exceeded the budget by \$82,529. The Charter Township has been very conservative in its estimates for state-shared revenue since it has decreased or remained stagnant nearly every year for the last several years. The state-shared revenues received in 2020 remained about the same as last year with only about a \$15,000 reduction. The Township has only received modest increased state-shared revenues three times (2017 through 2019), 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 \$17,298,727 and actual expenditures amounting to \$16,662,632 with a positive variance of \$636,095. Public safety experienced the largest positive variance with the budgeted expenditures as a result of vacancies that remained unfilled. All other departments experienced minor variances between their actual and budgeted expenditures except for Public Works, which experienced a negative variance of \$287,847 due to the completion of a special assessment road project ahead of schedule.

The net effect for 2020 shows an excess of revenue over expenditures (prior to other financing sources and uses) of \$1,181,353. After factoring in the net other financing uses of \$1,061,698, revenue exceeded expenditures and other financing uses by \$119,655 increasing the Charter Township's General Fund balance from \$4,141,706 to \$4,261,361. The actual result was better than anticipated, as the Board of Trustees included in the budget the use of \$798,764 of fund balance to be contributed to the trust fund for the unfunded OPEB liability. The December 31, 2020 unassigned General Fund balance is \$2,264,121 or 12.7 percent of 2020 General Fund revenue, which is within the recommended amount of 12-15 percent in the Charter Township's fund balance policy for the General Fund. The Township Board of Trustees has also chosen to assign \$1.5 million of fund balance for postemployment benefits with the intention of making an additional contribution to the OPEB trust in 2021 to further reduce the unfunded liability.

The Charter Township's Solid Waste Special Revenue Fund's original budgeted revenue was \$1,377,000 and the actual revenue recognized was \$1,389,499. 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 budgeted expenditures of \$1,547,000. The actual expenditures were \$1,529,446 which resulted in a difference of \$17,554 under budget. As a result, expenditures exceeded revenue by \$139,947 which was still about \$30,000 less than the anticipated use of fund balance. This decreased the fund balance of the Solid Waste Fund to \$85,469 or 6.2 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 3.4% in 2020 as compared to 2019 as a result of increased property values. Property values are projected to increase slightly in 2021, but will remain below the assessed property values assessed in 2007, which is the year in which the Township experienced a historical high in property tax values.

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. After modest increases the last three years, the Township experienced a decrease to state revenue sharing due to the economic conditions experienced throughout the country as a result of the coronavirus pandemic. After many years of either decline or stagnancy, state-shared revenue remains low relative to historic norms experienced prior to 2002. This revenue source represents about 19 percent of the total General Fund revenue. Given the recent economic forecast for the State of Michigan, it is likely that state-shared revenue will decrease in the future.

Another issue of concern to the Charter Township is the unfunded liabilities of its defined benefit retirement plan of approximately \$9.5 million as of December 31, 2019, the date of its most recent actuarial report. The funded ratio of the plan is 66 percent. In addition, the retiree healthcare plan has an unfunded liability of approximately \$15.8 million as of December 31, 2020, and a funding level of 56 percent. Just three years earlier, the retiree healthcare plan had an unfunded liability of \$33.3 million and a funding level of 24 percent. The Township was able to substantially reduce its unfunded liability by making additional contributions, changing its investment strategy and engaging the services of a different healthcare provider for post-65 retirees. In 2020, the Charter Township contributed the required annual contribution of \$1,104,853 plus an additional \$500,000 to its defined benefit plan. The Charter Township also made payments for postemployment health benefit premiums of \$472,811, plus prefunded contributions of \$2,495,000. This is nearly one and a half times more than the \$2,268,863 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 on a consistent basis. The Township has also 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.

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 several years.

During 2020, the Township issued 69 new house permits with construction values totaling \$6,505,000. In addition, 469 permits were issued for housing improvements with a total construction value of \$18,720,000. During that same timeframe, there were 5 new commercial development permits with a construction value of \$21,100,000 and 24 commercial improvement permits issued with a construction value of \$7,240,000. 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 2020, the Township was able to make an additional contribution of \$2 million towards the unfunded liability for postemployment benefits and still experienced an increase to the fund balance in the General Fund of approximately \$120,000. The fund balance remains at \$4,269,601. 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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents (Note 2)	\$ 2,422,580	\$ 249,519	\$ 2,672,099	\$ 313,442
Investments (Note 2)	13,452,634	15,375,300	28,827,934	-
Receivables:				
Property taxes	5,211,750	-	5,211,750	124,303
Special assessments	2,026,084	52,508	2,078,592	-
Customers	-	4,072,658	4,072,658	-
Accrued interest and other	35,586	40,727	76,313	-
Other receivables	177,406	311,156	488,562	-
Due from other governments	912,828	37,002	949,830	-
Due from component unit	50,000	-	50,000	-
Internal balances	(41,989)	41,989	-	-
Prepays	470,190	112,033	582,223	-
Net OPEB asset (Note 12)	-	1,073,692	1,073,692	-
Capital assets: (Note 5)				
Assets not subject to depreciation	1,948,097	2,424,976	4,373,073	-
Assets subject to depreciation	16,787,061	77,219,300	94,006,361	-
Total assets	43,452,227	101,010,860	144,463,087	437,745
Deferred Outflows of Resources (Note 4)				
Deferred pension costs (Note 10)	3,125,336	-	3,125,336	-
Deferred OPEB costs (Note 12)	578,106	107,529	685,635	-
Total deferred outflows of resources	3,703,442	107,529	3,810,971	-
Liabilities				
Accounts payable	703,683	2,859,628	3,563,311	-
Due to primary government	-	-	-	50,000
Refundable deposits, bonds, etc.	200,840	-	200,840	-
Accrued liabilities and other	536,524	73,647	610,171	-
Noncurrent liabilities:				
Due within one year: (Note 7)				
Compensated absences	303,985	31,262	335,247	-
Current portion of long-term debt	748,000	-	748,000	-
Due in more than one year:				
Net pension liability (Note 10)	8,823,549	-	8,823,549	-
Net OPEB liability (Note 12)	16,945,287	-	16,945,287	-
Long-term debt (Note 7)	7,602,724	-	7,602,724	-
Total liabilities	35,864,592	2,964,537	38,829,129	50,000
Deferred Inflows of Resources (Note 4)				
Property taxes levied for the following year	10,128,857	-	10,128,857	145,162
Other resources received before the period resources may be used	1,521,900	-	1,521,900	-
Deferred inflows related to pensions (Note 10)	292,839	-	292,839	-
Deferred OPEB cost reductions (Note 12)	10,866,033	2,200,091	13,066,124	-
Total deferred inflows of resources	22,809,629	2,200,091	25,009,720	145,162
Net Position (Deficit)				
Net investment in capital assets	12,252,434	79,644,276	91,896,710	-
Restricted:				
Mosquito spraying	13,550	-	13,550	-
Solid waste	85,469	-	85,469	-
Drug forfeiture and federal equitable sharing	84,836	-	84,836	-
Law enforcement	11,720	-	11,720	-
PEG Channel Grant	197,324	-	197,324	-
Building	617,141	-	617,141	-
Unexpendable cemetery fund	183,863	-	183,863	-
Expendable cemetery fund	247,521	-	247,521	-
Tree replacement	47,399	-	47,399	-
Parks and recreation	385,615	-	385,615	-
Unrestricted	(25,645,424)	16,309,485	(9,335,939)	242,583
Total net position (deficit)	\$ (11,518,552)	\$ 95,953,761	\$ 84,435,209	\$ 242,583

Charter Township of Grand Blanc

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,790,720	\$ 23,453	\$ 426,775	\$ -
Public safety	9,926,342	967,026	639,715	2,843,133
Public works	3,523,293	1,652,482	-	1,002,910
Community and economic development	164,765	23,524	-	164,765
Recreation and culture	1,090,373	202,864	118,444	-
Interest on long-term debt	209,154	-	-	-
Total governmental activities	17,704,647	2,869,349	1,184,934	4,010,808
Business-type activities - Department of Public Works	17,569,186	17,382,784	387,784	1,353,691
Total primary government	<u>\$ 35,273,833</u>	<u>\$ 20,252,133</u>	<u>\$ 1,572,718</u>	<u>\$ 5,364,499</u>
Component units - Downtown Development Authority	<u>\$ 6,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended December 31, 2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (2,340,492)	\$ -	\$ (2,340,492)	\$ -
(5,476,468)	-	(5,476,468)	-
(867,901)	-	(867,901)	-
23,524	-	23,524	-
(769,065)	-	(769,065)	-
(209,154)	-	(209,154)	-
(9,639,556)	-	(9,639,556)	-
-	1,555,073	1,555,073	-
(9,639,556)	1,555,073	(8,084,483)	-
-	-	-	(6,472)
9,751,632	-	9,751,632	210,432
3,430,667	-	3,430,667	-
237,172	212,857	450,029	-
598,919	-	598,919	-
30,335	-	30,335	-
958,919	-	958,919	-
15,007,644	212,857	15,220,501	210,432
5,368,088	1,767,930	7,136,018	203,960
(16,886,640)	94,185,831	77,299,191	38,623
\$ (11,518,552)	\$ 95,953,761	\$ 84,435,209	\$ 242,583

Charter Township of Grand Blanc

Governmental Funds Balance Sheet

December 31, 2020

	General Fund	Solid Waste Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 2)	\$ 2,060,243	\$ 275,457	\$ 86,880	\$ 2,422,580
Investments (Note 2)	6,968,078	773,361	5,711,195	13,452,634
Receivables:				
Property taxes	5,033,753	-	177,997	5,211,750
Special assessments	1,469,584	556,500	-	2,026,084
Accrued interest and other	18,457	2,051	15,078	35,586
Other receivables	169,409	-	7,997	177,406
Due from other governments	878,868	-	33,960	912,828
Due from component unit	50,000	-	-	50,000
Due from other funds (Note 6)	3,387	-	745,186	748,573
Prepays	443,584	-	26,606	470,190
Total assets	\$ 17,095,363	\$ 1,607,369	\$ 6,804,899	\$ 25,507,631
Liabilities				
Accounts payable	\$ 348,207	\$ -	\$ 355,476	\$ 703,683
Due to other funds (Note 6)	785,278	-	5,284	790,562
Refundable deposits, bonds, etc.	-	-	200,840	200,840
Accrued liabilities and other	444,045	-	33,045	477,090
Total liabilities	1,577,530	-	594,645	2,172,175
Deferred Inflows of Resources (Note 4)				
Unavailable revenue	1,463,328	-	-	1,463,328
Property taxes levied for the following year	9,784,904	-	343,953	10,128,857
Other resources received before the period resources may be used	-	1,521,900	-	1,521,900
Total deferred inflows of resources	11,248,232	1,521,900	343,953	13,114,085
Fund Balances				
Nonspendable:				
Prepays	443,584	-	26,606	470,190
Cemetery endowment	-	-	183,863	183,863
Restricted:				
Public safety	-	-	95,609	95,609
Solid waste	-	85,469	-	85,469
Mosquito spraying	13,550	-	-	13,550
PEG Channel	-	-	197,324	197,324
Cemetery	-	-	247,521	247,521
Tree replacement	47,399	-	-	47,399
Police LESO	947	-	-	947
Parks and recreation	-	-	385,615	385,615
Construction code	-	-	607,340	607,340
Committed - Bicentennial Park improvements	-	-	43,175	43,175
Assigned:				
Capital projects	-	-	1,118,251	1,118,251
Debt service	-	-	2,960,997	2,960,997
Postemployment benefits	1,500,000	-	-	1,500,000
Unassigned	2,264,121	-	-	2,264,121
Total fund balances	4,269,601	85,469	5,866,301	10,221,371
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,095,363	\$ 1,607,369	\$ 6,804,899	\$ 25,507,631

Charter Township of Grand Blanc

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

December 31, 2020

Fund Balances Reported in Governmental Funds	\$ 10,221,371
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	18,735,158
Special assessment receivables are expected to be collected in future years and are not available to pay for current year expenditures	1,386,296
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	77,032
Deferred outflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	3,703,442
Deferred inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	(11,158,872)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(8,350,724)
Accrued interest is not due and payable in the current period and is not reported in the funds	(59,434)
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:	(303,985)
Pension benefits	(8,823,549)
Retiree health care benefits	(16,945,287)
Net Position (Deficit) of Governmental Activities	<u><u>\$ (11,518,552)</u></u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	General Fund	Solid Waste Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Property taxes (Note 1)	\$ 9,424,307	\$ -	\$ 327,932	\$ 9,752,239
Special assessments	652,093	-	-	652,093
Intergovernmental:				
Federal sources	567,623	-	164,765	732,388
State sources	3,742,065	-	38,014	3,780,079
Local grants and contributions	76,810	-	-	76,810
Charges for services	-	1,377,798	631,815	2,009,613
Fines and forfeitures	79,376	-	-	79,376
Licenses and permits	46,977	-	458,699	505,676
Investment income	153,496	11,701	71,975	237,172
Other revenue:				
Local donations	7,470	-	147,724	155,194
Other miscellaneous income	2,494,867	-	13,807	2,508,674
Cable franchise fees	598,919	-	-	598,919
Total revenue	17,844,003	1,389,499	1,854,731	21,088,233
Expenditures				
Current services:				
General government	5,210,066	-	150,203	5,360,269
Public safety	9,063,262	-	844,500	9,907,762
Public works	1,993,847	1,529,446	-	3,523,293
Community and economic development	-	-	164,765	164,765
Recreation and culture	84,315	-	764,425	848,740
Capital outlay	-	-	1,509,794	1,509,794
Debt service	311,159	-	674,599	985,758
Total expenditures	16,662,649	1,529,446	4,108,286	22,300,381
Excess of Revenue Over (Under) Expenditures	1,181,354	(139,947)	(2,253,555)	(1,212,148)
Other Financing Sources (Uses)				
Transfers in	-	-	2,013,914	2,013,914
Transfers out	(2,013,914)	-	-	(2,013,914)
New debt issued	926,000	-	-	926,000
Proceeds from sale of capital assets	26,216	-	4,119	30,335
Total other financing (uses) sources	(1,061,698)	-	2,018,033	956,335
Net Change in Fund Balances	119,656	(139,947)	(235,522)	(255,813)
Fund Balances - Beginning of year	4,149,945	225,416	6,101,823	10,477,184
Fund Balances - End of year	<u>\$ 4,269,601</u>	<u>\$ 85,469</u>	<u>\$ 5,866,301</u>	<u>\$ 10,221,371</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, 2020

