



GRAND BLANC TOWNSHIP
A Community in Motion

Charter Township of Grand Blanc
Genesee County, Michigan

**Annual Comprehensive Financial Report
with Supplemental Information
For the Period Ended December 31, 2022**

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

**Annual Comprehensive Financial Report
with Supplemental Information
For the Period Ended December 31, 2022**

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

Introductory Section

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

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	20-21
Reconciliation of the Balance Sheet to the Statement of Net Position	22
Statement of Revenue, Expenditures, and Changes in Fund Balances	23
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Proprietary Fund:	
Statement of Net Position	25
Statement of Revenue, Expenses, and Changes in Net Position	26
Statement of Cash Flows	27
Fiduciary Funds:	
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to Financial Statements	30-54

Required Supplementary Information

General Fund Description	56
Budgetary Comparison Schedule - General Fund	57
Schedule of Changes in the Net Pension Liability and Related Ratios	58
Schedule of Pension Contributions	59
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios	60
Schedule of OPEB Contributions	61
Schedule of OPEB Investment Returns	62
Notes to Required Supplementary Information	63-64

Other Supplementary Information	65
Nonmajor Governmental Funds:	
Fund Descriptions	66-67
Combining Balance Sheet	68-69
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	70-71
Budgetary Comparison Schedule - Nonmajor Governmental Funds	72-81
Component Unit:	
Governmental Fund Balance Sheet - Downtown Development Authority	82
Statement of Revenue, Expenditures, and Changes in Fund Balance - Downtown Development Authority	83
<u>Statistical Section</u>	
Description of the Statistical Section	84
Financial Trend Information	
Net Position by Component	85-86
Changes in Governmental Net Position	87-88
Changes in Business Type Net Position	89-90
Fund Balances, Governmental Funds	91-92
Changes in Fund Balances, Governmental Funds	93-94
Revenue Capacity Information	
Taxable Value and Estimated Actual Value of Taxable Property	95-96
Principal Property Tax Payers	97
Property Tax Levies and Collections	98
Debt Capacity Information	
Ratios of Outstanding Debt	99-100
Ratios of General Bonded Debt Outstanding	101
Direct and Overlapping Governmental Activities Debt	102
Legal Debt Margin	103-104
Demographic and Economic Information	
Demographic and Economic Statistics	105
Principal Employers	106
Operating Information	
Full-Time Equivalent Government Employees	107
Operating Indicators	108-109
Capital Asset Statistics	110

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 6, 2023

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, 2022.

The accuracy, completeness, and fairness of the financial data reported, including all disclosures, rests with the Township's management, who assumes full responsibility for the information presented in this report. To provide a reasonable basis for making these representations, management of the Charter Township of Grand Blanc has established a comprehensive internal control framework to ensure the accuracy and reliability of the accounting system, which is dependent on adequate internal controls. Since the cost of internal controls should not outweigh their benefit, the Township's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of management's knowledge and belief, this financial report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Charter Township.

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

June 6, 2023

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, 2022. 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 39,846 people, based upon the 2020 census.

The Charter Township has a futuristic, innovative approach to development, while maintaining its rich history and heritage. The result has been structured commercial development, aesthetically pleasing neighborhoods, excellent public services and top-rated schools. The Charter Township still maintains a rural atmosphere with many distinctive housing options which include unique and historic home sites and subdivisions, as well as quality apartments, townhouses and condominiums. 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 controls 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 controls are 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 policies adequately safeguard and provide 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 sales industry (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. Grand Blanc Township's unemployment rate for 2022 is 3.5%, which is below the State unemployment rate of 4.2% and slightly below the national average of 3.6%.

The Charter Township's largest employer, Ascension Genesys Regional Medical Center which provides healthcare services, employs over 2800 people. The Charter Township's largest taxpayer, Consumers Energy Company, a public utility that provides natural gas and electricity, has a taxable value over \$55 million which is about 3.5% of the tax base. 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 recently completed and is expected to be a significant catalyst for development in the area. This project 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 was substantially completed in 2022 with some additional enhancements expected to be added in the Spring of 2023.

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. In November of 2022, a local development group purchased the property, located on the south side of Baldwin Road between Saginaw Road and I-75. The development plans of the new investors follow a mixed-use campus with light industrial along the I-75 frontage, a medical/office complex located in the center of the property and a residential/retail section as well.

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 \$100 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. With the continued economic development in the Township, the need for additional housing continues to grow. As a result, several new apartment complexes were recently constructed which include single story units similar to condominiums. During the year, Grand Blanc Township also saw the construction of additional office space valued at \$1.3 million and an auto plaza valued at over \$1 million in construction value. With the influx of new businesses and housing, many other industries are expanding their businesses to meet the increased demands. Several other major business developments are planned in the near future.

Local leaders are eager to see the development of the new Grand Blanc Enterprise Park on 150 acres formerly known as the Trim Pines Tree Farm. Currently, Flushing-based concrete company Fessler & Bowman has committed to investing millions of dollars in the construction of an 80,000-square-foot headquarters to house its national headquarters on 28 of those acres. The new headquarters will allow Fessler & Bowman to add over 50 new employees. Fessler & Bowman is a national concrete and earthwork contractor. In addition, DAG Technologies, Inc., is building a 200,000 square-foot facility in Enterprise Park. DAG supplies decorative wheel trim to automotive manufacturers. The move will create another 50 jobs in Grand Blanc Township and further position Michigan as a leader in the advanced manufacturing industry.

With the recent reconstruction and widening of Baldwin Road from the Dort Highway extension to Ruby Street to accommodate the new enterprise park, another multi-purpose path will be constructed down Baldwin Road to eventually link the trail system to paths in the City of Grand Blanc as part of the statewide Iron Belle Trail network. The township also will take part in the multi-jurisdictional Kearsley Creek interceptor project

which will help alleviate some drainage issues and position the community for future expansion from the southern part of the township all the way up the east side of the Township.

The GM Heritage Center, which houses a collection of 600 cars and trucks from the automaker's history, will soon be relocated to Grand Blanc Township, bringing it closer to GM's hometown. The Heritage Center will be moved to what was formerly the Customer Care and After Sales Headquarters. The building, which is located near the intersection of I-475 and Hill Road, will be converted into a showroom for the myriad of historic GM vehicles.

After about a year of planning and preparation, township officials and business owners began crafting a revitalization plan for the area unofficially known as the Pointe North Business District. The district sits along Dort Highway and Saginaw Street, between Hill and Maple Roads, and serves as the Northern gateway to the community. The project began with a committee of stakeholders within the district working together to implement beautification and other enhancements. The Township is moving forward with signage to designate the district and there are several projects planned in the future, such as façade improvements to several businesses as well as improved lighting and sidewalks in an initiative to improve the walkability of the district. This project has spurred the Township to focus on the beautification of the community through a wider lens. Intersections, overpasses and roundabouts throughout the Township will get some improvements with flower plantings and signage.

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 2022, the Township issued 71 residential building permits for new construction with a construction value of \$20,868,680, 3 permits for new commercial construction with a construction value of \$19,477,445 and an additional 31 permits for improvements on existing commercial structures with a construction value of \$13,239,266.

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 in the General Fund is currently \$6,160,910, or 32.60 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 \$100,000, using unassigned fund balance, to the retiree healthcare trust. This was in addition to the \$900,000 included in the original budget using operating revenues for a total of \$1,000,000 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 \$1,519,618 in 2022. The positive variance was a result of increased revenues from property taxes and state sources while costs remained relatively consistent from the previous year as 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 department's 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.

A few years ago, Grand Blanc Township saw the return of a professional golf tournament, after the Buick Open ended in 2009. The Ally Challenge, a PGA Tour Champions event held at Warwick Hills Golf and Country Club in Grand Blanc Township, continues to be a popular community event. 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.

For the betterment of the parks system, voters of Grand Blanc Township approved a parks and recreation millage in the amount of .25 mils, which generates 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. 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 over 40 years and has received a tremendous amount of use. In 2022, approximately \$343,000 was spent on the improvement of the park facilities and purchase of equipment for the operation and care of the park.

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

June 6, 2023

Township officials are optimistic that 2023 will bring some progress to the long-awaited 60,000 square foot fire station and Department of Public Works compound on the former Playland Park property along Dort Highway. Groundbreaking is anticipated in August of 2023, with a target completion date in November of 2024. There are also planned renovations and an addition to Fire Station Two on Baldwin Road in the southern part of the Township. In addition, there are plans to further expand the municipal campus with an eye toward creating an area for passive recreation with the purchase of a 1.88 acre parcel contiguous to the Township hall and police station. In the future, it is intended to be turned into a park to add a recreational amenity to the north side of the Township.

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 178 miles of water mains and 218 miles of sanitary sewer mains and are continuously improving our infrastructure system. Capital improvements to the water and sewer systems in 2022 included the completion of the final phase of the \$3.7 million dollar Dort Highway sewer lines extension project; \$1,256,000 for the Enterprise Park water and sewer lines; \$180,000 for sanitary and bypass sewer rehabilitation projects; additional improvements of \$37,500 to the Knollwood and Stockbridge substation generators; \$667,880 in vehicle purchases; \$354,000 to refurbish the Baldwin Road Water Tower, \$120,950 for sewer system pipe linings, and \$93,500 for water meters. In addition, \$159,000 was spent on the design and engineering of the new DPW building. These projects were funded in part by the revenue generated from the water and sewer tap in fees. In 2022, the Township also recorded \$771,000 in capital charges and line inspection fees.

The Charter Township Governmental Funds invested \$225,000 in 2022 for the replacement of police patrol vehicles, \$166,000 for cameras for the patrol vehicles, and \$42,000 for body cameras for its police department. The Township also completed some building improvements to its Township Hall totaling \$65,000 and an additional \$63,000 for fire station renovations. Additional capital improvements included the

purchase of computer equipment and software in the amount of \$102,000 and the purchase of a new high speed voting machine in the amount of \$98,875. Improvements at Bicentennial Park included improvements to a pole barn in the amount of \$110,000, restoration work and installation of an irrigation system for the ball fields in the amount of \$120,000, and \$40,000 in equipment purchases for the Parks Department. The Dort Highway Pathway project began in 2021 with an initial investment of \$168,000 and was completed this year with a total project cost of \$749,000, including the portion funded with state grants. The capital projects fund balance of \$2,466,195 will be carried forward to the 2023 fiscal year to be used for road improvements, police and fire vehicles, building improvements and other projects and equipment purchases 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, 2021. This was the twenty-seventh 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 6, 2023

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 the members of the Charter Township's Finance Department for their assistance and contribution throughout the year. 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 black ink that reads "Cathleen Szostak". The signature is fluid and cursive, with "Cathleen" on the top line and "Szostak" on the bottom line.

Cathleen Szostak
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Charter Township of Grand Blanc
Michigan**

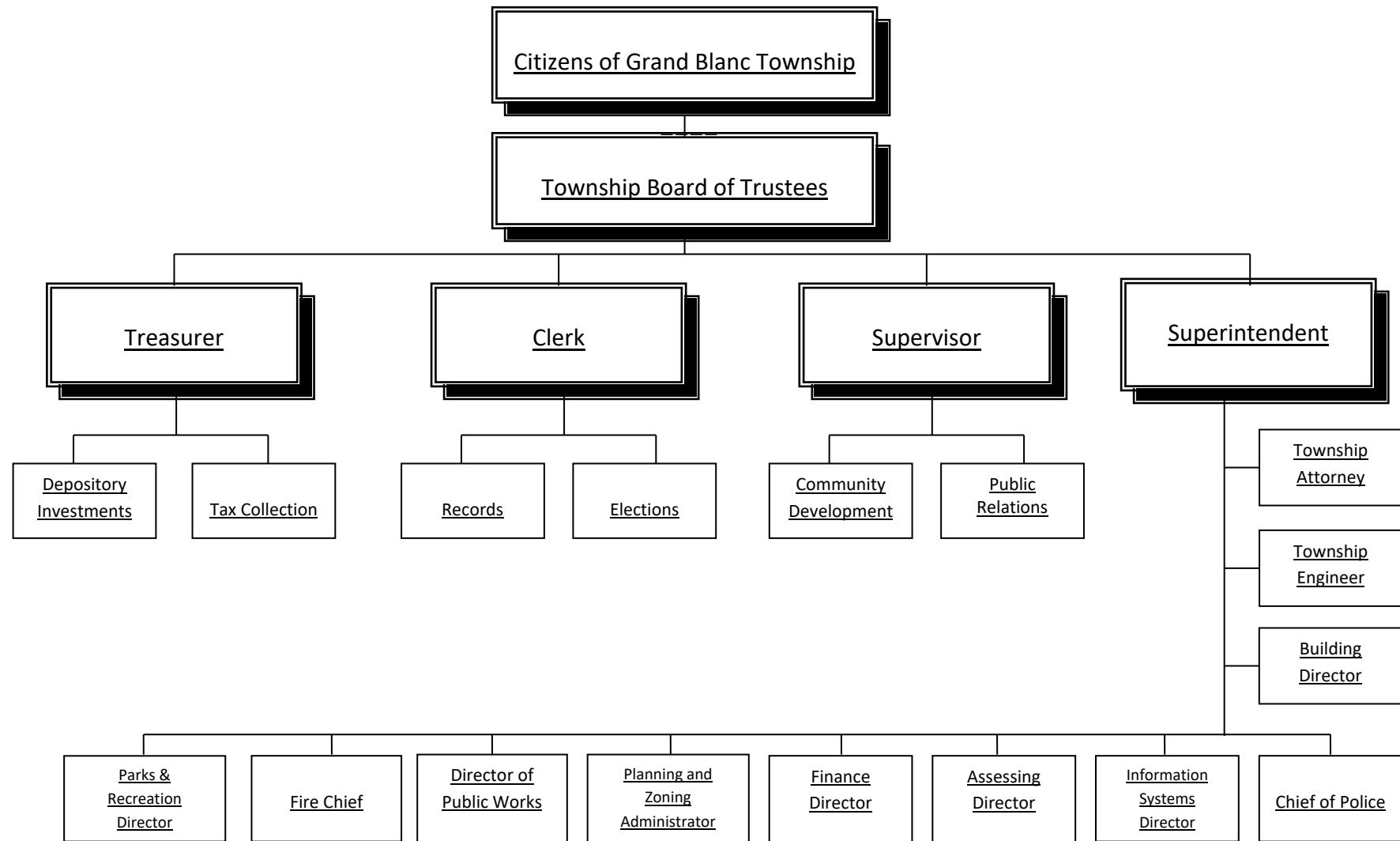
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Monell

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
Police Chief	William Renye
Fire Chief	Robert Burdette
Director of Public Works	Jeff Sears
Assessing Director	Danyelle Herington
Parks and Recreation Director	Vacant
Planning and Zoning Administrator	Jeremy Smith
Information Systems Director	Nathan Loosevelt



Independent Auditor's Report

To the Board of Trustees
Charter Township of Grand Blanc

Opinions

We have audited the 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, 2022 and the related notes to the financial statements, which collectively comprise the Charter Township's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 as of December 31, 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Charter Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, the Charter Township adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, as of January 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter Township's ability to continue as a going concern for 12 months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees
Charter Township of Grand Blanc

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Charter Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

To the Board of Trustees
Charter Township of Grand Blanc

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Charter Township's 2021 financial statements, and we expressed unmodified opinions on respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information in our report dated June 3, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

June 6, 2023

Charter Township of Grand Blanc

Management's Discussion and Analysis

This section of the Charter Township of Grand Blanc's (the "Charter Township") annual financial report presents our discussion and analysis of the Charter Township's financial performance during the fiscal year ended December 31, 2022. 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.

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 additional notes to provide essential information regarding the pension and OPEB schedules. This required supplemental information is in addition to the basic financial statements and accompanying notes.

Other Supplemental Information - Includes the combining balance sheet and combining statement of revenue, expenditures, and changes in fund balance for the non-major governmental funds along with a description of each fund. It also includes budgetary comparison statements for the non-major special revenue funds, debt service fund, capital projects fund, and statements for the Township's component unit.

Financial Analysis of the Charter Township as a Whole

The Charter Township has a combined net position of approximately \$97.5 million for the fiscal year ended December 31, 2022. This was a total increase of approximately \$7.7 million or 8.5 percent from 2021. 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 receivables because of increased revenues, (3) an increase in operating grant revenue, contributions, charges for services and state-shared revenue, (4) an increase in the investment in capital assets, and (5) the largest contributing factor was an increase in the deferred outflows of resources and a decrease in the deferred inflows of resources related to the pension and OPEB unfunded liabilities. 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 positive at the end of 2022, it is primarily attributable to its business-type activities, related to providing water and sewer services. The business-type activities account for 98% of the Township's net position. With the addition of the net pension liability and the net OPEB liability added to the statement of net position in recent years, it had caused the net position of the governmental activities to be negative in fiscal years 2018 through 2021. This new measurement indicated that the Township's residents have paid less than the estimated cost of providing governmental services. However, in 2022, with favorable financial results and the change in the deferred pension and OPEB costs and cost reductions, the net position of the governmental activities is now positive at \$1,789,152.

