



GRAND BLANC TOWNSHIP
A Community in Motion

Charter Township of Grand Blanc
Genesee County, Michigan

**Annual Comprehensive Financial Report
with Supplementary Information
For the Period Ended December 31, 2023**

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

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

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CHARTER TOWNSHIP OF GRAND BLANC

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June 14, 2024

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, 2023.

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.

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, 2023. 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 the 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 2023 is 3.1%, which is below the State unemployment rate of 4.1% and slightly below the national average of 3.7%.

The Charter Township's largest employer, Ascension Genesys Regional Medical Center which provides healthcare services, employs over 2500 people. The Charter Township's largest taxpayer, Consumers Energy Company, a public utility that provides natural gas and electricity, has a taxable value over \$58 million which is about 3.4% 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 constructed over the last couple of years with some additional enhancements 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 developers of Tech Village are currently working through engineering for roads and township officials are hopeful they will see progress at that site soon.

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 apartment space valued at \$7.1 million and an addition to the General Motors Heritage Center totaling \$12.2 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. Flushing-based concrete company Fessler & Bowman, a full-service concrete and civil contracting company, has constructed an 80,000-square-foot building to house its national headquarters on 28 of those acres. The new facility is expected to create more than 100 jobs. In addition, DAG Technologies, Inc., has constructed a 200,000 square-foot facility, valued at over \$10 million, in Enterprise Park. DAG supplies decorative wheel trim to automotive manufacturers and is onshoring its component manufacturing from China. The move will create another 50 jobs in Grand Blanc Township and further position Michigan as a leader in the advanced manufacturing industry.

Plastic Omnium is expected to begin moving ground in Enterprise Park in 2024. The French company will build a \$177 million, 200,000 square foot facility to design, develop and produce hydrogen fuel cells for medium and heavy-duty zero emission vehicles. It will be the largest hydrogen storage manufacturing plant in North America. A new development for John P. O'Sullivan Distributing, a whole-sale supplier of alcohol and non-alcohol beverages to retail establishments, restaurants, and taverns across several counties in the Mid-Michigan area, is also planned within Enterprise Park at a value of approximately \$28 million. With the addition of Plastic Omnium, Fessler & Bowman, DAG Technologies and John P. O'Sullivan Distributing, the industrial park is nearly at capacity.

With the recent reconstruction and widening of Baldwin Road from the Dort Highway extension to Ruby Street to accommodate the new enterprise park, a multi-purpose path was constructed down Baldwin Road which will 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.

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 has strategically placed 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. The

Township currently has about \$1.7 billion in taxable property values and it grows by about \$100 million annually. During 2023, the Township issued 48 residential building permits for new construction with a construction value of \$15,555,000 and an additional 80 permits for improvements/additions to residential structures totaling \$8,063,000, 3 permits for new commercial construction with a construction value of \$41,380,800 and an additional 17 permits for improvements on existing commercial structures with a construction value of \$6,240,600.

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 \$5,383,451, or 26.5 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 \$600,000, using unassigned fund balance, to the retiree healthcare trust. This was in addition to the \$666,000 included in the original budget using operating revenues for a total of \$1,266,000 contribution to the retiree healthcare trust to reduce its unfunded liability. An additional amendment of \$1 million was included in the budget to make an added contribution, in addition to the annual required contribution, to the defined benefit pension plan to also reduce its unfunded liability. Even with the additional contributions to its retiree healthcare trust and pension plan, the fund balance of the general fund only decreased by \$777,459 in 2023. The positive variance between the amended budget

and actual results 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. Street projects within public works department were also delayed until next year resulting in a positive variance of expenditures in that area. 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 and it continues to maintain the accreditation.

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

June 14, 2024

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 continues to 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 2023, approximately \$342,000 was spent on the improvement of the park facilities and purchase of equipment for the operation and care of the park. The Township intends to install an ADA-accessible playground in 2024 along with other upgrades to the park.

Township officials are optimistic that 2024 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 the Fall of 2024, with a target completion date at the end of 2025. There are also planned renovations to the administration building including the replacement of the generator at an estimated cost of \$250,000 and improvements to the parking lot at the police administration building at an additional \$250,000 along with equipment purchases for both police and fire totaling \$500,000. 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 179 miles of water mains and 221 miles of sanitary sewer mains and are continuously improving our infrastructure system. Capital improvements to the water and sewer systems in 2023 included the \$2.4 million on the Grand Blanc Road/Fenton Road bypass sewer project; \$540,000 for the Enterprise Park water and sewer lines; \$534,000 for sanitary and bypass sewer rehabilitation projects; additional improvements of \$33,000 to the Woodfield pump substation; \$36,000 in vehicle purchases; \$140,000 for sewer system pipe linings, and \$65,000 for water meters. In addition, \$495,000 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 2023, the Township recorded \$795,000 in capital charges and tap-in fees.

The Charter Township Governmental Funds invested \$162,000 in 2023 for the replacement of police patrol vehicles, and \$85,000 for cameras in the interview rooms at the police department. The Township also completed some building improvements to its Township Hall totaling \$28,000 and an additional \$1,720,000 for fire station renovations and improved firefighting equipment. Additional capital improvements included the purchase of computer equipment and software in the amount of \$40,000, purchase of land to expand the Township campus in the amount of \$134,000 and miscellaneous other equipment purchases of \$150,000. Improvements at Bicentennial Park included improvements to ball fields and playgrounds in the amount of \$340,000, fencing around the ball fields in the amount of \$118,000, the addition of a fitness court in the amount of \$177,000 and \$34,000 in equipment purchases for the Parks Department. The capital projects fund balance of \$3,544,862 will be carried forward to the 2024 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.

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

June 14, 2024

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, 2022. This was the twenty-eighth 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.

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,



Cathleen Szostak
Finance Director



Government Finance Officers Association

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

Presented to

**Charter Township of Grand Blanc
Michigan**

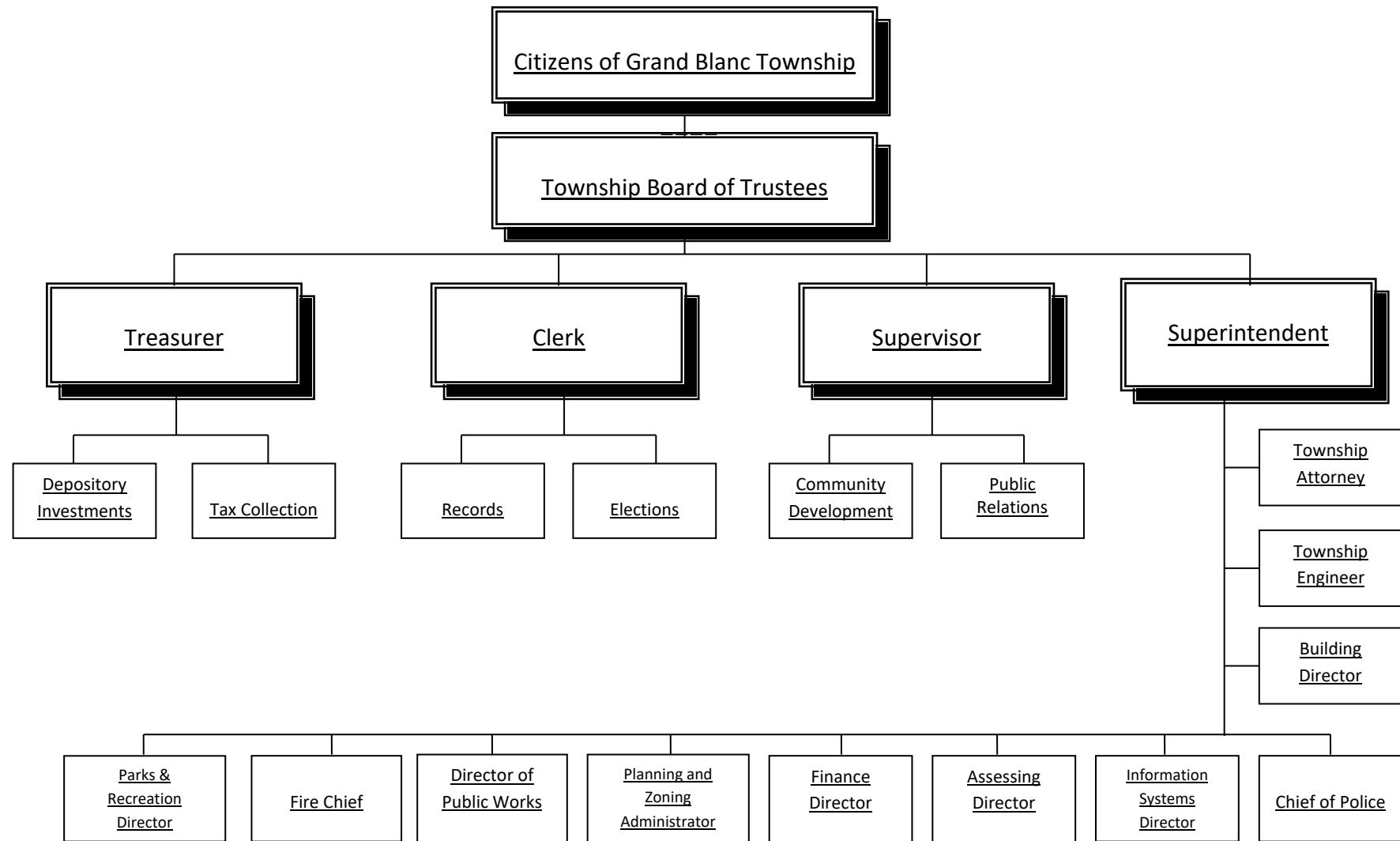
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

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 Services	Allen Cooley
Assessing Director	Danyelle Herington
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, 2023 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, 2023 and the respective changes in its financial position and, where applicable, its 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.

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 statement 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 2022 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 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

June 14, 2024

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, 2023. 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 supplementary information, (4) other supplementary 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.

Charter Township of Grand Blanc

Management's Discussion and Analysis

Notes to the Financial Statements – Provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements.

Required Supplementary 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 supplementary information is in addition to the basic financial statements and accompanying notes.

Other Supplementary 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 \$107 million for the fiscal year ended December 31, 2023. This was an increase of approximately \$9.5 million or 9.7 percent from 2022. There were several contributing factors to the increase in net position including (1) an increase in revenues in the form of property taxes, investment income and state and federal sources, (2) cost containment measures which held expenditures to minimal increases, (3) a reduction in debt, (4) an increase in the investment in capital assets, and (5) a reduction in the OPEB unfunded liabilities. The net position may serve over time as a useful indicator of a government's financial position 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 2023, it is primarily attributable to its business-type activities, related to providing water and sewer services. The business-type activities account for 91 percent 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 and 2023, with favorable financial results and the change in the deferred pension and OPEB costs and cost reductions, the net position of the governmental activities increased and is now positive at \$9,858,870.

The largest portion of the Charter Township's net position (91 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

Charter Township of Grand Blanc

Management's Discussion and Analysis

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, 2023, and the prior year. All numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	(in thousands)		(in thousands)		(in thousands)	
Assets						
Current and other assets	\$ 34,784	\$ 34,590	\$ 17,654	\$ 19,761	\$ 52,437	\$ 54,351
Capital assets	24,224	22,561	83,247	81,275	107,472	103,836
Total assets	59,008	57,151	100,901	101,036	159,909	158,187
Deferred Outflows of Resources	11,279	8,166	1,135	1,025	12,414	9,191
Liabilities						
Long-term liabilities outstanding	27,716	26,919	-	-	27,716	26,919
Other liabilities	2,518	4,745	2,147	3,166	4,665	7,911
Total liabilities	30,234	31,664	3,166	3,166	32,381	34,830
Deferred Inflows of Resources	30,194	31,864	2,805	3,223	33,000	35,087
Net Position						
Net investment in capital assets	13,850	13,034	83,247	81,275	97,097	94,309
Restricted	2,946	2,593	3,298	-	6,244	2,593
Unrestricted	(6,936)	(13,838)	10,538	14,397	3,602	559
Total net position	\$ 9,859	\$ 1,789	\$ 97,083	\$ 95,672	\$ 106,942	\$ 97,461

The total net position of the Township is \$107 million. This is comprised of \$97.1 million within the business-type activities and \$9.9 million within the governmental activities. Of the total net position, \$6.2 million, or 5.8 percent represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$3.6 million which consists of a positive \$10.5 million in the business-type activities and a deficit of \$6.9 million in the governmental activities. The deficit unrestricted net position in the governmental activities is attributable to the unfunded liabilities and was reduced by \$6,901,269 in 2023. The deficit in unrestricted net position within the governmental activities began in 2018 when the net OPEB liability was added to the statement of net position with the implementation of GASB 75. The Township's government-wide financial statements now report the cost of retiree healthcare, as it is being earned by its employees.

Charter Township of Grand Blanc

Management's Discussion and Analysis

During the 2023 fiscal year, the governmental activities experienced an increase in net position of \$8,069,718 as a result of increased revenues, a reduction in debt and a decrease in its OPEB unfunded liability. The business-type activities also experienced an increase in net position of \$1,411,394 which is attributable to an increase in the sale of water and sewage disposal charges, increased investment income, and capital contributions through tap-in fees and lines donated by developers during the year. The business-type activities also experienced an increase in its net OPEB asset.