Net Change in Fund Balances Reported in Governmental Funds	\$ (255,813)
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	1,548,886
Depreciation expense	(1,174,585)
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	668,259
Contributed assets are reported as revenue in the statement of activities but are not reported as revenue in the funds, as they do not provide current financial resources.	2,255,684
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(926,000)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	773,754
Accrued interest expense is recorded as an expense in the statement of activities but not in the governmental funds	2,850
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	(21,716)
Change in the net OPEB liability and deferred items related to OPEB are recorded when incurred in the statement of activities	2,259,235
Change in the net pension liability and deferred items related to pension are recorded when incurred in the statement of activities	237,534
Change in Net Position of Governmental Activities	<u>\$ 5,368,088</u>

Charter Township of Grand Blanc

Proprietary Fund Department of Public Works Statement of Net Position

December 31, 2020

Assets

Current assets:

Cash and cash equivalents (Note 2)	\$ 249,519
Investments (Note 2)	15,375,300
Receivables:	
Customers	4,072,658
Accrued interest and other	40,727
Other receivables	311,156
Due from other governments	37,002
Due from other funds (Note 6)	41,989
Prepays	112,033

Total current assets 20,240,384

Noncurrent assets:

Tap-in assessments receivable	52,508
Net OPEB asset (Note 12)	1,073,692
Capital assets: (Note 5)	
Assets not subject to depreciation	2,424,976
Assets subject to depreciation	77,219,300

Total noncurrent assets 80,770,476

Total assets 101,010,860

Deferred Outflows of Resources - Deferred OPEB cost reductions (Note 12) 107,529

Liabilities

Current liabilities:

Accounts payable	2,859,628
Accrued liabilities and other	73,647
Compensated absences (Note 7)	31,262

Total liabilities 2,964,537

Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 12) 2,200,091

Net Position

Net investment in capital assets	79,644,276
Unrestricted	16,309,485

Total net position **\$ 95,953,761**

Charter Township of Grand Blanc

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

Years Ended December 31, 2020 and 2019

	2020	2019
Operating Revenue		
Sale of water	\$ 9,711,903	\$ 9,083,251
Sewage disposal charges	7,509,776	7,442,798
Water meters	65,541	122,313
Penalties and other charges for services	95,564	381,503
Total operating revenue	17,382,784	17,029,865
Operating Expenses		
Cost of water	8,135,998	8,040,516
Cost of sewage treatment	5,048,756	5,188,835
Billing and administrative costs	2,322,124	2,343,805
Depreciation	2,062,308	2,015,306
Total operating expenses	17,569,186	17,588,462
Operating Loss	(186,402)	(558,597)
Nonoperating Revenue		
Investment income	212,857	348,016
Gain on sale of assets	-	34,569
State grants - Noncapital	387,784	-
Total nonoperating revenue	600,641	382,585
Income (Loss) - Before capital contributions	414,239	(176,012)
Capital Contributions		
Capital charges and line inspection fees	853,822	1,076,272
Lines donated by developers	499,869	131,000
Total capital contributions	1,353,691	1,207,272
Change in Net Position	1,767,930	1,031,260
Net Position - Beginning of year	94,185,831	93,154,571
Net Position - End of year	\$ 95,953,761	\$ 94,185,831

Charter Township of Grand Blanc

Proprietary Fund Department of Public Works Statement of Cash Flows

Year Ended December 31, 2020

Cash Flows from Operating Activities

Receipts from customers	\$ 17,422,022
Payments for interfund services and reimbursements	(26,152)
Payments to suppliers	(14,290,212)
Payments to employees	<u>(2,184,523)</u>

Net cash and cash equivalents provided by operating activities 921,135

Cash Flows Provided by Noncapital Financing Activities - Noncapital grants 387,784

Cash Flows from Capital and Related Financing Activities

Capital charge collections	853,822
Special assessment collections	23,359
Purchase of capital assets	<u>(1,430,170)</u>

Net cash and cash equivalents used in capital and related financing activities (552,989)

Cash Flows from Investing Activities

Interest received on investments	189,540
Purchase of investment securities	<u>(9,780,499)</u>

Net cash and cash equivalents used in investing activities (9,590,959)

Net Decrease in Cash and Cash Equivalents (8,835,029)

Cash and Cash Equivalents - Beginning of year 9,084,548

Cash and Cash Equivalents - End of year \$ 249,519

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (186,402)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	2,062,308
Changes in assets and liabilities:	
Receivables	39,238
Due to and from other funds	(26,152)
Prepaid and other assets	(65,507)
Accrued and other liabilities	(801,632)
Accounts payable	<u>(100,718)</u>

Total adjustments 1,107,537

Net cash provided by operating activities \$ 921,135

Significant Noncash Transactions - Donated water and sewer lines \$ 499,869

Charter Township of Grand Blanc

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2020

	Other Postemployment Benefits Trust Fund	<u>Custodial Fund</u> Tax Fund
Assets		
Cash and cash equivalents	\$ -	\$ 2,355,835
Interest in pooled investments	20,709,396	-
Total assets	20,709,396	2,355,835
Liabilities - Undistributed tax collections and other	-	2,355,835
Net Position - Restricted - Postemployment benefits other than pension	<u><u>\$ 20,709,396</u></u>	<u><u>\$ -</u></u>

Charter Township of Grand Blanc

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2020

	Other Postemployment Benefits Trust Fund	<u>Custodial Fund</u> Tax Fund
Additions		
Investment income (loss):		
Net increase in fair value of investments	\$ 1,952,864	\$ -
Investment-related expenses	(29,214)	-
Net investment income	1,923,650	-
Contributions - Employer contributions	2,967,811	-
Property tax collections	-	51,273,719
Total additions	4,891,461	51,273,719
Deductions		
Benefit payments	472,811	-
Tax distributions to other governments	-	51,273,719
Total deductions	472,811	51,273,719
Net Increase in Fiduciary Net Position	4,418,650	-
Net Position - Beginning of year	16,290,746	-
Net Position - End of year	<u><u>\$ 20,709,396</u></u>	<u><u>\$ -</u></u>

December 31, 2020

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

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

Reporting Entity

The Charter Township is governed by an elected seven-member board of trustees. The accompanying financial statements present the Charter Township of Grand Blanc. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Charter Township.

Discretely Presented Component Units

Downtown Development Authority

The Downtown Development Authority (the "Authority") was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The Authority's governing body, which consists of nine individuals, is selected by the Charter Township's board. In addition, the Authority's budget is subject to approval by the Charter Township's board. The Authority does not separately issue financial statements.

Fiduciary Component Units

The retiree health care plan is governed by the township board. Although the retiree health care plan is legally separate from the Charter Township, it is reported as a fiduciary component units because the township board serves as the board for the plan, and the plan imposes a financial burden on the Charter Township.

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.

December 31, 2020

Note 1 - Significant Accounting Policies (Continued)

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 the following:

- The Other Postemployment Benefits Trust Fund accumulates resources in a trust for future retiree health care payments to retirees.
- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, and the various smaller authorities).

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 the 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 health care-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.

December 31, 2020**Note 1 - Significant Accounting Policies (Continued)**

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Charter Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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

Report Presentation

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

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

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 functions 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 and Cash Equivalents**

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.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates.

December 31, 2020

Note 1 - Significant Accounting Policies (Continued)

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 \$5,000 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	20-99
Vehicles	3-10
Furniture and equipment	3-20

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 lives 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 other financing sources, 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 and/or balance sheet 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.

In addition to liabilities, the statement of net position and/or balance sheet 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.

December 31, 2020

Note 1 - Significant Accounting Policies (Continued)

The Charter Township reports the following deferred outflows of resources and deferred inflows of resources:

Description	Inflows	Outflows
Unavailable revenue (those not collected within the period of availability) - Reported only at the modified accrual level	✓	
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓
Property taxes levied for the following year	✓	

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.

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.

December 31, 2020

Note 1 - Significant Accounting Policies (Continued)

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	3.8025 \$	5,117,000
Master campus project	0.70000	942,000
Police millage	1.0000	1,346,000
Fire millage	0.9974	1,342,000
Mosquito millage	0.1210	163,000
Parks and recreation	0.2464	332,000
Act 198/255 taxes and administration fees		616,000

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2019 was approximately \$1,343,983,000, a portion of which is captured and remitted to the Authority.

To date, the mosquito and parks and recreation millages raised \$13,550 and \$385,615 more revenue than expenditures, respectively. As a result, \$13,550 and \$385,615 of the fund balance was restricted in the General Fund and Parks and Recreation Fund, respectively, as of December 31, 2020.

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 health care benefits to retirees. The Charter Township records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. 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.

December 31, 2020**Note 1 - Significant Accounting Policies (Continued)****Compensated Absences (Vacation and Sick Leave)**

It is the Charter Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Charter Township does not have a policy to pay any amounts when employees separate from service with the Charter Township. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally, the funds that report each employee's compensation are used to liquidate the 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 proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Comparative Data

Comparative total data for the prior year has been presented only for the individual enterprise fund in the fund financial statements in order to provide an understanding of the changes in the financial position and operation of this fund.

Upcoming Accounting Pronouncements

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 December 31, 2022, as extended by GASB 95.

December 31, 2020**Note 1 - Significant Accounting Policies (Continued)**

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Charter Township's financial statements for the December 31, 2022 fiscal year.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including June 3, 2021, which is the date the financial statements were available to be issued.

Note 2 - 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 that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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 OPEB trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Charter Township has designated four 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 investments comply with all required laws and regulations.

December 31, 2020

Note 2 - Deposits and Investments (Continued)

The Charter Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Charter Township's deposits may not be returned to it. The Charter Township does not have a deposit policy for custodial credit risk. At year end, the Charter Township had \$5,740,804 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount, \$545,601 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 Federal Deposit Insurance Corporation (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 custodial fund investment earnings are allocated to the General Fund, as provided by Michigan law.

The component unit, the Downtown Development Authority, had no deposits that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

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

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Charter Township's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. The Charter Township prohibits investment of operating funds in securities maturing more than two years from the date of purchase. Reserves and capital improvements may be invested in securities exceeding two years but less than five years. There are no investments subject to investment risk.

At year end, the Charter Township had the following investments:

Investment	Carrying Value	Weighted- average Maturity (Years)
Primary Government		
U.S. Treasury notes	\$ 18,052,722	1.79
U.S. agency bonds	5,386,935	2.23

December 31, 2020

Note 2 - 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	Market Value	Rating	Rating Organization
U.S. Treasury notes	\$ 18,052,722	Aaa	Moody's
U.S. agency bonds	5,386,935	Aaa	Moody's
GovMic money market	5,232,498	NR	Moody's

Concentration of Credit Risk

The Charter Township places no limit on the amount it may invest in any one issuer.

Note 3 - 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, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where 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, 2020:

- Publicly traded stocks of \$155,779 are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury and U.S. Agency bonds of \$23,439,657 are valued using other inputs, such as interest rates and yield curves, that observed at commonly quoted intervals (Level 2 inputs).

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 December 31, 2020, 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
MERS pooled investment funds	\$ 20,709,396	\$ -	None	None

The MERS pooled investment funds is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS portfolio.