Charter Township of Grand Blanc

Management's Discussion and Analysis

The largest portion of the Charter Township's net position (96.8 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, 2022, and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
	(in thousands)		(in thousands)		(in thousands)	
Assets						
Current and other assets	\$ 34,590	\$ 29,096	\$ 19,761	\$ 22,332	\$ 54,351	\$ 51,428
Capital assets	<u>22,561</u>	<u>18,004</u>	<u>81,275</u>	<u>80,658</u>	<u>103,836</u>	<u>98,662</u>
Total assets	57,151	47,100	101,036	102,990	158,187	150,090
Deferred Outflows of Resources	8,166	4,623	1,025	290	9,191	4,913
Liabilities						
Long-term liabilities outstanding	26,919	18,984	-	-	26,919	18,984
Other liabilities	<u>4,745</u>	<u>3,379</u>	<u>3,166</u>	<u>3,031</u>	<u>7,911</u>	<u>6,410</u>
Total liabilities	31,664	22,363	3,166	3,031	34,830	25,394
Deferred Inflows of Resources	31,864	35,066	3,223	4,746	35,087	39,812
Net Position						
Net investment in capital assets	13,034	12,007	81,275	80,659	94,309	92,666
Restricted	<u>2,593</u>	<u>1,948</u>	-	-	<u>2,593</u>	<u>1,948</u>
Unrestricted	<u>(13,838)</u>	<u>(19,661)</u>	<u>14,397</u>	<u>14,844</u>	<u>559</u>	<u>(4,817)</u>
Total net position	<u>\$ 1,789</u>	<u>\$ (5,706)</u>	<u>\$ 95,672</u>	<u>\$ 95,503</u>	<u>\$ 97,461</u>	<u>\$ 89,797</u>

The total net position of the Township is \$97.5 million. This is comprised of \$95.7 million within the business-type activities and \$1.8 million within the governmental activities. During the 2022 fiscal year, the governmental activities experienced an increase in net position of \$7,495,339, which is primarily the result of an increase in the deferred outflows of resources (deferred costs) and a decrease in the deferred inflows of resources (deferred cost reductions) related to the pension and OPEB unfunded liabilities. The Township has taken measures to pay 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 and reduce its long-term liability. In addition, cash and investments and receivables increased as a result of increased revenues in the form of property taxes and state-shared revenues. The investment in capital assets also increased as the Township completed several large projects this year contributing to the increase in net position.

Charter Township of Grand Blanc

Management's Discussion and Analysis

The business-type activities experienced an increase in net position of \$169,482 which is attributable to an increase in the sale of water and sewage disposal charges and increased capital contributions through tap-in fees and lines donated by developers during the year. The business-type activities also experienced an increase in the deferred outflows of resources (deferred costs) and a decrease in the deferred inflows of resources (deferred cost reductions) related to the pension and OPEB unfunded liabilities.

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	
	2022	2021	2022	2021	2022	2021
	(in thousands)		(in thousands)		(in thousands)	
Revenue						
Program revenue:						
Charges for service	\$ 3,634	\$ 3,056	\$ 18,954	\$ 17,014	\$ 22,588	\$ 20,070
Operating grants and contributions	1,122	641	-	-	1,122	641
Capital grants and contributions	818	890	771	365	1,589	1,255
General revenue:						
Property taxes	10,855	10,301	-	-	10,855	10,301
State-shared revenue	4,539	4,228	-	-	4,539	4,228
Unrestricted investment earnings	(311)	(22)	(234)	(56)	(545)	(78)
Miscellaneous	1,800	1,509	58	-	1,858	1,509
Total revenue	22,457	20,603	19,549	17,323	42,006	37,926
Expenses						
General government	2,746	3,066	-	-	2,746	3,066
Public safety	8,132	7,207	-	-	8,132	7,207
Public works	2,342	2,962	-	-	2,342	2,962
Community and economic development	65	10	-	-	65	10
Recreation and culture	1,406	1,341	-	-	1,406	1,341
Interest on long-term debt	271	204	-	-	271	204
Water and sewer	-	-	19,380	17,774	19,380	17,774
Total expenses	14,962	14,790	19,380	17,774	34,342	32,564
(Decrease) Increase in Net Position	7,495	5,813	169	(451)	7,664	5,362
Net Position - Beginning of year	(5,706)	(11,519)	95,503	95,954	89,797	84,435
Net Position - End of year	\$ 1,789	\$ (5,706)	\$ 95,672	\$ 95,503	\$ 97,461	\$ 89,797

Governmental Activities

Revenue for the governmental activities totaled \$22.5 million, of which \$10.9 million, or approximately 48 percent, was in the form of property tax collections. The Charter Township levied a total of 6.909 mills for fiscal year 2022 (levied in December 2021), distributed as follows - 3.7565 mills for the Charter Township's operation, 0.7 mil for the municipal campus plan, 0.9898 mil for the Charter Township's police, 0.9872 mil for the fire operations, 0.2317 mil for the Charter Township's mosquito control program, and 0.2438 mil for the Parks and Recreation program.

Charter Township of Grand Blanc

Management's Discussion and Analysis

Revenue from State sources contributed 20.2 percent, or \$4.5 million, of the total revenue, which was an increase of about \$311,000. 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. The increase in 2022 was a result of an increase in population from the 2020 census. As a result, state-shared revenues continue 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.

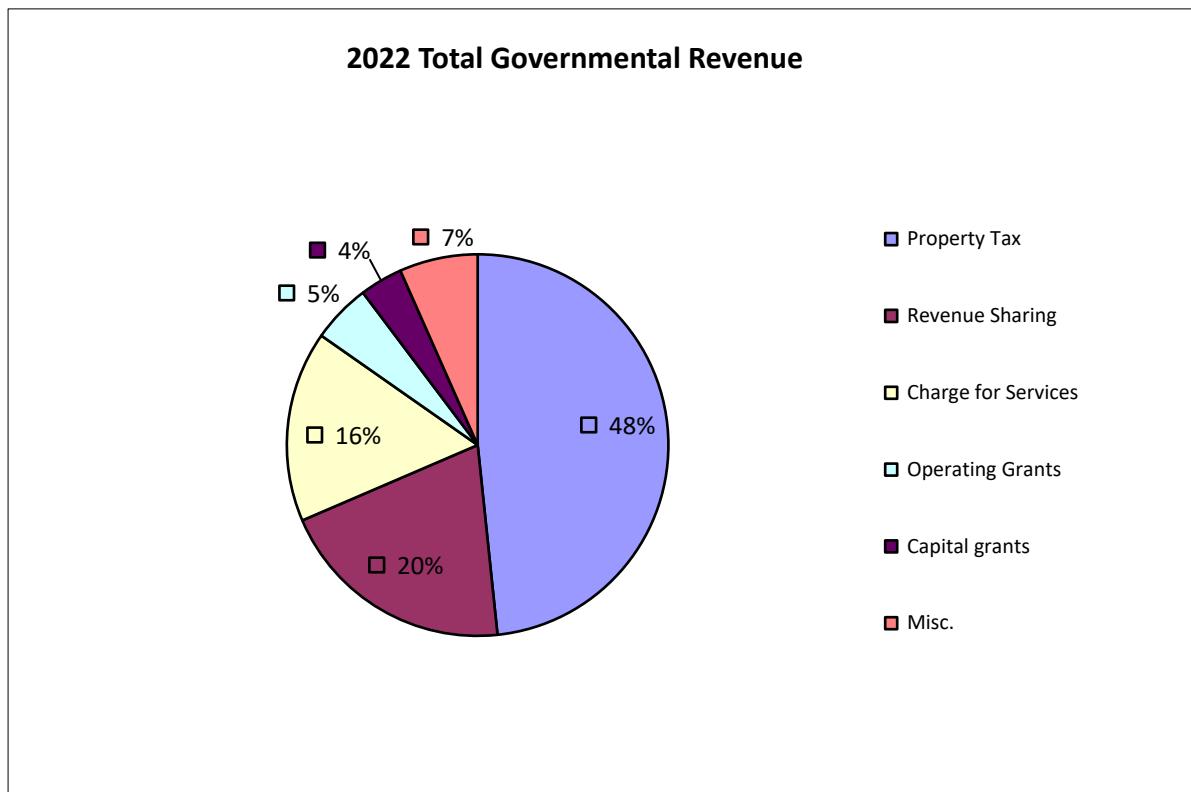
Charges for governmental services represent just over 16 percent of total revenue in the amount of \$3.6 million. The largest portion (43 percent) of charges for services is attributable to the special assessment in the Solid Waste Fund. The Charter Township's housing construction activities provide a large portion of revenue in this category as well, in the form of building permits and inspection fees, which represent 18 percent of the charges for service revenue. Capital grants and contributions saw a slight decrease from 2021, while operating grants and contributions increased 76 percent.

The governmental activities expenses total \$14.96 million in 2022 which is approximately a 1 percent increase compared to 2021. Public safety experienced the largest increase of \$925,000, which was the result of filling two patrol officer positions, an additional contribution to the defined benefit pension plan of the police department and a general increase of expenditures. In addition, fewer special assessment road projects were completed this year causing public works expenditures to decrease and general government decreased as well because of a smaller contribution to the OPEB trust. Overall, the net position of the governmental activities increased \$7,495,339 in 2022 to \$1,789,152 from \$(5,706,187) in 2021.

Business-type Activities

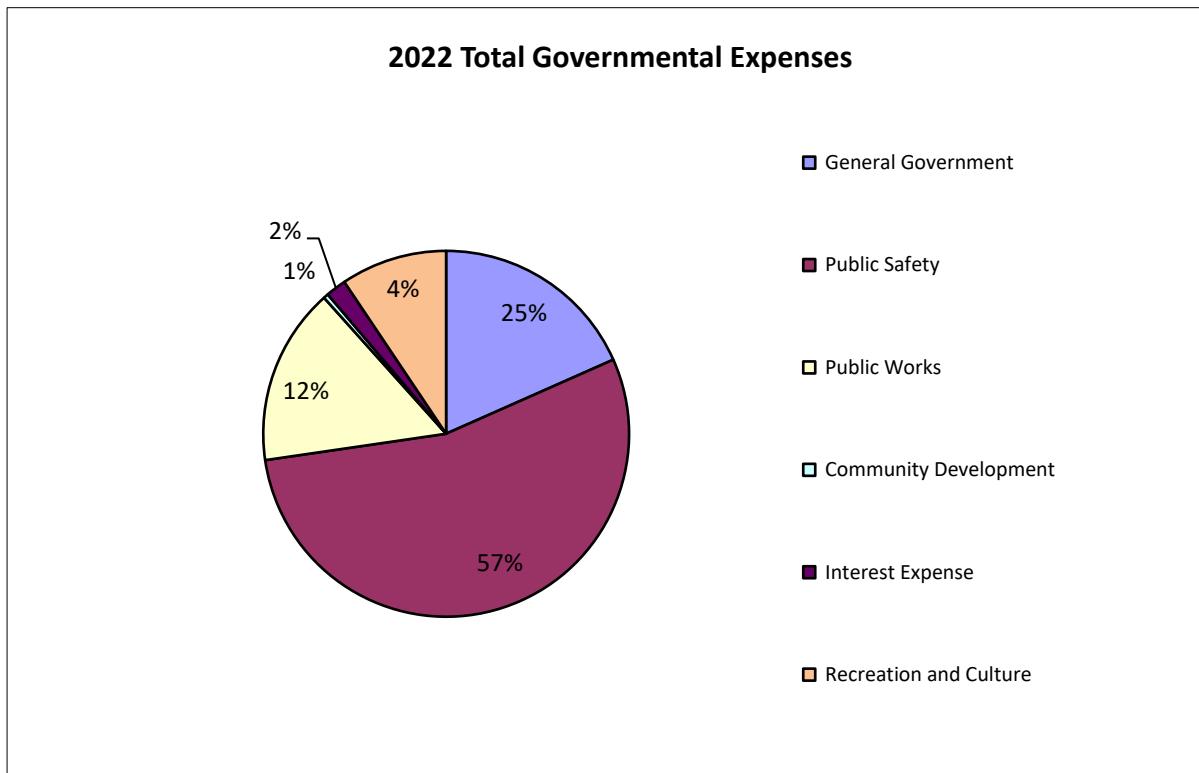
The Charter Township has one business-type activity, the Department of Public Works, which maintains the water and sewer systems. The Charter Township purchases water from Genesee County and the Charter Township's sewage is pumped to Genesee County treatment facilities. The water and sewer operations are primarily funded by user fees and charges for services. The revenue generated from charges for services of \$19 million covered nearly all the \$19.4 million of water and sewer expenses. The remaining expenses were covered by the capital contributions and net position accumulated from the previous year's 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 2022 reflects an increase of \$169,482 to \$95,671,931. The total assets decreased by nearly \$2 million primarily due to the reduction in the net OPEB asset, however, some of the current assets were used to purchase capital assets and as a result the net investment in capital assets increased by \$616,000. In addition, the increase in revenue exceeded the increase in expenses, positively affecting the net position of the business-type activities.

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



Charter Township of Grand Blanc

Management's Discussion and Analysis



Capital Assets

The Charter Township has combined net capital assets of \$103,835,866. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2022 and 2021. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,948	\$ 1,948	\$ 1,176	\$ 1,176	\$ 3,124	\$ 3,124
Construction in progress	4,353	185	1,668	77	6,021	262
Buildings and improvements	11,911	11,154	1,184	1,228	13,095	12,382
Furniture and equipment	727	705	442	528	1,169	1,233
Infrastructure	1,256	1,420	-	-	1,256	1,420
Water and sewer distribution systems	-	-	75,935	77,070	75,935	77,070
Vehicles	2,366	2,592	870	580	3,236	3,172
Total	<u>\$ 22,561</u>	<u>\$ 18,004</u>	<u>\$ 81,275</u>	<u>\$ 80,659</u>	<u>\$ 103,836</u>	<u>\$ 98,663</u>

Charter Township of Grand Blanc

Management's Discussion and Analysis

The Charter Township's governmental activities invested approximately \$5,913,000 in 2022 for capital projects/purchases. The largest portion of this investment was the Baldwin Road resurfacing and expansion project. Other governmental funds capital improvements included the addition of police vehicles and equipment, building improvements, software and computer equipment, the final phase of the Dort Highway pathway, improvements to the multi-purpose fields at Bicentennial Park, as well as various equipment purchases and upgrades. The fund balance in the Capital Projects Fund of \$2,466,195 will be carried forward to the 2023 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 \$771,000 in capital contributions through tap-in fees, 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, new lines being added to support new development, and the construction of the new DPW facility. 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 2022 within the Department of Public Works Fund included nearly \$1.5 million of sewer lines to expand into the southern end of the Township; \$354,000 improvements to the Baldwin Road water tower; \$38,000 improvements to the generators for the Knollwood and Stockbridge substations; vehicle purchases of \$668,000; several meter, generator, and pump replacements throughout the system totaling over \$180,000; and other miscellaneous water and sewer system improvements. Additional information on the Charter Township's capital asset activity can be found in Note 4 to the financial statements.

Long-Term Debt

The Charter Township has a total of \$11,849,491 in long-term governmental debt and \$14,715,450 of long-term pension and OPEB liabilities, within its governmental activities, as of December 31, 2022. Of this total debt, \$5,421,216 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. A new bond was issued in 2022 to fund the Baldwin Road reconstruction project in the amount of \$4,115,000 and the Township financed the purchase of cameras for the Police department for \$207,011 with \$165,609 remaining on the debt at the end of the year. In addition, \$192,860 of all long-term debt is related to employee compensated absences and \$25,806 is for leases payable, and the remaining \$2,282,000 of the debt is related to special assessment 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

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 \$13,138 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 15 percent of total net position of the governmental activities and business-type activities together, even though the debt is attributable to the governmental activities. Additional information on the Charter Township's long-term debt activity can be found in Note 6 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, Opioids Settlement Fund, Solid Waste 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. The Capital Projects Fund is a major fund for the first time in 2022.
- **Permanent Funds** - The Charter Township is responsible for three cemeteries - Oakwood Cemetery, Perry-McFarland Cemetery, and Maple Cemetery. These funds account for the investment revenue that is received on the principal balances, which is expendable for maintenance of the cemeteries.

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 in the Required Supplemental Information section of this report. The total amount of revenue budgeted in the General Fund, including amendments for 2022, was \$18,239,602 with actual revenue recorded at \$18,900,596. This was a positive variance of \$660,994. The most significant area with a positive variance was State sources which exceeded the budgeted revenue by \$437,894 primarily because of an increase in state-shared revenues and higher than anticipated reimbursement for personal property taxes. Other areas with positive variances included property taxes, special assessments, intergovernmental revenues including federal, state, and local sources, licenses and permits, and local donations.

State-shared revenue, originally budgeted at \$3,607,327 and amended to \$4,445,410 after the state revised its projections, was received in the amount of \$4,775,917 and as a result, exceeded the budget by \$330,507. 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 2022 increased approximately \$785,000 over the amount received last year as a result of the population adjustment from the 2020 census. The Township's population increased by 2,338 people which subsequently caused state-shared revenues to increase.