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	
	2023	2022	2023	2022	2023	2022
	(in thousands)		(in thousands)		(in thousands)	
Revenue						
Program revenue:						
Charges for service	\$ 3,560	\$ 3,634	\$ 19,124	\$ 18,954	\$ 22,684	\$ 22,588
Operating grants and contributions	1,473	1,122	-	-	1,473	1,122
Capital grants and contributions	2,829	818	796	771	3,625	1,589
General revenue:						
Property taxes	11,259	10,855	-	-	11,259	10,855
State-shared revenue	4,491	4,539	-	-	4,491	4,539
Unrestricted investment earnings	1,053	(311)	514	(234)	1,567	(545)
Miscellaneous	1,431	1,800	115	58	1,546	1,858
Total revenue	26,096	22,457	20,548	19,549	46,644	42,006
Expenses						
General government	2,598	2,746	-	-	2,598	2,746
Public safety	9,964	8,132	-	-	9,964	8,132
Public works	3,598	2,342	-	-	3,598	2,342
Community and economic development	236	65	-	-	236	65
Recreation and culture	1,326	1,406	-	-	1,326	1,406
Interest on long-term debt	304	271	-	-	304	271
Water and sewer	-	-	19,137	19,380	19,137	19,380
Total expenses	18,026	14,962	19,137	19,380	37,163	34,342
Increase in Net Position						
Increase in Net Position	8,070	7,495	1,411	169	9,481	7,664
Net Position - Beginning of year	1,789	(5,706)	95,672	95,503	97,461	89,797
Net Position - End of year	\$ 9,859	\$ 1,789	\$ 97,083	\$ 95,672	\$ 106,942	\$ 97,461

Governmental Activities

Revenue for the governmental activities totaled \$26.1 million, of which \$11.3 million, or approximately 43 percent, was in the form of property tax collections. The Charter Township levied a total of 6.7300 mills for fiscal year 2023 (levied in December 2022), distributed as follows - 3.7048 mills for the Charter Township's operation, 0.7 mil for the municipal campus plan, 0.9783 mil for the Charter Township's police, 0.9757 mil for the fire operations, 0.1303 mil for the Charter Township's mosquito control program, and 0.2409 mil for the Parks and Recreation program. Property taxes increased about \$400,000 as a result of approximately a 3.6 percent increase in taxable property values, driven by increase local real estate values. Other key elements affecting the governmental activities are as follows:

Charter Township of Grand Blanc

Management's Discussion and Analysis

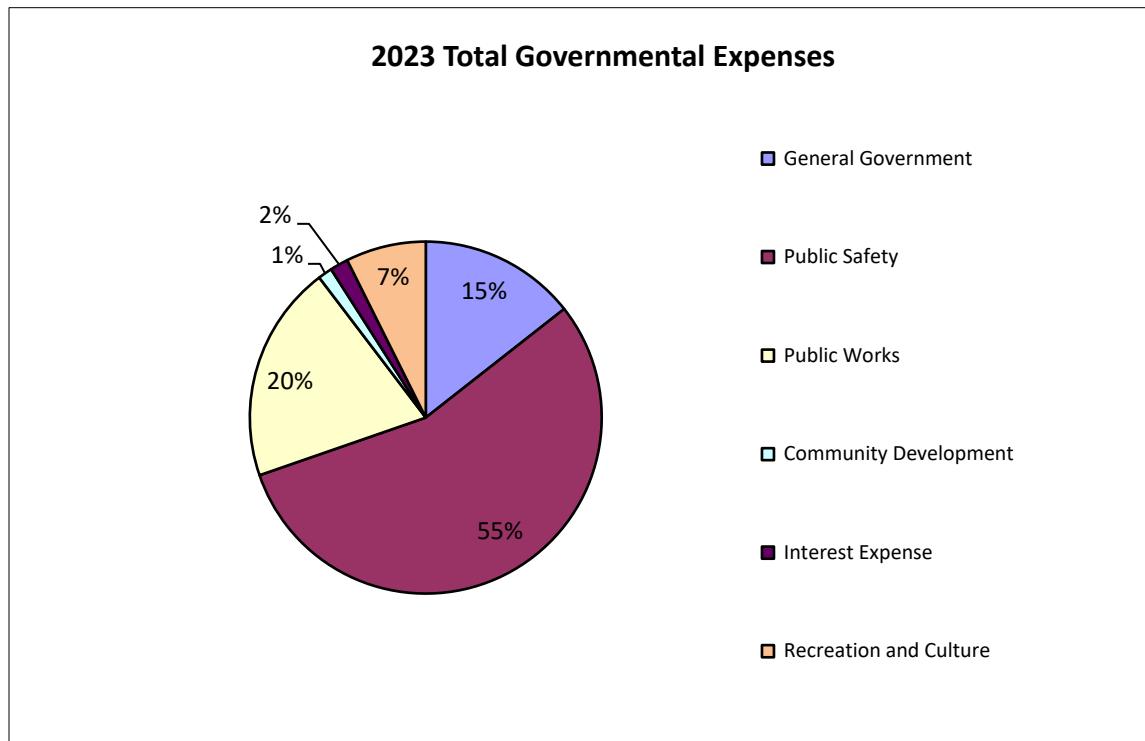
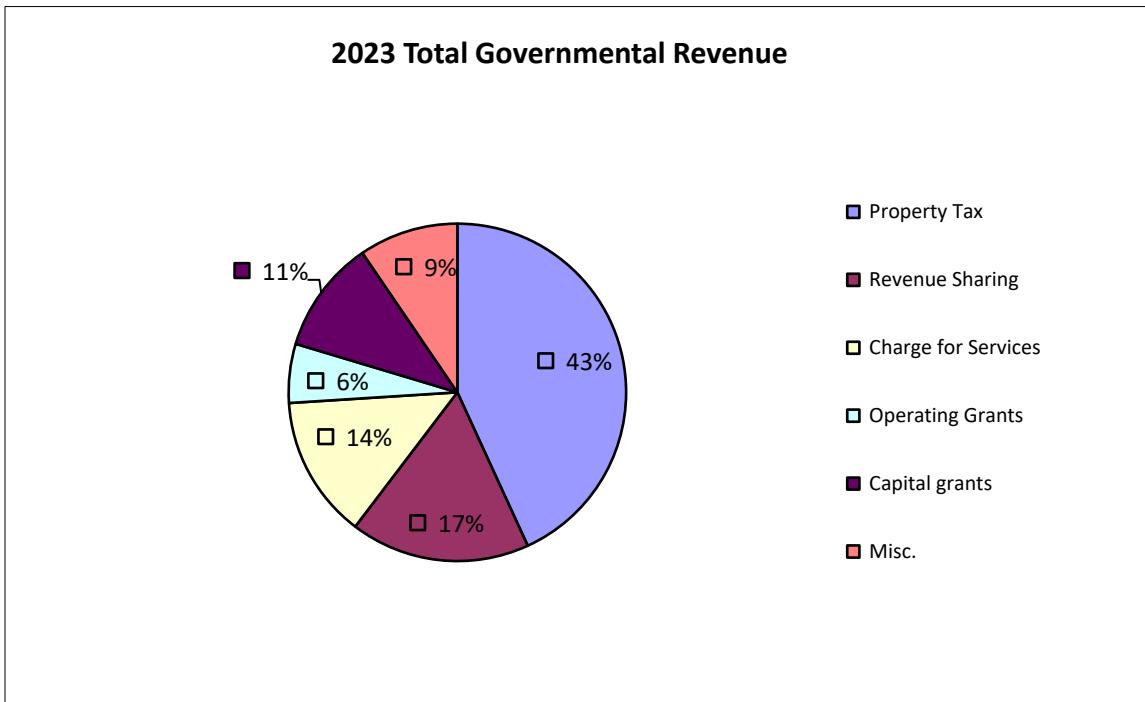
- State revenue sharing payments decreased about \$325,000 from last year. In 2022, there was a one-time census adjustment but it has now leveled off.
- The Capital Projects fund recorded a \$500,000 grant from the Michigan Economic Development Corporation for the construction of Baldwin Road, which contributed to the increase in capital grants.
- Investment income increased \$1,364,000 across all governmental funds due to more favorable market conditions.
- American Recovery Plan Act (ARPA) revenue was recognized in the amount of \$237,368 in the General Fund for Police retention bonuses, \$176,900 in the Parks and Recreation Fund for the installation of a fitness court, and \$1,782,604 in the Capital Projects Fund for renovation and equipment for Fire Station #2 in the Township. This revenue also contributed to the increase in capital grants.

The governmental activities expenses total \$18 million in 2023 which is approximately a 20 percent increase compared to 2022. Public safety experienced the largest increase of \$1.8 million, 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, trash collection fees increased and several road projects were completed this year causing public works expenditures to rise. General government and recreation and culture expenditures decreased slightly this year due to vacancies and cost containment. Overall, the net position of the governmental activities increased \$8,069,718 in 2023 to \$9,858,870 from \$1,789,152 in 2022.

Charter Township of Grand Blanc

Management's Discussion and Analysis

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



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 \$19,123,837 covered nearly all the \$19,137,016 of water and sewer expenses.

The Charter Township's goal is to have the water and sewer operations be self-supporting. Any revenue in excess of expenses will be used to fund the projects in the five-year capital improvement plan. The net position for business-type activities at the end of 2023 reflects an increase of \$1,411,394 to \$97,083,325. Some key elements affecting the business-type activities include:

- The total assets remained nearly the same as last year, however, there was a reduction in cash and investments which was primarily used to purchase capital assets and as a result the net investment in capital assets increased by \$1,972,318.
- Charges for services increased modestly by \$170,199 as a result of increased revenue for sewage charges.
- Investment income increased by \$747,517 due to more favorable market conditions.
- The sale of capital assets increased by \$56,990 as a result of the sale of two large generators during the year.
- Expenses saw a modest decline of \$242,609 or 1.3 percent due to cost containment measures and the cost of water and sewage treatment decreased.

Charter Township of Grand Blanc

Management's Discussion and Analysis

Capital Assets

The Charter Township has combined net capital assets of \$107,471,774. The following schedule provides a summary of the capital assets, net of accumulated depreciation, for 2023 and 2022. Numbers are in thousands.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,082	\$ 1,948	\$ 1,176	\$ 1,176	\$ 3,258	\$ 3,124
Construction in progress	488	4,353	5,240	1,668	5,728	6,021
Buildings and improvements	17,799	11,911	1,141	1,184	18,940	13,095
Furniture and equipment	781	727	328	442	1,109	1,169
Infrastructure	1,078	1,256	-	-	1,078	1,256
Water and sewer distribution systems	-	-	74,927	75,935	74,927	75,935
Vehicles	1,996	2,366	435	870	2,431	3,236
Total	<u>\$ 24,224</u>	<u>\$ 22,561</u>	<u>\$ 83,247</u>	<u>\$ 81,275</u>	<u>\$ 107,471</u>	<u>\$ 103,836</u>

The Charter Township's governmental activities invested approximately \$3,194,000 in 2023 for capital projects/purchases. The largest portion of this investment was the addition and improvements to Fire Station #2 using ARPA funds to complete the project. Other governmental activities capital improvements included the addition of police vehicles and equipment including cameras for the interview rooms, fire equipment, building improvements, software and computer equipment, a fitness court and ADA improvements to the equipment and bleachers at Bicentennial Park, as well as various equipment purchases and upgrades. The fund balance in the Capital Projects Fund of \$3,544,862 will be carried forward to the 2024 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 \$795,527 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 2023 within the Department of Public Works Fund included nearly \$2.9 million of sewer lines to expand into the southern end of the Township; \$495,000 for engineering and design of the new DPW facility; vehicle purchases of \$36,000; several meter, generator, and pump replacements throughout the system totaling over \$180,000; and other miscellaneous water and sewer system

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 \$10,909,893 in long-term governmental debt and \$16,806,535 of long-term pension and OPEB liabilities, within its governmental activities, as of December 31, 2023. Of this total debt, \$4,855,463 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 last year with \$121,507 remaining on the debt at the end of the year. In addition, \$198,681 of all long-term debt is related to employee compensated absences and \$19,242 is for leases payable, and the remaining \$1,600,000 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 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 \$6,401 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 26 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 Supplementary 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

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 Funds** – Debt service funds account for resources accumulated for the payment of principal and interest on debt. 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. The Development Debt Service Fund receives a contribution from the Downtown Development Authority which is used for debt service payments on the DDA Bond issued to fund a major road project.
- **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 met the criteria to be 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.

Financial Analysis of Charter Township's Funds and Budgets

The following budget analysis comes from the data provided in the budgetary comparison schedules including the General Fund on page 56 of the Required Supplementary Information section of this report. The total amount of revenue budgeted in the General Fund, including amendments for 2023, was \$19,834,891 with actual revenue recorded at \$20,316,504. This was a positive variance of \$481,613. The most significant area with a positive variance was Investment income which exceeded the budgeted revenue by \$191,840 due to higher than anticipated investment returns. State sources also experienced a positive variance 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, intergovernmental revenues including federal, state, and local sources, fines and forfeitures, and local donations.

State-shared revenue, originally budgeted at \$4,253,771 and amended to \$4,433,863 after the state revised its projections, was received in the amount of \$4,450,601 and as a result, exceeded the budget by \$16,738. 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 2023 decreased approximately \$325,000 from last year. The amount received last year included a one-time adjustment due to an increase in population from the 2020

Charter Township of Grand Blanc

Management's Discussion and Analysis

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 \$20,302,004 and actual expenditures amounting to \$18,542,829 with a positive variance of \$1,759,175. Public safety experienced the largest positive variance with the budgeted expenditures, of \$602,117 because of vacancies that remained unfilled and healthcare costs did not rise as much as expected. Public works also experienced a large positive variance of \$449,706, because of the delay in the completion of a special assessment road project. The legislative and general office cost centers also had sizable positive variances because of savings in the property and liability insurance costs and vacant positions, respectively. All other departments experienced minor variances between their actual and budgeted expenditures except for Building and Grounds, which experienced a negative variance of \$11,968 due to the cost of lawn care services which exceeded the budget.