December 31, 2020

Note 4 - 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	Business-type Activities
Property taxes levied for 2020 operations	\$ 10,128,857	\$ 10,128,857	\$ -
Solid waste charges billed for 2020 operations	1,521,900	1,521,900	-
Special assessments - Unavailable	1,386,296	-	-
Federal grants - Unavailable	63,761	-	-
Delinquent property taxes - Unavailable	13,271	-	-
Deferred inflows related to pensions	-	292,839	-
Deferred OPEB cost reductions	-	10,866,033	2,200,091
Total	<u>\$ 13,114,085</u>	<u>\$ 22,809,629</u>	<u>\$ 2,200,091</u>

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

	Governmental Funds	Governmental Activities	Business-type Activities
Deferred outflows related to pensions	\$ -	\$ 3,125,336	\$ -
Deferred OPEB costs	-	578,106	107,529
Total	<u>\$ -</u>	<u>\$ 3,703,442</u>	<u>\$ 107,529</u>

Note 5 - Capital Assets

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

Governmental Activities

	Balance January 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2020
Capital assets not being depreciated -					
Land and land improvements	\$ 1,948,097	\$ -	\$ -	\$ -	\$ 1,948,097
Capital assets being depreciated:					
Buildings and improvements	19,046,697	-	71,417	-	19,118,114
Vehicles	1,067,418	-	2,878,381	(108,123)	3,837,676
Furniture and equipment	2,274,602	-	854,772	-	3,129,374
Infrastructure	5,677,933	-	-	-	5,677,933
Subtotal	28,066,650	-	3,804,570	(108,123)	31,763,097
Accumulated depreciation:					
Buildings and improvements	7,249,142	-	493,625	-	7,742,767
Vehicles	743,718	-	303,868	(108,123)	939,463
Furniture and equipment	2,009,263	-	205,391	-	2,214,654
Infrastructure	3,907,451	-	171,701	-	4,079,152
Subtotal	13,909,574	-	1,174,585	(108,123)	14,976,036
Net capital assets being depreciated	14,157,076	-	2,629,985	-	16,787,061
Net governmental activities capital assets	<u>\$ 16,105,173</u>	<u>\$ -</u>	<u>\$ 2,629,985</u>	<u>\$ -</u>	<u>\$ 18,735,158</u>

December 31, 2020

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2020
Capital assets not being depreciated:					
Land	\$ 1,176,381	\$ -	\$ -	\$ -	\$ 1,176,381
Construction in progress	1,014,429	(874,984)	1,109,150	-	1,248,595
Subtotal	2,190,810	(874,984)	1,109,150	-	2,424,976
Capital assets being depreciated:					
Water and sewer distribution systems	110,074,399	874,984	820,889	-	111,770,272
Buildings and improvements	1,845,858	-	-	-	1,845,858
Furniture and equipment	1,782,777	-	-	-	1,782,777
Vehicles	2,202,790	-	-	-	2,202,790
Subtotal	115,905,824	874,984	820,889	-	117,601,697
Accumulated depreciation:					
Water and sewer distribution systems	34,956,166	-	1,729,579	-	36,685,745
Buildings and improvements	544,619	-	43,734	-	588,353
Furniture and equipment	1,349,131	-	189,792	-	1,538,923
Vehicles	1,470,173	-	99,203	-	1,569,376
Subtotal	38,320,089	-	2,062,308	-	40,382,397
Net capital assets being depreciated	77,585,735	874,984	(1,241,419)	-	77,219,300
Net business-type activities capital assets	<u>\$ 79,776,545</u>	<u>\$ -</u>	<u>\$ (132,269)</u>	<u>\$ -</u>	<u>\$ 79,644,276</u>

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

Governmental activities:	
General government	\$ 334,262
Public safety	652,899
Recreation and culture	187,424
Total governmental activities	<u>\$ 1,174,585</u>
Business-type activities - Water and sewer	<u>\$ 2,062,308</u>

Construction Commitments

The Charter Township has active construction projects at year end. At year end, the Charter Township's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Highway project - Sanitary sewer and watermain	\$ 1,032,523	\$ 2,127,477

December 31, 2020

Note 6 - 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	\$ 41,306
	Nonmajor governmental funds	683
	Total Department of Public Works Fund	41,989
Nonmajor governmental funds	General Fund	743,972
	Nonmajor governmental funds	1,214
	Total nonmajor governmental funds	745,186
General Fund	Nonmajor governmental funds	3,387
	Total	\$ 790,562

The 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.

The balance of amounts loaned to (borrowed from) discretely presented component units is as follows:

Receivable	Payable	Amount
General Fund	Downtown Development Authority	\$ 50,000

The balance owed above resulted from a short-term loan made from the General Fund to the Downtown Development Authority for working capital purposes.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Master Campus Project Fund	\$ 643,200
	Capital Projects Fund	1,087,449
	Parks and Recreation Fund	283,265
	Total	\$ 2,013,914

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

Note 7 - Long-term Debt

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

December 31, 2020

Note 7 - Long-term Debt (Continued)

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 proceeds of all special assessment obligations represent the financing of road improvements done by the Genesee County Road Commission (the "Road Commission") that benefit certain districts within the Charter Township; these districts are assessed, at least in part, for the cost of the improvements. The remaining cost is split between the Road Commission and the Charter Township. The Charter Township funds its portion of the cost annually from General Fund revenue. No additional funds have been set aside for the future payment of this debt. Other long-term obligations include compensated absences. The General Fund and the enterprise fund pay obligations related to compensated absences.

Long-term debt activity can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Other debt:							
General obligation limited tax refunding bonds, Series 2015:							
Amount of issue: \$7,710,000	3.00%-	\$445,000-					
Maturing through 2031	4.00%	\$605,000	\$ 6,515,000	\$ -	\$ (450,000)	\$ 6,065,000	\$ 445,000
Premium on bonds payable			458,477	-	(40,753)	417,724	-
Special assessment bonds - 2010							
Holly Springs Bond:							
Amount of issue: \$535,000							
Maturing through 2020	4.15%		53,000	-	(53,000)	-	-
Special assessment bonds - 2012							
Water Edge Bond:							
Amount of issue: \$350,000							
Maturing through 2022	2.00%	\$35,000	106,000	-	(36,000)	70,000	35,000
Special assessment bonds - 2013							
Braemoor Road Bond:							
Amount of issue: \$742,000							
Maturing through 2023	2.70-3.25%	\$77,000	308,000	-	(77,000)	231,000	77,000
Special assessment bonds - 2015							
Sandalwood Road Bond:							
Amount of issue: \$149,000							
Maturing through 2025	1.75%	\$15,000	90,000	-	(15,000)	75,000	15,000
Special assessment bonds - 2018							
Concord Green Bond:							
Amount of issue: \$404,000							
Maturing through 2027	2.70%-	\$43,000-					
	3.45%	\$46,000	357,000	-	(46,000)	311,000	46,000
Special assessment bonds - 2019							
Green Valley Bond:							
Amount of issue: \$311,000							
Maturing through 2024	2.30%	\$63,000-	311,000	-	(56,000)	255,000	65,000
Special assessment bonds - 2020							
Grand Waliea Bond:							
Amount of issue: \$475,000							
Maturing through 2030	1.38%	\$44,000-	-	475,000	-	475,000	44,000
Special assessment bonds - 2020							
Grand Blanc Estates Bond:							
Amount of issue: \$451,000							
Maturing through 2035	1.74%	\$21,000-	-	451,000	-	451,000	21,000
Total other debt principal outstanding			8,198,477	926,000	(773,753)	8,350,724	748,000
Accumulated compensated absences			282,269	788,040	(766,324)	303,985	303,985
Total governmental activities			\$ 8,480,746	\$ 1,714,040	\$ (1,540,077)	\$ 8,654,709	\$ 1,051,985

December 31, 2020

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 24,478	\$ 143,612	\$ (136,828)	\$ 31,262	\$ 31,262

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		
	Other Debt		
	Principal	Interest	Total
2021	\$ 748,000	\$ 244,504	\$ 992,504
2022	850,000	224,052	1,074,052
2023	807,000	201,167	1,008,167
2024	719,000	180,010	899,010
2025	745,000	159,576	904,576
2026-2030	2,727,000	389,863	3,116,863
2031-2035	1,307,000	53,677	1,360,677
Thereafter	30,000	261	30,261
Total	\$ 7,933,000	\$ 1,453,110	\$ 9,386,110

For the year ended December 31, 2020, interest expense was \$251,259.

Note 8 - 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 9 - Defined Contribution Pension Plan

The Charter Township provides pension benefits to all of its full-time employees (except police personnel, who are covered by a defined benefit plan effective January 1, 1993) through a defined contribution plan administered through MERS. 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 \$391,015 during the current year, and there was no employee contribution.

December 31, 2020

Note 10 - 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, 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.mersofmich.com or by writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

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

Retirement benefits for command and patrol employees are calculated as 2.50 percent of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service or a reduced payout at age 55 and 15 years of service. The vesting period is 10 years. Employees are eligible for 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, 2019 measurement date, the following employees were covered by the benefit terms:

	MERS Plan
Inactive plan members or beneficiaries currently receiving benefits	22
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	48
Total employees covered by the plan	72

December 31, 2020

Note 10 - Pension Plan (Continued)

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 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 10.67 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 22.67 percent of annual covered payroll.

For closed BU employees, the plan provides that the employer contribute amounts necessary to fund the actuarially determined benefits. The Charter Township makes employer contributions in accordance with funding requirements determined by the system's actuary. The Charter Township's current flat rate is \$28,441 per month.

Net Pension Liability

The net pension liability reported at December 31, 2020 was determined using a measure of the total pension liability and the pension net position as of December 31, 2019. The December 31, 2019 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, 2018	\$ 23,959,988	\$ 15,137,998	\$ 8,821,990
Changes for the year:			
Service cost	526,471	-	526,471
Interest	1,900,475	-	1,900,475
Changes in benefits	(67,680)	-	(67,680)
Differences between expected and actual experience	76,551	-	76,551
Changes in assumptions	1,011,117	-	1,011,117
Contributions - Employer	-	1,059,876	(1,059,876)
Contributions - Employee	-	329,178	(329,178)
Net investment income	-	2,092,412	(2,092,412)
Benefit payments, including refunds	(934,579)	(934,579)	-
Administrative expenses	-	(36,091)	36,091
Net changes	2,512,355	2,510,796	1,559
Balance at December 31, 2019	<u>\$ 26,472,343</u>	<u>\$ 17,648,794</u>	<u>\$ 8,823,549</u>

The plan's fiduciary net position represents 66.7 percent of the total pension liability.

December 31, 2020

Note 10 - Pension Plan (Continued)

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

For the year ended December 31, 2020, the Charter Township recognized pension expense of \$1,367,319. At December 31, 2020, 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	\$ 372,134	\$ (292,839)
Changes in assumptions	1,050,849	-
Net difference between projected and actual earnings on pension plan investments	97,500	-
Employer contributions to the plan subsequent to the measurement date	1,604,853	-
Total	<u>\$ 3,125,336</u>	<u>\$ (292,839)</u>

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
2021	\$ 315,105
2022	389,206
2023	402,744
2024	120,589
Total	<u>\$ 1,227,644</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00-14.00 percent, an investment rate of return (net of investment expenses) of 7.60 percent, and the RP-2014 mortality tables.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period from January 1, 2013 through December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 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.

December 31, 2020

Note 10 - Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2019, 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	60.00 %	6.15 %
Global fixed income	20.00	1.26
Private instruments	20.00	6.56

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Charter Township, calculated using the discount rate of 7.60 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 (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	1 Percentage Point Decrease (6.6%)	Current Discount Rate (7.6%)	1 Percentage Point Increase (8.6%)
Net pension liability of the Charter Township	\$ 12,912,122	\$ 8,823,549	\$ 5,472,381

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 pensions, 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 it is 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.

Assumption Changes

In the 2019 MERS valuation, the investment rate of return was reduced from 7.75 to 7.35 percent. Additionally, the salary inflation assumption was changed from 3.75 to 3.0 percent.

Note 11 - 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 \$112,798 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.

December 31, 2020

Note 11 - Joint Ventures (Continued)

The Charter Township was a member of the Grand Blanc Parks and Recreation Commission, which provided recreational services to the residents of the Charter Township and the City of Grand Blanc, Michigan. The participating communities provided annual funding for its operations. During the current year, the Charter Township contributed \$16,906 for its operations. The Charter Township had no equity interest in the Grand Blanc Parks and Recreation Commission. The Charter Township assumed all operations of the parks and recreation department and senior center as of February 2020. The City of Grand Blanc, Michigan has agreed to provide a contribution to the Charter Township for operations of the parks and recreation department. Complete financial statements for the Grand Blanc Parks and Recreation Commission can be obtained from the Charter Township's administrative offices.

The Charter Township was a member of the Grand Blanc Fire Commission (the "Fire Commission"), which provided fire protection services to the residents of the Charter Township and the City of Grand Blanc, Michigan. The participating communities provided annual funding for its operations. The Fire Commission stopped operating as a joint department in April 2019. The Charter Township provided service at a cost to the City of Grand Blanc, Michigan until July 2019. At that time, all township fire operations were moved to 5371 S. Saginaw Street, as well as Fire Station #2 on Baldwin Road. The Fire Commission finalized the process of the closeout of all assets and accounts in the current year, and the City of Grand Blanc, Michigan and Charter Township entered into a memorandum of understanding related to the dissolution. This resulted in the Charter Township receiving \$596,911 of cash and capital assets with a fair market value of \$2,255,685. Complete financial statements for the Grand Blanc Fire Commission can be obtained from the township administrative offices.

Note 12 - Other Postemployment Benefit Plan

Plan Description

The Charter Township provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the plan, a single-employer defined benefit plan administered by the Charter Township.

The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of seven members - three elected by plan members, three appointed by the Charter Township, and the Charter Township treasurer, who serves as an ex officio member.