The Charter Township's General Fund had budgeted expenditures of \$17,148,665 and actual expenditures amounting to \$15,302,564 with a positive variance of \$1,846,101. Public works experienced the largest positive variance with the budgeted expenditures, of \$597,541, because of the delay in the completion of a special assessment road project. Public safety also experienced a large positive variance of \$523,883 because of vacancies that remained unfilled. All other departments experienced minor variances between their actual and budgeted expenditures except for Building and Grounds, which experienced a negative variance of \$2,715 due to the cost of lawn care services which exceeded the budget.

The net effect for 2022 shows an excess of revenue over expenditures (prior to other financing sources and uses) of \$3,598,032. After factoring in the net other financing uses of \$2,078,414, revenue exceeded expenditures and other financing uses by \$1,519,618 increasing the Charter Township's General Fund balance from \$4,632,942 to \$6,152,560. The actual result was better than anticipated, as the Board of Trustees included in the budget the use of \$600,209 of the fund balance primarily to be contributed to the trust fund for the unfunded OPEB liability. There was also a transfer to the Capital Projects Fund of \$1,059,000 to fund future capital projects. The December 31, 2022, unassigned General Fund balance is \$3,083,888 or 16 percent of 2022 General Fund revenue, which exceeds 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 million for future capital projects, as well as, an additional \$1.6 million of fund balance for postemployment benefits with the intention of making an additional

Charter Township of Grand Blanc

Management's Discussion and Analysis

contribution to the OPEB and pension trust funds in 2023 to further reduce the unfunded liabilities.

Current Economic Conditions

Property taxes, the primary funding source of the General Fund, increased approximately 5.5 percent in 2022 as compared to 2021 as a result of increased property values. Property values are projected to increase slightly in 2023, but just recently exceeded (in 2019) the assessed property values from 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 which represents about 25 percent of the 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 once again experienced a decrease to state revenue sharing in 2020 due to the economic conditions experienced throughout the country resulting from the coronavirus pandemic. In 2021 and 2022, the Township received an adjustment for the increase in population, one of the factors the state uses to allocate state-shared revenues to local communities, based upon the results of the 2020 census, but state-shared revenues otherwise have remained relatively stagnant. After many years of either decline or stagnancy, state-shared revenue remains low relative to historic norms experienced prior to 2002.

Another issue of concern to the Charter Township is the unfunded liabilities of its defined benefit retirement plan of approximately \$8.9 million as of December 31, 2021, the date of its most recent actuarial report. The funded ratio of the plan is 71 percent. In addition, the retiree healthcare plan has an unfunded liability of approximately \$2.9 million as of December 31, 2022. Even though the governmental activities have an OPEB liability of \$5.8 million, the plan is 89 percent funded as a result of the OPEB asset in the business-type activities of \$2.9 million. Just four 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. However, the Township is cautiously optimistic that the funding level will remain near or fully funded given the anticipated increase in healthcare rates and lower than anticipated returns on its investments. In 2022, the Charter Township contributed the required annual contribution of \$1,019,094 and an additional prefunded contribution of \$225,000 towards its pension liability. The Charter Township also made payments for postemployment health benefit premiums of \$522,324, plus prefunded contributions of \$1,000,000. 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.

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 and the recent effects of the coronavirus pandemic throughout the country, the Charter Township was able to maintain or exceed the requirements for its fund balance as specified in its policy. In 2022, the Township was able to make an additional contribution of \$1.2 million towards the unfunded liability for postemployment benefits and another \$1.1 million to its capital projects fund and still experienced an increase to the fund balance in the General Fund of approximately \$1.5 million. The fund balance at December 31, 2022 stood at \$6,160,910, which is a 33 percent increase since the beginning of the year. 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, Grand Blanc, Michigan 48507, or visit our website at www.twp.grand-blanc.mi.us.

Charter Township of Grand Blanc

Statement of Net Position

December 31, 2022

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	
Assets					
Cash and cash equivalents (Note 2)	\$ 7,484,781	\$ 1,465,588	\$ 8,950,369	\$ 271,666	
Investments (Note 2)	15,983,328	10,422,063	26,405,391	-	
Receivables:					
Property taxes	5,274,679	-	5,274,679	121,409	
Special assessments	2,231,882	14,193	2,246,075	-	
Customers	-	4,498,183	4,498,183	-	
Accrued interest and other	39,527	40,114	79,641	-	
Leases receivable	1,302,887	-	1,302,887	-	
Other receivables	298,111	376,032	674,143	-	
Due from other governments	1,009,402	-	1,009,402	1,335	
Due from primary government (Note 5)	-	-	-	268,000	
Prepays and other assets	410,671	34,099	444,770	552	
Restricted assets	554,890	-	554,890	-	
Net OPEB asset (Note 11)	-	2,910,820	2,910,820	-	
Capital assets: (Note 4)					
Assets not subject to depreciation	6,300,759	2,843,923	9,144,682	-	
Assets subject to depreciation	16,260,116	78,431,068	94,691,184	-	
Total assets	57,151,033	101,036,083	158,187,116	662,962	
Deferred Outflows of Resources					
Deferred pension costs (Note 9)	4,726,393	-	4,726,393	-	
Deferred OPEB costs (Note 11)	3,439,077	1,025,057	4,464,134	-	
Total deferred outflows of resources	8,165,470	1,025,057	9,190,527	-	
Liabilities					
Accounts payable	627,504	3,114,844	3,742,348	3,549	
Refundable deposits, bonds, etc.	263,823	-	263,823	-	
Accrued liabilities and other	351,451	38,264	389,715	-	
Unearned revenue	3,501,855	-	3,501,855	-	
Noncurrent liabilities:					
Due within one year: (Note 6)					
Payable from restricted assets:					
Accounts payable	86,248	-	86,248	-	
Due to component unit (Note 5)	268,000	-	268,000	-	
Compensated absences	192,860	13,138	205,998	-	
Current portion of long-term debt	901,965	-	901,965	-	
Due in more than one year:					
Net pension liability (Note 9)	8,912,978	-	8,912,978	-	
Net OPEB liability (Note 11)	5,802,472	-	5,802,472	-	
Long-term debt (Note 6)	10,754,666	-	10,754,666	-	
Total liabilities	31,663,822	3,166,246	34,830,068	3,549	
Deferred Inflows of Resources					
Property taxes levied for the following year	10,981,382	-	10,981,382	201,890	
Other resources received before the period resources may be used	1,670,076	-	1,670,076	-	
Deferred pension cost reductions (Note 9)	1,918,554	-	1,918,554	-	
Deferred OPEB cost reductions (Note 11)	16,029,314	3,222,963	19,252,277	-	
Deferred inflows from leases	1,264,203	-	1,264,203	-	
Total deferred inflows of resources	31,863,529	3,222,963	35,086,492	201,890	
Net Position					
Net investment in capital assets	13,033,886	81,274,991	94,308,877	-	
Restricted:					
Mosquito spraying	183,954	-	183,954	-	
Solid waste	13	-	13	-	
Drug forfeiture and federal equitable sharing	177,505	-	177,505	-	
Law enforcement	20,621	-	20,621	-	
PEG Channel Grant	165,437	-	165,437	-	
Building	976,496	-	976,496	-	
Unexpendable cemetery fund	187,972	-	187,972	-	
Expendable cemetery fund	263,520	-	263,520	-	
Tree replacement	29,001	-	29,001	-	
Parks and recreation	526,501	-	526,501	-	
Opioids settlement	61,776	-	61,776	-	
Unrestricted	(13,837,530)	14,396,940	559,410	457,523	
Total net position	\$ 1,789,152	\$ 95,671,931	\$ 97,461,083	\$ 457,523	

Charter Township of Grand Blanc

Functions/Programs

Primary government:

Governmental activities:

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
General government	\$ 2,745,927	\$ 20,526	\$ 408,672	\$ 509,560
Public safety	8,131,850	1,358,882	312,338	-
Public works	2,342,365	1,903,310	-	243,488
Community and economic development	64,677	-	-	64,677
Recreation and culture	1,405,732	351,575	401,050	-
Interest on long-term debt	270,974	-	-	-
Total governmental activities	14,961,525	3,634,293	1,122,060	817,725

Business-type activities - Department of Public Works

	19,379,625	18,953,638	-	770,930
--	------------	------------	---	---------

Total primary government

\$ 34,341,150	\$ 22,587,931	\$ 1,122,060	\$ 1,588,655
----------------------	----------------------	---------------------	---------------------

Component units - Downtown Development Authority

\$ 53,953	\$ -	\$ -	\$ -
------------------	-------------	-------------	-------------

General revenue:

Property taxes
Unrestricted state-shared revenue
Unrestricted investment loss
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 - End of year

Statement of Activities

Year Ended December 31, 2022

<u>Net (Expense) Revenue and Changes in Net Position</u>			
<u>Primary Government</u>		<u>Component Unit</u>	
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Downtown Development Authority</u>
\$ (1,807,169)	\$ -	\$ (1,807,169)	\$ -
(6,460,630)	-	(6,460,630)	-
(195,567)	-	(195,567)	-
(653,107)	-	(653,107)	-
(270,974)	-	(270,974)	-
(9,387,447)	-	(9,387,447)	-
-	344,943	344,943	-
(9,387,447)	344,943	(9,042,504)	-
-	-	-	(53,953)
10,855,434	-	10,855,434	293,101
4,539,184	-	4,539,184	-
(311,298)	(233,524)	(544,822)	-
572,766	-	572,766	-
15,767	58,063	73,830	-
1,210,933	-	1,210,933	-
16,882,786	(175,461)	16,707,325	293,101
7,495,339	169,482	7,664,821	239,148
(5,706,187)	95,502,449	89,796,262	218,375
\$ 1,789,152	\$ 95,671,931	\$ 97,461,083	\$ 457,523

Charter Township of Grand Blanc

Governmental Funds Balance Sheet

December 31, 2022

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 2)	\$ 6,065,399	\$ 508	\$ 1,418,874	\$ 7,484,781
Investments (Note 2)	8,444,916	2,403,116	5,135,296	15,983,328
Receivables:				
Property taxes	5,095,415	-	179,264	5,274,679
Special assessments	1,676,428	-	555,454	2,231,882
Accrued interest and other	20,857	2,831	15,839	39,527
Leases receivable	541,327	-	761,560	1,302,887
Other receivables	211,964	-	86,147	298,111
Due from other governments	966,789	25,500	17,113	1,009,402
Due from other funds (Note 5)	-	-	332,656	332,656
Prepays and other assets	403,672	-	6,999	410,671
Restricted assets	-	554,890	-	554,890
Total assets	\$ 23,426,767	\$ 2,986,845	\$ 8,509,202	\$ 34,922,814
Liabilities				
Accounts payable	\$ 407,482	\$ 140,902	\$ 79,120	\$ 627,504
Due to other funds (Note 5)	332,656	-	-	332,656
Refundable deposits, bonds, etc.	-	-	263,823	263,823
Accrued liabilities and other	260,553	-	14,942	275,495
Unearned revenue	3,501,855	-	-	3,501,855
Payable from restricted assets:				
Accounts payable	-	86,248	-	86,248
Due to component unit (Note 5)	-	268,000	-	268,000
Total liabilities	4,502,546	495,150	357,885	5,355,581
Deferred Inflows of Resources				
Unavailable revenue	1,629,807	25,500	49,651	1,704,958
Property taxes levied for the following year	10,609,029	-	372,353	10,981,382
Other resources received before the period resources may be used	-	-	1,670,076	1,670,076
Deferred inflows from leases	524,475	-	739,728	1,264,203
Total deferred inflows of resources	12,763,311	25,500	2,831,808	15,620,619

Charter Township of Grand Blanc

Governmental Funds Balance Sheet (Continued)

December 31, 2022

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Fund Balances				
Nonspendable:				
Prepads	\$ 263,120	\$ -	\$ 6,999	\$ 270,119
Cemetery endowment	-	-	187,972	187,972
Restricted:				
Public safety	-	-	197,179	197,179
Opioids settlement	-	-	12,125	12,125
Capital projects	-	200,642	-	200,642
Solid waste	-	-	13	13
Mosquito spraying	183,954	-	-	183,954
PEG Channel	-	-	163,411	163,411
Cemetery	-	-	263,520	263,520
Tree replacement	29,001	-	-	29,001
Police LESO	947	-	-	947
Parks and recreation	-	-	526,501	526,501
Construction code	-	-	973,626	973,626
Committed - Bicentennial Park improvements	-	-	84,738	84,738
Assigned:				
Capital projects	1,000,000	2,265,553	-	3,265,553
Debt service	-	-	2,903,425	2,903,425
Postemployment benefits	1,600,000	-	-	1,600,000
Unassigned	3,083,888	-	-	3,083,888
Total fund balances	6,160,910	2,466,195	5,319,509	13,946,614
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,426,767	\$ 2,986,845	\$ 8,509,202	\$ 34,922,814

Charter Township of Grand Blanc

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2022

Fund Balances Reported in Governmental Funds	\$ 13,946,614
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	22,560,875
Special assessment receivables are expected to be collected in future years and are not available to pay for current year expenditures	1,593,718
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	111,240
Deferred outflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	8,165,470
Deferred inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	(17,947,868)
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(11,656,631)
Accrued interest is not due and payable in the current period and is not reported in the funds	(75,956)
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	(192,860)
Pension benefits	(8,912,978)
Retiree health care benefits	(5,802,472)
Net Position of Governmental Activities	<u>\$ 1,789,152</u>

Charter Township of Grand Blanc

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2022

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Property taxes	\$ 10,491,652	\$ -	\$ 354,561	\$ 10,846,213
Special assessments	793,815	-	-	793,815
Intergovernmental:				
Federal sources	3,125	138,542	269,792	411,459
State sources	5,112,804	27,375	18,870	5,159,049
Local grants and contributions	141,997	-	-	141,997
Charges for services	-	-	2,377,286	2,377,286
Fines and forfeitures	116,008	-	108,491	224,499
Licenses and permits	65,359	-	615,696	681,055
Investment loss	(211,043)	(26,357)	(73,898)	(311,298)
Other revenue:				
Local donations	9,510	-	222,268	231,778
Other miscellaneous income	1,804,603	126,487	269,203	2,200,293
Cable franchise fees	572,766	-	-	572,766
Total revenue	18,900,596	266,047	4,162,269	23,328,912
Expenditures				
Current services:				
General government	4,552,600	32,557	8,955	4,594,112
Public safety	9,517,120	-	766,715	10,283,835
Public works	773,109	-	1,569,256	2,342,365
Community and economic development	-	-	64,677	64,677
Recreation and culture	67,392	77,509	1,085,435	1,230,336
Capital outlay	-	4,868,476	560,547	5,429,023
Debt service	392,343	98,525	731,475	1,222,343
Total expenditures	15,302,564	5,077,067	4,787,060	25,166,691
Excess of Revenue Over (Under) Expenditures	3,598,032	(4,811,020)	(624,791)	(1,837,779)
Other Financing Sources (Uses)				
Transfers in	-	1,058,856	1,034,325	2,093,181
Transfers out	(2,093,181)	-	-	(2,093,181)
New debt issued	-	4,322,012	-	4,322,012
Proceeds from sale of capital assets	14,767	-	1,000	15,767
Total other financing (uses) sources	(2,078,414)	5,380,868	1,035,325	4,337,779
Net Change in Fund Balances	1,519,618	569,848	410,534	2,500,000
Fund Balances - Beginning of year	4,641,292	1,896,347	4,908,975	11,446,614
Fund Balances - End of year	\$ 6,160,910	\$ 2,466,195	\$ 5,319,509	\$ 13,946,614

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, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ 2,500,000
---	--------------

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	5,403,471
Loss on sale of asset	(5,484)
Depreciation expense	(1,383,041)

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

(373,005)

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

509,560

Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position

(4,322,011)

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

976,499

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

(17,792)

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

30,390

Change in the net OPEB liability and deferred items related to OPEB are recorded when incurred in the statement of activities

4,504,916

Change in the net pension liability and deferred items related to pension are recorded when incurred in the statement of activities

(328,164)

Change in Net Position of Governmental Activities

\$ 7,495,339

Charter Township of Grand Blanc

Proprietary Fund
Department of Public Works
Statement of Net Position

December 31, 2022

Assets

Current assets:	
Cash and cash equivalents (Note 2)	\$ 1,465,588
Investments (Note 2)	10,422,063
Receivables:	
Customers	4,498,183
Accrued interest and other	40,114
Other receivables	376,032
Prepays and other assets	<u>34,099</u>
	16,836,079
Total current assets	16,836,079
Noncurrent assets:	
Tap-in assessments receivable	14,193
Net OPEB asset (Note 11)	2,910,820
Capital assets: (Note 4)	
Assets not subject to depreciation	2,843,923
Assets subject to depreciation	<u>78,431,068</u>
	84,200,004
Total noncurrent assets	84,200,004
Total assets	101,036,083
Deferred Outflows of Resources - Deferred OPEB costs (Note 11)	1,025,057
Liabilities	
Current liabilities:	
Accounts payable	3,114,844
Accrued liabilities and other	38,264
Compensated absences (Note 6)	<u>13,138</u>
	3,166,246
Total liabilities	3,166,246
Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 11)	<u>3,222,963</u>
Net Position	
Net investment in capital assets	81,274,991
Unrestricted	<u>14,396,940</u>
	<u><u>\$ 95,671,931</u></u>