The net effect for 2023 shows an excess of revenue over expenditures (prior to other financing sources and uses) of \$1,773,675. After factoring in the net other financing uses of \$2,551,134, expenditures and other financing uses exceeded revenue by \$777,459 decreasing the Charter Township's General Fund balance from \$6,152,561 to \$5,375,102. The actual result was better than anticipated, as the Board of Trustees included in the budget the use of \$3,103,740 of the fund balance primarily to be used to contribute additional funds towards the unfunded liabilities for the pension and OPEB plans. There was also a transfer to the Capital Projects Fund of \$1,500,000 to fund future capital projects. The December 31, 2023, unassigned General Fund balance is \$3,409,032 or 16.78 percent of 2023 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 \$1.1 million of fund balance for retirement benefits with the intention of making an additional contribution to the OPEB and pension trust funds in 2024 to further reduce the unfunded liabilities.

Current Economic Conditions

Property taxes, the primary funding source of the General Fund, increased approximately 3.9 percent in 2023 as compared to 2022 as a result of increased property values. Property values are projected to increase slightly in 2024, 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 nearly 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

Charter Township of Grand Blanc

Management's Discussion and Analysis

last two years, the Township once again experienced a decrease to state revenue sharing in 2023, of approximately \$325,000. After many years of either decline or stagnancy, state-shared revenue remains low relative to historic norms experienced prior to 2002 and continue to be an area of concern given the recent economic conditions as the State of Michigan works on its economic recovery plan.

Another issue of concern to the Charter Township is the unfunded liabilities within its defined benefit retirement plan of approximately \$12.4 million as of December 31, 2022, the date of its most recent actuarial report. The funded ratio of the plan is 72 percent. In addition, the retiree healthcare plan has an unfunded liability of approximately \$1.15 million as of December 31, 2023. Even though the governmental activities have an OPEB liability of over \$4.4 million, the plan is 96 percent funded as a result of the OPEB asset in the business-type activities of \$3.3 million. Just five 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 2023, the Charter Township contributed the required annual contribution of \$1,221,541 and an additional prefunded contribution of \$1,000,000 towards its pension liability. The Charter Township also made payments for postemployment health benefit premiums of \$572,134, plus prefunded contributions of \$1,265,934. 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.

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 2023, the Township was able to make an additional contribution of \$2.3 million towards the unfunded liability for postemployment benefits and another \$1.5 million to its capital projects fund and, as a result, experienced a slight decrease to the fund balance in the General Fund of approximately \$777,000. The fund balance at December 31, 2023 stood at \$5,383,451, which is a 12.6 percent decrease since the beginning of the year. It was the intention of management to use some of the fund balance which exceeded its mandated reserves to reduce its unfunded liabilities. This is indicative of the strong financial management that has been exercised by the Charter Township over the last several years. As a result, the Charter Township has continued to maintain its strong financial base which will allow for continued investment in the community to improve the quality of life for all residents and businesses of the Charter Township.

Charter Township of Grand Blanc

Management's Discussion and Analysis

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents (Note 2)	\$ 7,682,267	\$ 1,083,714	\$ 8,765,981	\$ 710,356
Investments (Note 2)	14,189,813	7,994,580	22,184,393	-
Receivables:				
Property taxes	6,644,020	-	6,644,020	273,547
Special assessments	2,573,183	11,489	2,584,672	-
Customers	-	4,699,619	4,699,619	-
Accrued interest and other	74,572	61,459	136,031	-
Leases receivable	1,264,154	-	1,264,154	-
Other receivables	229,381	435,644	665,025	-
Due from other governments	947,114	-	947,114	-
Internal balances	(15,770)	15,770	-	-
Prepays and other assets	858,318	53,230	911,548	701
Restricted assets	336,289	-	336,289	-
Net OPEB asset (Note 11)	-	3,298,416	3,298,416	-
Capital assets: (Note 4)				
Assets not subject to depreciation	2,569,876	6,415,992	8,985,868	-
Assets subject to depreciation	21,654,589	76,831,317	98,485,906	-
Total assets	59,007,806	100,901,230	159,909,036	984,604
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	6,639,379	-	6,639,379	-
Deferred OPEB costs (Note 11)	4,639,807	1,134,715	5,774,522	-
Total deferred outflows of resources	11,279,186	1,134,715	12,413,901	-
Liabilities				
Accounts payable	530,092	2,099,328	2,629,420	2,555
Refundable deposits, bonds, etc.	311,918	-	311,918	-
Accrued liabilities and other	370,250	41,694	411,944	-
Unearned revenue	1,304,982	-	1,304,982	-
Noncurrent liabilities:				
Due within one year: (Note 6)				
Compensated absences	198,681	6,401	205,082	-
Current portion of long-term debt	942,292	-	942,292	-
Due in more than one year:				
Net pension liability (Note 9)	12,358,854	-	12,358,854	-
Net OPEB liability (Note 11)	4,447,681	-	4,447,681	-
Long-term debt (Note 6)	9,768,920	-	9,768,920	-
Total liabilities	30,233,670	2,147,423	32,381,093	2,555
Deferred Inflows of Resources				
Property taxes levied for the following year	12,604,392	-	12,604,392	325,305
Other resources received before the period resources may be used	2,013,785	-	2,013,785	-
Deferred pension cost reductions (Note 9)	608,309	-	608,309	-
Deferred OPEB cost reductions (Note 11)	13,778,820	2,805,197	16,584,017	-
Deferred inflows from leases	1,189,146	-	1,189,146	-
Total deferred inflows of resources	30,194,452	2,805,197	32,999,649	325,305
Net Position				
Net investment in capital assets	13,849,542	83,247,309	97,096,851	-
Restricted:				
Mosquito spraying	166,460	-	166,460	-
Solid waste	12,326	-	12,326	-
Drug forfeiture and federal equitable sharing	182,014	-	182,014	-
Law enforcement	21,553	-	21,553	-
PEG Channel Grant	163,597	-	163,597	-
Building	1,232,742	-	1,232,742	-
Unexpendable cemetery fund	188,865	-	188,865	-
Expendable cemetery fund	287,605	-	287,605	-
Tree replacement	29,002	-	29,002	-
Parks and recreation	580,205	-	580,205	-
Opioids settlement	81,220	-	81,220	-
Other postemployment benefits	-	3,298,416	3,298,416	-
Unrestricted	(6,936,261)	10,537,600	3,601,339	656,744
Total net position	\$ 9,858,870	\$ 97,083,325	\$ 106,942,195	\$ 656,744

See notes to financial statements.

Charter Township of Grand Blanc

Functions/Programs

Primary government:

Governmental activities:

	Program Revenue		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Expenses			
General government	\$ 2,598,207	\$ 25,057	\$ 639,970
Public safety	9,964,233	1,164,841	203,996
Public works	3,597,928	1,993,753	-
Community and economic development	235,924	-	235,924
Recreation and culture	1,325,870	376,277	392,962
Interest on long-term debt	303,635	-	-
Total governmental activities	18,025,797	3,559,928	1,472,852
Business-type activities - Department of Public Works	19,137,016	19,123,837	795,527
Total primary government	\$ 37,162,813	\$ 22,683,765	\$ 1,472,852
	<u>\$ 192,689</u>	<u>\$ -</u>	<u>\$ -</u>

Component units - Downtown Development Authority

General revenue:

Property taxes
Unrestricted state-shared revenue
Unrestricted investment income
Cable franchise fees
Gain on sale of capital assets
Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Statement of Activities

Year Ended December 31, 2023

Net (Expense) Revenue and Changes in Net Position			
Primary Government		Component Unit	
Governmental Activities	Business-type Activities	Total	Downtown Development Authority
\$ (1,933,180)	\$ -	\$ (1,933,180)	\$ -
(6,812,792)	-	(6,812,792)	-
(557,318)	-	(557,318)	-
(556,631)	-	(556,631)	-
(303,635)	-	(303,635)	-
(10,163,556)	-	(10,163,556)	-
-	782,348	782,348	-
(10,163,556)	782,348	(9,381,208)	-
-	-	-	(192,689)
11,259,149	-	11,259,149	391,910
4,490,559	-	4,490,559	-
1,052,746	513,993	1,566,739	-
537,033	-	537,033	-
27,296	115,053	142,349	-
866,491	-	866,491	-
18,233,274	629,046	18,862,320	391,910
8,069,718	1,411,394	9,481,112	199,221
1,789,152	95,671,931	97,461,083	457,523
\$ 9,858,870	\$ 97,083,325	\$ 106,942,195	\$ 656,744

Charter Township of Grand Blanc

Governmental Funds Balance Sheet

December 31, 2023

	General Fund	Solid Waste Fund	Capital Projects Fund	Nonmajor Funds	Total
Assets					
Cash and cash equivalents (Note 2)	\$ 6,046,838	\$ 1,317,078	\$ 39,141	\$ 279,210	\$ 7,682,267
Investments (Note 2)	5,344,146	17,719	3,280,146	5,547,802	14,189,813
Receivables:					
Property taxes	6,433,743	-	-	210,277	6,644,020
Special assessments	1,809,194	763,989	-	-	2,573,183
Accrued interest and other	43,105	3,325	5,215	22,927	74,572
Leases receivable	508,533	-	-	755,621	1,264,154
Other receivables	136,646	-	-	92,735	229,381
Due from other governments	922,540	-	-	24,574	947,114
Due from other funds (Note 5)	76,982	-	-	391,379	468,361
Prepays and other assets	821,164	-	27,225	9,929	858,318
Restricted assets	-	-	336,289	-	336,289
Total assets	\$ 22,142,891	\$ 2,102,111	\$ 3,688,016	\$ 7,334,454	\$ 35,267,472
Liabilities					
Accounts payable	\$ 447,404	\$ -	\$ 64,637	\$ 18,051	\$ 530,092
Due to other funds (Note 5)	388,286	76,000	3,822	16,023	484,131
Refundable deposits, bonds, etc.	-	-	-	311,918	311,918
Accrued liabilities and other	197,975	-	74,695	15,084	287,754
Unearned revenue	1,304,982	-	-	-	1,304,982
Total liabilities	2,338,647	76,000	143,154	361,076	2,918,877
Deferred Inflows of Resources					
Unavailable revenue	1,737,215	-	-	68,269	1,805,484
Property taxes levied for the following year	12,206,931	-	-	397,461	12,604,392
Other resources received before the period resources may be used	-	2,013,785	-	-	2,013,785
Deferred inflows from leases	476,647	-	-	712,499	1,189,146
Total deferred inflows of resources	14,420,793	2,013,785	-	1,178,229	17,612,807
Fund Balances					
Nonspendable:					
Prepays	678,010	-	27,225	9,929	715,164
Cemetery endowment	-	-	-	188,865	188,865
Restricted:					
Public safety	-	-	-	202,620	202,620
Opioids settlement	-	-	-	15,576	15,576
Capital projects	-	-	336,289	-	336,289
Solid waste	-	12,326	-	-	12,326
Mosquito spraying	166,460	-	-	-	166,460
PEG Channel	-	-	-	158,665	158,665
Cemetery	-	-	-	287,605	287,605
Tree replacement	29,002	-	-	-	29,002
Police LESO	947	-	-	-	947
Parks and recreation	-	-	-	577,580	577,580
Construction code	-	-	-	1,229,772	1,229,772
Committed - Bicentennial Park improvements	-	-	-	105,314	105,314
Assigned:					
Capital projects	-	-	3,181,348	-	3,181,348
Debt service	-	-	-	3,019,223	3,019,223
Retirement benefits	1,100,000	-	-	-	1,100,000
Unassigned	3,409,032	-	-	-	3,409,032
Total fund balances	5,383,451	12,326	3,544,862	5,795,149	14,735,788
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,142,891	\$ 2,102,111	\$ 3,688,016	\$ 7,334,454	\$ 35,267,472

See notes to financial statements.