Benefits Provided

The plan provides retiree health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer in accordance with labor contracts.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Grand Blanc Township Retiree Health Care Plan
Date of member count	December 31, 2019
Inactive plan members or beneficiaries currently receiving benefits	36
Active plan members	71
Total plan members	107

December 31, 2020

Note 12 - Other Postemployment Benefit Plan (Continued)

Contributions

Retiree health care costs are paid by the Charter Township on a pay-as-you-go basis. Additionally, the Charter Township contributes additional contributions, as determined by the township board. For the fiscal year ended December 31, 2020, the Charter Township made payments for postemployment health benefit premiums of \$472,811, plus prefunded contributions of \$2,495,000. Employees retiring after various dates in 2017 contribute monthly amounts, as specified in their labor contracts.

Net OPEB Liability

The Charter Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2020 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the December 31, 2020 measurement date. The December 31, 2020 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019, which used update procedures to roll forward the estimated liability to December 31, 2020.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2019	\$ 32,989,609	\$ 16,290,746	\$ 16,698,863
Changes for the year:			
Service cost	1,225,366	-	1,225,366
Interest	2,038,920	-	2,038,920
Changes in assumptions	799,908	-	799,908
Contributions - Employer	-	2,967,811	(2,967,811)
Net investment income	-	1,952,864	(1,952,864)
Benefit payments, including refunds	(472,811)	(472,811)	-
Administrative expenses	-	(29,213)	29,213
Net changes	3,591,383	4,418,651	(827,268)
Balance at December 31, 2020	<u>\$ 36,580,992</u>	<u>\$ 20,709,397</u>	<u>\$ 15,871,595</u>

The plan's fiduciary net position represents 56.6 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Charter Township recognized OPEB expense of \$(109,324).

At December 31, 2020, the Charter Township reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (10,980,203)
Changes in assumptions	685,635	(1,147,886)
Net difference between projected and actual earnings on OPEB plan investments	-	(938,035)
Total	<u>\$ 685,635</u>	<u>\$ (13,066,124)</u>

December 31, 2020

Note 12 - Other Postemployment Benefit Plan (Continued)

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

Years Ending December 31	Amount
2021	\$ (2,351,405)
2022	(2,351,405)
2023	(2,544,468)
2024	(2,343,467)
2025	(2,163,178)
Thereafter	(626,566)
Total	<u>\$ (12,380,489)</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using assumed salary increases (including inflation) of 4 percent; an investment rate of return (net of investment expenses) of 6 percent; a health care cost trend rate of 8.25 percent, decreasing to an ultimate rate of 4.25 percent; and the Pub-2010 mortality tables for General and Public Safety employees with the MP-2018 improvement scale. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Charter Township's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the December 31, 2020 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment policy section below, are summarized in the following tables:

Asset Class	Long-term Expected Real Rate of Return
Global fixed income	3.00 %
Large-cap equities	4.10
Estimated market portfolio	6.70
Mid-cap stock index	4.00
Total market portfolio	7.35

December 31, 2020

Note 12 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Charter Township, calculated using the discount rate of 6.0 percent, as well as what the Charter Township's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.0%)	Current Discount Rate (6.0%)	1 Percentage Point Increase (7.0%)
Net OPEB liability of the plan	\$ 23,936,635	\$ 15,871,595	\$ 9,605,480

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Charter Township, calculated using the health care cost trend rate of 6.0 percent, as well as what the Charter Township's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (3.25% - 7.25%)	Current Health Care Cost Trend Rate (4.25% - 8.25%)	1 Percentage Point Increase (5.25% - 9.25%)
Net OPEB liability of the plan	\$ 8,475,029	\$ 15,871,595	\$ 25,827,926

Assumption Changes

In the current year, the mortality tables were updated from the RP-2014 mortality tables with the MP-2017 improvement scale to the Pub-2010 Mortality Tables using scale MP-2018.

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the board's adopted asset allocation policy as of December 31, 2020:

Asset Class	Target Allocation
Global fixed income	20.00 %
Large-cap equities	10.00
Estimated market portfolio	10.00
Mid-cap stock index	10.00
Total market portfolio	50.00
Total	100.00 %

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.95 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 9,517,800	\$ 9,517,800	\$ 9,424,307	\$ (93,493)
Special assessments	564,860	564,860	652,093	87,233
Intergovernmental:				
Federal sources	-	559,357	567,623	8,266
State sources	3,562,686	3,482,638	3,742,065	259,427
Local grants and contributions	82,000	82,000	76,810	(5,190)
Fines and forfeitures	92,000	92,000	79,376	(12,624)
Licenses and permits	67,800	67,800	46,977	(20,823)
Investment income	141,600	163,600	153,478	(10,122)
Other revenue:				
Local donations	500	500	7,470	6,970
Other miscellaneous income	1,785,168	2,435,322	2,494,867	59,545
Cable franchise fees	635,000	635,000	598,919	(36,081)
Total revenue	16,449,414	17,600,877	17,843,985	243,108
Expenditures				
Current services:				
General government:				
Legislative	237,832	237,832	212,994	24,838
Superintendent's office	415,643	415,643	383,510	32,133
General office	515,773	515,773	451,677	64,096
GIS/IT	462,877	433,914	360,552	73,362
Treasurer's office	364,380	386,380	368,639	17,741
Assessor's office	535,712	482,004	455,813	26,191
Clerk's office	215,872	215,872	207,834	8,038
Buildings and grounds	149,500	149,500	144,485	5,015
Legal and attorney	146,200	146,200	182,571	(36,371)
Elections	168,765	299,865	283,706	16,159
Planning and zoning	182,216	171,801	158,285	13,516
Insurance and other functions	1,453,906	2,051,217	2,000,000	51,217
Public safety	9,104,075	9,679,075	9,063,262	615,813
Public works	1,363,000	1,706,000	1,993,847	(287,847)
Recreation and culture - Parks and recreation	258,827	83,345	84,298	(953)
Debt service	324,306	324,306	311,159	13,147
Total expenditures	15,898,884	17,298,727	16,662,632	636,095
Excess of Revenue Over Expenditures	550,530	302,150	1,181,353	879,203
Other Financing (Uses) Sources				
Transfers out	(1,153,200)	(2,013,914)	(2,013,914)	-
New debt issued	562,000	905,000	926,000	21,000
Proceeds from sale of capital assets	8,000	8,000	26,216	18,216
Total other financing uses	(583,200)	(1,100,914)	(1,061,698)	39,216
Net Change in Fund Balance	(32,670)	(798,764)	119,655	918,419
Fund Balance - Beginning of year	4,141,706	4,141,706	4,141,706	-
Fund Balance - End of year	<u>\$ 4,109,036</u>	<u>\$ 3,342,942</u>	<u>\$ 4,261,361</u>	<u>\$ 918,419</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, 2020

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Charges for services	\$ 1,375,000	\$ 1,375,000	\$ 1,377,798	\$ 2,798
Investment income	2,000	2,000	11,701	9,701
Total revenue	1,377,000	1,377,000	1,389,499	12,499
Expenditures - Current - Rubbish disposal	1,447,000	1,547,000	1,529,446	17,554
Net Change in Fund Balance	(70,000)	(170,000)	(139,947)	30,053
Fund Balance - Beginning of year	225,416	225,416	225,416	-
Fund Balance - End of year	<u><u>\$ 155,416</u></u>	<u><u>\$ 55,416</u></u>	<u><u>\$ 85,469</u></u>	<u><u>\$ 30,053</u></u>

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

Last Six Plan Fiscal Years, Prospectively Built from 2014

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 526,471	\$ 492,883	\$ 451,817	\$ 448,933	\$ 444,281	\$ 417,196
Interest	1,900,475	1,759,755	1,661,589	1,619,956	1,515,063	1,428,077
Changes in benefit terms	(67,680)	(36,179)	(21,961)	8,686	(40,553)	-
Differences between expected and actual experience	76,551	455,894	13,927	(668,282)	(22,513)	-
Changes in assumptions	1,011,117	-	-	-	846,845	-
Benefit payments, including refunds	(934,579)	(925,740)	(871,925)	(908,681)	(812,129)	(796,761)
Net Change in Total Pension Liability	2,512,355	1,746,613	1,233,447	500,612	1,930,994	1,048,512
Total Pension Liability - Beginning of year	23,959,988	22,213,375	20,979,928	20,479,316	18,548,322	17,499,810
Total Pension Liability - End of year	\$ 26,472,343	\$ 23,959,988	\$ 22,213,375	\$ 20,979,928	\$ 20,479,316	\$ 18,548,322
Plan Fiduciary Net Position						
Contributions - Employer	\$ 1,059,876	\$ 986,910	\$ 1,678,190	\$ 1,239,870	\$ 791,064	\$ 790,503
Contributions - Member	329,178	293,525	281,622	249,860	240,707	220,671
Net investment income (loss)	2,092,412	(628,194)	1,712,426	1,260,874	(168,003)	635,862
Administrative expenses	(36,091)	(30,423)	(27,018)	(24,852)	(24,029)	(23,476)
Benefit payments, including refunds	(934,579)	(925,740)	(871,925)	(908,681)	(812,129)	(796,762)
Net Change in Plan Fiduciary Net Position	2,510,796	(303,922)	2,773,295	1,817,071	27,610	826,798
Plan Fiduciary Net Position - Beginning of year	15,137,998	15,441,920	12,668,625	10,851,554	10,823,944	9,997,146
Plan Fiduciary Net Position - End of year	\$ 17,648,794	\$ 15,137,998	\$ 15,441,920	\$ 12,668,625	\$ 10,851,554	\$ 10,823,944
Charter Township's Net Pension Liability - Ending	\$ 8,823,549	\$ 8,821,990	\$ 6,771,455	\$ 8,311,303	\$ 9,627,762	\$ 7,724,378
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.67 %	63.18 %	69.52 %	60.38 %	52.99 %	58.36 %
Covered Payroll	\$ 3,409,788	\$ 3,270,622	\$ 3,030,298	\$ 3,000,886	\$ 3,032,637	\$ 2,847,756
Charter Township's Net Pension Liability as a Percentage of Covered Payroll	258.77 %	269.73 %	223.46 %	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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,104,480	\$ 1,059,876	\$ 986,910	\$ 978,987	\$ 893,011	\$ 791,064	\$ 738,228	\$ 708,629	\$ 663,925	\$ 569,994
Contributions in relation to the actuarially determined contribution	1,604,853	1,059,876	986,910	1,678,191	1,239,870	791,064	738,228	708,629	663,925	569,994
Contribution Excess	\$ 500,373	\$ -	\$ -	\$ 699,204	\$ 346,859	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 3,465,669	\$ 3,452,013	\$ 3,262,533	\$ 3,030,298	\$ 3,000,886	\$ 3,032,637	\$ 2,847,756	\$ 2,690,920	\$ 2,801,771	\$ 2,702,092
Contributions as a Percentage of Covered Payroll	46.31 %	30.70 %	30.25 %	55.38 %	41.32 %	26.09 %	25.92 %	26.33 %	23.70 %	21.09 %

Notes to Schedule of Pension 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, 2020 were determined based on the actuarial valuation as of December 31, 2018. The most recent valuation is as of December 31, 2019.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	20 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increase	3.75 percent
Investment rate of return	7.75 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

Charter Township of Grand Blanc

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Three Fiscal Years		
	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 1,225,366	\$ 1,612,672	\$ 1,626,903
Interest	2,038,920	2,656,728	2,583,284
Differences between expected and actual experience	-	(12,941,878)	(2,448,070)
Changes in assumptions	799,908	(1,581,051)	-
Benefit payments, including refunds	(472,811)	(458,642)	(603,223)
Net Change in Total OPEB Liability	3,591,383	(10,712,171)	1,158,894
Total OPEB Liability - Beginning of year	32,989,609	43,701,780	42,542,886
Total OPEB Liability - End of year	\$ 36,580,992	\$ 32,989,609	\$ 43,701,780
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,967,811	\$ 4,640,793	\$ 2,357,084
Net investment income (loss)	1,952,864	1,752,458	(394,439)
Administrative expenses	(29,213)	(20,708)	-
Benefit payments, including refunds	(472,811)	(458,642)	(603,223)
Net Change in Plan Fiduciary Net Position	4,418,651	5,913,901	1,359,422
Plan Fiduciary Net Position - Beginning of year	16,290,746	10,376,845	9,017,423
Plan Fiduciary Net Position - End of year	\$ 20,709,397	\$ 16,290,746	\$ 10,376,845
Net OPEB Liability - Ending	\$ 15,871,595	\$ 16,698,863	\$ 33,324,935
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	56.61 %	49.38 %	23.74 %
Covered Payroll	\$ 4,562,759	\$ 4,387,268	\$ 4,272,945
Net OPEB Liability as a Percentage of Covered Payroll	347.85 %	380.62 %	779.91 %

*Schedule is being built prospectively from adoption of GASB 75.