Charter Township of Grand Blanc

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

Years Ended December 31, 2022 and 2021

	2022	2021
Operating Revenue		
Sale of water	\$ 9,808,650	\$ 9,276,796
Sewage disposal charges	8,655,230	7,588,802
Water meters	74,796	60,588
Penalties and other charges for services	<u>414,962</u>	<u>88,147</u>
Total operating revenue	18,953,638	17,014,333
Operating Expenses		
Cost of water	8,968,373	8,337,568
Cost of sewage treatment	6,249,724	5,342,068
Billing and administrative costs	1,832,210	1,969,915
Depreciation	<u>2,329,318</u>	<u>2,124,255</u>
Total operating expenses	<u>19,379,625</u>	<u>17,773,806</u>
Operating Loss	(425,987)	(759,473)
Nonoperating (Expense) Revenue		
Investment loss	(233,524)	(56,450)
Gain on sale of assets	<u>58,063</u>	-
Total nonoperating expense	<u>(175,461)</u>	<u>(56,450)</u>
Loss - Before capital contributions	(601,448)	(815,923)
Capital Contributions - Water and sewer tap-in fees	<u>770,930</u>	<u>364,611</u>
Change in Net Position	169,482	(451,312)
Net Position - Beginning of year	<u>95,502,449</u>	<u>95,953,761</u>
Net Position - End of year	<u>\$ 95,671,931</u>	<u>\$ 95,502,449</u>

Charter Township of Grand Blanc

Proprietary Fund
Department of Public Works
Statement of Cash Flows

Year Ended December 31, 2022

Cash Flows from Operating Activities

Receipts from customers	\$ 18,537,680
Receipts from interfund services and reimbursements	202,938
Payments to suppliers	(15,933,325)
Payments to employees	<u>(1,886,352)</u>
	920,941

Net cash and cash equivalents provided by operating activities

Cash Flows from Capital and Related Financing Activities

Capital charge collections	770,930
Special assessment collections	5,366
Proceeds from sale of capital assets	58,063
Purchase of capital assets	<u>(2,945,758)</u>
	(2,111,399)

Net cash and cash equivalents used in capital and related financing activities

Cash Flows Provided by Investing Activities - Proceeds from sale of investment securities

Net Increase in Cash and Cash Equivalents	842,812
Cash and Cash Equivalents - Beginning of year	<u>622,776</u>
Cash and Cash Equivalents - End of year	<u>\$ 1,465,588</u>

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (425,987)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	2,329,318
Changes in assets and liabilities:	
Receivables	(415,958)
Due to and from other funds	202,938
Prepaid and other assets	(1,200)
Accrued and other liabilities	3,776
Accounts payable	131,216
Net change in OPEB activity	<u>(903,162)</u>
Total adjustments	1,346,928
Net cash provided by operating activities	<u>\$ 920,941</u>

Charter Township of Grand Blanc

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2022

	Other Postemployment Benefits Trust Fund	Custodial Fund Tax Collection Fund
Assets		
Cash and cash equivalents	\$ -	\$ 7,352,295
Interest in pooled investments	23,432,234	-
Receivables - Property taxes	-	7,995,465
Total assets	23,432,234	15,347,760
Liabilities - Undistributed tax collections and other	-	7,352,703
Deferred Inflows of Resources - Property taxes levied for the following year	-	7,995,057
Net Position - Restricted - Postemployment benefits other than pension	<u><u>\$ 23,432,234</u></u>	<u><u>\$ -</u></u>

Charter Township of Grand Blanc

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2022

		Custodial Fund
	Other Postemployment Benefits Trust Fund	Tax Collection Fund
Additions		
Investment loss:		
Net decrease in fair value of investments	\$ (2,612,724)	\$ -
Investment costs	(41,278)	-
Net investment loss	(2,654,002)	-
Contributions - Employer contributions	1,522,324	-
Property tax collections	- <hr/>	58,053,854
Total additions	(1,131,678)	58,053,854
Deductions		
Benefit payments	522,324	-
Tax distributions to other governments	- <hr/>	58,053,854
Total deductions	522,324	58,053,854
Net Decrease in Fiduciary Net Position	(1,654,002)	-
Net Position - Beginning of year	25,086,236	-
Net Position - End of year	\$ 23,432,234	\$ -

December 31, 2022

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 Unit

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 unit 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 Capital Projects Fund is used to account for earmarked revenue set aside for public improvements of a major nature. Revenue sources include transfers from the General Fund and proceeds from debt.

December 31, 2022

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 fund as a major enterprise fund:

- Department of Public Works Fund - The Department of Public Works Fund is used to account for the results of operations that provide water and sewer services to residents and businesses, financed primarily by a user charge for the provision of those services.

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, 2022

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

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, 2022

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.

Restricted Assets

Unspent bond proceeds of the Capital Projects Fund are required to be set aside for construction. These amounts have been classified as restricted assets.

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 \$10,000 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.

Unearned Revenue

The Charter Township reports unearned revenue in connection with resources that have been received through nonexchange transactions but for which the Charter Township has not yet met all eligibility requirements.

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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

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 assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

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	✓	
Deferred inflows for leases	✓	

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

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

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

Property Tax Revenue

Property taxes 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	3.7565	\$ 5,546,000
Master campus project	0.7000	1,033,000
Police millage	0.9898	1,461,000
Fire millage	0.9872	1,457,000
Mosquito millage	0.2317	342,000
Parks and recreation	0.2438	360,000
Act 198/255 taxes and administration fees		<u>691,000</u>
Total		<u><u>\$ 10,890,000</u></u>

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2021 was approximately \$1,467,512,000, a portion of which is captured and remitted to the Authority.

To date, the mosquito and parks and recreation millages raised \$183,954 and \$526,501 more revenue than expenditures, respectively. As a result, \$183,954 and \$526,501 of the fund balance was restricted in the General Fund and Parks and Recreation Fund, respectively, as of December 31, 2022.

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.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

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.

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.

Leases

The Charter Township is a lessee for copiers. The Charter Township recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the governmental activities column in the government-wide financial statements. The Charter Township recognizes lease assets and liabilities with an initial value of \$10,000 or more.

At the commencement of a lease, the Charter Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

Key estimates and judgments related to leases include how the Charter Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Charter Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Charter Township generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Charter Township is reasonably certain to exercise.

The Charter Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The Charter Township is a lessor for noncancelable leases of cell tower space. The Charter Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the Charter Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Charter Township determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Charter Township uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Charter Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Summarized Comparative Information

The basic financial statements include summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Charter Township's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

December 31, 2022

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. 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, 2023.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Charter Township's financial statements for the year ending December 31, 2024.

Adoption of New Accounting Pronouncement

During the current year, the Charter Township adopted GASB Statement No. 87, *Leases*. As a result, the governmental activities now include a liability for the present value of payments expected to be made and right-to-use assets. The governmental funds now includes receivables for the presented value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 12.

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, 2022

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 \$14,967,884 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount, \$440,472 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. 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)
U.S. Treasury notes	\$ 21,310,844	0.96
U.S. agency bonds	4,292,457	1.43

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	\$ 21,310,844	Aaa	Moody's
U.S. agency bonds	4,292,457	Aaa	Moody's
GovMic money market	1,197,881	NR	Moody's

December 31, 2022

Note 2 - Deposits and Investments (Continued)

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, 2022:

- Publicly traded stocks of \$159,097 are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury and U.S. agency bonds of \$25,603,301 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, 2022, 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	\$ 23,432,234	\$ -	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.

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2022

Note 4 - Capital Assets

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

Governmental Activities

	Balance January 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:					
Land and land improvements	\$ 1,948,097	\$ -	\$ -	\$ -	\$ 1,948,097
Construction in progress	184,962	(184,962)	4,352,662	-	4,352,662
Subtotal	2,133,059	(184,962)	4,352,662	-	6,300,759
Capital assets being depreciated:					
Buildings and improvements	19,417,383	181,418	1,080,102	-	20,678,903
Vehicles	3,950,080	(115,473)	225,379	(100,356)	3,959,630
Furniture and equipment	3,090,113	119,017	254,888	-	3,464,018
Infrastructure	5,677,933	-	-	-	5,677,933
Subtotal	32,135,509	184,962	1,560,369	(100,356)	33,780,484
Accumulated depreciation:					
Buildings and improvements	8,262,656	-	505,057	-	8,767,713
Vehicles	1,358,507	(115,473)	445,306	(94,872)	1,593,468
Furniture and equipment	2,352,882	115,473	268,760	-	2,737,115
Infrastructure	4,258,154	-	163,918	-	4,422,072
Subtotal	16,232,199	-	1,383,041	(94,872)	17,520,368
Net capital assets being depreciated	15,903,310	184,962	177,328	(5,484)	16,260,116
Net governmental activities capital assets	\$ 18,036,369	\$ -	\$ 4,529,990	\$ (5,484)	\$ 22,560,875

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2022

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2022
Capital assets not being depreciated:					
Land	\$ 1,176,381	\$ -	\$ -	\$ -	\$ 1,176,381
Construction in progress	77,858	(5,317)	1,615,093	(20,092)	1,667,542
Subtotal	1,254,239	(5,317)	1,615,093	(20,092)	2,843,923
Capital assets being depreciated:					
Water and sewer distribution systems	115,501,439	-	756,252	(150,000)	116,107,691
Buildings and improvements	1,860,010	-	-	-	1,860,010
Furniture and equipment	2,091,691	5,317	44,125	-	2,141,133
Vehicles	2,457,824	-	667,882	(102,427)	3,023,279
Subtotal	121,910,964	5,317	1,468,259	(252,427)	123,132,113
Accumulated depreciation:					
Water and sewer distribution systems	38,431,015	-	1,774,153	(32,500)	40,172,668
Buildings and improvements	632,214	-	43,540	-	675,754
Furniture and equipment	1,564,254	-	135,265	-	1,699,519
Vehicles	1,879,169	-	376,360	(102,425)	2,153,104
Subtotal	42,506,652	-	2,329,318	(134,925)	44,701,045
Net capital assets being depreciated	79,404,312	5,317	(861,059)	(117,502)	78,431,068
Net business-type activities capital assets	\$ 80,658,551	\$ -	\$ 754,034	\$ (137,594)	\$ 81,274,991

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

Governmental activities:		
General government		\$ 326,953
Public safety		873,704
Recreation and culture		182,384
Total governmental activities		\$ 1,383,041
Business-type activities - Water and sewer		\$ 2,329,318

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2022

Note 4 - Capital Assets (Continued)

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:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Enterprise Park	\$ 818,841	\$ 623,419
ADA improvement at parks	-	79,850
Fire Station #2 Remodel	63,542	1,495,769
Total	\$ 882,383	\$ 2,199,038

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	General Fund	\$ 332,656

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 borrowed from discretely presented component units is as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Downtown Development Authority	Capital Projects Fund	\$ 268,000

The balance owed above resulted from expenses paid by the Downtown Development Authority for the Capital Projects Fund for working capital purposes.

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

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Master Campus Project Fund	\$ 729,975
	Capital Projects Fund	1,058,856
	Parks and Recreation Fund	300,000
	Solid Waste Fund	4,350
	Total	\$ 2,093,181

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 6 - Long-term Debt

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

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2022

Note 6 - 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 and leases. 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:							
Direct borrowings and direct placements:							
Special assessment bonds - 2012							
Water Edge Bond:							
Amount of issue: \$350,000							
Maturing through 2022	2.00%	\$35,000	\$ 35,000	\$ -	\$ (35,000)	\$ -	\$ -
Special assessment bonds - 2013							
Braemoor Road Bond:							
Amount of issue: \$742,000							
Maturing through 2023	2.70%-3.25%	\$77,000	154,000	-	(77,000)	77,000	77,000
Special assessment bonds - 2015							
Sandalwood Road Bond:							
Amount of issue: \$149,000							
Maturing through 2025	1.75%	\$15,000	60,000	-	(15,000)	45,000	15,000
Special assessment bonds - 2018							
Concord Green Bond:							
Amount of issue: \$404,000							
Maturing through 2027	2.70%-3.45%	\$43,000-\$46,000	265,000	-	(45,000)	220,000	45,000
Special assessment bonds - 2019							
Green Valley Bond:							
Amount of issue: \$311,000							
Maturing through 2024	2.30%	\$63,000-\$65,000	190,000	-	(64,000)	126,000	63,000
Special assessment bonds - 2020							
Grand Waliea Bond:							
Amount of issue: \$475,000							
Maturing through 2030	1.38%	\$44,000-\$49,000	431,000	-	(48,000)	383,000	49,000
Special assessment bonds - 2020							
Grand Blanc Estates Bond:							
Amount of issue: \$451,000							
Maturing through 2035	1.74%	\$21,000-\$32,000	430,000	-	(31,000)	399,000	33,000
Special assessment bonds - 2021							
Grandville Estates bond:							
Amount of issue: \$717,000							
Maturing through 2036	0.65%-1.95%	\$38,000-\$47,000	717,000	-	(38,000)	679,000	47,000
General obligation limited tax refunding bonds, Downtown development, Series 2022:							
Amount of issue: \$4,115,000							
Maturing through 2033	3.40%	\$125,000-\$775,000	-	4,115,000	-	4,115,000	-
Police camera financing							
Amount of issue: \$207,011							
Maturing through 2026	0.00%	\$207,011	-	207,011	(41,402)	165,609	41,402
Total direct borrowings and direct placements principal outstanding			2,282,000	4,322,011	(394,402)	6,209,609	370,402

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2022

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Other debt:							
General obligation limited tax refunding bonds, Series 2015:							
Amount of issue: \$7,710,000	3.00%-4.00%	\$445,000-\$605,000	\$ 5,620,000 376,970	\$ -	\$ (535,000) (40,754)	\$ 5,085,000 336,216	\$ 525,000
Maturing through 2031							
Premium on bonds payable							
Total other debt principal outstanding			5,996,970	-	(575,754)	5,421,216	525,000
Total bonds and contracts payable			8,278,970	4,322,011	(970,156)	11,630,825	895,402
Leases			32,149	-	(6,343)	25,806	6,563
Accumulated compensated absences			223,250	907,978	(938,368)	192,860	192,860
Total governmental activities			\$ 8,534,369	\$ 5,229,989	\$ (1,914,867)	\$ 11,849,491	\$ 1,094,825

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 14,446	\$ 146,614	\$ (147,922)	\$ 13,138	\$ 13,138

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				
	Direct Borrowings and Direct Placements		Other Debt		
	Principal	Interest	Principal	Interest	Total
2023	\$ 370,402	\$ 160,105	\$ 525,000	\$ 179,075	\$ 1,234,582
2024	421,402	163,722	515,000	163,475	1,263,599
2025	411,402	154,476	605,000	146,675	1,317,553
2026	453,403	144,054	595,000	125,700	1,318,157
2027	471,000	131,623	585,000	102,100	1,289,723
2028-2032	3,033,000	412,357	2,260,000	178,800	5,884,157
2033-2035	1,049,000	22,514	-	-	1,071,514
Total	\$ 6,209,609	\$ 1,188,851	\$ 5,085,000	\$ 895,825	\$ 13,379,285

For the year ended December 31, 2022, interest expense was \$234,818.

Note 7 - 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.

December 31, 2022

Note 7 - Risk Management (Continued)

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 8 - 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 \$410,284 during the current year, and there was no employee contribution.

Note 9 - 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 supplementary 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 5-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 5-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.

December 31, 2022

Note 9 - Pension Plan (Continued)

Employees Covered by Benefit Terms

At the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

	MERS Plan
Inactive plan members or beneficiaries currently receiving benefits	29
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>45</u>
Total employees covered by the plan	<u><u>75</u></u>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate 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 15.46 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 27.46 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 had no required contributions for the year.

Net Pension Liability

The net pension liability reported at December 31, 2022 was determined using a measure of the total pension liability and the pension net position as of December 31, 2021. The December 31, 2021 total pension liability was determined by an actuarial valuation performed as of that date.

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2022

Note 9 - Pension Plan (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2020	\$ 29,004,252	\$ 21,219,974	\$ 7,784,278
Changes for the year:			
Service cost	652,876	-	652,876
Interest	2,187,119	-	2,187,119
Changes in benefits	(21,243)	-	(21,243)
Differences between expected and actual experience	1,459,028	-	1,459,028
Changes in assumptions	1,514,500	-	1,514,500
Contributions - Employer	-	1,289,175	(1,289,175)
Contributions - Employee	-	485,047	(485,047)
Net investment income	-	2,923,857	(2,923,857)
Benefit payments, including refunds	(1,069,649)	(1,069,649)	-
Administrative expenses	-	(34,499)	34,499
Miscellaneous other charges	(35,982)	(35,982)	-
Net changes	4,686,649	3,557,949	1,128,700
Balance at December 31, 2021	\$ 33,690,901	\$ 24,777,923	\$ 8,912,978

The plan's fiduciary net position represents 73.5 percent of the total pension liability.