Charter Township of Grand Blanc

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

December 31, 2023

Fund Balances Reported in Governmental Funds	\$ 14,735,788
<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	24,224,465
Special assessment receivables are expected to be collected in future years and are not available to pay for current year expenditures	1,713,477
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	92,007
Deferred outflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	11,279,186
Deferred inflows of resources related to pension and OPEB are reported in the government-wide statements but not in the governmental funds	(14,387,129)
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(10,711,212)
Accrued interest is not due and payable in the current period and is not reported in the funds	(82,496)
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	(198,681)
Pension benefits	(12,358,854)
Retiree health care benefits	<u>(4,447,681)</u>
Net Position of Governmental Activities	<u>\$ 9,858,870</u>

Charter Township of Grand Blanc

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended December 31, 2023

	General Fund	Solid Waste Fund	Capital Projects Fund	Nonmajor Funds	Total
Revenue					
Property taxes	\$ 10,896,712	\$ -	\$ -	\$ 371,583	\$ 11,268,295
Special assessments	732,275	-	-	-	732,275
Intergovernmental:					
Federal sources	258,285	-	1,808,104	412,824	2,479,213
State sources	4,846,894	-	529,156	21,456	5,397,506
Local grants and contributions	157,929	-	-	128,251	286,180
Charges for services	-	1,669,508	-	797,579	2,467,087
Fines and forfeitures	120,551	-	-	2,080	122,631
Licenses and permits	65,742	-	-	579,881	645,623
Investment income	717,240	31,189	44,029	260,288	1,052,746
Other revenue:					
Local donations	18,100	-	-	240,523	258,623
Other miscellaneous income	1,965,743	-	-	116,203	2,081,946
Cable franchise fees	537,033	-	-	-	537,033
Total revenue	20,316,504	1,700,697	2,381,289	2,930,668	27,329,158
Expenditures					
Current services:					
General government	5,120,603	-	45,884	9,701	5,176,188
Public safety	11,517,182	-	51,045	846,101	12,414,328
Public works	1,527,330	1,688,384	452,006	-	3,667,720
Community and economic development	-	-	-	235,924	235,924
Recreation and culture	16,868	-	-	1,075,921	1,092,789
Capital outlay	-	-	2,213,185	531,972	2,745,157
Debt service	360,846	-	40,502	833,826	1,235,174
Total expenditures	18,542,829	1,688,384	2,802,622	3,533,445	26,567,280
Excess of Revenue Over (Under) Expenditures					
	1,773,675	12,313	(421,333)	(602,777)	761,878
Other Financing Sources (Uses)					
Transfers in	-	-	1,500,000	1,070,000	2,570,000
Transfers out	(2,570,000)	-	-	-	(2,570,000)
Proceeds from sale of capital assets	18,866	-	-	8,430	27,296
Total other financing (uses) sources	(2,551,134)	-	1,500,000	1,078,430	27,296
Net Change in Fund Balances					
Fund Balances - Beginning of year	(777,459)	12,313	1,078,667	475,653	789,174
Fund Balances - End of year	\$ 5,383,451	\$ 12,326	\$ 3,544,862	\$ 5,795,149	\$ 14,735,788

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, 2023

Net Change in Fund Balances Reported in Governmental Funds	\$ 789,174
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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	3,194,120
Net book value of assets disposed of	(33,430)
Depreciation expense	(1,497,100)

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

100,526

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)

945,419

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

(6,540)

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

(5,821)

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

4,806,015

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

(222,645)

Change in Net Position of Governmental Activities

\$ 8,069,718

Charter Township of Grand Blanc

Proprietary Fund
Department of Public Works
Statement of Net Position

December 31, 2023

Assets

Current assets:	
Cash and cash equivalents (Note 2)	\$ 1,083,714
Investments (Note 2)	7,994,580
Receivables:	
Customers	4,699,619
Accrued interest and other	61,459
Other receivables	435,644
Due from other funds (Note 5)	15,770
Prepays and other assets	<u>53,230</u>
Total current assets	14,344,016
Noncurrent assets:	
Tap-in assessments receivable	11,489
Net OPEB asset (Note 11)	3,298,416
Capital assets: (Note 4)	
Assets not subject to depreciation	6,415,992
Assets subject to depreciation	<u>76,831,317</u>
Total noncurrent assets	<u>86,557,214</u>
Total assets	100,901,230
Deferred Outflows of Resources - Deferred OPEB costs (Note 11)	1,134,715
Liabilities	
Current liabilities:	
Accounts payable	2,099,328
Accrued liabilities and other	41,694
Compensated absences (Note 6)	<u>6,401</u>
Total liabilities	2,147,423
Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 11)	<u>2,805,197</u>
Net Position	
Net investment in capital assets	83,247,309
Restricted - Other postemployment benefits	3,298,416
Unrestricted	<u>10,537,600</u>
Total net position	<u><u>\$ 97,083,325</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, 2023 and 2022

	2023	2022
Operating Revenue		
Sale of water	\$ 9,721,866	\$ 9,808,650
Sewage disposal charges	8,799,444	8,655,230
Water meters	70,261	74,796
Penalties and other charges for services	<u>532,266</u>	<u>414,962</u>
Total operating revenue	19,123,837	18,953,638
Operating Expenses		
Cost of water	8,624,304	8,968,373
Cost of sewage treatment	6,180,463	6,249,724
Billing and administrative costs	1,956,303	1,832,210
Depreciation	<u>2,375,946</u>	<u>2,329,318</u>
Total operating expenses	<u>19,137,016</u>	<u>19,379,625</u>
Operating Loss	(13,179)	(425,987)
Nonoperating Revenue (Expense)		
Investment income (loss)	513,993	(233,524)
Gain on sale of assets	<u>115,053</u>	<u>58,063</u>
Total nonoperating revenue (expense)	<u>629,046</u>	<u>(175,461)</u>
Income (Loss) - Before capital contributions	615,867	(601,448)
Capital Contributions - Water and sewer tap-in fees	<u>795,527</u>	<u>770,930</u>
Change in Net Position	1,411,394	169,482
Net Position - Beginning of year	<u>95,671,931</u>	<u>95,502,449</u>
Net Position - End of year	<u>\$ 97,083,325</u>	<u>\$ 95,671,931</u>

Charter Township of Grand Blanc

Proprietary Fund
Department of Public Works
Statement of Cash Flows

Year Ended December 31, 2023

Cash Flows from Operating Activities

Receipts from customers	\$ 18,862,789
Payments to suppliers	(16,813,067)
Payments to employees	<u>(1,900,977)</u>

Net cash and cash equivalents provided by operating activities 148,745

Cash Flows Used in Noncapital Financing Activities - Interfund loans made

(15,770)

Cash Flows from Capital and Related Financing Activities

Capital charge collections	795,527
Special assessment collections	2,704
Proceeds from sale of capital assets	146,488
Purchase of capital assets	<u>(4,379,699)</u>

Net cash and cash equivalents used in capital and related financing activities (3,434,980)

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

2,920,131

Net Decrease in Cash and Cash Equivalents

(381,874)

Cash and Cash Equivalents - Beginning of year

1,465,588

Cash and Cash Equivalents - End of year

\$ 1,083,714

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating loss	\$ (13,179)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	2,375,946
Changes in assets and liabilities:	
Receivables	(261,048)
Prepaid and other assets	(19,131)
Accrued and other liabilities	(3,307)
Accounts payable	(1,015,516)
Net change in OPEB activity	<u>(915,020)</u>
Total adjustments	161,924
Net cash and cash equivalents provided by operating activities	<u>\$ 148,745</u>

Charter Township of Grand Blanc

Fiduciary Funds Statement of Fiduciary Net Position

December 31, 2023

	Other Postemployment Benefits Trust Fund	Custodial Fund Tax Collection Fund
Assets		
Cash and cash equivalents	\$ -	\$ 6,384,657
Interest in pooled investments	27,380,781	-
Receivables - Property taxes	-	9,380,957
Total assets	27,380,781	15,765,614
Liabilities - Undistributed tax collections and other	-	6,385,065
Deferred Inflows of Resources - Property taxes levied for the following year	-	9,380,549
Net Position - Restricted - Postemployment benefits other than pension	<u><u>\$ 27,380,781</u></u>	<u><u>\$ -</u></u>

Charter Township of Grand Blanc

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2023

			Custodial Fund
	Other	Postemployment	
		Benefits Trust	Tax Collection
		Fund	Fund
Additions			
Investment income (loss):			
Net increase in fair value of investments	\$ 2,731,646	\$ -	-
Investment costs	(49,033)	-	-
Net investment income	2,682,613	-	-
Contributions - Employer contributions	1,838,068	-	-
Property tax collections	-	61,379,642	
Total additions	4,520,681	61,379,642	
Deductions			
Benefit payments	572,134	-	-
Tax distributions to other governments	-	61,379,642	
Total deductions	572,134	61,379,642	
Net Increase in Fiduciary Net Position	3,948,547	-	-
Net Position - Beginning of year	23,432,234	-	-
Net Position - End of year	\$ 27,380,781	\$ -	

December 31, 2023

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 Solid Waste 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.
- 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, 2023

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, 2023

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, 2023

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 life of the bond 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, 2023

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, 2023

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 and Parks and Recreation Fund:

Purpose	Millage Rate	Approximate Revenue
Operating millage	3.7048	\$ 5,778,000
Master campus project	0.7000	1,092,000
Police millage	0.9783	1,526,000
Fire millage	0.9757	1,522,000
Mosquito millage	0.1303	203,000
Parks and recreation	0.2409	376,000
Act 198/255 taxes and administration fees		<u>740,000</u>
Total		<u><u>\$ 11,237,000</u></u>

A mill equals \$1 of tax per thousand dollars of property valuation (taxable valuation). The Charter Township's total taxable valuation for 2022 was approximately \$1,554,055,000, a portion of which is captured and remitted to the Downtown Development Authority.

To date, the mosquito and parks and recreation millages raised \$166,460 and \$577,580 more revenue than expenditures, respectively. As a result, \$166,460 and \$577,580 of the fund balance was restricted in the General Fund and Parks and Recreation Fund, respectively, as of December 31, 2023.

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, 2023

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, 2023

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 are 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, 2022, from which the summarized information was derived.

December 31, 2023

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

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.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the Charter Township's financial statements for the year ending December 31, 2025.

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 three 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, 2023

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 \$16,082,564 of bank deposits (certificates of deposit and checking and savings accounts). Of that amount, \$500,585 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 total deposits of \$648,221, of which \$250,000 was covered by federal depository insurance and the remainder was 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	\$ 17,758,555	1.05
U.S. agency bonds	1,382,894	1.86

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	\$ 17,758,555	Aaa	Moody's
U.S. agency bonds	1,382,894	Aaa	Moody's
GovMic money market	2,245,539	NR	Moody's
Michigan Liquid Asset Fund Plus Cash Management	973,429	NR	Moody's

December 31, 2023

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, 2023:

- Publicly traded stocks of \$160,263 are valued using quoted market prices (Level 1 inputs).
- U.S. Treasury and U.S. agency bonds of \$19,141,449 are valued using other inputs, such as interest rates and yield curves, that are 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, 2023, 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	\$ 27,380,781	\$ -	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, 2023

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, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets not being depreciated:					
Land and land improvements	\$ 1,948,097	\$ -	\$ 133,789	\$ -	\$ 2,081,886
Construction in progress	4,352,662	(4,127,721)	263,049	-	487,990
Subtotal	6,300,759	(4,127,721)	396,838	-	2,569,876
Capital assets being depreciated:					
Buildings and improvements	20,678,903	4,127,721	2,400,860	(225,547)	26,981,937
Furniture and equipment	3,464,018	-	289,823	(12,799)	3,741,042
Vehicles	3,959,630	-	106,599	(88,251)	3,977,978
Infrastructure	5,677,933	-	-	-	5,677,933
Subtotal	33,780,484	4,127,721	2,797,282	(326,597)	40,378,890
Accumulated depreciation:					
Buildings and improvements	8,767,713	-	628,271	(213,135)	9,182,849
Furniture and equipment	2,737,115	-	227,106	(4,193)	2,960,028
Vehicles	1,593,468	-	463,859	(75,839)	1,981,488
Infrastructure	4,422,072	-	177,864	-	4,599,936
Subtotal	17,520,368	-	1,497,100	(293,167)	18,724,301
Net capital assets being depreciated	16,260,116	4,127,721	1,300,182	(33,430)	21,654,589
Net governmental activities capital assets	\$ 22,560,875	\$ -	\$ 1,697,020	\$ (33,430)	\$ 24,224,465

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2023

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance January 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets not being depreciated:					
Land	\$ 1,176,381	\$ -	\$ -	\$ -	\$ 1,176,381
Construction in progress	1,667,542	-	3,572,069	-	5,239,611
Subtotal	2,843,923	-	3,572,069	-	6,415,992
Capital assets being depreciated:					
Water and sewer distribution systems	116,107,691	-	771,890	-	116,879,581
Buildings and improvements	1,860,010	-	-	-	1,860,010
Furniture and equipment	2,141,133	-	-	-	2,141,133
Vehicles	3,023,279	-	35,740	(314,347)	2,744,672
Subtotal	123,132,113	-	807,630	(314,347)	123,625,396
Accumulated depreciation:					
Water and sewer distribution systems	40,172,668	-	1,779,432	-	41,952,100
Buildings and improvements	675,754	-	43,091	-	718,845
Furniture and equipment	1,699,519	-	113,939	-	1,813,458
Vehicles	2,153,104	-	439,484	(282,912)	2,309,676
Subtotal	44,701,045	-	2,375,946	(282,912)	46,794,079
Net capital assets being depreciated	78,431,068	-	(1,568,316)	(31,435)	76,831,317
Net business-type activities capital assets	\$ 81,274,991	\$ -	\$ 2,003,753	\$ (31,435)	\$ 83,247,309

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

Governmental activities:		
General government		\$ 356,575
Public safety		922,222
Recreation and culture		218,303
Total governmental activities		\$ 1,497,100
Business-type activities - Water and sewer		\$ 2,375,946

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2023

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:

	Spent to Date	Remaining Commitment
Enterprise Park	\$ 1,503,221	\$ 277,851
Tech Village	31,602	189,498
BS&A Cloud Conversion	-	209,710
Special Assessment for Kings Pointe Subdivision	-	1,782,000
Grand Blanc Rd. & Fenton Rd. Bypass Sewer Project	2,459,860	349,075
New DPS Building	653,150	701,179
Fire Station #1	241,576	259,340
Fenton Road Sewer Upgrades	71,014	63,986
Total	\$ 4,960,423	\$ 3,832,639

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Department of Public Works Fund	General Fund	\$ 1,025
	Capital Projects Fund	2,840
	Nonmajor governmental funds	<u>11,905</u>
	Total Department of Public Works Fund	15,770
Nonmajor governmental funds	General Fund	387,261
	Nonmajor governmental funds	<u>4,118</u>
	Total nonmajor governmental funds	391,379
General Fund	Solid Waste Fund	76,000
	Capital Projects Fund	<u>982</u>
	Total General Fund	76,982
	Total	\$ 484,131

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.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Master Campus Project Fund	\$ 705,000
	Capital Projects Fund	1,500,000
	Parks and Recreation Fund	<u>365,000</u>
	Total	\$ 2,570,000