Charter Township of Grand Blanc

Required Supplemental Information Schedule of OPEB Contributions

	Last Ten Fiscal Years Years Ended December 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 2,268,863	\$ 2,018,032	\$ 3,198,638	\$ 3,138,563	\$ 3,029,510	\$ 2,924,453	\$ 1,137,910	\$ 1,198,161	\$ 1,225,429	\$ 1,263,834
Contributions in relation to the actuarially determined contribution	2,967,811	4,640,793	2,357,084	2,159,068	1,520,222	1,282,884	973,880	919,620	916,148	766,543
Contribution Excess (Deficiency)	\$ 698,948	\$ 2,622,761	\$ (841,554)	\$ (979,495)	\$ (1,509,288)	\$ (1,641,569)	\$ (164,030)	\$ (278,541)	\$ (309,281)	\$ (497,291)
Covered Payroll	\$ 4,562,759	\$ 4,387,268	\$ 4,272,945	\$ 4,195,319	\$ 4,195,319	\$ 4,195,319	\$ 4,104,126	\$ 4,104,126	\$ 4,104,126	\$ 5,082,104
Contributions as a Percentage of Covered Payroll	65.04 %	105.78 %	55.16 %	51.46 %	36.24 %	30.58 %	23.73 %	22.41 %	22.32 %	15.08 %

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, 2019, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, based on level percentage of projected salary
Amortization method	Level percent of payroll
Remaining amortization period	24 years
Asset valuation method	Fair market value
Health care cost trend rates	8.25 percent (6.50 percent for Medicare) decreasing to 4.5 percent in 0.25 percent increments
Salary increase	4.0 percent
Investment rate of return	6.0 percent, net of investment expense
Mortality	Pub-2010 for general and public safety employees with MP-2018

Charter Township of Grand Blanc

**Required Supplemental Information
Schedule of OPEB Investment Returns**

**Last Two Fiscal Years, Prospectively Built from the Implementation of GASB 74
Years Ended December 31**

	<u>2020</u>	<u>2019</u>
Annual money-weighted rate of return - Net of investment expense	11.95 %	16.65 %

*Note: The Charter Township implemented GASB 74 and GASB 84 in 2019; therefore, this table is built prospectively from that date.

Charter Township of Grand Blanc

Notes to Required Supplemental Information

December 31, 2020

Budgetary Information

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

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and 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.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Fund Balance</u>
Amounts per operating statement	\$ 17,844,003	\$ 16,662,649	\$ 4,269,601
Evatt Ecology Fund	(17)	-	(7,755)
Historical Preservation Fund	(1)	(17)	(485)
	<u>\$ 17,843,985</u>	<u>\$ 16,662,632</u>	<u>\$ 4,261,361</u>

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the Charter Township of Grand Blanc incurred expenditures that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Legal and attorney	\$ 146,200	\$ 182,571	\$ (36,371)
General Fund - Public works	1,706,000	1,993,847	(287,847)
General Fund - Parks and recreation	83,345	84,298	(953)

Pension Information

Changes in Assumptions

For the MERS plan, during the Charter Township's year ended December 31, 2020 (MERS plan year ended December 31, 2019), the investment rate of return was reduced from 7.75 to 7.35 percent. Additionally, the salary inflation assumption was changed from 3.75 to 3.0 percent.

In 2015, mortality tables were updated.

OPEB Information

Changes in Assumptions

In 2020, the Charter Township updated mortality tables from the RP-2014 mortality tables with the MP-2017 improvement scale to the Pub-2010 Mortality Tables using scale MP-2018.

In 2019, the Charter Township changed the assumption for preretirement medical inflation and updated the mortality scales.

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 moneys received from the federal drug enforcement agency for law enforcement purposes and for state funds related to drug enforcement purposes. These moneys are to be used to supplement existing law and drug enforcement funds in the law enforcement field.

Law Enforcement Fund

This fund accounts for moneys 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 moneys related to drug enforcement purposes. These moneys 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 moneys collected by the Charter Township for the operation of public, educational, and government channels (PEG).

CDBG Fund

This fund accounts for moneys reimbursed by the federal government related to the Community Development Block Grant.

Building Fund

This fund accounts for moneys collected by the Charter Township related to building permits, licenses, and inspections.

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.

Debt Service Fund

Debt service funds account for resources accumulated for the payment of principal and interest on debt.

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 Fund

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.

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	Building Fund
Assets						
Cash and cash equivalents	\$ 871	\$ 1,731	\$ 1,247	\$ 1,617	\$ -	\$ 8,568
Investments	41,231	9,014	41,265	168,885	-	657,111
Receivables	110	28	112	7,682	1,214	5,151
Due from other funds	-	-	-	19,140	-	179,467
Prepays	-	-	-	-	-	9,801
Total assets	<u>\$ 42,212</u>	<u>\$ 10,773</u>	<u>\$ 42,624</u>	<u>\$ 197,324</u>	<u>\$ 1,214</u>	<u>\$ 860,098</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,615
Due to other funds	-	-	-	-	1,214	-
Refundable deposits, bonds, etc.	-	-	-	-	-	191,533
Accrued liabilities and other	-	-	-	-	-	11,809
Total liabilities	-	-	-	-	1,214	242,957
Deferred Inflows of Resources -						
Property taxes levied for the following year	-	-	-	-	-	-
Fund Balances						
Nonspendable:						
Prepays	-	-	-	-	-	9,801
Cemetery endowment	-	-	-	-	-	-
Restricted:						
Public safety	42,212	10,773	42,624	-	-	-
PEG Channel	-	-	-	197,324	-	-
Cemetery	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Construction code	-	-	-	-	-	607,340
Committed - Bicentennial Park	-	-	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total fund balances	<u>42,212</u>	<u>10,773</u>	<u>42,624</u>	<u>197,324</u>	<u>-</u>	<u>617,141</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,212</u>	<u>\$ 10,773</u>	<u>\$ 42,624</u>	<u>\$ 197,324</u>	<u>\$ 1,214</u>	<u>\$ 860,098</u>

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2020

Special Revenue Funds	Debt Service Fund	Permanent Funds				
Parks and Recreation Fund	Master Campus Project Fund	Capital Projects Fund	Oakwood Cemetery Fund	Perry - McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ 70,219	\$ 569	\$ -	\$ 319	\$ 836	\$ 903	\$ 86,880
529,616	2,952,604	883,228	70,634	213,348	144,259	5,711,195
209,480	7,824	2,346	229	566	290	235,032
18,832	-	527,747	-	-	-	745,186
11,935	-	4,870	-	-	-	26,606
\$ 840,082	\$ 2,960,997	\$ 1,418,191	\$ 71,182	\$ 214,750	\$ 145,452	\$ 6,804,899
\$ 24,178	\$ -	\$ 291,683	\$ -	\$ -	\$ -	\$ 355,476
683	-	3,387	-	-	-	5,284
9,307	-	-	-	-	-	200,840
21,236	-	-	-	-	-	33,045
55,404	-	295,070	-	-	-	594,645
343,953	-	-	-	-	-	343,953
11,935	-	4,870	-	-	-	26,606
-	-	-	16,086	140,846	26,931	183,863
-	-	-	-	-	-	95,609
-	-	-	-	-	-	197,324
-	-	-	55,096	73,904	118,521	247,521
385,615	-	-	-	-	-	385,615
-	-	-	-	-	-	607,340
43,175	-	-	-	-	-	43,175
-	-	1,118,251	-	-	-	1,118,251
-	2,960,997	-	-	-	-	2,960,997
440,725	2,960,997	1,123,121	71,182	214,750	145,452	5,866,301
\$ 840,082	\$ 2,960,997	\$ 1,418,191	\$ 71,182	\$ 214,750	\$ 145,452	\$ 6,804,899

Charter Township of Grand Blanc

	Special Revenue Funds					
	Drug Forfeiture Fund	Law Enforcement Fund	Federal Equitable Sharing Fund	PEG Channel Grant Fund	CDBG Fund	Building Fund
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal sources	-	-	-	-	164,765	-
State sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	428,951
Licenses and permits	-	-	-	-	-	458,699
Investment income	398	55	421	1,992	-	7,042
Other revenue	-	-	-	29,280	-	5,635
Total revenue	398	55	421	31,272	164,765	900,327
Expenditures						
Current services:						
General government	-	-	-	63	-	-
Public safety	7,784	-	-	-	-	836,716
Community and economic development	-	-	-	-	164,765	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	981	-	-
Debt service	-	-	-	-	-	-
Total expenditures	7,784	-	-	1,044	164,765	836,716
Excess of Revenue (Under) Over Expenditures	(7,386)	55	421	30,228	-	63,611
Other Financing Sources						
Transfers in	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net Change in Fund Balances	(7,386)	55	421	30,228	-	63,611
Fund Balances - Beginning of year	49,598	10,718	42,203	167,096	-	553,530
Fund Balances - End of year	\$ 42,212	\$ 10,773	\$ 42,624	\$ 197,324	\$ -	\$ 617,141

Other Supplemental Information

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

Nonmajor Governmental Funds

Year Ended December 31, 2020

Special Revenue Funds	Debt Service Fund	Permanent Funds				
Parks and Recreation Fund	Master Campus Project Fund	Capital Projects Fund	Oakwood Cemetery Fund	Perry- McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ 327,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,932
-	-	-	-	-	-	164,765
17,618	-	20,396	-	-	-	38,014
202,864	-	-	-	-	-	631,815
-	-	-	-	-	-	458,699
5,744	37,651	13,399	210	3,387	1,676	71,975
126,216	-	-	-	-	400	161,531
680,374	37,651	33,795	210	3,387	2,076	1,854,731
-	-	150,140	-	-	-	150,203
-	-	-	-	-	-	844,500
-	-	-	-	-	-	164,765
699,759	-	45,406	-	19,260	-	764,425
54,209	-	1,454,604	-	-	-	1,509,794
-	674,599	-	-	-	-	674,599
753,968	674,599	1,650,150	-	19,260	-	4,108,286
(73,594)	(636,948)	(1,616,355)	210	(15,873)	2,076	(2,253,555)
283,265	643,200	1,087,449	-	-	-	2,013,914
4,119	-	-	-	-	-	4,119
287,384	643,200	1,087,449	-	-	-	2,018,033
213,790	6,252	(528,906)	210	(15,873)	2,076	(235,522)
226,935	2,954,745	1,652,027	70,972	230,623	143,376	6,101,823
\$ 440,725	\$ 2,960,997	\$ 1,123,121	\$ 71,182	\$ 214,750	\$ 145,452	\$ 5,866,301

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Fines and forfeitures	\$ 1,076	\$ 5,000	\$ -	\$ (5,000)
Investment income	1,134	500	398	(102)
Total revenue	2,210	5,500	398	(5,102)
Expenditures - Public safety	-	14,500	7,784	6,716
Net Change in Fund Balance	2,210	(9,000)	(7,386)	1,614
Fund Balance - Beginning of year	47,388	49,598	49,598	-
Fund Balance - End of year	<u><u>\$ 49,598</u></u>	<u><u>\$ 40,598</u></u>	<u><u>\$ 42,212</u></u>	<u><u>\$ 1,614</u></u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue - Investment income	\$ 248	\$ -	\$ 55	\$ 55
Expenditures	-	-	-	-
Net Change in Fund Balance	248	-	55	55
Fund Balance - Beginning of year	10,470	10,718	10,718	-
Fund Balance - End of year	<u><u>\$ 10,718</u></u>	<u><u>\$ 10,718</u></u>	<u><u>\$ 10,773</u></u>	<u><u>\$ 55</u></u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Fines and forfeitures	\$ -	\$ 2,500	\$ -	\$ (2,500)
Investment income	971	500	421	(79)
Total revenue	971	3,000	421	(2,579)
Expenditures	-	3,000	-	3,000
Net Change in Fund Balance	971	-	421	421
Fund Balance - Beginning of year	41,232	42,203	42,203	-
Fund Balance - End of year	<u>\$ 42,203</u>	<u>\$ 42,203</u>	<u>\$ 42,624</u>	<u>\$ 421</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Investment income	\$ 3,067	\$ 2,000	\$ 1,992	\$ (8)
PEG contributions	31,109	32,000	29,280	(2,720)
Total revenue	34,176	34,000	31,272	(2,728)
Expenditures				
Current services - General government	-	6,000	63	5,937
Capital outlay	-	50,000	981	49,019
Total expenditures	-	56,000	1,044	54,956
Net Change in Fund Balance	34,176	(22,000)	30,228	52,228
Fund Balance - Beginning of year	132,920	167,096	167,096	-
Fund Balance - End of year	<u><u>\$ 167,096</u></u>	<u><u>\$ 145,096</u></u>	<u><u>\$ 197,324</u></u>	<u><u>\$ 52,228</u></u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue - Federal sources	\$ 6,656	\$ 172,000	\$ 164,765	\$ (7,235)
Expenditures - Current - Community and economic development	19,241	172,000	164,765	7,235
Excess of Expenditures Over Revenue	(12,585)	-	-	-
Other Financing Sources - Transfers in	12,585	-	-	-
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) Building Fund