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

For the year ended December 31, 2022, the Charter Township recognized pension expense of \$1,557,967. At December 31, 2022, 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	\$ 1,279,177	\$ 164,251
Changes in assumptions	2,217,413	-
Net difference between projected and actual earnings on pension plan investments	-	1,754,303
Employer contributions to the plan subsequent to the measurement date	1,229,803	-
Total	\$ 4,726,393	\$ 1,918,554

December 31, 2022

Note 9 - Pension Plan (Continued)

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

Years Ending December 31	Amount
2023	\$ 840,115
2024	557,959
2025	437,371
2026	(257,409)
Total	<u><u>\$ 1,578,036</u></u>

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (net of investment expenses) of 7.25 percent, and the Pub-2010 mortality tables.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period from January 1, 2014 through December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

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

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, 2021, 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 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

December 31, 2022

Note 9 - Pension Plan (Continued)

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 7.25 percent, as well as what the Charter Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the Charter Township	\$ 13,892,659	\$ 8,912,978	\$ 4,845,613

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

The assumed rate of return was decreased from 7.60 percent to 7.25 percent.

Note 10 - 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 \$116,376 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.

Note 11 - 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). There are no separately issued financial statements.

Management of the plan is vested in the township board.

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.

December 31, 2022

Note 11 - Other Postemployment Benefit Plan (Continued)

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, 2021
Inactive plan members or beneficiaries currently receiving benefits	41
Active plan members	58
Total plan members	<u>99</u>

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, 2022, the Charter Township made payments for postemployment health benefit premiums of \$522,324, plus prefunded contributions of \$1,000,000. 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 (asset). The December 31, 2022 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, 2021 measurement date. The December 31, 2021 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2021, which used update procedures to roll forward the estimated liability to December 31, 2022.

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB (Asset) Liability
Changes in Net OPEB (Asset) Liability			
Balance at December 31, 2021			
Balance at December 31, 2021	\$ 23,518,665	\$ 25,086,236	\$ (1,567,571)
Changes for the year:			
Service cost	457,735	-	457,735
Interest	1,743,411	-	1,743,411
Changes in assumptions	1,126,399	-	1,126,399
Contributions - Employer	-	1,522,324	(1,522,324)
Net investment loss	-	(2,612,724)	2,612,724
Benefit payments, including refunds	(522,324)	(522,324)	-
Administrative expenses	-	(41,278)	41,278
Net changes	2,805,221	(1,654,002)	4,459,223
Balance at December 31, 2022	\$ 26,323,886	\$ 23,432,234	\$ 2,891,652

Based on funding to date, the governmental activities' share of the net OPEB liability is \$5,802,472, while the business-type activities report a net OPEB asset of \$2,910,820.

The plan's fiduciary net position represents 89 percent of the total OPEB liability.

December 31, 2022

Note 11 - Other Postemployment Benefit Plan (Continued)

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

For the year ended December 31, 2022, the Charter Township recognized OPEB expense of \$(3,885,752).

At December 31, 2022, 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	\$ 914,329	\$ 6,858,467
Changes in assumptions	1,395,756	12,393,810
Net difference between projected and actual earnings on OPEB plan investments	<u>2,154,049</u>	-
Total	<u>\$ 4,464,134</u>	<u>\$ 19,252,277</u>

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
2023	\$ (4,442,168)
2024	(4,241,167)
2025	(4,060,878)
2026	(2,231,662)
2027	<u>187,732</u>
Total	<u>\$ (14,788,143)</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using assumed salary increases (including inflation) of 4 percent; an investment rate of return (net of investment expenses) of 7 percent; a health care cost trend rate of 7.5 percent, decreasing to an ultimate rate of 4.5 percent; and the Pub-2010 mortality tables for general and public safety employees with the MP-2021 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 7 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.

December 31, 2022

Note 11 - Other Postemployment Benefit Plan (Continued)

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, 2021 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 equity	4.50 %
Global fixed income	2.00
Private investments	7.00

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 7 percent, as well as what the Charter Township's net OPEB liability (asset) 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 (6%)	Current Discount Rate (7%)	1 Percentage Point Increase (8%)
Net OPEB liability (asset) of the plan	\$ 6,566,747	\$ 2,891,652	\$ (139,878)

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 7.5 percent, as well as what the Charter Township's net OPEB (asset) 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 (3.50% - 6.50%)	Current Health Care Cost Trend Rate (4.50% - 7.50%)	1 Percentage Point Increase (5.50% - 8.50%)
Net OPEB (asset) liability of the plan	\$ (743,982)	\$ 2,891,652	\$ 7,393,966

Assumption Changes

In the current year, the investment rate of return, and corresponding discount rate, was decreased from 7.35 percent to 7 percent.

December 31, 2022

Note 11 - Other Postemployment Benefit Plan (Continued)

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, 2022:

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (10.41) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12 - Leases

The Charter Township leases copiers from a third party. Payments are fixed monthly.

Lease asset activity of the Charter Township is included in Note 4.

Future principal and interest payment requirements related to the Charter Township's lease liability at December 31, 2022 are as follows:

Years Ending	Principal	Interest	Total
2023	\$ 6,563	\$ 776	\$ 7,339
2024	6,790	549	7,339
2025	7,025	315	7,340
2026	5,427	77	5,504
Total	<u><u>\$ 25,805</u></u>	<u><u>\$ 1,717</u></u>	<u><u>\$ 27,522</u></u>

The Charter Township leases cell tower space to various third parties. Payments are generally fixed monthly.

During the year ended December 31, 2022, the Charter Township recognized the following related to its lessor agreements:

Lease revenue	\$ 75,057
Interest income related to its leases	44,979

Required Supplementary Information

General Fund

The General Fund is the primary operating fund of the Charter Township and is used to record all resource inflows and outflows that are not accounted for in another special-purpose fund. General Fund activities are funded by revenue from state-shared revenue, general property taxes, and other sources. The activities being paid for through the general fund constitute the core administrative and operational tasks of the Charter Township. 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 Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended December 31, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 10,107,380	\$ 10,107,380	\$ 10,491,652	\$ 384,272
Special assessments	749,907	749,907	793,815	43,908
Intergovernmental:				
Federal sources	-	-	3,125	3,125
State sources	3,836,827	4,674,910	5,112,804	437,894
Local grants and contributions	52,000	52,000	141,997	89,997
Fines and forfeitures	80,000	130,000	116,008	(13,992)
Licenses and permits	63,800	63,800	65,359	1,559
Investment loss	36,500	1,500	(211,043)	(212,543)
Other revenue:				
Local donations	5,000	5,000	9,510	4,510
Other miscellaneous income	1,880,105	1,880,105	1,804,603	(75,502)
Cable franchise fees	575,000	575,000	572,766	(2,234)
Total revenue	17,386,519	18,239,602	18,900,596	660,994
Expenditures				
Current services:				
General government:				
Legislative	341,243	406,243	367,762	38,481
Superintendent's office	520,479	520,479	474,731	45,748
General office	654,463	654,463	515,298	139,165
GIS/IT	479,884	479,884	442,916	36,968
Treasurer's office	432,072	433,272	365,241	68,031
Assessor's office	520,650	526,650	489,046	37,604
Clerk's office	286,812	288,012	250,121	37,891
Buildings and grounds	173,000	173,000	175,715	(2,715)
Legal and attorney	131,500	155,000	99,737	55,263
Elections	287,253	287,253	145,001	142,252
Planning and zoning	281,282	281,282	227,032	54,250
Insurance and other functions	899,508	1,000,000	1,000,000	-
Public safety	9,803,503	10,041,003	9,517,120	523,883
Public works	1,352,250	1,370,650	773,109	597,541
Recreation and culture - Library	67,392	67,392	67,392	-
Debt service	464,082	464,082	392,343	71,739
Total expenditures	16,695,373	17,148,665	15,302,564	1,846,101
Excess of Revenue Over Expenditures	691,146	1,090,937	3,598,032	2,507,095
Other Financing (Uses) Sources				
Transfers out	(1,211,146)	(2,211,146)	(2,093,181)	117,965
New debt issued	500,000	500,000	-	(500,000)
Proceeds from sale of capital assets	20,000	20,000	14,767	(5,233)
Total other financing uses	(691,146)	(1,691,146)	(2,078,414)	(387,268)
Net Change in Fund Balance	-	(600,209)	1,519,618	2,119,827
Fund Balance - Beginning of year	4,632,943	4,632,943	4,632,943	-
Fund Balance - End of year	\$ 4,632,943	\$ 4,032,734	\$ 6,152,561	\$ 2,119,827

Charter Township of Grand Blanc

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

Last Eight Plan Years, Prospectively Built from 2014

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 652,876	\$ 550,932	\$ 526,471	\$ 492,883	\$ 451,817	\$ 448,933	\$ 444,281	\$ 417,196
Interest	2,187,119	1,995,185	1,900,475	1,759,755	1,661,589	1,619,956	1,515,063	1,428,077
Changes in benefit terms	(21,243)	(37,305)	(67,680)	(36,179)	(21,961)	8,686	(40,553)	-
Differences between expected and actual experience	1,459,028	(114,637)	76,551	455,894	13,927	(668,282)	(22,513)	-
Changes in assumptions	1,514,500	1,128,485	1,011,117	-	-	-	846,845	-
Benefit payments, including refunds	(1,069,649)	(963,714)	(934,579)	(925,740)	(871,925)	(908,681)	(812,129)	(796,761)
Miscellaneous other	(35,982)	(27,037)	-	-	-	-	-	-
Net Change in Total Pension Liability	4,686,649	2,531,909	2,512,355	1,746,613	1,233,447	500,612	1,930,994	1,048,512
Total Pension Liability - Beginning of year	29,004,252	26,472,343	23,959,988	22,213,375	20,979,928	20,479,316	18,548,322	17,499,810
Total Pension Liability - End of year	\$ 33,690,901	\$ 29,004,252	\$ 26,472,343	\$ 23,959,988	\$ 22,213,375	\$ 20,979,928	\$ 20,479,316	\$ 18,548,322
Plan Fiduciary Net Position								
Contributions - Employer	\$ 1,289,175	\$ 1,604,852	\$ 1,059,876	\$ 986,910	\$ 1,678,190	\$ 1,239,870	\$ 791,064	\$ 790,503
Contributions - Member	485,047	359,585	329,178	293,525	281,622	249,860	240,707	220,671
Net investment income (loss)	2,923,857	2,633,790	2,092,412	(628,194)	1,712,426	1,260,874	(168,003)	635,862
Administrative expenses	(34,499)	(36,296)	(36,091)	(30,423)	(27,018)	(24,852)	(24,029)	(23,476)
Benefit payments, including refunds	(1,069,649)	(963,714)	(934,579)	(925,740)	(871,925)	(908,681)	(812,129)	(796,762)
Other	(35,982)	(27,037)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,557,949	3,571,180	2,510,796	(303,922)	2,773,295	1,817,071	27,610	826,798
Plan Fiduciary Net Position - Beginning of year	21,219,974	17,648,794	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	\$ 24,777,923	\$ 21,219,974	\$ 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	\$ 8,912,978	\$ 7,784,278	\$ 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	73.54 %	73.16 %	66.67 %	63.18 %	69.52 %	60.38 %	52.99 %	58.36 %
Covered Payroll	\$ 3,607,051	\$ 3,355,252	\$ 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	247.10 %	232.00 %	258.77 %	269.73 %	223.46 %	276.96 %	317.47 %	271.24 %

Charter Township of Grand Blanc

Required Supplementary Information Schedule of Pension Contributions

	Last Ten Fiscal Years Years Ended December 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,019,094	\$ 1,289,175	\$ 1,104,480	\$ 1,059,876	\$ 986,910	\$ 978,987	\$ 893,011	\$ 791,064	\$ 738,228	\$ 708,629
Contributions in relation to the actuarially determined contribution	<u>1,229,803</u>	<u>1,289,175</u>	<u>1,604,853</u>	<u>1,059,876</u>	<u>986,910</u>	<u>1,678,191</u>	<u>1,239,870</u>	<u>791,064</u>	<u>738,228</u>	<u>708,629</u>
Contribution Excess	<u>\$ 210,709</u>	<u>\$ -</u>	<u>\$ 500,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 699,204</u>	<u>\$ 346,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,796,499	\$ 3,773,411	\$ 3,465,669	\$ 3,452,013	\$ 3,262,533	\$ 3,030,298	\$ 3,000,886	\$ 3,032,637	\$ 2,847,756	\$ 2,690,920
Contributions as a Percentage of Covered Payroll	32.39 %	34.16 %	46.31 %	30.70 %	30.25 %	55.38 %	41.32 %	26.09 %	25.92 %	26.33 %

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, 2022 were determined based on the actuarial valuation as of December 31, 2020. The most recent valuation is as of December 31, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent base wage inflation
Investment rate of return	7 percent - Net of expenses
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	Pub-2010 tables
Other information	None

Charter Township of Grand Blanc

Required Supplementary Information Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios

	Last Five Fiscal Years				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 457,735	\$ 1,320,901	\$ 1,225,366	\$ 1,612,672	\$ 1,626,903
Interest	1,743,411	2,259,463	2,038,920	2,656,728	2,583,284
Differences between expected and actual experience	-	1,371,493	-	(12,941,878)	(2,448,070)
Changes in assumptions	1,126,399	(17,518,634)	799,908	(1,581,051)	-
Benefit payments, including refunds	(522,324)	(495,550)	(472,811)	(458,642)	(603,223)
Net Change in Total OPEB Liability	2,805,221	(13,062,327)	3,591,383	(10,712,171)	1,158,894
Total OPEB Liability - Beginning of year	23,518,665	36,580,992	32,989,609	43,701,780	42,542,886
Total OPEB Liability - End of year	<u>\$ 26,323,886</u>	<u>\$ 23,518,665</u>	<u>\$ 36,580,992</u>	<u>\$ 32,989,609</u>	<u>\$ 43,701,780</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,522,324	\$ 2,158,422	\$ 2,967,811	\$ 4,640,793	\$ 2,357,084
Net investment (loss) income	(2,654,002)	2,713,967	1,952,864	1,752,458	(394,439)
Administrative expenses	-	-	(29,213)	(20,708)	-
Benefit payments, including refunds	(522,324)	(495,550)	(472,811)	(458,642)	(603,223)
Net Change in Plan Fiduciary Net Position	(1,654,002)	4,376,839	4,418,651	5,913,901	1,359,422
Plan Fiduciary Net Position - Beginning of year	25,086,236	20,709,397	16,290,746	10,376,845	9,017,423
Plan Fiduciary Net Position - End of year	<u>\$ 23,432,234</u>	<u>\$ 25,086,236</u>	<u>\$ 20,709,397</u>	<u>\$ 16,290,746</u>	<u>\$ 10,376,845</u>
Net OPEB Liability (Asset) - Ending	<u>\$ 2,891,652</u>	<u>\$ (1,567,571)</u>	<u>\$ 15,871,595</u>	<u>\$ 16,698,863</u>	<u>\$ 33,324,935</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	89.02 %	106.67 %	56.61 %	49.38 %	23.74 %
Covered Payroll	\$ 3,929,669	\$ 3,778,528	\$ 4,562,759	\$ 4,387,268	\$ 4,272,945
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	73.59 %	(41.49)%	347.85 %	380.62 %	779.91 %

Schedule is being built prospectively from adoption of GASB 75.

Charter Township of Grand Blanc

Required Supplementary Information Schedule of OPEB Contributions

	Last Ten Fiscal Years Years Ended December 31									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 717,454	\$ 390,636	\$ 2,268,863	\$ 2,018,032	\$ 3,198,638	\$ 3,138,563	\$ 3,029,510	\$ 2,924,453	\$ 1,137,910	\$ 1,198,161
Contributions in relation to the actuarially determined contribution	1,522,324	2,158,422	2,967,811	4,640,793	2,357,084	2,159,068	1,520,222	1,282,884	973,880	919,620
Contribution Excess (Deficiency)	\$ 804,870	\$ 1,767,786	\$ 698,948	\$ 2,622,761	\$ (841,554)	\$ (979,495)	\$ (1,509,288)	\$ (1,641,569)	\$ (164,030)	\$ (278,541)
Covered Payroll	\$ 3,929,669	\$ 3,778,528	\$ 4,562,759	\$ 4,387,268	\$ 4,272,945	\$ 4,195,319	\$ 4,195,319	\$ 4,195,319	\$ 4,104,126	\$ 4,104,126
Contributions as a Percentage of Covered Payroll	38.74 %	57.12 %	65.04 %	105.78 %	55.16 %	51.46 %	36.24 %	30.58 %	23.73 %	22.41 %

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, for the plan/fiscal year in which the contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age (level percentage of pay)
Amortization method	Closed
Remaining amortization period	22 years
Asset valuation method	Market value
Inflation	2.50 percent
Health care cost trend rates	7.50 percent (5.75 percent for Medicare) decreasing to 4.50 percent in 0.25 percent increments
Salary increase	4.0 percent
Investment rate of return	7 percent
Mortality	Pub-2010 Mortality Tables for general and public safety employees, as applicable, with fully generational mortality improvements using Scale MP-2021

Charter Township of Grand Blanc

Required Supplementary Information Schedule of OPEB Investment Returns

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

	2022	2021	2020	2019
Annual money-weighted rate of return - Net of investment expense	(10.41)%	13.29 %	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 Supplementary Information

December 31, 2022

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 General Fund budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

	<u>Fund Balance</u>
Amounts per operating statement	\$ 6,160,910
Evatt Ecology Fund	(7,754)
Historical Preservation Fund	<u>(595)</u>
Amounts per budget statement	<u>\$ 6,152,561</u>

The Township does not adopt budgets for the three permanent funds - the Oakwood Cemetery Fund, the Perry-McFarland Cemetery Fund, and the Maple Cemetery Fund. Also, there was no budget adopted for the Opioids Settlement Fund in 2022, as the activity took place late in the fiscal year.