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2023

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

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

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 - 2013 Braemore Road Bond:							
Amount of issue: \$742,000							
Maturing through 2023	2.70%-3.25%	\$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	45,000	\$ -	\$ (15,000)	30,000	15,000
Special assessment bonds - 2018 Concord Green Bond:							
Amount of issue: \$404,000							
Maturing through 2027	2.70%-3.45%	\$43,000-\$44,000	220,000	\$ -	\$ (45,000)	175,000	44,000
Special assessment bonds - 2019 Green Valley Bond:							
Amount of issue: \$311,000							
Maturing through 2024	2.30%	\$63,000	126,000	\$ -	\$ (63,000)	63,000	63,000
Special assessment bonds - 2020 Grand Waliea Bond:							
Amount of issue: \$475,000							
Maturing through 2030	1.38%	\$47,000-\$49,000	383,000	\$ -	\$ (49,000)	334,000	49,000
Special assessment bonds - 2020 Grand Blanc Estates Bond:							
Amount of issue: \$451,000							
Maturing through 2035	1.74%	\$30,000-\$33,000	399,000	\$ -	\$ (33,000)	366,000	33,000
Special assessment bonds - 2021 Grandville Estates bond:							
Amount of issue: \$717,000							
Maturing through 2036	0.65%-1.95%	\$50,000-\$51,000	679,000	\$ -	\$ (47,000)	632,000	51,000
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	125,000
Police camera financing							
Amount of issue: \$207,011							
Maturing through 2026	0.00%	\$38,702-\$41,402	165,609	\$ -	\$ (44,102)	121,507	40,502
Total direct borrowings and direct placements principal outstanding			6,209,609	\$ -	\$ (373,102)	5,836,507	420,502

Charter Township of Grand Blanc

Notes to Financial Statements

December 31, 2023

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							
Maturing through 2031	3.00%-4.00%	\$515,000-\$605,000	\$ 5,085,000 336,216	\$ -	\$ (525,000) (40,753)	\$ 4,560,000 295,463	\$ 515,000
Premium on bonds payable							
Total other debt principal outstanding			5,421,216	-	(565,753)	4,855,463	515,000
Total bonds and contracts payable			11,630,825	-	(938,855)	10,691,970	935,502
Leases							
Accumulated compensated absences			25,806 192,860	- 962,845	(6,564) (957,024)	19,242 198,681	6,790 198,681
Total governmental activities			\$ 11,849,491	\$ 962,845	\$ (1,902,443)	\$ 10,909,893	\$ 1,140,973

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 13,138	\$ 148,494	\$ (155,231)	\$ 6,401	\$ 6,401

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	
2024	\$ 420,502	\$ 163,722	\$ 515,000	\$ 163,475	\$ 1,262,699	
2025	412,302	154,476	605,000	146,675	1,318,453	
2026	450,703	144,054	595,000	125,700	1,315,457	
2027	471,000	131,623	585,000	102,100	1,289,723	
2028	492,000	117,716	580,000	78,800	1,268,516	
2029-2033	3,393,000	312,169	1,680,000	100,000	5,485,169	
2034-2035	197,000	4,986	-	-	201,986	
Total	\$ 5,836,507	\$ 1,028,746	\$ 4,560,000	\$ 716,750	\$ 12,142,003	

For the year ended December 31, 2023, interest expense was \$337,929.

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, 2023

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 hired prior to January 1, 2023, 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 \$490,988 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 hired prior to January 1, 2023. 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, 2023

Note 9 - Pension Plan (Continued)

Employees Covered by Benefit Terms

At the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

	MERS Plan
Inactive plan members or beneficiaries currently receiving benefits	30
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>49</u>
Total employees covered by the plan	<u><u>80</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 14 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 contribution requirement is approximately \$100,000 per month.

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, 2023 was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 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, 2023

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, 2021	\$ 33,690,901	\$ 24,777,923	\$ 8,912,978
Changes for the year:			
Service cost	752,042	-	752,042
Interest	2,426,136	-	2,426,136
Changes in benefits	(849)	-	(849)
Differences between expected and actual experience	(703,068)	-	(703,068)
Contributions - Employer	-	1,229,803	(1,229,803)
Contributions - Employee	-	570,787	(570,787)
Net investment loss	-	(2,726,288)	2,726,288
Benefit payments, including refunds	(1,157,314)	(1,157,314)	-
Administrative expenses	-	(45,917)	45,917
Miscellaneous other charges	(48,651)	(48,651)	-
Net changes	1,268,296	(2,177,580)	3,445,876
Balance at December 31, 2022	\$ 34,959,197	\$ 22,600,343	\$ 12,358,854

The plan's fiduciary net position represents 64.6 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, 2023, the Charter Township recognized pension expense of \$2,444,186. At December 31, 2023, 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	\$ 820,807	\$ 608,309
Changes in assumptions	1,410,867	-
Net difference between projected and actual earnings on pension plan investments	2,186,164	-
Employer contributions to the plan subsequent to the measurement date	2,221,541	-
Total	\$ 6,639,379	\$ 608,309

December 31, 2023

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
2024	\$ 1,325,861
2025	1,205,273
2026	510,493
2027	767,902
Total	\$ 3,809,529

Actuarial Assumptions

The total pension liability in the December 31, 2022 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, 2022 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, 2022, 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, 2023

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	\$ 17,384,298	\$ 12,358,854	\$ 8,247,774

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.

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 \$69,792 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, 2023

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, 2023
Inactive plan members or beneficiaries currently receiving benefits	45
Active plan members	51
Total plan members	<u>96</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, 2023, the Charter Township made payments for postemployment health benefit premiums of \$572,134, plus prefunded contributions of \$1,265,934. Employees retiring after various dates in 2017 contribute monthly amounts, as specified in their labor contracts.

Net OPEB Liability

The Charter Township has chosen to use the December 31 measurement date as its measurement date for the net OPEB liability. The December 31, 2023 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, 2023 measurement date. The December 31, 2023 total OPEB liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at December 31, 2022	\$ 26,323,886	\$ 23,432,234	\$ 2,891,652
Changes for the year:			
Service cost	517,200	-	517,200
Interest	1,859,190	-	1,859,190
Differences between expected and actual experience	3,436,659	-	3,436,659
Changes in assumptions	(3,034,755)	-	(3,034,755)
Contributions - Employer	-	1,838,068	(1,838,068)
Net investment income	-	2,682,613	(2,682,613)
Benefit payments, including refunds	<u>(572,134)</u>	<u>(572,134)</u>	<u>-</u>
Net changes	2,206,160	3,948,547	(1,742,387)
Balance at December 31, 2023	<u>\$ 28,530,046</u>	<u>\$ 27,380,781</u>	<u>\$ 1,149,265</u>

Based on funding to date, the governmental activities' share of the net OPEB liability is \$4,447,681, while the business-type activities report a net OPEB asset of \$3,298,416.

The plan's fiduciary net position represents 96.0 percent of the total OPEB liability.

December 31, 2023

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, 2023, the Charter Township recognized an OPEB cost recovery of \$3,882,968.

At December 31, 2023, 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	\$ 3,549,628	\$ 4,797,599
Changes in assumptions	1,093,750	11,786,418
Net difference between projected and actual earnings on OPEB plan investments	1,131,144	-
Total	\$ 5,774,522	\$ 16,584,017

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
2024	\$ (4,373,793)
2025	(4,193,504)
2026	(2,364,288)
2027	55,107
2028	66,983
Total	\$ (10,809,495)

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 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 7.0 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, 2023

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, 2023 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	\$ 5,351,066	\$ 1,149,265	\$ (2,285,709)

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 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% - 6.00%)	Current Health Care Cost Trend Rate (4.50% - 7.00%)	1 Percentage Point Increase (5.50% - 8.00%)
Net OPEB (asset) liability of the plan	\$ (2,666,765)	\$ 1,149,265	\$ 5,863,060

Assumption Changes

In the current year, the initial health care cost trend rate was reduced from 7.5 percent to 7.0 percent.

December 31, 2023

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, 2023:

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, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.65 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, 2023 are as follows:

Years Ending	Principal	Interest	Total
2024	\$ 6,790	\$ 549	\$ 7,339
2025	7,025	315	7,340
2026	5,427	77	5,504
Total	<u>\$ 19,242</u>	<u>\$ 941</u>	<u>\$ 20,183</u>

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

During the year ended December 31, 2023, the Charter Township recognized the following related to its lessor agreements:

Lease revenue	\$ 75,057
Interest income related to its leases	43,701

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, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 10,788,185	\$ 10,788,185	\$ 10,896,712	\$ 108,527
Special assessments	791,994	791,994	732,275	(59,719)
Intergovernmental:				
Federal sources	3,000	240,369	258,285	17,916
State sources	4,565,271	4,745,363	4,846,894	101,531
Local grants and contributions	65,000	82,394	157,929	75,535
Fines and forfeitures	65,000	65,000	120,551	55,551
Licenses and permits	79,500	79,500	65,742	(13,758)
Investment income	30,400	525,400	717,240	191,840
Other revenue:				
Local donations	7,000	7,000	18,100	11,100
Other miscellaneous income	1,906,518	1,944,686	1,965,743	21,057
Cable franchise fees	565,000	565,000	537,033	(27,967)
Total revenue	18,866,868	19,834,891	20,316,504	481,613
Expenditures				
Current services:				
General government:				
Legislative	312,396	423,396	276,753	146,643
Superintendent's office	578,863	651,363	613,381	37,982
General office	755,391	755,391	554,092	201,299
GIS/IT	558,067	558,067	514,307	43,760
Treasurer's office	419,747	419,747	413,426	6,321
Assessor's office	643,867	643,867	571,627	72,240
Clerk's office	250,495	250,495	245,458	5,037
Buildings and grounds	193,000	198,000	209,968	(11,968)
Legal and attorney	150,000	150,000	96,948	53,052
Elections	111,602	111,602	103,885	7,717
Planning and zoning	280,084	280,084	254,824	25,260
Insurance and other functions	665,934	1,265,934	1,265,934	-
Public safety	10,898,799	12,119,299	11,517,182	602,117
Public works	2,959,642	1,977,036	1,527,330	449,706
Recreation and culture - Library	-	16,869	16,868	1
Debt service	480,854	480,854	360,846	120,008
Total expenditures	19,258,741	20,302,004	18,542,829	1,759,175
Excess of Revenue (Under) Over Expenditures	(391,873)	(467,113)	1,773,675	2,240,788
Other Financing (Uses) Sources				
Transfers out	(1,656,627)	(2,656,627)	(2,570,000)	86,627
New debt issued	1,300,000	-	-	-
Proceeds from sale of capital assets	20,000	20,000	18,866	(1,134)
Total other financing uses	(336,627)	(2,636,627)	(2,551,134)	85,493
Net Change in Fund Balance	(728,500)	(3,103,740)	(777,459)	2,326,281
Fund Balance - Beginning of year	6,152,561	6,152,561	6,152,561	-
Fund Balance - End of year	\$ 5,424,061	\$ 3,048,821	\$ 5,375,102	\$ 2,326,281

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Charges for services	\$ 1,694,070	\$ 1,694,070	\$ 1,669,508	\$ (24,562)
Investment income	2,000	2,000	31,189	29,189
Total revenue	1,696,070	1,696,070	1,700,697	4,627
Expenditures - Current services - Public works	1,696,070	1,696,070	1,688,384	7,686
Net Change in Fund Balance	-	-	12,313	12,313
Fund Balance - Beginning of year	13	13	13	-
Fund Balance - End of year	\$ 13	\$ 13	\$ 12,326	\$ 12,313

Charter Township of Grand Blanc

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

Last Nine Plan Years, Prospectively Built from 2014

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 752,042	\$ 652,876	\$ 550,932	\$ 526,471	\$ 492,883	\$ 451,817	\$ 448,933	\$ 444,281	\$ 417,196
Interest	2,426,136	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	(849)	(21,243)	(37,305)	(67,680)	(36,179)	(21,961)	8,686	(40,553)	-
Differences between expected and actual experience	(703,068)	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	(1,157,314)	(1,069,649)	(963,714)	(934,579)	(925,740)	(871,925)	(908,681)	(812,129)	(796,761)
Miscellaneous other	(48,651)	(35,982)	(27,037)	-	-	-	-	-	-
Net Change in Total Pension Liability	1,268,296	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	33,690,901	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	\$ 34,959,197	\$ 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	\$ 1,229,803	\$ 1,289,175	\$ 1,604,852	\$ 1,059,876	\$ 986,910	\$ 1,678,190	\$ 1,239,870	\$ 791,064	\$ 790,503
Contributions - Member	570,787	485,047	359,585	329,178	293,525	281,622	249,860	240,707	220,671
Net investment (loss) income	(2,726,288)	2,923,857	2,633,790	2,092,412	(628,194)	1,712,426	1,260,874	(168,003)	635,862
Administrative expenses	(45,917)	(34,499)	(36,296)	(36,091)	(30,423)	(27,018)	(24,852)	(24,029)	(23,476)
Benefit payments, including refunds	(1,157,314)	(1,069,649)	(963,714)	(934,579)	(925,740)	(871,925)	(908,681)	(812,129)	(796,762)
Other	(48,651)	(35,982)	(27,037)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(2,177,580)	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	24,777,923	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	\$ 22,600,343	\$ 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	\$ 12,358,854	\$ 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	64.65 %	73.54 %	73.16 %	66.67 %	63.18 %	69.52 %	60.38 %	52.99 %	58.36 %
Covered Payroll	\$ 3,708,293	\$ 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	333.28 %	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,221,541	\$ 1,019,094	\$ 1,289,175	\$ 1,104,480	\$ 1,059,876	\$ 986,910	\$ 978,987	\$ 893,011	\$ 791,064	\$ 738,228
Contributions in relation to the actuarially determined contribution	<u>2,221,541</u>	<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>
Contribution Excess	<u>\$ 1,000,000</u>	<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>
Covered Payroll	\$ 4,090,170	\$ 3,708,293	\$ 3,607,051	\$ 3,355,252	\$ 3,409,788	\$ 3,270,622	\$ 3,030,298	\$ 3,000,886	\$ 3,032,637	\$ 2,847,756
Contributions as a Percentage of Covered Payroll	54.31 %	32.39 %	34.16 %	46.31 %	30.70 %	30.25 %	55.38 %	41.32 %	26.09 %	25.92 %