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Charges for services	\$ 486,383	\$ 410,000	\$ 428,951	\$ 18,951
Licenses and permits	559,369	504,400	458,699	(45,701)
Investment income	8,705	-	7,042	7,042
Other revenue	35,645	10,000	5,635	(4,365)
Total revenue	1,090,102	924,400	900,327	(24,073)
Expenditures - Current services - Public safety	716,039	924,400	836,716	87,684
Excess of Revenue Over Expenditures	374,063	-	63,611	63,611
Other Financing Sources - Transfers in	179,467	-	-	-
Net Change in Fund Balance	553,530	-	63,611	63,611
Fund Balance - Beginning of year	-	553,530	553,530	-
Fund Balance - End of year	<u>\$ 553,530</u>	<u>\$ 553,530</u>	<u>\$ 617,141</u>	<u>\$ 63,611</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
Property taxes	\$ 316,750	\$ 330,850	\$ 327,932	\$ (2,918)
Intergovernmental	-	-	17,618	17,618
Charges for services	27,600	340,905	202,864	(138,041)
Investment income	7,675	-	5,744	5,744
Other revenue:				
Local contributions	-	161,615	118,444	(43,171)
Other miscellaneous income	-	116,660	7,772	(108,888)
Total revenue	352,025	950,030	680,374	(269,656)
Expenditures				
Parks and recreation	48,414	967,295	699,759	267,536
Capital outlay	161,339	366,000	54,209	311,791
Total expenditures	209,753	1,333,295	753,968	579,327
Excess of Revenue Over (Under) Expenditures	142,272	(383,265)	(73,594)	309,671
Other Financing Sources				
Transfers in	5,788	283,265	283,265	-
Proceeds from sale of capital assets	-	-	4,119	4,119
Total other financing sources	5,788	283,265	287,384	4,119
Net Change in Fund Balance	148,060	(100,000)	213,790	313,790
Fund Balance - Beginning of year	78,875	226,935	226,935	-
Fund Balance - End of year	<u>\$ 226,935</u>	<u>\$ 126,935</u>	<u>\$ 440,725</u>	<u>\$ 313,790</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue - Investment income	\$ 69,394	\$ 32,000	\$ 37,651	\$ 5,651
Expenditures - Debt service				
Principal	460,000	450,000	450,000	-
Interest on long-term debt	271,095	225,200	224,599	601
Total expenditures	731,095	675,200	674,599	601
Excess of Expenditures Over Revenue	(661,701)	(643,200)	(636,948)	6,252
Other Financing Sources - Transfers in	666,850	643,200	643,200	-
Net Change in Fund Balance	5,149	-	6,252	6,252
Fund Balance - Beginning of year	2,949,596	2,954,745	2,954,745	-
Fund Balance - End of year	<u>\$ 2,954,745</u>	<u>\$ 2,954,745</u>	<u>\$ 2,960,997</u>	<u>\$ 6,252</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2020

	Prior Year Actual	Amended Budget - Unaudited	Actual	Variance with Amended Budget - Unaudited
Revenue				
State grants	\$ 18,555	\$ 18,500	\$ 20,396	\$ 1,896
Investment income	16,235	-	13,399	13,399
Other revenue	13,500	-	-	-
Total revenue	48,290	18,500	33,795	15,295
Expenditures				
Current services:				
General government	170,716	219,250	150,140	69,110
Public safety	56,102	-	-	-
Recreation and culture	-	109,200	45,406	63,794
Capital outlay	376,550	1,685,823	1,454,604	231,219
Total expenditures	603,368	2,014,273	1,650,150	364,123
Excess of Expenditures Over Revenue	(555,078)	(1,995,773)	(1,616,355)	379,418
Other Financing Sources (Uses)				
Transfers in	598,657	1,087,449	1,087,449	-
Transfers out	(12,585)	-	-	-
Proceeds from sale of capital assets	-	10,000	-	(10,000)
Total other financing sources	586,072	1,097,449	1,087,449	(10,000)
Net Change in Fund Balance	30,994	(898,324)	(528,906)	369,418
Fund Balance - Beginning of year	1,621,033	1,652,027	1,652,027	-
Fund Balance - End of year	<u>\$ 1,652,027</u>	<u>\$ 753,703</u>	<u>\$ 1,123,121</u>	<u>\$ 369,418</u>

Charter Township of Grand Blanc

Other Supplemental Information Governmental Fund Balance Sheet Component Unit - Downtown Development Authority

December 31, 2020

	Downtown Development Authority
Assets	
Cash and cash equivalents	\$ 313,442
Receivables - Property taxes	124,303
Total assets	\$ 437,745
Liabilities - Due to primary government	\$ 50,000
Deferred Inflows of Resources - Property taxes levied for the following year	145,162
Total liabilities and deferred inflows of resources	195,162
Fund Balance - Unassigned	242,583
Total liabilities, deferred inflows of resources, and fund balance	\$ 437,745

Charter Township of Grand Blanc

Other Supplemental Information Statement of Revenue, Expenditures, and Changes in Fund Balance Component Unit - Downtown Development Authority

Year Ended December 31, 2020

	Downtown Development Authority
Revenue - Property taxes	\$ 210,432
Expenditures - General government	<u>6,472</u>
Net Change in Fund Balance	203,960
Fund Balance - Beginning of year	<u>38,623</u>
Fund Balance - End of year	<u><u>\$ 242,583</u></u>

Statistical Section

This part of the annual comprehensive 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 government's financial performance and well-being have changed over time.

Revenue capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.

Debt capacity

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

Demographic and economic information

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

Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government'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 Annual Comprehensive 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				
Net investment in capital assets	\$ 8,810,747	\$ 8,566,682	\$ 8,680,561	\$ 8,203,104
Restricted	610,139	592,117	679,079	760,671
Unrestricted	4,780,135	3,258,537	2,978,935	3,530,534
Total net position	<u>\$ 14,201,021</u>	<u>\$ 12,417,336</u>	<u>\$ 12,338,575</u>	<u>\$ 12,494,309</u>
Business Type Activities:				
Net investment in capital assets	\$ 82,739,063	\$ 81,289,213	\$ 80,358,963	\$ 79,866,542
Unrestricted	4,916,438	6,318,313	8,161,044	10,584,824
Total net position	<u>\$ 87,655,501</u>	<u>\$ 87,607,526</u>	<u>\$ 88,520,007</u>	<u>\$ 90,451,366</u>
Primary government in total:				
Net investment in capital assets	\$ 91,549,810	\$ 89,855,895	\$ 89,039,524	\$ 88,069,646
Restricted	610,139	592,117	679,079	760,671
Unrestricted	9,696,573	9,576,850	11,139,979	14,115,358
Total net position	<u>\$ 101,856,522</u>	<u>\$ 100,024,862</u>	<u>\$ 100,858,582</u>	<u>\$ 102,945,675</u>

Note: In fiscal year 2018, the Charter Township adopted GASB Statement No. 75. Ending net position for 2017 was adjusted to properly state the fiscal year 2018 beginning net position.

Net Position by Component

Last Ten Fiscal Years

December 31, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 9,492,098	\$ 8,747,363	\$ 8,884,553	\$ 9,024,759	\$ 9,131,696	\$ 12,252,434
909,409	854,593	887,864	1,132,461	1,745,976	1,874,438
(5,636,916)	(5,741,800)	(6,226,196)	(29,023,554)	(27,764,312)	(25,645,424)
<u>\$ 4,764,591</u>	<u>\$ 3,860,156</u>	<u>\$ 3,546,221</u>	<u>\$ (18,866,334)</u>	<u>\$ (16,886,640)</u>	<u>\$ (11,518,552)</u>
\$ 79,903,350	\$ 79,556,016	\$ 80,027,424	\$ 80,443,221	\$ 79,776,545	\$ 79,644,276
12,556,998	14,477,139	14,621,372	12,711,350	14,409,286	16,309,485
<u>\$ 92,460,348</u>	<u>\$ 94,033,155</u>	<u>\$ 94,648,796</u>	<u>\$ 93,154,571</u>	<u>\$ 94,185,831</u>	<u>\$ 95,953,761</u>
89,395,448	88,303,379	88,911,977	\$ 89,467,980	\$ 88,908,241	\$ 91,896,710
909,409	854,593	887,864	1,132,461	1,745,976	1,874,438
6,920,082	8,735,339	8,395,176	(16,312,204)	(13,355,026)	(9,335,939)
<u>\$ 97,224,939</u>	<u>\$ 97,893,311</u>	<u>\$ 98,195,017</u>	<u>\$ 74,288,237</u>	<u>\$ 77,299,191</u>	<u>\$ 84,435,209</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses:				
General government	\$ 2,922,201	\$ 2,790,711	\$ 2,460,297	\$ 2,745,106
Public safety	7,887,239	8,194,852	8,622,129	8,236,466
Public services	1,847,059	2,418,588	2,327,558	2,110,008
Community & economic development	181,727	148,055	91,969	102,656
Recreation and culture	360,374	376,043	593,346	412,919
Interest on long-term debt	508,282	520,386	539,785	627,123
Total governmental activities	<u>13,706,882</u>	<u>14,448,635</u>	<u>14,635,084</u>	<u>14,234,278</u>
Program revenues:				
Charges for services				
General government	254,420	227,186	205,498	229,012
Public safety	503,752	572,524	832,500	999,165
Public services	1,593,016	1,648,615	1,691,529	1,679,494
Community & economic development	20,680	20,157	20,408	37,335
Recreation and culture	19,094	23,587	24,000	24,000
Total charges for services	<u>2,390,962</u>	<u>2,492,069</u>	<u>2,773,935</u>	<u>2,969,006</u>
Operating grants and contributions	323,725	264,468	304,043	234,262
Capital grants and contributions	99,647	522,242	798,954	85,190
Total program revenue	<u>2,814,334</u>	<u>3,278,779</u>	<u>3,876,932</u>	<u>3,288,458</u>
Net (expense) revenue	<u>(10,892,548)</u>	<u>(11,169,856)</u>	<u>(10,758,152)</u>	<u>(10,945,820)</u>
General revenues:				
Property taxes	7,898,025	7,416,001	7,228,532	7,380,963
State-shared revenues	2,904,697	2,734,929	2,788,329	2,915,367
Unrestricted investment earnings	52,783	75,323	54,804	34,627
Unrestricted fees and other	553,183	617,895	607,726	770,597
Total general revenues	<u>11,408,688</u>	<u>10,844,148</u>	<u>10,679,391</u>	<u>11,101,554</u>
Change in net position	<u>\$ 516,140</u>	<u>\$ (325,708)</u>	<u>\$ (78,761)</u>	<u>\$ 155,734</u>

Note: 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.

In fiscal year 2018, the Charter Township adopted GASB Statement No. 75, and recorded a net OPEB liability, which required beginning net position to be restated.

Changes in Governmental Net Position

Last Ten Fiscal Years

December 31, 2020

As of December 31,					
2015	2016	2017	2018	2019	2020
\$ 3,502,152	\$ 3,943,043	\$ 4,097,830	\$ 4,350,692	\$ 4,849,414	\$ 2,790,720
9,487,970	9,778,628	9,413,996	9,991,900	8,408,615	9,926,342
2,247,743	2,001,597	2,576,857	2,133,691	2,457,974	3,523,293
108,031	11,742	106,730	87,369	19,241	164,765
405,378	400,615	462,441	781,012	793,795	1,090,373
597,971	275,219	218,938	236,741	255,297	209,154
<u>16,349,245</u>	<u>16,410,844</u>	<u>16,876,792</u>	<u>17,581,405</u>	<u>16,784,336</u>	<u>17,704,647</u>
21,292	17,820	18,180	41,953	41,693	23,453
1,172,981	1,229,558	932,776	1,047,360	1,141,635	967,026
1,701,853	1,468,084	1,598,184	1,599,419	1,609,304	1,652,482
71,876	37,964	114,626	36,837	38,889	23,524
-	-	-	-	-	202,864
<u>2,968,002</u>	<u>2,753,426</u>	<u>2,663,766</u>	<u>2,725,569</u>	<u>2,831,521</u>	<u>2,869,349</u>
177,716	505,373	265,079	377,626	445,308	1,184,934
343,531	62,013	655,718	107,476	378,155	4,010,808
<u>3,489,249</u>	<u>3,320,812</u>	<u>3,584,563</u>	<u>3,210,671</u>	<u>3,654,984</u>	<u>8,065,091</u>
<u>(12,859,996)</u>	<u>(13,090,032)</u>	<u>(13,292,229)</u>	<u>(14,370,734)</u>	<u>(13,129,352)</u>	<u>(9,639,556)</u>
7,429,486	7,666,286	8,046,464	8,385,016	9,425,751	9,751,632
2,917,622	2,990,718	3,224,062	3,313,639	3,446,405	3,430,667
41,785	65,841	117,778	216,598	328,375	237,172
<u>1,453,547</u>	<u>1,462,752</u>	<u>1,589,990</u>	<u>1,643,085</u>	<u>1,908,515</u>	<u>1,588,173</u>
11,842,440	12,185,597	12,978,294	13,558,338	15,109,046	15,007,644
<u>\$ (1,017,556)</u>	<u>\$ (904,435)</u>	<u>\$ (313,935)</u>	<u>\$ (812,396)</u>	<u>\$ 1,979,694</u>	<u>\$ 5,368,088</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Program Revenue				
Charges for services	\$ 11,664,319	\$ 12,547,628	\$ 12,894,664	\$ 13,938,463
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>602,900</u>	<u>468,569</u>	<u>653,953</u>	<u>1,232,285</u>
Total program revenue	<u>12,267,219</u>	<u>13,016,197</u>	<u>13,548,617</u>	<u>15,170,748</u>
Expenses	12,616,223	13,107,584	12,676,397	13,264,855
Net Revenue (Expense)	(349,004)	(91,387)	872,220	1,905,893
General Revenue				
Property taxes	-	-	-	-
Unrestricted investment earnings	36,627	43,412	40,261	25,466
Proceeds from sale of capital assets	<u>28,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general revenue	<u>64,874</u>	<u>43,412</u>	<u>40,261</u>	<u>25,466</u>
Change in Net Position	<u>\$ (284,130)</u>	<u>\$ (47,975)</u>	<u>\$ 912,481</u>	<u>\$ 1,931,359</u>