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:

	Budget	Actual	Variance
General Fund - General government - Buildings and grounds	\$ 173,000	\$ 175,715	\$ (2,715)
Capital Projects Fund - General government	26,990	32,557	(5,567)
Capital Projects Fund - Debt service	-	98,525	(98,525)

Pension Information

Changes in Assumptions

During the Charter Township's year ended December 31, 2022 (MERS plan year ended December 31, 2021), the discount rate was reduced from 7.60 percent to 7.25 percent.

During the Charter Township's year ended December 31, 2021 (MERS plan year ended December 31, 2020), the mortality tables used in determining the total pension liability were changed from the RP-2014 tables to the Pub-2010 tables.

In 2015, mortality tables were updated.

OPEB Information

Changes in Assumptions

In 2022, the assumed rate of return was reduced from 7.35 percent to 7.00 percent.

Charter Township of Grand Blanc

Notes to Required Supplementary Information (Continued)

December 31, 2022

In 2021, the Charter Township updated the following assumptions: aging factors for pre-Medicare health care costs have been updated from a flat rate of 4 percent per year of age to an age-and-gender-based aging table developed in a recent study performed by Dale Yamamoto for the Society of Actuaries; the mortality tables were updated from the Pub-2010 mortality tables with the MP-2018 improvement scale to the Pub-2010 mortality tables with the MP-2021 improvement scale; the initial non-Medicare health care trend rate was decreased from 8.25 percent to 7.50 percent; the initial Medicare health care trend rate was decreased from 6.50 percent to 5.75 percent; the investment rate of return, and corresponding discount, was raised from 6.0 percent to 7.35 percent in order to align with the expected return on assets for the Municipal Employees' Retirement System Retiree Health Funding Vehicle for 2021.

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 Supplementary 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.

Opioids Settlement Fund

This fund is used to account for the Charter Township's share of proceeds from nationwide opioid settlements.

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.

Solid Waste Fund

This fund is used to account for the operations of a residential and commercial rubbish collection and disposal system, primarily transportation to a privately owned and operated landfill.

Debt Service Fund

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

Charter Township of Grand Blanc

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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.

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	\$ 1,740	\$ 830	\$ 1,302	\$ 5,487	\$ -	\$ 34,858
Investments	\$ 136,678	\$ 18,820	\$ 40,351	\$ 151,018	\$ -	\$ 1,212,925
Receivables	\$ 129	\$ 24	\$ 109	\$ 6,906	\$ -	\$ 19,860
Due from other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepays	\$ -	\$ -	\$ -	\$ 2,026	\$ -	\$ 2,870
Total assets	\$ 138,547	\$ 19,674	\$ 41,762	\$ 165,437	\$ -	\$ 1,270,513
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,836
Refundable deposits, bonds, etc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,823
Accrued liabilities and other	\$ 2,804	\$ -	\$ -	\$ -	\$ -	\$ 4,358
Total liabilities	2,804	-	-	-	-	294,017
Deferred Inflows of Resources						
Unavailable revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes levied for the following year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other resources received before the period resources may be used	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred inflows from leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances						
Nonspendable:						
Prepays	\$ -	\$ -	\$ -	\$ 2,026	\$ -	\$ 2,870
Cemetery endowment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:						
Public safety	135,743	19,674	41,762	\$ -	\$ -	\$ -
Opioids settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Solid waste	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PEG Channel	\$ -	\$ -	\$ -	\$ 163,411	\$ -	\$ -
Cemetery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction code	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 973,626
Committed - Bicentennial Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned - Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total fund balances	135,743	19,674	41,762	165,437	\$ -	976,496
Total liabilities, deferred inflows of resources, and fund balances	\$ 138,547	\$ 19,674	\$ 41,762	\$ 165,437	\$ -	\$ 1,270,513

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2022

Special Revenue Funds			Debt Service Fund	Permanent Funds			
Opioids Settlement Fund	Parks and Recreation Fund	Solid Waste Fund	Master Campus Project Fund	Oakwood Cemetery Fund	Perry-McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ -	\$ 253,711	\$ 1,105,430	\$ 1,421	\$ 2,704	\$ 5,229	\$ 6,162	\$ 1,418,874
	- 242,851	2,914	2,894,234	70,696	224,560	140,249	5,135,296
61,776	959,516	557,395	7,770	244	618	1,030	1,615,377
	- 328,306	4,350	-	-	-	-	332,656
	- 2,103	-	-	-	-	-	6,999
\$ 61,776	\$ 1,786,487	\$ 1,670,089	\$ 2,903,425	\$ 73,644	\$ 230,407	\$ 147,441	\$ 8,509,202
\$ -	\$ 53,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,120
	-	-	-	-	-	-	263,823
	- 7,780	-	-	-	-	-	14,942
	- 61,064	-	-	-	-	-	357,885
49,651	-	-	-	-	-	-	49,651
	- 372,353	-	-	-	-	-	372,353
	-	1,670,076	-	-	-	-	1,670,076
	- 739,728	-	-	-	-	-	739,728
49,651	1,112,081	1,670,076	-	-	-	-	2,831,808
-	2,103	-	-	-	-	-	6,999
-	-	-	-	16,174	145,767	26,031	187,972
	-	-	-	-	-	-	197,179
12,125	-	-	-	-	-	-	12,125
	-	13	-	-	-	-	13
	-	-	-	-	-	-	163,411
	-	-	-	57,470	84,640	121,410	263,520
	526,501	-	-	-	-	-	526,501
	-	-	-	-	-	-	973,626
	84,738	-	-	-	-	-	84,738
	-	-	2,903,425	-	-	-	2,903,425
12,125	613,342	13	2,903,425	73,644	230,407	147,441	5,319,509
\$ 61,776	\$ 1,786,487	\$ 1,670,089	\$ 2,903,425	\$ 73,644	\$ 230,407	\$ 147,441	\$ 8,509,202

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	-	-	-	-	64,677	-
State sources	-	-	-	-	-	-
Charges for services	-	-	-	-	-	473,854
Fines and forfeitures	108,491	-	-	-	-	-
Licenses and permits	-	-	-	-	-	615,696
Investment loss	(416)	(162)	(772)	(2,455)	-	(17,468)
Other revenue	-	7,763	-	26,333	-	19,642
Total revenue	108,075	7,601	(772)	23,878	64,677	1,091,724
Expenditures						
Current services:						
General government	-	-	-	8,955	-	-
Public safety	10,796	-	-	-	-	755,919
Public works	-	-	-	-	-	-
Community and economic development	-	-	-	-	64,677	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	10,796	-	-	8,955	64,677	755,919
Excess of Revenue Over (Under) Expenditures						
	97,279	7,601	(772)	14,923	-	335,805
Other Financing Sources						
Transfers in	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net Change in Fund Balances						
Fund Balances - Beginning of year	38,464	12,073	42,534	150,514	-	640,691
Fund Balances - End of year	\$ 135,743	\$ 19,674	\$ 41,762	\$ 165,437	\$ -	\$ 976,496

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

Year Ended December 31, 2022

Special Revenue Funds			Debt Service Fund	Permanent Funds			
Opioids Settlement Fund	Parks and Recreation Fund	Solid Waste Fund	Master Campus Project Fund	Oakwood Cemetery Fund	Perry-McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ -	\$ 354,561	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354,561
-	205,115	-	-	-	-	-	269,792
-	18,870	-	-	-	-	-	18,870
-	351,575	1,551,857	-	-	-	-	2,377,286
-	-	-	-	-	-	-	108,491
-	-	-	-	-	-	-	615,696
-	14,582	(15,843)	(47,378)	(1,364)	151	(2,773)	(73,898)
<u>12,125</u>	<u>424,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850</u>	<u>491,471</u>
12,125	1,369,461	1,536,014	(47,378)	(1,364)	151	(1,923)	4,162,269
-	-	-	-	-	-	-	8,955
-	-	-	-	-	-	-	766,715
-	-	1,569,256	-	-	-	-	1,569,256
-	-	-	-	-	-	-	64,677
-	1,085,435	-	-	-	-	-	1,085,435
-	560,547	-	-	-	-	-	560,547
-	-	-	731,475	-	-	-	731,475
-	1,645,982	1,569,256	731,475	-	-	-	4,787,060
<u>12,125</u>	<u>(276,521)</u>	<u>(33,242)</u>	<u>(778,853)</u>	<u>(1,364)</u>	<u>151</u>	<u>(1,923)</u>	<u>(624,791)</u>
-	300,000	4,350	729,975	-	-	-	1,034,325
-	1,000	-	-	-	-	-	1,000
-	301,000	4,350	729,975	-	-	-	1,035,325
<u>12,125</u>	<u>24,479</u>	<u>(28,892)</u>	<u>(48,878)</u>	<u>(1,364)</u>	<u>151</u>	<u>(1,923)</u>	<u>410,534</u>
-	588,863	28,905	2,952,303	75,008	230,256	149,364	4,908,975
\$ 12,125	\$ 613,342	\$ 13	\$ 2,903,425	\$ 73,644	\$ 230,407	\$ 147,441	\$ 5,319,509

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Fines and forfeitures	\$ 1,909	\$ 110,000	\$ 108,491	\$ (1,509)
Investment (loss) income	(117)	350	(416)	(766)
Total revenue	1,792	110,350	108,075	(2,275)
Expenditures - Public safety	5,540	18,500	10,796	7,704
Net Change in Fund Balance	(3,748)	91,850	97,279	5,429
Fund Balance - Beginning of year	42,212	38,464	38,464	-
Fund Balance - End of year	\$ 38,464	\$ 130,314	\$ 135,743	\$ 5,429

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Investment loss	\$ (32)	\$ -	\$ (162)	\$ (162)
Other revenue	1,332	-	7,763	7,763
Total revenue	1,300	-	7,601	7,601
Expenditures	-	-	-	-
Net Change in Fund Balance	1,300	-	7,601	7,601
Fund Balance - Beginning of year	10,773	12,073	12,073	-
Fund Balance - End of year	\$ 12,073	\$ 12,073	\$ 19,674	\$ 7,601

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Fines and forfeitures	\$ 52	\$ 2,500	\$ -	\$ (2,500)
Investment (loss) income	<u>(142)</u>	<u>300</u>	<u>(772)</u>	<u>(1,072)</u>
Total revenue	(90)	2,800	(772)	(3,572)
Expenditures	-	2,800	-	2,800
Net Change in Fund Balance	(90)	-	(772)	(772)
Fund Balance - Beginning of year	42,624	42,534	42,534	-
Fund Balance - End of year	\$ 42,534	\$ 42,534	\$ 41,762	\$ (772)

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Investment (loss) income	\$ (407)	\$ 1,000	\$ (2,455)	\$ (3,455)
PEG contributions	27,941	28,000	26,333	(1,667)
Total revenue	27,534	29,000	23,878	(5,122)
Expenditures				
Current services - General government	52,056	10,000	8,955	1,045
Capital outlay	22,288	25,000	-	25,000
Total expenditures	74,344	35,000	8,955	26,045
Net Change in Fund Balance	(46,810)	(6,000)	14,923	20,923
Fund Balance - Beginning of year	197,324	150,514	150,514	-
Fund Balance - End of year	\$ 150,514	\$ 144,514	\$ 165,437	\$ 20,923

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Federal sources	\$ 10,510	\$ 116,765	\$ 64,677	\$ (52,088)
Expenditures - Current - Community and economic development	<u>10,510</u>	<u>116,765</u>	<u>64,677</u>	<u>52,088</u>
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 Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Building Fund

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Charges for services	\$ 367,838	\$ 426,750	\$ 473,854	\$ 47,104
Licenses and permits	307,269	454,000	615,696	161,696
Investment (loss) income	(3,800)	3,000	(17,468)	(20,468)
Other revenue	<u>15,486</u>	<u>15,500</u>	<u>19,642</u>	<u>4,142</u>
Total revenue	686,793	899,250	1,091,724	192,474
Expenditures - Current services - Public safety	<u>663,243</u>	<u>920,636</u>	<u>755,919</u>	<u>164,717</u>
Net Change in Fund Balance	23,550	(21,386)	335,805	357,191
Fund Balance - Beginning of year	<u>617,141</u>	<u>640,691</u>	<u>640,691</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 640,691</u>	<u>\$ 619,305</u>	<u>\$ 976,496</u>	<u>\$ 357,191</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 344,279	\$ 348,525	\$ 354,561	\$ 6,036
Intergovernmental	18,816	195,362	223,985	28,623
Charges for services	334,683	528,200	351,575	(176,625)
Investment (loss) income	(356)	1,500	14,582	13,082
Other revenue:				
Local contributions	174,088	202,386	195,935	(6,451)
Other miscellaneous income	75,371	29,825	228,823	198,998
Total revenue	946,881	1,305,798	1,369,461	63,663
Expenditures				
Current - Recreation and culture	1,056,995	1,254,073	1,085,435	168,638
Capital outlay	206,748	719,036	560,547	158,489
Total expenditures	1,263,743	1,973,109	1,645,982	327,127
Excess of Expenditures Over Revenue	(316,862)	(667,311)	(276,521)	390,790
Other Financing Sources				
Transfers in	465,000	422,315	300,000	(122,315)
Proceeds from sale of capital assets	-	-	1,000	1,000
Total other financing sources	465,000	422,315	301,000	(121,315)
Net Change in Fund Balance	148,138	(244,996)	24,479	269,475
Fund Balance - Beginning of year	440,725	588,863	588,863	-
Fund Balance - End of year	\$ 588,863	\$ 343,867	\$ 613,342	\$ 269,475

Charter Township of Grand Blanc

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Solid Waste Fund

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Charges for services	\$ 1,522,032	\$ 1,638,165	\$ 1,551,857	\$ (86,308)
Investment (loss) income	(210)	2,000	(15,843)	(17,843)
Total revenue	1,521,822	1,640,165	1,536,014	(104,151)
Expenditures - Current - Public works	1,578,386	1,640,165	1,569,256	70,909
Other Financing Sources - Transfers in	-	-	4,350	4,350
Net Change in Fund Balance	(56,564)	-	(28,892)	(28,892)
Fund Balance - Beginning of year	85,469	28,905	28,905	-
Fund Balance - End of year	\$ 28,905	\$ 28,905	\$ 13	\$ (28,892)

Charter Township of Grand Blanc

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

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Investment (loss) income	\$ (7,193)	\$ 10,000	\$ (47,378)	\$ (57,378)
Expenditures - Debt service				
Principal	445,000	535,000	535,000	-
Interest on long-term debt	211,176	196,975	196,475	500
Total expenditures	<u>656,176</u>	<u>731,975</u>	<u>731,475</u>	<u>500</u>
Excess of Expenditures Over Revenue	(663,369)	(721,975)	(778,853)	(56,878)
Other Financing Sources - Transfers in	654,675	729,975	729,975	-
Net Change in Fund Balance	(8,694)	8,000	(48,878)	(56,878)
Fund Balance - Beginning of year	<u>2,960,997</u>	<u>2,952,303</u>	<u>2,952,303</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 2,952,303</u>	<u>\$ 2,960,303</u>	<u>\$ 2,903,425</u>	<u>\$ (56,878)</u>

Charter Township of Grand Blanc

Other Supplementary Information Budgetary Comparison Schedule - Major Capital Projects Funds

Year Ended December 31, 2022

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 26,482	\$ 869,885	\$ 165,917	\$ (703,968)
Investment (loss) income	(269)	8,000	(26,357)	(34,357)
Other revenue	-	4,045,500	126,487	(3,919,013)
Total revenue	26,213	4,923,385	266,047	(4,657,338)
Expenditures				
Current services:				
General government	19,357	26,990	32,557	(5,567)
Recreation and culture	36,505	80,300	77,509	2,791
Capital outlay	497,125	5,766,536	4,868,476	898,060
Debt service	-	-	98,525	(98,525)
Total expenditures	552,987	5,873,826	5,077,067	796,759
Excess of Expenditures Over Revenue	(526,774)	(950,441)	(4,811,020)	(3,860,579)
Other Financing Sources				
Transfers in	1,300,000	1,058,856	1,058,856	-
New debt issued	-	-	4,322,012	4,322,012
Total other financing sources	1,300,000	1,058,856	5,380,868	4,322,012
Net Change in Fund Balance	773,226	108,415	569,848	461,433
Fund Balance - Beginning of year	1,123,121	1,896,347	1,896,347	-
Fund Balance - End of year	\$ 1,896,347	\$ 2,004,762	\$ 2,466,195	\$ 461,433

Charter Township of Grand Blanc

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

December 31, 2022

Assets

Cash and cash equivalents	\$ 271,666
Receivables:	
Property taxes	121,409
Due from other governments	1,335
Due from primary government	268,000
Prepays and other assets	552
	<hr/>
Total assets	\$ 662,962

Liabilities - Accounts payable

Liabilities - Accounts payable	\$ 3,549
	<hr/>

Deferred Inflows of Resources - Property taxes levied for the following year

Deferred Inflows of Resources - Property taxes levied for the following year	201,890
	<hr/>

Total liabilities and deferred inflows of resources 205,439

Fund Balance

Nonspendable	552
Unassigned	456,971
	<hr/>
Total fund balance	457,523
	<hr/>
Total liabilities, deferred inflows of resources, and fund balance	\$ 662,962

Charter Township of Grand Blanc

Other Supplementary Information

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

Year Ended December 31, 2022

Revenue - Property taxes	\$ 293,101
Expenditures - General government	<u>53,953</u>
Net Change in Fund Balance	239,148
Fund Balance - Beginning of year	<u>218,375</u>
Fund Balance - End of year	<u>\$ 457,523</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.