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, 2023 were determined based on the actuarial valuation as of December 31, 2021. The most recent valuation is as of December 31, 2022.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	17 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 Six Fiscal Years					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 517,200	\$ 457,735	\$ 1,320,901	\$ 1,225,366	\$ 1,612,672	\$ 1,626,903
Interest	1,859,190	1,743,411	2,259,463	2,038,920	2,656,728	2,583,284
Differences between expected and actual experience	3,436,659	-	1,371,493	-	(12,941,878)	(2,448,070)
Changes in assumptions	(3,034,755)	1,126,399	(17,518,634)	799,908	(1,581,051)	-
Benefit payments, including refunds	(572,134)	(522,324)	(495,550)	(472,811)	(458,642)	(603,223)
Net Change in Total OPEB Liability	2,206,160	2,805,221	(13,062,327)	3,591,383	(10,712,171)	1,158,894
Total OPEB Liability - Beginning 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>	<u>42,542,886</u>
Total OPEB Liability - End of year	<u>\$ 28,530,046</u>	<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	\$ 1,838,068	\$ 1,522,324	\$ 2,158,422	\$ 2,967,811	\$ 4,640,793	\$ 2,357,084
Net investment income (loss)	2,682,613	(2,654,002)	2,713,967	1,952,864	1,752,458	(394,439)
Administrative expenses	-	-	-	(29,213)	(20,708)	-
Benefit payments, including refunds	(572,134)	(522,324)	(495,550)	(472,811)	(458,642)	(603,223)
Net Change in Plan Fiduciary Net Position	3,948,547	(1,654,002)	4,376,839	4,418,651	5,913,901	1,359,422
Plan Fiduciary Net Position - Beginning 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>	<u>9,017,423</u>
Plan Fiduciary Net Position - End of year	<u>\$ 27,380,781</u>	<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>\$ 1,149,265</u>	<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	95.97 %	89.02 %	106.67 %	56.61 %	49.38 %	23.74 %
Covered Payroll	\$ 3,547,861	\$ 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	32.39 %	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 543,903	\$ 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
Contributions in relation to the actuarially determined contribution	1,838,068	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
Contribution Excess (Deficiency)	\$ 1,294,165	\$ 804,870	\$ 1,767,786	\$ 698,948	\$ 2,622,761	\$ (841,554)	\$ (979,495)	\$ (1,509,288)	\$ (1,641,569)	\$ (164,030)
Covered Payroll	\$ 3,547,861	\$ 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
Contributions as a Percentage of Covered Payroll	51.81 %	38.74 %	57.12 %	65.04 %	105.78 %	55.16 %	51.46 %	36.24 %	30.58 %	23.73 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age (level percentage of pay)
Amortization method	Closed
Remaining amortization period	21 years
Asset valuation method	Market value
Inflation	2.50 percent
Health care cost trend rates	7.00 percent decreasing to 4.50 percent
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 Five Fiscal Years, Prospectively Built from the Implementation of GASB 74 Years Ended December 31

	2023	2022	2021	2020	2019
Annual money-weighted rate of return -					
Net of investment expense	11.65 %	(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, 2023

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	\$ 5,383,451
Evatt Ecology Fund	(7,754)
Historical Preservation Fund	<u>(595)</u>
Amounts per budget statement	<u><u>\$ 5,375,102</u></u>

The Charter Township does not adopt budgets for the three permanent funds (the Oakwood Cemetery Fund, the Perry-McFarland Cemetery Fund, and the Maple Cemetery Fund) or the two funds reported within the General Fund (the Evatt Ecology Fund and the Historical Preservation Fund).

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	\$ 198,000	\$ 209,968	\$ (11,968)
Capital Projects Fund - Debt service	-	40,502	(40,502)
Nonmajor governmental fund - CDBG	234,975	235,924	(949)

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 2023, the initial health care cost trend rate was reduced from 7.5 percent to 7.0 percent.

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, 2023

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

Charter Township of Grand Blanc

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions

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.

Debt Service Funds

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

Master Campus Project Fund

This fund is used to account for property taxes set aside for all costs associated with the development and construction of a charter township master campus.

Charter Township of Grand Blanc

Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions (Continued)

Development Debt Service Fund

This fund is used to account for contributions from the Downtown Development Authority for debt service on the 2022 downtown development bonds.

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	\$ 906	\$ 830	\$ 1,302	\$ 11,284	\$ -	\$ 55,933	
Investments	138,131	19,714	42,261	140,728	-	1,472,442	
Receivables	405	62	191	6,653	4,118	25,929	
Due from other funds	-	-	-	-	-	-	
Prepays	-	-	-	4,932	-	2,970	
Total assets	\$ 139,442	\$ 20,606	\$ 43,754	\$ 163,597	\$ 4,118	\$ 1,557,274	
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,107	
Due to other funds	-	-	-	-	4,118	-	
Refundable deposits, bonds, etc.	-	-	-	-	-	311,918	
Accrued liabilities and other	1,182	-	-	-	-	4,507	
Total liabilities	1,182	-	-	-	4,118	324,532	
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	
Property taxes levied for the following year	-	-	-	-	-	-	
Deferred inflows from leases	-	-	-	-	-	-	
Total deferred inflows of resources	-	-	-	-	-	-	
Fund Balances							
Nonspendable:							
Prepays	-	-	-	4,932	-	2,970	
Cemetery endowment	-	-	-	-	-	-	
Restricted:							
Public safety	138,260	20,606	43,754	-	-	-	
Opioids settlement	-	-	-	-	-	-	
PEG Channel	-	-	-	158,665	-	-	
Cemetery	-	-	-	-	-	-	
Parks and recreation	-	-	-	-	-	-	
Construction code	-	-	-	-	-	1,229,772	
Committed - Bicentennial Park	-	-	-	-	-	-	
Assigned - Debt service	-	-	-	-	-	-	
Total fund balances	138,260	20,606	43,754	163,597	-	1,232,742	
Total liabilities, deferred inflows of resources, and fund balances	\$ 139,442	\$ 20,606	\$ 43,754	\$ 163,597	\$ 4,118	\$ 1,557,274	

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2023

Special Revenue Funds		Debt Service Funds		Permanent Funds			
Opioids Settlement Fund	Parks and Recreation Fund	Master Campus Project Fund	Development Debt Service Fund	Oakwood Cemetery Fund	Perry-McFarland Cemetery Fund	Maple Cemetery Fund	Total
\$ 3,157	\$ 192,783	\$ 846	\$ -	\$ 3,232	\$ 3,050	\$ 5,887	\$ 279,210
12,401	254,270	3,005,730	-	73,354	236,854	151,917	5,547,802
65,662	988,291	12,647	-	400	1,056	720	1,106,134
-	391,379	-	-	-	-	-	391,379
-	2,027	-	-	-	-	-	9,929
\$ 81,220	\$ 1,828,750	\$ 3,019,223	\$ -	\$ 76,986	\$ 240,960	\$ 158,524	\$ 7,334,454
\$ -	\$ 9,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,051
-	11,905	-	-	-	-	-	16,023
-	-	-	-	-	-	-	311,918
-	9,395	-	-	-	-	-	15,084
-	31,244	-	-	-	-	-	361,076
65,644	2,625	-	-	-	-	-	68,269
-	397,461	-	-	-	-	-	397,461
-	712,499	-	-	-	-	-	712,499
65,644	1,112,585	-	-	-	-	-	1,178,229
-	2,027	-	-	-	-	-	9,929
-	-	-	-	16,365	147,189	25,311	188,865
15,576	-	-	-	-	-	-	202,620
-	-	-	-	-	-	-	15,576
-	-	-	-	-	-	-	158,665
-	-	-	-	60,621	93,771	133,213	287,605
-	577,580	-	-	-	-	-	577,580
-	-	-	-	-	-	-	1,229,772
-	105,314	-	-	-	-	-	105,314
-	-	3,019,223	-	-	-	-	3,019,223
15,576	684,921	3,019,223	-	76,986	240,960	158,524	5,795,149
\$ 81,220	\$ 1,828,750	\$ 3,019,223	\$ -	\$ 76,986	\$ 240,960	\$ 158,524	\$ 7,334,454

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	-	-	-	-	235,924	-
State sources	-	-	-	-	-	-
Local grants and contributions	-	-	-	-	-	-
Charges for services	-	-	-	-	-	421,644
Fines and forfeitures	2,080	-	-	-	-	-
Licenses and permits	-	-	-	-	-	579,881
Investment income	6,729	932	1,992	7,002	-	71,102
Other revenue	-	-	-	24,461	-	23,428
Total revenue	8,809	932	1,992	31,463	235,924	1,096,055
Expenditures						
Current services:						
General government	-	-	-	9,701	-	-
Public safety	6,292	-	-	-	-	839,809
Community and economic development	-	-	-	-	235,924	-
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	23,602	-	-
Debt service	-	-	-	-	-	-
Total expenditures	6,292	-	-	33,303	235,924	839,809
Excess of Revenue Over (Under) Expenditures	2,517	932	1,992	(1,840)	-	256,246
Other Financing Sources						
Transfers in	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net Change in Fund Balances	2,517	932	1,992	(1,840)	-	256,246
Fund Balances - Beginning of year	135,743	19,674	41,762	165,437	-	976,496
Fund Balances - End of year	\$ 138,260	\$ 20,606	\$ 43,754	\$ 163,597	\$ -	\$ 1,232,742

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

Year Ended December 31, 2023

Special Revenue Funds		Debt Service Funds		Permanent Funds				Total
Opioids Settlement Fund	Parks and Recreation Fund	Master Campus Project Fund	Development Debt Service Fund	Oakwood Cemetery Fund	Perry-McFarland Cemetery Fund	Maple Cemetery Fund		
\$ -	\$ 371,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 371,583
-	176,900	-	-	-	-	-	-	412,824
-	21,456	-	-	-	-	-	-	21,456
-	-	-	128,251	-	-	-	-	128,251
-	375,935	-	-	-	-	-	-	797,579
-	-	-	-	-	-	-	-	2,080
-	-	-	-	-	-	-	-	579,881
420	34,409	116,373	-	3,342	10,553	7,434	-	260,288
3,031	302,157	-	-	-	-	3,649	-	356,726
3,451	1,282,440	116,373	128,251	3,342	10,553	11,083	2,930,668	
-	-	-	-	-	-	-	-	9,701
-	-	-	-	-	-	-	-	846,101
-	-	-	-	-	-	-	-	235,924
-	1,075,921	-	-	-	-	-	-	1,075,921
-	508,370	-	-	-	-	-	-	531,972
-	-	705,575	128,251	-	-	-	-	833,826
-	1,584,291	705,575	128,251	-	-	-	-	3,533,445
3,451	(301,851)	(589,202)	-	3,342	10,553	11,083	(602,777)	
-	365,000	705,000	-	-	-	-	-	1,070,000
-	8,430	-	-	-	-	-	-	8,430
-	373,430	705,000	-	-	-	-	-	1,078,430
3,451	71,579	115,798	-	3,342	10,553	11,083	475,653	
12,125	613,342	2,903,425	-	73,644	230,407	147,441	5,319,496	
\$ 15,576	\$ 684,921	\$ 3,019,223	\$ -	\$ 76,986	\$ 240,960	\$ 158,524	\$ 5,795,149	

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Fines and forfeitures	\$ 108,491	\$ 5,000	\$ 2,080	\$ (2,920)
Investment (loss) income	(416)	250	6,729	6,479
Total revenue	108,075	5,250	8,809	3,559
Expenditures - Public safety	10,796	10,250	6,292	3,958
Net Change in Fund Balance	97,279	(5,000)	2,517	7,517
Fund Balance - Beginning of year	38,464	135,743	135,743	-
Fund Balance - End of year	\$ 135,743	\$ 130,743	\$ 138,260	\$ 7,517

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Investment (loss) income	\$ (162)	\$ -	\$ 932	\$ 932
Other revenue	7,763	-	-	-
Total revenue	7,601	-	932	932
Expenditures	-	-	-	-
Net Change in Fund Balance	7,601	-	932	932
Fund Balance - Beginning of year	12,073	19,674	19,674	-
Fund Balance - End of year	<u>\$ 19,674</u>	<u>\$ 19,674</u>	<u>\$ 20,606</u>	<u>\$ 932</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Fines and forfeitures	\$ -	\$ 2,000	\$ -	\$ (2,000)
Investment (loss) income	(772)	250	1,992	1,742
Total revenue	(772)	2,250	1,992	(258)
Expenditures	-	2,250	-	2,250
Net Change in Fund Balance	(772)	-	1,992	1,992
Fund Balance - Beginning of year	42,534	41,762	41,762	-
Fund Balance - End of year	\$ 41,762	\$ 41,762	\$ 43,754	\$ 1,992