Changes in Business Type Net Position

Last Ten Fiscal Years

December 31, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 15,198,010	\$ 17,043,556	\$ 16,933,895	\$ 17,519,333	\$ 17,029,865	\$ 17,382,784
-	-	-	297,409	-	387,784
<u>1,630,205</u>	<u>1,116,224</u>	<u>1,115,067</u>	<u>2,182,934</u>	<u>1,207,272</u>	<u>1,353,691</u>
<u>16,828,215</u>	<u>18,159,780</u>	<u>18,048,962</u>	<u>19,999,676</u>	<u>18,237,137</u>	<u>19,124,259</u>
14,874,331	16,669,821	17,562,415	18,101,223	17,588,462	17,569,186
1,953,884	1,489,959	486,547	1,898,453	648,675	1,555,073
-	-	-	-	-	-
32,198	55,692	103,303	240,288	348,016	212,857
<u>22,900</u>	<u>27,156</u>	<u>25,791</u>	<u>567</u>	<u>34,569</u>	<u>-</u>
<u>55,098</u>	<u>82,848</u>	<u>129,094</u>	<u>240,855</u>	<u>382,585</u>	<u>212,857</u>
<u>\$ 2,008,982</u>	<u>\$ 1,572,807</u>	<u>\$ 615,641</u>	<u>\$ 2,139,308</u>	<u>\$ 1,031,260</u>	<u>\$ 1,767,930</u>

Charter Township of Grand Blanc

	As of December 31,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Fund Balances				
General Fund - Unreserved/Unassigned**	\$ 1,698,382	\$ 1,729,046	\$ (711,079)	\$ 1,751,582
All governmental funds:				
Nonspendable**:				
Prepays	-	-	117,390	127,367
Nonexpendable cemetery endowment	105,286	139,701	139,161	153,266
Reserved/Restricted**:				
Mosquito spraying	6,113	11,793	13,129	22,996
Solid waste	225,570	223,935	240,176	243,440
Public safety	107,056	48,411	88,937	110,810
Drug forfeiture	-	-	-	-
Cable TV activities - PEG Fund	3,088	3,088	3,088	37,995
Police LESO	-	-	-	-
Cemetery	163,026	165,189	194,588	192,164
Tree Replacement	-	-	-	-
Parks and Recreation	-	-	-	-
Construction Code	-	-	-	-
Committed**:				
Bicentennial Park improvements	11,453	55,077	38,241	20,687
Assigned**:				
Compensated absences	-	-	200,000	200,000
Other postemployment benefits	-	-	100,000	200,000
Pension	-	-	-	-
Capital projects	2,172,707	2,354,421	2,457,823	2,825,187
Debt service	2,685,792	2,846,150	2,984,304	3,107,687
Unreserved, reported in:				
Special Revenue Funds - Solid waste	N/A	N/A	N/A	N/A
Special Revenue Funds - Bicentennial Park	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Master Campus Project	N/A	N/A	N/A	N/A
Civic Campus Fund	N/A	N/A	N/A	N/A
Debt Service Funds - Water and sewer	N/A	N/A	N/A	N/A
Permanent funds - Cemetery:				
Unexpendable	N/A	N/A	N/A	N/A
Expendable	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>\$ 7,178,473</u>	<u>\$ 7,576,811</u>	<u>\$ 8,023,581</u>	<u>\$ 8,993,181</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, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,811,598	\$ 1,933,826	\$ 1,719,122	\$ 2,115,465	\$ 2,238,715	\$ 2,264,121
145,996	209,677	199,969	198,093	1,199,192	470,190
161,000	174,629	177,416	167,958	204,822	183,863
19,607	23,736	26,760	39,968	47,184	13,550
325,611	190,732	194,225	204,116	225,416	85,469
83,374	99,613	94,067	99,090	102,519	95,609
-	-	-	-	-	-
74,603	110,928	103,831	132,920	167,096	197,324
-	-	1,231	1,231	667	947
198,511	208,252	218,031	226,352	240,149	247,521
46,703	46,703	72,303	62,599	58,799	47,399
-	-	-	18,760	145,794	385,615
-	-	-	179,467	547,149	607,340
4,687	5,528	21,931	60,115	81,141	43,175
225,000	-	-	-	-	-
500,000	1,700,000	1,000,000	1,600,000	1,500,000	1,500,000
275,000	-	-	-	-	-
2,702,281	2,186,727	2,468,107	1,621,033	763,796	1,118,251
2,185,596	2,449,752	2,669,305	2,949,596	2,954,745	2,960,997
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
N/A	N/A	N/A	N/A	N/A	N/A
\$ 8,759,567	\$ 9,340,103	\$ 8,966,298	\$ 9,676,763	\$ 10,477,184	\$ 10,221,371

Charter Township of Grand Blanc

	As of December 31,			
	2011	2012	2013	2014
Revenue				
Property taxes	\$ 7,882,680	\$ 7,495,152	\$ 7,265,408	\$ 7,391,754
Licenses and permits	423,622	473,652	748,623	890,713
Federal grants	166,072	273,021	109,663	91,857
State-shared revenues and grants	3,034,888	2,855,715	2,907,675	3,034,615
Charges for services	1,320,866	1,352,743	1,395,277	1,405,009
Fines and forfeitures	176,078	140,212	178,828	135,769
Investment income	52,783	75,323	54,804	34,627
Other	1,455,829	1,524,254	1,711,993	1,912,724
Total revenue	14,512,818	14,190,072	14,372,271	14,897,068
Expenditures				
Current:				
General government	2,547,644	2,617,706	2,435,650	2,609,881
Public safety	7,115,490	7,583,892	7,559,961	7,625,735
Public services	2,028,173	2,406,016	2,795,736	2,226,438
Community & economic development	-	-	-	-
Recreation and culture	233,016	241,838	251,726	246,939
Capital outlay	613,860	320,237	671,025	200,841
Debt service principal	484,119	515,943	484,284	654,083
Debt service interest	474,367	463,471	491,552	375,928
Total expenditures	13,496,669	14,149,103	14,689,934	13,939,845
Excess of Revenue Over Expenditures	1,016,149	40,969	(317,663)	957,223
Other Financing Sources (Uses)				
Debt issuance	-	350,000	742,000	-
Debt premium or discount	-	-	-	-
Proceeds from sale of capital assets	13,934	7,369	22,433	12,377
Transfers in	2,240,890	1,197,273	1,470,800	750,000
Transfers out	(2,240,890)	(1,197,273)	(1,470,800)	(750,000)
Total other financing sources (uses)	13,934	357,369	764,433	12,377
Net change in fund balances	1,030,083	398,338	446,770	969,600
Fund Balances - Beginning of year	6,148,390	7,178,473	7,576,811	8,023,581
Fund Balances - End of year	<u>\$ 7,178,473</u>	<u>\$ 7,576,811</u>	<u>\$ 8,023,581</u>	<u>\$ 8,993,181</u>
Debt service as a percentage of noncapital expenditures	7%	7%	7%	7%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 7,429,086	\$ 7,668,863	\$ 8,062,902	\$ 8,388,107	\$ 9,434,112	\$ 9,752,239
1,186,910	1,154,306	971,583	992,356	640,163	505,676
188,908	138,560	219,240	196,322	63,373	732,388
2,974,323	3,351,963	3,360,472	3,568,331	3,811,311	3,780,079
1,430,470	1,195,513	1,346,200	1,355,646	1,857,787	2,009,613
79,239	131,036	93,999	133,794	95,671	79,376
41,785	65,841	117,778	216,598	328,375	237,172
<u>2,068,735</u>	<u>2,233,015</u>	<u>2,554,481</u>	<u>2,642,599</u>	<u>2,927,600</u>	<u>3,991,690</u>
15,399,456	15,939,097	16,726,655	17,493,753	19,158,392	21,088,233
2,729,053	3,294,346	3,868,904	4,356,217	5,233,483	5,360,269
8,044,554	8,526,763	8,882,019	8,814,814	9,165,895	9,907,762
2,247,743	2,001,597	2,576,857	2,133,691	2,457,974	3,523,293
108,031	11,742	106,730	87,369	19,241	164,765
238,197	241,517	253,975	370,857	298,934	848,740
336,042	348,352	449,334	533,224	537,889	1,509,794
641,076	686,037	749,881	661,354	689,000	733,000
<u>465,195</u>	<u>257,420</u>	<u>222,376</u>	<u>238,659</u>	<u>299,461</u>	<u>252,758</u>
14,809,891	15,367,774	17,110,076	17,196,185	18,701,877	22,300,381
589,565	571,323	(383,421)	297,568	456,515	(1,212,148)
(1,474,395)	-	-	404,000	311,000	926,000
628,283	-	-	-	-	-
22,933	9,213	9,616	8,897	32,906	30,335
844,635	1,102,199	1,021,763	856,258	1,463,347	2,013,914
<u>(844,635)</u>	<u>(1,102,199)</u>	<u>(1,021,763)</u>	<u>(856,258)</u>	<u>(1,463,347)</u>	<u>(2,013,914)</u>
<u>(823,179)</u>	<u>9,213</u>	<u>9,616</u>	<u>412,897</u>	<u>343,906</u>	<u>956,335</u>
(233,614)	580,536	(373,805)	710,465	800,421	(255,813)
<u>8,993,181</u>	<u>8,759,567</u>	<u>9,340,103</u>	<u>8,966,298</u>	<u>9,676,763</u>	<u>10,477,184</u>
<u>\$ 8,759,567</u>	<u>\$ 9,340,103</u>	<u>\$ 8,966,298</u>	<u>\$ 9,676,763</u>	<u>\$ 10,477,184</u>	<u>\$ 10,221,371</u>

8%

6%

6%

5%

5%

5%

Charter Township of Grand Blanc

Taxable Value by Property Type						
Real Property						
Tax Year	Residential	Commercial	Industrial	Agricultural & Other	IFT Real	Personal Property
2011	\$ 773,463,997	\$ 230,138,564	\$ 52,604,012	\$ -	\$ 1,587,700	\$ 78,488,900
2012	760,498,487	216,143,944	44,702,823	-	1,291,300	79,797,600
2013	762,354,145	218,595,083	43,302,567	-	80,000	80,337,400
2014	782,853,699	223,406,759	42,664,041	-	1,499,200	82,107,600
2015	810,533,329	225,587,055	43,366,103	-	1,801,500	80,048,000
2016	835,732,904	226,146,706	42,722,273	-	3,640,964	67,801,600
2017	868,419,226	229,607,900	42,157,581	-	4,302,803	74,437,500
2018	903,867,162	259,061,111	43,205,242	-	5,937,675	70,345,800
2019	952,443,025	274,074,983	44,301,673	-	12,363,357	73,163,100
2020	986,855,541	287,194,761	45,438,342	-	17,175,561	82,961,300

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	Mosquito	Police	Fire	Parks & Recreation	Total Direct Taxes
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
2018	4.5143	0.1610	0.9026	1.0000	0.2471	6.8250
2019	4.5025	0.1210	1.0000	0.9974	0.2464	6.8673
2020	4.4844	0.1546	0.9960	0.9934	0.2454	6.8738

Taxable Value and Estimated Actual Value of Taxable Property

December 31, 2020

Taxable Value by Property Type

IFT Pers.	Total Ad-Val	Total Abated	Total Value	GBT Tax Rate (Mills)	Estimated Actual Value	Taxable Value as a % of Actual
\$ 4,320,500	\$1,134,695,473	\$ 5,908,200	\$ 1,140,603,673	6.1374	\$ 2,277,923,464	50.07%
9,415,700	1,101,142,854	10,707,000	1,111,849,854	6.1428	2,250,552,100	49.40%
12,174,700	1,104,589,195	12,254,700	1,116,843,895	6.1503	2,273,000,695	49.14%
13,435,600	1,131,032,099	14,934,800	1,145,966,899	6.1322	2,299,517,216	49.84%
14,225,600	1,159,534,487	16,027,100	1,175,561,587	6.1322	2,383,177,374	49.33%
5,650,100	1,172,403,483	9,291,064	1,181,694,547	6.3978	2,381,971,222	49.61%
5,174,800	1,214,622,207	9,477,603	1,224,099,810	6.3889	2,467,154,826	49.62%
4,645,300	1,276,479,315	10,582,975	1,287,062,290	6.8250	2,595,290,530	49.59%
3,914,500	1,343,982,781	16,277,857	1,360,260,638	6.8673	2,753,076,990	49.41%
3,565,600	1,402,449,944	20,741,161	1,423,191,105	6.8738	2,887,864,532	49.28%

Direct and Overlapping Property Tax Rates

County	Overlapping Taxes				Total Tax Rate:	
	Community College	Intermediate School District	School - Homestead	School - Non- homestead	Homestead	Non- homestead
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
12.4244	2.8047	3.7732	13.2915	31.2915	39.1188	57.1188
12.4109	2.8017	3.7676	13.2882	30.9660	39.1357	56.8135
12.3502	2.7605	3.7457	13.2859	30.9159	39.0161	56.6461