Charter Township of Grand Blanc

	As of December 31,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:				
Net investment in capital assets	\$ 8,680,561	\$ 8,203,104	\$ 9,492,098	\$ 8,747,363
Restricted	679,079	760,671	909,409	854,593
Unrestricted	2,978,935	3,530,534	(5,636,916)	(5,741,800)
Total net position	<u>\$ 12,417,336</u>	<u>\$ 12,338,575</u>	<u>\$ 12,494,309</u>	<u>\$ 4,764,591</u>
Business Type Activities:				
Net investment in capital assets	\$ 80,358,963	\$ 79,866,542	\$ 79,903,350	\$ 79,556,016
Restricted	8,161,044	10,584,824	12,556,998	14,477,139
Unrestricted	11,139,979	14,115,358	6,920,082	8,735,339
Total net position	<u>\$ 87,607,526</u>	<u>\$ 88,520,007</u>	<u>\$ 90,451,366</u>	<u>\$ 92,460,348</u>
Primary government in total:				
Net investment in capital assets	\$ 89,039,524	\$ 88,069,646	\$ 89,395,448	\$ 88,303,379
Restricted	679,079	760,671	909,409	854,593
Unrestricted	11,139,979	14,115,358	6,920,082	8,735,339
Total net position	<u>\$ 100,024,862</u>	<u>\$ 100,858,582</u>	<u>\$ 102,945,675</u>	<u>\$ 97,224,939</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, 2022

As of December 31,

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 8,884,553	\$ 9,024,759	\$ 9,131,696	\$ 12,252,434	\$ 12,007,250	\$ 13,033,886
887,864	1,132,461	1,745,976	1,874,438	1,948,002	2,592,796
(6,226,196)	(29,023,554)	(27,764,312)	(25,645,424)	(19,661,439)	(13,837,530)
\$ 3,860,156	\$ 3,546,221	\$ (18,866,334)	\$ (11,518,552)	\$ (5,706,187)	\$ 1,789,152
\$ 80,027,424	\$ 80,443,221	\$ 79,776,545	\$ 79,644,276	\$ 80,658,551	\$ 81,274,991
100	100	100	-	-	-
14,621,372	12,711,350	14,409,286	16,309,485	14,843,898	14,396,940
\$ 94,033,155	\$ 94,648,796	\$ 93,154,571	\$ 95,953,761	\$ 95,502,449	\$ 95,671,931
\$ 88,911,977	\$ 89,467,980	\$ 88,908,241	\$ 91,896,710	\$ 92,665,801	\$ 94,308,877
887,864	1,132,461	1,745,976	1,874,438	1,948,002	2,592,796
8,395,176	(16,312,204)	(13,355,026)	(9,335,939)	(4,817,541)	559,410
\$ 97,893,311	\$ 98,195,017	\$ 77,299,191	\$ 84,435,209	\$ 89,796,262	\$ 97,461,083

Charter Township of Grand Blanc

	As of December 31,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses:				
General government	\$ 2,460,297	\$ 2,745,106	\$ 3,502,152	\$ 3,943,043
Public safety	8,622,129	8,236,466	9,487,970	9,778,628
Public services	2,327,558	2,110,008	2,247,743	2,001,597
Community & economic development	91,969	102,656	108,031	11,742
Recreation and culture	593,346	412,919	405,378	400,615
Interest on long-term debt	539,785	627,123	597,971	275,219
Total governmental activities	<u>14,635,084</u>	<u>14,234,278</u>	<u>16,349,245</u>	<u>16,410,844</u>
Program revenues:				
Charges for services				
General government	205,498	229,012	21,292	17,820
Public safety	832,500	999,165	1,172,981	1,229,558
Public services	1,691,529	1,679,494	1,701,853	1,468,084
Community & economic development	20,408	37,335	71,876	37,964
Recreation and culture	24,000	24,000	-	-
Total charges for services	<u>2,773,935</u>	<u>2,969,006</u>	<u>2,968,002</u>	<u>2,753,426</u>
Operating grants and contributions	304,043	234,262	177,716	505,373
Capital grants and contributions	798,954	85,190	343,531	62,013
Total program revenue	<u>3,876,932</u>	<u>3,288,458</u>	<u>3,489,249</u>	<u>3,320,812</u>
Net (expense) revenue	<u>(10,758,152)</u>	<u>(10,945,820)</u>	<u>(12,859,996)</u>	<u>(13,090,032)</u>
General revenues:				
Property taxes	7,228,532	7,380,963	7,429,486	7,666,286
State-shared revenues	2,788,329	2,915,367	2,917,622	2,990,718
Unrestricted investment earnings	54,804	34,627	41,785	65,841
Unrestricted fees and other	607,726	770,597	1,453,547	1,462,752
Total general revenues	<u>10,679,391</u>	<u>11,101,554</u>	<u>11,842,440</u>	<u>12,185,597</u>
Change in net position	<u>\$ (78,761)</u>	<u>\$ 155,734</u>	<u>\$ (1,017,556)</u>	<u>\$ (904,435)</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, 2022

As of December 31,						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	4,097,830	\$ 4,350,692	\$ 4,849,414	\$ 2,790,720	\$ 3,066,139	\$ 2,745,927
9,413,996	9,991,900	8,408,615	9,926,342	7,207,390	8,131,850	
2,576,857	2,133,691	2,457,974	3,523,293	2,961,540	2,342,365	
106,730	87,369	19,241	164,765	10,510	64,677	
462,441	781,012	793,795	1,090,373	1,341,159	1,405,732	
218,938	236,741	255,297	209,154	203,975	270,974	
<u>16,876,792</u>	<u>17,581,405</u>	<u>16,784,336</u>	<u>17,704,647</u>	<u>14,790,713</u>	<u>14,961,525</u>	
18,180	41,953	41,693	23,453	26,454	20,526	
932,776	1,047,360	1,141,635	967,026	836,450	1,358,882	
1,598,184	1,599,419	1,609,304	1,652,482	1,802,962	1,903,310	
114,626	36,837	38,889	23,524	55,439	-	
-	-	-	202,864	334,683	351,575	
<u>2,663,766</u>	<u>2,725,569</u>	<u>2,831,521</u>	<u>2,869,349</u>	<u>3,055,988</u>	<u>3,634,293</u>	
265,079	377,626	445,308	1,184,934	641,177	1,122,060	
655,718	107,476	378,155	4,010,808	889,702	817,725	
<u>3,584,563</u>	<u>3,210,671</u>	<u>3,654,984</u>	<u>8,065,091</u>	<u>4,586,867</u>	<u>5,574,078</u>	
<u>(13,292,229)</u>	<u>(14,370,734)</u>	<u>(13,129,352)</u>	<u>(9,639,556)</u>	<u>(10,203,846)</u>	<u>(9,387,447)</u>	
8,046,464	8,385,016	9,425,751	9,751,632	10,300,568	10,855,434	
3,224,062	3,313,639	3,446,405	3,430,667	4,227,977	4,539,184	
117,778	216,598	328,375	237,172	(22,185)	(311,298)	
1,589,990	1,643,085	1,908,515	1,588,173	1,509,851	1,799,466	
<u>12,978,294</u>	<u>13,558,338</u>	<u>15,109,046</u>	<u>15,007,644</u>	<u>16,016,211</u>	<u>16,882,786</u>	
<u>\$ (313,935)</u>	<u>\$ (812,396)</u>	<u>\$ 1,979,694</u>	<u>\$ 5,368,088</u>	<u>\$ 5,812,365</u>	<u>\$ 7,495,339</u>	

Charter Township of Grand Blanc

	As of December 31,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Program Revenue				
Charges for services	\$ 12,894,664	\$ 13,938,463	\$ 15,198,010	\$ 17,043,556
Operating grants and contributions	-	-	-	-
Capital grants and contributions	653,953	1,232,285	1,630,205	1,116,224
Total program revenue	<u>13,548,617</u>	<u>15,170,748</u>	<u>16,828,215</u>	<u>18,159,780</u>
Expenses	12,676,397	13,264,855	14,874,331	16,669,821
Net Revenue (Expense)	872,220	1,905,893	1,953,884	1,489,959
General Revenue				
Property taxes	-	-	-	-
Unrestricted investment earnings	40,261	25,466	32,198	55,692
Proceeds from sale of capital assets	-	-	22,900	27,156
Total general revenue	<u>40,261</u>	<u>25,466</u>	<u>55,098</u>	<u>82,848</u>
Change in Net Position	\$ 912,481	\$ 1,931,359	\$ 2,008,982	\$ 1,572,807

Changes in Business Type Net Position

Last Ten Fiscal Years

December 31, 2022

As of December 31,						
<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>
\$	16,933,895	\$	17,519,333	\$	17,029,865	\$
	-		297,409		-	387,784
	1,115,067		2,182,934		1,207,272	1,353,691
	<u>18,048,962</u>		<u>19,999,676</u>		<u>18,237,137</u>	<u>19,124,259</u>
	17,562,415		18,101,223		17,588,462	17,569,186
	486,547		1,898,453		648,675	1,555,073
	-		-		-	-
	103,303		240,288		348,016	212,857
	25,791		567		34,569	-
	<u>129,094</u>		<u>240,855</u>		<u>382,585</u>	<u>212,857</u>
\$	615,641	\$	2,139,308	\$	1,031,260	\$
						1,767,930
						\$ (451,312)
						\$ 169,482

Charter Township of Grand Blanc

	As of December 31,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Fund Balances				
General Fund:				
Nonspendable:				
Prepays	\$ 117,390	\$ 127,367	\$ 145,996	\$ 209,677
Reserved/Restricted:				
Mosquito spraying	13,129	22,996	19,607	23,736
Tree Replacement	-	-	46,703	46,703
Police LESO	-	-	-	-
Construction Code	-	-	-	-
Assigned:				
Compensated absences	200,000	200,000	225,000	-
Postemployment benefits	100,000	200,000	775,000	1,700,000
Capital projects	-	375,000	500,000	-
Unassigned	<u>1,446,744</u>	<u>1,751,582</u>	<u>1,811,598</u>	<u>1,933,826</u>
Total General Fund	<u>1,877,263</u>	<u>2,676,945</u>	<u>3,523,904</u>	<u>3,913,942</u>
All other governmental funds:				
Nonspendable:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	139,161	153,266	161,000	174,629
Reserved/Restricted:				
Solid waste	240,176	243,440	325,611	190,732
Public safety	88,937	110,810	83,374	99,613
Capital Projects	-	-	-	-
Cable TV activities - PEG Fund	3,088	37,995	74,603	110,928
Cemetery	194,588	192,164	198,511	208,252
Parks and Recreation	-	-	-	-
Opioids Settlement	-	-	-	-
Construction Code	-	-	-	-
Committed-				
Bicentennial Park improvements	38,241	20,687	4,687	5,528
Assigned:				
Capital projects	2,457,823	2,450,187	2,202,281	2,186,727
Debt service	<u>2,984,304</u>	<u>3,107,687</u>	<u>2,185,596</u>	<u>2,449,752</u>
Total all other governmental funds	<u>6,146,318</u>	<u>6,316,236</u>	<u>5,235,663</u>	<u>5,426,161</u>
Total all governmental funds	<u>\$ 8,023,581</u>	<u>\$ 8,993,181</u>	<u>\$ 8,759,567</u>	<u>\$ 9,340,103</u>

Fund Balances, Governmental Funds

Last Ten Fiscal Years
December 31, 2022

As of December 31,						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	199,969	\$ 198,093	\$ 304,580	\$ 443,584	\$ 375,472	\$ 263,120
26,760	39,968	47,184	13,550	36,166	183,954	
72,303	62,599	58,799	47,399	47,399	29,001	
1,231	1,231	667	947	947	947	
-	179,467	-	-	-	-	
-	-	-	-	-	-	
1,000,000	1,600,000	1,500,000	1,500,000	1,000,000	1,600,000	
400,000	-	-	-	1,000,000	1,000,000	
<u>1,719,122</u>	<u>2,115,465</u>	<u>2,238,715</u>	<u>2,264,121</u>	<u>2,181,308</u>	<u>3,083,888</u>	
<u>3,419,385</u>	<u>4,196,823</u>	<u>4,149,945</u>	<u>4,269,601</u>	<u>4,641,292</u>	<u>6,160,910</u>	
-	-	894,612	26,606	4,517	6,999	
177,416	167,958	204,822	183,863	201,168	187,972	
194,225	204,116	225,416	85,469	28,905	13	
94,067	99,090	102,519	95,609	93,071	197,179	
-	-	-	-	-	200,642	
103,831	132,920	167,096	197,324	149,737	163,411	
218,031	226,352	240,149	247,521	253,460	263,520	
-	18,760	145,794	385,615	495,681	526,501	
-	-	-	-	-	12,125	
-	-	547,149	607,340	640,466	973,626	
21,931	60,115	81,141	43,175	89,667	84,738	
2,068,107	1,621,033	763,796	1,118,251	1,896,347	2,265,553	
<u>2,669,305</u>	<u>2,949,596</u>	<u>2,954,745</u>	<u>2,960,997</u>	<u>2,952,303</u>	<u>2,903,425</u>	
<u>5,546,913</u>	<u>5,479,940</u>	<u>6,327,239</u>	<u>5,951,770</u>	<u>6,805,322</u>	<u>7,785,704</u>	
\$ 8,966,298	\$ 9,676,763	\$ 10,477,184	\$ 10,221,371	\$ 11,446,614	\$ 13,946,614	

Charter Township of Grand Blanc

	As of December 31,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenue				
Property taxes	\$ 7,265,408	\$ 7,391,754	\$ 7,429,086	\$ 7,668,863
Licenses and permits	748,623	890,713	1,186,910	1,154,306
Federal grants	109,663	91,857	188,908	138,560
State-shared revenues and grants	2,907,675	3,034,615	2,974,323	3,351,963
Charges for services	1,395,277	1,405,009	1,430,470	1,195,513
Fines and forfeitures	178,828	135,769	79,239	131,036
Investment income	54,804	34,627	41,785	65,841
Other	1,711,993	1,912,724	2,068,735	2,233,015
Total revenue	14,372,271	14,897,068	15,399,456	15,939,097
Expenditures				
Current:				
General government	2,435,650	2,609,881	2,729,053	3,294,346
Public safety	7,559,961	7,625,735	8,044,554	8,526,763
Public services	2,795,736	2,226,438	2,247,743	2,001,597
Community & economic development	-	-	108,031	11,742
Recreation and culture	251,726	246,939	238,197	241,517
Capital outlay	671,025	200,841	336,042	348,352
Debt service principal	484,284	654,083	641,076	686,037
Debt service interest	491,552	375,928	465,195	257,420
Total expenditures	14,689,934	13,939,845	14,809,891	15,367,774
Excess of Revenue Over Expenditures	(317,663)	957,223	589,565	571,323
Other Financing Sources (Uses)				
Debt issuance	742,000	-	(1,474,395)	-
Debt premium or discount	-	-	628,283	-
Proceeds from sale of capital assets	22,433	12,377	22,933	9,213
Transfers in	1,470,800	750,000	844,635	1,102,199
Transfers out	(1,470,800)	(750,000)	(844,635)	(1,102,199)
Total other financing sources (uses)	764,433	12,377	(823,179)	9,213
Net change in fund balances	446,770	969,600	(233,614)	580,536
Fund Balances - Beginning of year	7,576,811	8,023,581	8,993,181	8,759,567
Fund Balances - End of year	\$ 8,023,581	\$ 8,993,181	\$ 8,759,567	\$ 9,340,103
Debt service as a percentage of noncapital expenditures	7%	7%	7%	8%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2022