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Investment (loss) income	\$ (2,455)	\$ 1,000	\$ 7,002	\$ 6,002
PEG contributions	<u>26,333</u>	<u>28,000</u>	<u>24,461</u>	<u>(3,539)</u>
Total revenue	23,878	29,000	31,463	2,463
Expenditures				
Current services - General government	8,955	10,000	9,701	299
Capital outlay	-	26,000	23,602	2,398
Total expenditures	<u>8,955</u>	<u>36,000</u>	<u>33,303</u>	<u>2,697</u>
Net Change in Fund Balance				
	14,923	(7,000)	(1,840)	5,160
Fund Balance - Beginning of year	<u>150,514</u>	<u>165,437</u>	<u>165,437</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 165,437</u>	<u>\$ 158,437</u>	<u>\$ 163,597</u>	<u>\$ 5,160</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Federal sources	\$ 64,677	\$ 234,975	\$ 235,924	\$ 949
Expenditures - Current - Community and economic development	<u>64,677</u>	<u>234,975</u>	<u>235,924</u>	<u>(949)</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, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Charges for services	\$ 473,854	\$ 427,150	\$ 421,644	\$ (5,506)
Licenses and permits	615,696	453,600	579,881	126,281
Investment (loss) income	(17,468)	3,000	71,102	68,102
Other revenue	<u>19,642</u>	<u>15,000</u>	<u>23,428</u>	<u>8,428</u>
Total revenue	1,091,724	898,750	1,096,055	197,305
Expenditures - Current services - Public safety	<u>755,919</u>	<u>961,329</u>	<u>839,809</u>	<u>121,520</u>
Net Change in Fund Balance	335,805	(62,579)	256,246	318,825
Fund Balance - Beginning of year	<u>640,691</u>	<u>976,496</u>	<u>976,496</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 976,496</u>	<u>\$ 913,917</u>	<u>\$ 1,232,742</u>	<u>\$ 318,825</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	\$ 354,561	\$ 372,925	\$ 371,583	\$ (1,342)
Intergovernmental	223,985	194,900	198,356	3,456
Charges for services	351,575	527,300	375,935	(151,365)
Investment income	14,582	-	34,409	34,409
Other revenue:				
Local contributions	195,935	203,670	216,062	12,392
Other miscellaneous income	229,128	83,090	86,095	3,005
Total revenue	1,369,766	1,381,885	1,282,440	(99,445)
Expenditures				
Current - Recreation and culture	1,085,740	1,289,687	1,075,921	213,766
Capital outlay	560,547	543,825	508,370	35,455
Total expenditures	1,646,287	1,833,512	1,584,291	249,221
Excess of Expenditures Over Revenue	(276,521)	(451,627)	(301,851)	149,776
Other Financing Sources				
Transfers in	300,000	451,627	365,000	(86,627)
Proceeds from sale of capital assets	1,000	-	8,430	8,430
Total other financing sources	301,000	451,627	373,430	(78,197)
Net Change in Fund Balance	24,479	-	71,579	71,579
Fund Balance - Beginning of year	588,863	613,342	613,342	-
Fund Balance - End of year	\$ 613,342	\$ 613,342	\$ 684,921	\$ 71,579

Charter Township of Grand Blanc

Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds (Continued) Development Debt Service Fund

Year Ended December 31, 2023

	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Local grants and contributions	\$ 128,251	\$ 128,251	\$ -
Expenditures - Debt service	128,251	128,251	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of year	-	-	-
Fund Balance - End of year	\$ -	\$ -	\$ -

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Investment (loss) income	\$ (47,378)	\$ 2,000	\$ 116,373	\$ 114,373
Expenditures - Debt service	<u>731,475</u>	<u>706,075</u>	<u>705,575</u>	<u>500</u>
Excess of Expenditures Over Revenue	(778,853)	(704,075)	(589,202)	114,873
Other Financing Sources - Transfers in	<u>729,975</u>	<u>705,000</u>	<u>705,000</u>	<u>-</u>
Net Change in Fund Balance	(48,878)	925	115,798	114,873
Fund Balance - Beginning of year	<u>2,952,303</u>	<u>2,903,425</u>	<u>2,903,425</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 2,903,425</u>	<u>\$ 2,904,350</u>	<u>\$ 3,019,223</u>	<u>\$ 114,873</u>

Charter Township of Grand Blanc

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

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Investment income	\$ -	\$ -	\$ 420	\$ 420
Other revenue	12,125	15,000	3,031	(11,969)
Total revenue	12,125	15,000	3,451	(11,549)
Expenditures	-	-	-	-
Net Change in Fund Balance	12,125	15,000	3,451	(11,549)
Fund Balance - Beginning of year	-	12,125	12,125	-
Fund Balance - End of year	\$ 12,125	\$ 27,125	\$ 15,576	\$ (11,549)

Charter Township of Grand Blanc

Other Supplementary Information Budgetary Comparison Schedule - Major Capital Projects Fund

Year Ended December 31, 2023

	Prior Year Actual	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 165,917	\$ 2,271,575	\$ 2,337,260	\$ 65,685
Investment (loss) income	(26,357)	5,000	44,029	39,029
Other revenue	126,487	-	-	-
Total revenue	266,047	2,276,575	2,381,289	104,714
Expenditures				
Current services:				
General government	59,457	24,000	45,884	(21,884)
Public safety	8,270	70,100	51,045	19,055
Public works	3,994,284	684,000	452,006	231,994
Recreation and culture	48,984	-	-	-
Capital outlay	867,547	2,632,011	2,213,185	418,826
Debt service	98,525	-	40,502	(40,502)
Total expenditures	5,077,067	3,410,111	2,802,622	607,489
Excess of Expenditures Over Revenue	(4,811,020)	(1,133,536)	(421,333)	712,203
Other Financing Sources				
Transfers in	1,058,856	1,500,000	1,500,000	-
New debt issued	4,322,012	-	-	-
Total other financing sources	5,380,868	1,500,000	1,500,000	-
Net Change in Fund Balance	569,848	366,464	1,078,667	712,203
Fund Balance - Beginning of year	1,896,347	2,466,195	2,466,195	-
Fund Balance - End of year	\$ 2,466,195	\$ 2,832,659	\$ 3,544,862	\$ 712,203

Charter Township of Grand Blanc

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

December 31, 2023

Assets

Cash and cash equivalents	\$ 710,356
Receivables - Property taxes	273,547
Prepays and other assets	701
	<hr/>
Total assets	\$ 984,604

Liabilities - Accounts payable

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

Total liabilities and deferred inflows of resources	327,860
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Fund Balance

Nonspendable	701
Unassigned	656,043
	<hr/>
Total fund balance	656,744
	<hr/>
Total liabilities, deferred inflows of resources, and fund balance	\$ 984,604

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, 2023

Revenue - Property taxes	\$ 391,910
Expenditures - General government	<u>192,689</u>
Net Change in Fund Balance	199,221
Fund Balance - Beginning of year	<u>457,523</u>
Fund Balance - End of year	<u>\$ 656,744</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:				
Net investment in capital assets	\$ 8,203,104	\$ 9,492,098	\$ 8,747,363	\$ 8,884,553
Restricted	760,671	909,409	854,593	887,864
Unrestricted	<u>3,530,534</u>	<u>(5,636,916)</u>	<u>(5,741,800)</u>	<u>(6,226,196)</u>
Total net position	<u>\$ 12,338,575</u>	<u>\$ 12,494,309</u>	<u>\$ 4,764,591</u>	<u>\$ 3,860,156</u>
Business Type Activities:				
Net investment in capital assets	\$ 79,866,542	\$ 79,903,350	\$ 79,556,016	\$ 80,027,424
Restricted	100			
Unrestricted	<u>10,584,824</u>	<u>12,556,998</u>	<u>14,477,139</u>	<u>14,621,372</u>
Total net position	<u>\$ 88,520,007</u>	<u>\$ 90,451,366</u>	<u>\$ 92,460,348</u>	<u>\$ 94,033,155</u>
Primary government in total:				
Net investment in capital assets	\$ 88,069,646	\$ 89,395,448	\$ 88,303,379	\$ 88,911,977
Restricted	760,671	909,409	854,593	887,864
Unrestricted	<u>14,115,358</u>	<u>6,920,082</u>	<u>8,735,339</u>	<u>8,395,176</u>
Total net position	<u>\$ 100,858,582</u>	<u>\$ 102,945,675</u>	<u>\$ 97,224,939</u>	<u>\$ 97,893,311</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, 2023

As of December 31,

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 9,024,759	\$ 9,131,696	\$ 12,252,434	\$ 12,007,250	\$ 13,033,886	\$ 13,849,542
1,132,461	1,745,976	1,874,438	1,948,002	2,592,796	2,945,589
(29,023,554)	(27,764,312)	(25,645,424)	(19,661,439)	(13,837,530)	(6,936,261)
\$ 3,546,221	\$ (18,866,334)	\$ (11,518,552)	\$ (5,706,187)	\$ 1,789,152	\$ 9,858,870
\$ 80,443,221	\$ 79,776,545	\$ 79,644,276	\$ 80,658,551	\$ 81,274,991	\$ 83,247,309
100	100				3,298,416
12,711,350	14,409,286	16,309,485	14,843,898	14,396,940	10,537,600
\$ 94,648,796	\$ 93,154,571	\$ 95,953,761	\$ 95,502,449	\$ 95,671,931	\$ 97,083,325
\$ 89,467,980	\$ 88,908,241	\$ 91,896,710	\$ 92,665,801	\$ 94,308,877	\$ 97,096,851
1,132,461	1,745,976	1,874,438	1,948,002	2,592,796	6,244,005
(16,312,204)	(13,355,026)	(9,335,939)	(4,817,541)	559,410	3,601,339
\$ 98,195,017	\$ 77,299,191	\$ 84,435,209	\$ 89,796,262	\$ 97,461,083	\$ 106,942,195

Charter Township of Grand Blanc

	As of December 31,			
	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	\$ 2,745,106	\$ 3,502,152	\$ 3,943,043	\$ 4,097,830
Public safety	8,236,466	9,487,970	9,778,628	9,413,996
Public services	2,110,008	2,247,743	2,001,597	2,576,857
Community & economic development	102,656	108,031	11,742	106,730
Recreation and culture	412,919	405,378	400,615	462,441
Interest on long-term debt	627,123	597,971	275,219	218,938
Total Governmental Activities Expenses	<u>14,234,278</u>	<u>16,349,245</u>	<u>16,410,844</u>	<u>16,876,792</u>
Business Type Activities:				
Department of Public Works	13,264,855	14,874,331	16,669,821	17,562,415
Total Business-Type Activities Expenses	<u>13,264,855</u>	<u>14,874,331</u>	<u>16,669,821</u>	<u>17,562,415</u>
Total Primary Governmental Expenses	<u>27,499,133</u>	<u>31,223,576</u>	<u>33,080,665</u>	<u>34,439,207</u>
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	229,012	21,292	17,820	18,180
Public safety	999,165	1,172,981	1,229,558	932,776
Public services	1,679,494	1,701,853	1,468,084	1,598,184
Community & economic development	37,335	71,876	37,964	114,626
Recreation and culture	24,000	-	-	-
Total charges for services	<u>2,969,006</u>	<u>2,968,002</u>	<u>2,753,426</u>	<u>2,663,766</u>
Operating grants and contributions	234,262	177,716	505,373	265,079
Capital grants and contributions	85,190	343,531	62,013	655,718
Total Governmental Activities Program Revenues	<u>3,288,458</u>	<u>3,489,249</u>	<u>3,320,812</u>	<u>3,584,563</u>
Business Type Activities:				
Charges for services:				
Department of Public Works	13,938,463	15,198,010	17,043,556	16,933,895
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,232,285	1,630,205	1,116,224	1,115,067
Total Business-Type Activities Program Revenue	<u>15,170,748</u>	<u>16,828,215</u>	<u>18,159,780</u>	<u>18,048,962</u>
Total Primary Government Program Revenue	<u>18,459,206</u>	<u>20,317,464</u>	<u>21,480,592</u>	<u>21,633,525</u>
Net (expense)/revenue:				
Governmental Activities	(10,945,820)	(12,859,996)	(13,090,032)	(13,292,229)
Business-Type Activities	<u>1,905,893</u>	<u>1,953,884</u>	<u>1,489,959</u>	<u>486,547</u>
Total Primary Government Net Expense	<u>(9,039,927)</u>	<u>(10,906,112)</u>	<u>(11,600,073)</u>	<u>(12,805,682)</u>
General Revenues and other changes in net position:				
Governmental Activities:				
Property taxes	7,380,963	7,429,486	7,666,286	8,046,464
State-shared revenues	2,915,367	2,917,622	2,990,718	3,224,062
Unrestricted investment earnings	34,627	41,785	65,841	117,778
Unrestricted fees and other	770,597	1,453,547	1,462,752	1,589,990
Total Governmental Activities	<u>11,101,554</u>	<u>11,842,440</u>	<u>12,185,597</u>	<u>12,978,294</u>
Business-Type Activities:				
Unrestricted investment earnings	25,466	32,198	55,692	103,303
Unrestricted fees and other	-	22,900	27,156	25,791
Total Business-Type Activities	<u>25,466</u>	<u>55,098</u>	<u>82,848</u>	<u>129,094</u>
Total Primary Government	<u>11,127,020</u>	<u>11,897,538</u>	<u>12,268,445</u>	<u>13,107,388</u>
Change in net position:				
Governmental Activities	155,734	(1,017,556)	(904,435)	(313,935)
Business-Type Activities	<u>1,931,359</u>	<u>2,008,982</u>	<u>1,572,807</u>	<u>615,641</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,087,093</u>	<u>\$ 991,426</u>	<u>\$ 668,372</u>	<u>\$ 301,706</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 Net Position