Principal Property Tax Payers

Current and Nine Years Ago
December 31, 2020

Principal Taxpayer	Type of Business	2020			2011		
		2020 Taxable Value	Percent of Total Taxable		2011 Taxable Value	Percent of Total	
			Value	Rank		Rank	Rank
Consumers Energy Co	Utilities (Electric/Gas)	\$ 47,094,240	3.36%	1	\$ 18,715,029	1.64%	2
General Motors	Auto Manufacturing	19,638,322	1.40%	2	18,920,449	1.66%	1
Magna Electronics Inc	Manufacturing	14,187,300	1.01%	3	8,359,100	0.73%	7
Genesys Health Systems	Healthcare	12,888,262	0.92%	4			
Edward Rose Association Inc	Housing (Thornridge Apartments)	10,212,495	0.73%	5	9,149,000	0.80%	5
Edward Rose Development	Housing (Heatherwood Apartments)	9,192,829	0.66%	6	8,126,500	0.71%	8
MIMG CXXI Fountain Pointe LLC	Housing (Apartments)	8,736,499	0.62%	7			
MIMG CXXI Fox Hill Glens LLC	Housing (Apartments)	8,617,336	0.61%	8			
McLaren Health Care Corp	Healthcare	8,547,826	0.61%	9			
Knollwood	Housing (Apartments)	8,464,050	0.60%	10	8,533,200	0.75%	6
Ring Screw Works	Manufacturing				12,845,970	1.12%	3
Auker	Real Estate				9,862,604	0.86%	4
Walmart/Sam's Club	Retail Sales				7,962,900	0.70%	9
Serra Properties	Automotive Dealership				6,666,524	0.58%	10

Source: Charter Township Assessing Department Records

Property Tax Levies and Collections

Last Ten Fiscal Years
December 31, 2020

Fiscal Year Ended December 31,	Total Levy	Current Collections (1)	Percent of Levy Collected	Delinquent Collections (2)	Total Tax Collections	Percent of Total Collections to Tax Levy	Delinquent Taxes	Percent of Levy	Total Levy all Taxing Authorities	Ad Val Taxable Value
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
2018	7,818,711	7,796,027	99.71%	7,995	7,804,022	99.81%	38,352	0.49%	56,121,201	1,276,479,315
2019	9,257,092	9,190,785	99.28%	18,395	9,209,180	99.48%	47,912	0.52%	57,844,319	1,343,982,781
2020	9,708,423	9,649,202	99.39%	17,208	9,666,410	99.57%	42,013	0.43%	58,267,249	1,402,449,944

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

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

Charter Township of Grand Blanc

	As of December 31,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				
General obligation bonds	\$ 10,200,000	\$ 10,000,000	\$ 9,800,000	\$ 9,600,000
Premium on bonds payable	-	-	-	-
Installment purchase agreements	-	-	-	-
Special assessment bonds	<u>1,656,146</u>	<u>1,744,861</u>	<u>2,202,577</u>	<u>1,864,294</u>
Total governmental activities	11,856,146	11,744,861	12,002,577	11,464,294
Business Type Activities:				
SWQIF bonds	141,682	201,379	246,288	236,288
Installment purchase agreements	-	-	-	-
Total debt of the government	<u>\$ 12,315,430</u>	<u>\$ 11,997,828</u>	<u>\$ 11,946,240</u>	<u>\$12,248,865</u>
Median Household Income per Census	\$ 60,542	\$ 60,542	\$ 60,542	\$ 60,542
Total Population (Per Federal Census 10 Year)	37,508	37,508	37,508	37,508
Total Debt per Capita	\$ 320	\$ 318	\$ 327	\$ 312

Ratios of Outstanding Debt

Last Ten Fiscal Years

December 31, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 8,010,000	\$ 7,710,000	\$ 7,340,000	\$ 6,975,000	\$ 6,515,000	\$ 6,065,000
621,492	580,738	539,984	499,231	458,477	417,724
-	-	-	-	-	-
<u>1,679,010</u>	<u>1,333,727</u>	<u>994,600</u>	<u>1,143,000</u>	<u>1,225,000</u>	<u>1,868,000</u>
10,310,502	9,624,465	8,874,584	8,617,231	8,198,477	8,350,724
226,288	216,288	206,288	-	-	-
-	-	-	-	-	-
<u>\$ 11,700,582</u>	<u>\$ 10,536,790</u>	<u>\$ 9,840,753</u>	<u>\$ 8,617,231</u>	<u>\$ 8,198,477</u>	<u>\$ 8,350,724</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
\$ 281	\$ 262	\$ 262	\$ 230	\$ 219	\$ 223

Charter Township of Grand Blanc

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

December 31, 2020

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
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
2018	7,474,231	-	7,474,231	1,287,062,290	0.58%	37,508	199
2019	8,198,477	-	8,198,477	1,360,260,638	0.60%	37,508	219
2020	8,350,724	-	8,350,724	1,423,191,105	0.59%	37,508	223

Charter Township of Grand Blanc

Direct and Overlapping Governmental Activities Debt

December 31, 2020

Jusisdiction	Debt outstanding	Percent Applicable to Charter Township	Amount Applicable to Charter Township
Direct debt - Charter Township of Grand Blanc	\$ 8,350,724	100.00%	\$ 8,350,724
Overlapping debt:			
Genesee County	281,434,737	13.81%	38,866,137
Grand Blanc School District	100,485,000	73.89%	74,248,367
Goodrich School District	56,402,780	18.86%	10,637,564
Lake Fenton School District	12,800,000	2.30%	294,400
Genesee ISD	8,715,000	12.96%	1,129,464
Mott Community College	72,915,000	12.96%	9,449,784
Bishop Airport Authority	4,895,000	13.81%	676,000
Subtotal - Overlapping debt	537,647,517		135,301,716
Total	\$ 545,998,241		\$ 143,652,440

Source: Municipal Advisory Council of Michigan

Charter Township of Grand Blanc

	As of December 31,			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit (Fiscal Year Ended) (1):				
State equalized valuation (previous year)	\$ 1,166,161,500	\$ 1,135,442,000	\$ 1,154,558,600	\$ 1,131,032,099
Debt Limit (10 percent of state equalized valuation)	116,616,150	113,544,200	115,455,860	113,103,210
Debt Applicable to Debt Limit:				
Total debt	11,856,146	11,744,861	12,002,577	11,464,294
Less deduction allowed by law:				
Special assessment bonds	(1,656,146)	(1,744,861)	(2,202,577)	(1,864,294)
General obligation limited tax bonds	<u>(10,200,000)</u>	<u>(10,000,000)</u>	<u>(9,800,000)</u>	<u>(9,600,000)</u>
Total amount of debt applicable to debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	\$ 126,378,050	\$ 116,616,150	\$ 115,455,860	\$ 113,103,210
Net Debt Subject to Limit as Percentage of Debt Limit	0.00%	0.00%	0.00%	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, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,159,534,487	\$ 1,172,403,483	\$ 1,224,099,810	\$ 1,287,062,290	\$ 1,360,260,638	\$ 1,423,191,105
115,953,449	117,240,348	122,409,981	128,706,229	136,026,064	142,319,111
10,310,502	9,624,465	8,874,584	8,617,231	8,198,477	8,350,724
(1,679,010)	(1,333,727)	(994,600)	(1,143,000)	(1,225,000)	(1,868,000)
(8,631,492)	(8,290,738)	(7,879,984)	(7,474,231)	(6,973,477)	(6,482,724)
-	-	-	-	-	-
\$ 115,953,449	\$ 117,240,348	\$ 122,409,981	\$ 128,706,229	\$ 136,026,064	\$ 142,319,111
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Charter Township of Grand Blanc

Demographic and Economic Statistics

December 31, 2020

Fiscal year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2011	36,885	13,442,021	31,820	7.4
2012	37,061	13,700,197	32,737	6.4
2013	37,060	14,075,225	33,876	6.3
2014	37,019	14,542,513	35,240	5.0
2015	36,870	15,252,089	37,178	3.8
2016	36,746	15,716,548	38,464	3.4
2017	36,610	16,147,159	39,636	3.6
2018	36,626	16,710,172	41,068	3.1
2019	36,593	17,015,416	41,929	3.0
2020	(A)	(A)	(A)	7.2

(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

Principal Employers

December 31, 2020

Employer	2020 Employees	Percentage of Total	2011 Employees	Percentage of total	2011 rank
1 Ascension Genesys	2,814	15.70%	3966	22.56%	1
2 General Motors Customer Care & After Sale	1,019	5.69%	(A)	(A)	
3 Grand Blanc Community Schools	756	4.22%	891	5.07%	3
4 MAGNA (three facilities)	515	2.87%	250	1.42%	9
5 Serra Automotive Group	453	2.53%	328	1.87%	7
6 Walmart	400	2.23%	275	1.56%	8
7 Acumet Global Technologies	363	2.03%	431	2.45%	4
8 TMI Custom Air Systems, Inc	223	1.24%	383	2.18%	5
9 Dee Cramer Construction	214	1.19%	(A)	(A)	
10 Ascension Genesys Health Club	177	0.99%	195	1.11%	10
General Motors Service Parts Operation			1100	6.26%	2
General Motors Stamping Plant			351	2.00%	6

(A) Information not available.

Charter Township of Grand Blanc

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

December 31, 2020

Function/ Program:	As of December 31,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Supervisor	1	1	1	1	1	3	3	3	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	5	4	4	4	3	3	3	3	3
General office	2	3	3	3	3	3	3	3	2	2
Assessing	4	4	4	5	5	5	5	5	5	4
GIS-IT	3	3	3	3	3	3	3	3	3	2
Public Safety										
Police	46	44	42	45	50	46	49	47	49	47
Fire and EMS	5	5	5	5	5	3	4	5	5	6
Part-time volunteer	45	40	41	41	38	34	34	34	34	33
Public Services										
DPW	18	16	15	14	14	12	15	16	16	15
Building	2	2	2	2	3	2	2	2	2	2
Planning/Zoning	2	1	1	1	1	1	2	2	2	2
Parks and recreation	6	6	7	7	7	7	7	7	5	6
Total	143	134	132	135	138	126	134	134	133	129

Charter Township of Grand Blanc

Function/ Program	As of December 31,			
	2011	2012	2013	2014
Police:				
Physical arrests	2,825	2,193	2,054	1,797
Traffic violations	3,968	3,099	2,505	1,815
Traffic stops	9,631	8,763	7,303	6,029
Calls for service	21,788	21,093	20,669	18,842
Fire:				
Emergency responses	469	706	857	767
Fires extinguished	98	128	54	87
Inspections	490	118	236	142
Parks and recreation - Recreation programs	706	737	741	743
Library (B):				
Circulation (books borrowed)	3,309,207	3,640,128	4,004,141	267,964
Collection volume	765,119	841,631	637,196	95,713
Water:				
New connections	25	45	83	104
Water main breaks	-	7	5	5
Miles of water mains	193	193	193	193
Number of water meters	7,219	7,267	7,351	7,455
Number of water units	15,700	15,884	15,746	15,909
Total Consumption (in CCFs)	126,184,500	123,554,920	106,497,100	105,107,660
Average consumption per user	15,771	17,002	14,487	14,099
Sewer:				
Miles of sanitary sewer mains	241	241	241	241
Number of sewer customers	11,273	11,305	11,377	11,480

Note: 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, 2020

As of December 31,					
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1,985	1,896	2,159	1,890	1,907	1,262
1,608	1,757	1,739	1,664	1,368	852
7,142	7,510	8,002	7,782	8,275	3,123
19,491	18,836	19,737	16,663	19,250	16,199
707	693	783	761	724	663
100	101	122	76	80	55
65	184	95	190	92	185
743	762	259	262	182	174
1,784,498	1,806,647	1,701,696	1,783,619	1,754,995	1,312,346
731,993	743,369	762,819	765,730	742,875	601,228
183	143	118	112	79	70
3	3	7	7	5	3
193	173	174	176	177	177
7,641	7,786	7,910	7,976	8,057	8,132
16,078	16,270	16,202	16,348	16,648	16,841
107,976,160	122,781,290	116,398,160	114,082,768	107,243,086	119,538,724
14,131	15,769	14,715	14,210	14,795	14,700
241	226	224	226	220	220
11,652	11,785	11,900	12,018	12,021	12,089

Charter Township of Grand Blanc

Capital Asset Statistics

Last Ten Fiscal Years

December 31, 2020

Function/ program	As of December 31,				As of December 31,					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	16	17	17	17	17	17	17	17	17
Fire:										
Stations	3	3	3	3	3	3	3	3	2	2
Trucks	7	7	7	11	11	11	10	10	10	10
Parks and recreation:										
Acreage	202	202	202	202	202	202	202	202	202	202
Playgrounds	1	1	1	1	2	2	2	2	2	2
Soccer fields	4	4	4	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	5	5	5
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water:										
Mains (miles)	173	173	173	173	173	173	174	176	177	177
Fire hydrants	2,216	2,216	2,216	2,049	2,058	2,058	2,087	2,094	2,117	2,115
Sewer - Miles of sanitary sewers	226	226	226	226	226	226	226	226	226	226

Sources: Various township departments.