As of December 31,						
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
\$ 8,062,902	\$ 8,388,107	\$ 9,434,112	\$ 9,752,239	\$ 10,292,579	\$ 10,846,213	
971,583	992,356	640,163	505,676	389,162	681,055	
219,240	196,322	63,373	732,388	76,161	411,459	
3,360,472	3,568,331	3,811,311	3,780,079	4,349,294	5,159,049	
1,346,200	1,355,646	1,857,787	2,009,613	2,224,553	2,377,286	
93,999	133,794	95,671	79,376	161,343	224,499	
117,778	216,598	328,375	237,172	(22,185)	(311,298)	
2,554,481	2,642,599	2,927,600	3,991,690	3,446,433	3,940,649	
16,726,655	17,493,753	19,158,392	21,088,233	20,917,340	23,328,912	
3,868,904	4,356,217	5,233,483	5,360,269	4,839,385	4,594,112	
8,882,019	8,814,814	9,165,895	9,907,762	9,802,204	10,283,835	
2,576,857	2,133,691	2,457,974	3,523,293	2,961,540	2,342,365	
106,730	87,369	19,241	164,765	10,510	64,677	
253,975	370,857	298,934	848,740	1,172,892	1,230,336	
449,334	533,224	537,889	1,509,794	669,446	5,429,023	
749,881	661,354	689,000	733,000	748,000	929,402	
222,376	238,659	299,461	252,758	246,000	292,941	
17,110,076	17,196,185	18,701,877	22,300,381	20,449,977	25,166,691	
(383,421)	297,568	456,515	(1,212,148)	467,363	(1,837,779)	
-	404,000	311,000	926,000	717,000	4,322,012	
-	-	-	-	-	-	
9,616	8,897	32,906	30,335	40,880	15,767	
1,021,763	856,258	1,463,347	2,013,914	2,419,675	2,093,181	
(1,021,763)	(856,258)	(1,463,347)	(2,013,914)	(2,419,675)	(2,093,181)	
9,616	412,897	343,906	956,335	757,880	4,337,779	
(373,805)	710,465	800,421	(255,813)	1,225,243	2,500,000	
9,340,103	8,966,298	9,676,763	10,477,184	10,221,371	11,446,614	
\$ 8,966,298	\$ 9,676,763	\$ 10,477,184	\$ 10,221,371	\$ 11,446,614	\$ 13,946,614	

6%

6%

5%

5%

5%

6%

Charter Township of Grand Blanc

Taxable Value by Property Type

Real Property

Tax Year	Agricultural &					Personal Property
	Residential	Commercial	Industrial	Other	IFT Real	
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
2021	1,025,618,590	297,941,608	46,733,336	-	16,629,068	97,218,300
2022	1,090,205,202	322,122,497	48,503,822	-	14,554,963	93,223,800

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

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

Millage Rates - Direct Township Taxes

Tax Year	General		Parks &			Total Direct Taxes
	Operating	Mosquito	Police	Fire	Recreation	
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
2021	4.4565	0.2317	0.9898	0.9872	0.2438	6.9090
2022	4.4048	0.1303	0.9783	0.9757	0.2409	6.7300

Taxable Value and Estimated Actual Value of Taxable Property

December 31, 2022

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
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%
2,738,400	1,467,511,834	19,367,468	1,486,879,302	6.9090	3,012,493,540	49.36%
3,209,300	1,554,055,321	17,764,263	1,571,819,584	6.7300	3,179,167,694	49.44%

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
10.5594	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
13.2131	2.7472	3.7207	13.2789	31.2789	39.8689	57.8689
13.1832	2.6638	3.6950	13.2676	31.2676	39.5396	57.5396

Charter Township of Grand Blanc

Principal Property Tax Payers

Current and Nine Years Ago
December 31, 2022

<u>Principal Taxpayer</u>	<u>Type of Business</u>	2022			2013		
		2022 Taxable Value	Percent of Total	Rank	2013 Taxable Value	Percent of Total	Rank
Consumers Energy Co	Utilities (Electric/Gas)	\$ 55,422,455	3.53%	1	\$ 18,991,088	1.70%	1
Genesys Health Systems	Healthcare	13,979,246	0.89%	2			
Maplebrook Owner, LLC	Housing (Apartments)	12,511,275	0.80%	3			
Edward Rose Associates Inc	Housing	11,076,979	0.70%	4	9,049,300	0.81%	5
General Motors LLC	Auto Manufacturing	10,751,069	0.68%	5	17,290,088	1.55%	2
Ring Screw LLC	Manufacturing	10,104,904	0.64%	6	11,525,600	1.03%	3
Edward Rose Development Co. LLC	Housing	9,919,478	0.63%	7	8,201,586	0.74%	7
MIMG CXXI Fountain Pointe LLC	Housing (Apartments)	9,378,423	0.60%	8			
MIMG CXXI Fox Hill Glens LLC	Housing (Apartments)	9,254,596	0.59%	9			
Knollwood Village Associates	Housing (Apartments)	9,180,529	0.58%	10			
Auker	Real Estate				8,003,000	0.72%	8
MAGNA Electronics	Manufacturing				9,504,231	0.85%	4
Walmart/Sam's Club	Retail Sales				8,453,100	0.76%	6
MAGNA E-Car Systems	Manufacturing				7,924,100	0.71%	9
					6,865,300	0.62%	10

Source: Charter Township Assessing Department Records

Charter Township of Grand Blanc

Property Tax Levies and Collections

Last Ten Fiscal Years
December 31, 2022

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
			Percent of Levy Collected	Delinquent Collections (2)			Percent of Total Collections to Tax Levy	Percent of Levy				
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		
2021	10,213,882	10,157,726	99.45%	10,287	10,168,013	99.55%	45,869	0.45%	67,174,020	1,467,511,834		
2022	10,522,704	10,498,305	99.77%	20,736	10,519,041	99.97%	3,663	0.03%	70,744,340	1,554,055,321		

(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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:				
General obligation bonds	\$ 9,800,000	\$ 9,600,000	\$ 8,010,000	\$ 7,710,000
Premium on bonds payable	-	-	621,492	580,738
Installment purchase agreements	-	-	-	-
Special assessment bonds	2,202,577	1,864,294	1,679,010	1,333,727
Total governmental activities	12,002,577	11,464,294	10,310,502	9,624,465
Business Type Activities:				
SWQIF bonds	246,288	236,288	226,288	216,288
Installment purchase agreements	-	-	-	-
Total debt of the government	<u>\$ 12,248,865</u>	<u>\$ 11,700,582</u>	<u>\$ 10,536,790</u>	<u>\$ 9,840,753</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	\$ 327	\$ 312	\$ 281	\$ 262

Ratios of Outstanding Debt

Last Ten Fiscal Years

December 31, 2022

As of December 31,								
<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 7,340,000	\$ 539,984	\$ 6,975,000	\$ 499,231	\$ 6,515,000	\$ 458,477	\$ 6,065,000	\$ 417,724	\$ 5,620,000
								\$ 336,216
								165,609
<u>994,600</u>		<u>1,143,000</u>		<u>1,225,000</u>		<u>1,868,000</u>		<u>2,282,000</u>
<u>8,874,584</u>		<u>8,617,231</u>		<u>8,198,477</u>		<u>8,350,724</u>		<u>8,278,970</u>
								<u>11,630,825</u>
206,288								
<u>\$ 9,080,872</u>		<u>\$ 8,617,231</u>		<u>\$ 8,198,477</u>		<u>\$ 8,350,724</u>		<u>\$ 8,278,970</u>
\$ 60,542	\$ 37,508	\$ 60,542	\$ 37,508	\$ 60,542	\$ 37,508	\$ 60,542	\$ 39,846	\$ 69,743
								39,846
\$ 242	\$ 230	\$ 219	\$ 223	\$ 208	\$ 292			

Charter Township of Grand Blanc

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
December 31, 2022

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
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
2021	8,278,970	-	8,278,970	1,486,879,302	0.56%	39,846	208
2022	11,630,825	-	11,630,825	1,571,819,584	0.74%	39,846	292

Charter Township of Grand Blanc

Direct and Overlapping Governmental Activities Debt

December 31, 2022

Jurisdiction	Debt outstanding	Percent		Amount Applicable to Charter Township	Amount Applicable to Charter Township
		Applicable to Charter Township	Charter Township		
Direct debt - Charter Township of Grand Blanc	\$ 11,630,825	100.00%	\$ 11,630,825		-
Overlapping debt:					-
Genesee County	291,518,961	13.94%	40,637,743		
Grand Blanc School District	108,390,000	74.29%	80,522,931		
Goodrich School District	49,609,513	18.56%	9,207,526		
Lake Fenton School District	12,475,000	2.28%	284,430		
Genesee ISD	7,470,000	13.08%	977,076		
Mott Community College	58,785,000	13.08%	7,689,078		
Bishop Airport Authority	1,690,000	13.94%	235,586		
Subtotal - Overlapping debt	<u>529,938,474</u>			<u>139,554,370</u>	
Total	<u>\$ 541,569,299</u>			<u>\$ 151,185,196</u>	

Source: Municipal Advisory Council of Michigan

Charter Township of Grand Blanc

	As of December 31,			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt Limit (Fiscal Year Ended) (1):				
State equalized valuation (previous year)	\$ 1,154,558,600	\$ 1,131,032,099	\$ 1,159,534,487	\$ 1,172,403,483
Debt Limit (10 percent of state equalized valuation)	115,455,860	113,103,210	115,953,449	117,240,348
Debt Applicable to Debt Limit:				
Total debt	12,002,577	11,464,294	10,310,502	9,624,465
Less deduction allowed by law:				
Installment Purchase Agreements	-	-	-	-
Special assessment bonds	(2,202,577)	(1,864,294)	(1,679,010)	(1,333,727)
General obligation limited tax bonds	(9,800,000)	(9,600,000)	(8,631,492)	(8,290,738)
Total amount of debt applicable to debt limit	-	-	-	-
Legal Debt Margin	\$ 115,455,860	\$ 113,103,210	\$ 115,953,449	\$ 117,240,348
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, 2022

As of December 31,						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	1,224,099,810	\$ 1,287,062,290	\$ 1,360,260,638	\$ 1,423,191,105	\$ 1,486,879,302	\$ 1,571,819,584
	122,409,981	128,706,229	136,026,064	142,319,111	148,687,930	157,181,958
	8,874,584	8,617,231	8,198,477	8,350,724	8,278,970	11,630,825
	(994,600)	(1,143,000)	(1,225,000)	(1,868,000)	(2,282,000)	(165,609)
	<u>(7,879,984)</u>	<u>(7,474,231)</u>	<u>(6,973,477)</u>	<u>(6,482,724)</u>	<u>(5,996,970)</u>	<u>(1,929,000)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	122,409,981	\$ 128,706,229	\$ 136,026,064	\$ 142,319,111	\$ 148,687,930	\$ 157,181,958
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Charter Township of Grand Blanc

Demographic and Economic Statistics

December 31, 2022

Fiscal year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
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	39,846	18,681,879	46,152	7.2
2021	39,478	19,275,783	41,039	4.8
2022	39,789	(A)	(A)	3.5

(A) Information not available.

Sources:

- (1) U.S. Census Bureau (Estimate)
- (2) Bureau of Economic Analysis, U.S. Department of Commerce - Information for Genesee County, Michigan
- (3) Michigan Bureau of Labor Market Information and Strategic Initiatives

Charter Township of Grand Blanc

Principal Employers

December 31, 2022

Employer	2022 Employees	Percentage of Total	2013 Employees	Percentage of total	2013 rank
1 Ascension Genesys Hospital	2,811	15.39%	3,700	30.83%	1
2 Grand Blanc Community Schools	775	4.24%	903	7.53%	4
3 MAGNA (three facilities)	685	3.75%	1,144	9.53%	3
4 Mass Transportation Authority	609	3.33%	(A)	(A)	(A)
5 Serra Automotive Group	410	2.24%	380	3.17%	6
6 Walmart	395	2.16%	294	2.45%	7
7 McLaren Health Systems	340	1.86%	(A)	(A)	(A)
8 Elga Credit Union	264	1.45%	(A)	(A)	(A)
9 Ascension Genesys Health Club	220	1.20%	195	1.63%	8
10 Dee Cramer Construction	213	1.17%	(A)	(A)	(A)
General Motors Customer Care & After Sales			1,912	15.93%	2
Acument Industries			427	3.56%	5
TMI Custom Air Systems, Inc.			170	1.42%	9
Sam's Club			150	1.25%	10

(A) Information not available.

Charter Township of Grand Blanc

Full-Time Equivalent Government Employees

Last Ten Fiscal Years
December 31, 2022

Function/ Program:	As of December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Supervisor	1	1	1	3	3	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	3	3
Finance	4	4	4	3	3	3	3	3	3	3
General office	3	3	3	3	3	3	2	2	2	2
Assessing	4	5	5	5	5	5	5	4	4	4
GIS-IT	3	3	3	3	3	3	3	2	2	3
Public Safety										
Police	42	45	50	46	49	47	49	47	47	52
Fire and EMS	5	5	5	3	4	5	5	6	7	8
Part-time volunteer	41	41	38	34	34	34	34	33	30	28
Public Services										
DPW	15	14	14	12	15	16	16	15	15	16
Building	2	2	3	2	2	2	2	2	2	2
Planning/Zoning	1	1	1	1	2	2	2	2	2	2
Parks and recreation	7	7	7	7	7	7	5	6	6	5
Total	132	135	138	126	134	134	133	129	128	133

Charter Township of Grand Blanc

Function/ Program	As of December 31,			
	2013	2014	2015	2016
Police:				
Physical arrests	2,054	1,797	1,985	1,896
Traffic violations	2,505	1,815	1,608	1,757
Traffic stops	7,303	6,029	7,142	7,510
Calls for service	20,669	18,842	19,491	18,836
Fire:				
Emergency responses	857	767	707	693
Fires extinguished	54	87	100	101
Inspections	236	142	65	184
Parks and recreation - Recreation programs	741	743	743	762
Library (B):				
Circulation (books borrowed)	4,004,141	267,964	1,784,498	1,806,647
Collection volume	637,196	95,713	731,993	743,369
Water:				
New connections	83	104	183	143
Water main breaks	5	5	3	3
Miles of water mains	193	193	193	173
Number of water meters	7,351	7,455	7,641	7,786
Number of water units	15,746	15,909	16,078	16,270
Total Consumption (in CCFs)	106,497,100	105,107,660	107,976,160	122,781,290
Average consumption per user	14,487	14,099	14,131	15,769
Sewer:				
Miles of sanitary sewer mains	241	241	241	226
Number of sewer customers	11,377	11,480	11,652	11,785

Note: Information provided for 2014 and 2022 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, 2022

As of December 31,					
<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
2,159	1,890	1,907	1,262	1,413	1,491
1,739	1,664	1,368	852	592	870
8,002	7,782	8,275	3,123	3,487	5,517
19,737	16,663	19,250	16,199	16,878	21,500
783	761	724	663	695	680
122	76	80	55	77	63
95	190	92	185	97	182
259	262	182	174	267	164
1,701,696	1,783,619	1,754,995	1,312,346	1,423,802	121,933
762,819	765,730	742,875	601,228	626,213	84,304
118	112	79	70	84	83
7	7	5	3	3	4
174	176	177	177	177	178
7,910	7,976	8,057	8,132	8,253	8,336
16,202	16,348	16,648	16,841	16,983	17,133
116,398,160	114,082,768	107,243,086	119,538,724	99,630,150	120,152,582
14,715	14,210	14,795	14,700	12,072	14,414
224	226	220	220	217	218
11,900	12,018	12,021	12,089	12,171	12,232

Charter Township of Grand Blanc

Capital Asset Statistics

Last Ten Fiscal Years
December 31, 2022

Function/ program	As of December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	17	17	17	17	17	17	17	19
Fire:										
Stations	3	3	3	3	3	3	2	2	2	2
Trucks	7	11	11	11	10	10	10	10	9	9
Parks and recreation:										
Acreage	202	202	202	202	202	202	202	202	202	202
Playgrounds	1	1	2	2	2	2	2	2	2	2
Soccer fields	4	4	4	4	4	4	4	4	5	5
Baseball/Softball diamonds	10	10	10	10	10	10	10	10	10	10
Sand volleyball court	5	5	5	5	5	5	5	5	5	5
Pools/Splash pad	1	1	1	1	1	1	1	1	1	1
Dog Park	-	1	1	1	1	1	1	1	1	1
Multi-use paved trail	1	1	1	1	1	1	1	1	1	1
Libraries - Branches	1	1	1	1	1	1	1	1	1	1
Water:										
Mains (miles)	173	173	173	173	174	176	177	177	177	178
Fire hydrants	2,216	2,049	2,058	2,058	2,087	2,094	2,117	2,115	2,119	2,133
Sewer - Miles of sanitary sewers	226	226	226	226	226	226	226	226	217	218

Sources: Various township departments.