Last Ten Fiscal Years

December 31, 2023

As of December 31,						
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
\$ 4,350,692	\$ 4,849,414	\$ 2,790,720	\$ 3,066,139	\$ 2,745,927	\$ 3,078,263	
9,991,900	8,408,615	9,926,342	7,207,390	8,131,850	9,936,183	
2,133,691	2,457,974	3,523,293	2,961,540	2,342,365	3,145,922	
87,369	19,241	164,765	10,510	64,677	235,924	
781,012	793,795	1,090,373	1,341,159	1,405,732	1,325,870	
236,741	255,297	209,154	203,975	270,974	303,635	
<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>	<u>18,025,797</u>	
18,101,223	17,588,462	17,569,186	17,773,806	19,379,625	19,137,016	
18,101,223	17,588,462	17,569,186	17,773,806	19,379,625	19,137,016	
<u>35,682,628</u>	<u>34,372,798</u>	<u>35,273,833</u>	<u>32,564,519</u>	<u>34,341,150</u>	<u>37,162,813</u>	
41,953	41,693	23,453	26,454	20,526	25,057	
1,047,360	1,141,635	967,026	836,450	1,358,882	1,164,841	
1,599,419	1,609,304	1,652,482	1,802,962	1,903,310	1,993,753	
36,837	38,889	23,524	55,439	-	-	
-	-	202,864	334,683	351,575	376,277	
<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>	<u>3,559,928</u>	
377,626	445,308	1,184,934	641,177	1,122,060	1,472,852	
107,476	378,155	4,010,808	889,702	817,725	2,829,461	
<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>7,862,241</u>	
17,519,333	17,029,865	17,382,784	17,014,333	18,953,638	19,123,837	
297,409	-	387,784	-	-	-	
2,182,934	1,207,272	1,353,691	364,611	770,930	795,527	
<u>19,999,676</u>	<u>18,237,137</u>	<u>19,124,259</u>	<u>17,378,944</u>	<u>19,724,568</u>	<u>19,919,364</u>	
<u>23,210,347</u>	<u>21,892,121</u>	<u>27,189,350</u>	<u>21,965,811</u>	<u>25,298,646</u>	<u>27,781,605</u>	
(14,370,734)	(13,129,352)	(9,639,556)	(10,203,846)	(9,387,447)	(10,163,556)	
1,898,453	648,675	1,555,073	(394,862)	344,943	782,348	
<u>(12,472,281)</u>	<u>(12,480,677)</u>	<u>(8,084,483)</u>	<u>(10,598,708)</u>	<u>(9,042,504)</u>	<u>(9,381,208)</u>	
8,385,016	9,425,751	9,751,632	10,300,568	10,855,434	11,259,149	
3,313,639	3,446,405	3,430,667	4,227,977	4,539,184	4,490,559	
216,598	328,375	237,172	(22,185)	(311,298)	1,052,746	
1,643,085	1,908,515	1,588,173	1,509,851	1,799,466	1,430,820	
<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>18,233,274</u>	
240,288	348,016	212,857	(56,450)	(233,524)	513,993	
567	34,569	-	-	58,063	115,053	
<u>240,855</u>	<u>382,585</u>	<u>212,857</u>	<u>(56,450)</u>	<u>(175,461)</u>	<u>629,046</u>	
<u>13,799,193</u>	<u>15,491,631</u>	<u>15,220,501</u>	<u>15,959,761</u>	<u>16,707,325</u>	<u>18,862,320</u>	
(812,396)	1,979,694	5,368,088	5,812,365	7,495,339	8,069,718	
2,139,308	1,031,260	1,767,930	(451,312)	169,482	1,411,394	
<u>\$ 1,326,912</u>	<u>\$ 3,010,954</u>	<u>\$ 7,136,018</u>	<u>\$ 5,361,053</u>	<u>\$ 7,664,821</u>	<u>\$ 9,481,112</u>	

Charter Township of Grand Blanc

	As of December 31,			
	2014	2015	2016	2017
Fund Balances				
General Fund:				
Nonspendable:				
Prepays	\$ 127,367	\$ 145,996	\$ 209,677	\$ 199,969
Reserved/Restricted:				
Mosquito spraying	22,996	19,607	23,736	26,760
Tree Replacement	-	46,703	46,703	72,303
Police LESO	-	-	-	1,231
Construction Code	-	-	-	-
Assigned:				
Compensated absences	200,000	225,000	-	-
Retirement benefits	200,000	775,000	1,700,000	1,000,000
Capital projects	375,000	500,000	-	400,000
Unassigned	<u>1,751,582</u>	<u>1,811,598</u>	<u>1,933,826</u>	<u>1,719,122</u>
Total General Fund	<u>2,676,945</u>	<u>3,523,904</u>	<u>3,913,942</u>	<u>3,419,385</u>
All other governmental funds:				
Nonspendable:				
Prepays	-	-	-	-
Nonexpendable cemetery endowment	153,266	161,000	174,629	177,416
Reserved/Restricted:				
Solid waste	243,440	325,611	190,732	194,225
Public safety	110,810	83,374	99,613	94,067
Capital Projects	-	-	-	-
Cable TV activities - PEG Fund	37,995	74,603	110,928	103,831
Cemetery	192,164	198,511	208,252	218,031
Parks and Recreation	-	-	-	-
Opiods Settlement	-	-	-	-
Construction Code	-	-	-	-
Committed-				
Bicentennial Park improvements	20,687	4,687	5,528	21,931
Assigned:				
Capital projects	<u>2,450,187</u>	<u>2,202,281</u>	<u>2,186,727</u>	<u>2,068,107</u>
Debt service	<u>3,107,687</u>	<u>2,185,596</u>	<u>2,449,752</u>	<u>2,669,305</u>
Total all other governmental funds	<u>6,316,236</u>	<u>5,235,663</u>	<u>5,426,161</u>	<u>5,546,913</u>
Total all governmental funds	<u>\$ 8,993,181</u>	<u>\$ 8,759,567</u>	<u>\$ 9,340,103</u>	<u>\$ 8,966,298</u>

Fund Balances, Governmental Funds

Last Ten Fiscal Years

December 31, 2023

As of December 31,						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	198,093	\$ 304,580	\$ 443,584	\$ 375,472	\$ 263,120	\$ 678,010
39,968	47,184	13,550	36,166	183,954	166,460	
62,599	58,799	47,399	47,399	29,001	29,002	
1,231	667	947	947	947	947	
179,467	-	-	-	-	-	
-	-	-	-	-	-	
1,600,000	1,500,000	1,500,000	1,000,000	1,600,000	1,100,000	
-	-	-	1,000,000	1,000,000	1,000,000	
2,115,465	2,238,715	2,264,121	2,181,308	3,083,888	3,409,032	
<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>	<u>5,383,451</u>	
-	894,612	26,606	4,517	6,999	37,154	
167,958	204,822	183,863	201,168	187,972	188,865	
204,116	225,416	85,469	28,905	13	12,326	
99,090	102,519	95,609	93,071	197,179	202,620	
-	-	-	-	200,642	336,289	
132,920	167,096	197,324	149,737	163,411	158,665	
226,352	240,149	247,521	253,460	263,520	287,605	
18,760	145,794	385,615	495,681	526,501	577,580	
-	-	-	-	12,125	15,576	
-	547,149	607,340	640,466	973,626	1,229,772	
60,115	81,141	43,175	89,667	84,738	105,314	
1,621,033	763,796	1,118,251	1,896,347	2,265,553	3,181,348	
<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>3,019,223</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>	<u>9,352,337</u>	
\$ 9,676,763	\$ 10,477,184	\$ 10,221,371	\$ 11,446,614	\$ 13,946,614	\$ 14,735,788	

Charter Township of Grand Blanc

	As of December 31,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenue				
Property taxes	\$ 7,391,754	\$ 7,429,086	\$ 7,668,863	\$ 8,062,902
Licenses and permits	890,713	1,186,910	1,154,306	971,583
Federal grants	91,857	188,908	138,560	219,240
State-shared revenues and grants	3,034,615	2,974,323	3,351,963	3,360,472
Charges for services	1,405,009	1,430,470	1,195,513	1,346,200
Fines and forfeitures	135,769	79,239	131,036	93,999
Investment income	34,627	41,785	65,841	117,778
Other	1,912,724	2,068,735	2,233,015	2,554,481
Total revenue	14,897,068	15,399,456	15,939,097	16,726,655
Expenditures				
Current:				
General government	2,609,881	2,729,053	3,294,346	3,868,904
Public safety	7,625,735	8,044,554	8,526,763	8,882,019
Public services	2,226,438	2,247,743	2,001,597	2,576,857
Community & economic development	-	108,031	11,742	106,730
Recreation and culture	246,939	238,197	241,517	253,975
Capital outlay	200,841	336,042	348,352	449,334
Debt service principal	654,083	641,076	686,037	749,881
Debt service interest	375,928	465,195	257,420	222,376
Total expenditures	13,939,845	14,809,891	15,367,774	17,110,076
Excess of Revenue Over Expenditures	957,223	589,565	571,323	(383,421)
Other Financing Sources (Uses)				
Debt issuance	-	(1,474,395)	-	-
Debt premium or discount	-	628,283	-	-
Proceeds from sale of capital assets	12,377	22,933	9,213	9,616
Transfers in	750,000	844,635	1,102,199	1,021,763
Transfers out	(750,000)	(844,635)	(1,102,199)	(1,021,763)
Total other financing sources (uses)	12,377	(823,179)	9,213	9,616
Net change in fund balances	969,600	(233,614)	580,536	(373,805)
Fund Balances - Beginning of year	8,023,581	8,993,181	8,759,567	9,340,103
Fund Balances - End of year	\$ 8,993,181	\$ 8,759,567	\$ 9,340,103	\$ 8,966,298
Debt service as a percentage of noncapital expenditures	7%	7%	8%	6%

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
December 31, 2023

As of December 31,						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	8,388,107	\$ 9,434,112	\$ 9,752,239	\$ 10,292,579	\$ 10,846,213	\$ 11,268,295
992,356	640,163	505,676	389,162	681,055	645,623	
196,322	63,373	732,388	76,161	411,459	2,479,213	
3,568,331	3,811,311	3,780,079	4,349,294	5,159,049	5,397,506	
1,355,646	1,857,787	2,009,613	2,224,553	2,377,286	2,467,087	
133,794	95,671	79,376	161,343	224,499	122,631	
216,598	328,375	237,172	(22,185)	(311,298)	1,052,746	
2,642,599	2,927,600	3,991,690	3,446,433	3,940,649	3,896,057	
	17,493,753	19,158,392	21,088,233	20,917,340	23,328,912	27,329,158
4,356,217	5,233,483	5,360,269	4,839,385	4,594,112	5,176,506	
8,814,814	9,165,895	9,907,762	9,802,204	10,283,835	12,363,283	
2,133,691	2,457,974	3,523,293	2,961,540	2,342,365	3,215,714	
87,369	19,241	164,765	10,510	64,677	235,924	
370,857	298,934	848,740	1,172,892	1,230,336	1,120,521	
533,224	537,889	1,509,794	669,446	5,429,023	3,220,158	
661,354	689,000	733,000	748,000	929,402	898,102	
238,659	299,461	252,758	246,000	292,941	337,072	
	17,196,185	18,701,877	22,300,381	20,449,977	25,166,691	26,567,280
297,568	456,515	(1,212,148)	467,363	(1,837,779)	761,878	
404,000	311,000	926,000	717,000	4,322,012	-	
-	-	-	-	-	-	
8,897	32,906	30,335	40,880	15,767	27,296	
856,258	1,463,347	2,013,914	2,419,675	2,093,181	2,570,000	
(856,258)	(1,463,347)	(2,013,914)	(2,419,675)	(2,093,181)	(2,570,000)	
	412,897	343,906	956,335	757,880	4,337,779	27,296
710,465	800,421	(255,813)	1,225,243	2,500,000	789,174	
8,966,298	9,676,763	10,477,184	10,221,371	11,446,614	13,946,614	
\$ 9,676,763	\$ 10,477,184	\$ 10,221,371	\$ 11,446,614	\$ 13,946,614	\$ 14,735,788	

6% 5% 5% 5% 6% 5%

Charter Township of Grand Blanc

Taxable Value by Property Type

Real Property

Tax Year	Agricultural &					Personal Property
	Residential	Commercial	Industrial	Other	IFT Real	
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
2023	1,171,600,816	344,341,252	56,436,835	-	13,823,314	104,575,100

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	
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
2023	4.4048	0.1409	1.5000	0.9757	0.2409	7.2623

Taxable Value and Estimated Actual Value of Taxable Property

December 31, 2023

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
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%
200,000	1,676,954,003	14,023,314	1,690,977,317	7.2623	3,410,001,262	49.59%

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
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
13.1832	2.5438	3.6950	13.2676	31.2676	39.9519	57.9519

Charter Township of Grand Blanc

Principal Property Tax Payers

Current and Nine Years Ago
December 31, 2023

Principal Taxpayer	Type of Business	2023			2014		
		2023 Taxable Value	Percent of Total Taxable Value	Rank	2014 Taxable Value	Percent of Total	Rank
Consumers Energy Co	Utilities (Electric/Gas)	\$ 58,046,655	3.43%	1	\$ 18,186,800	1.59%	1
Genesys Health Systems	Healthcare	13,979,246	0.83%	2			
Maplebrook Owner, LLC	Housing (Apartments)	12,511,275	0.74%	3			
General Motors LLC	Auto Manufacturing	11,440,669	0.68%	4	15,091,057	1.32%	2
Edward Rose Associates Inc	Housing	11,076,979	0.66%	5	9,194,088	0.80%	6
Edward Rose Development Co. LLC	Housing	9,919,478	0.59%	6	8,331,664	0.73%	7
MIMG CXXI Fountain Pointe LLC	Housing (Apartments)	9,378,423	0.55%	7			
MIMG CXXI Fox Hill Glens LLC	Housing (Apartments)	9,254,596	0.55%	8			
Knollwood Village Associates	Housing (Apartments)	9,180,529	0.54%	9	7,619,999	0.66%	10
McLaren Health Care Corporation	Healthcare	8,556,710	0.51%	10			
MAGNA Electronics	Manufacturing				12,314,700	1.07%	3
Ring Screw LLC	Manufacturing				11,640,878	1.02%	4
Auker	Real Estate				9,911,101	0.86%	5
Grand Blanc Processing	Manufacturing				7,819,185	0.68%	8
Walmart/Sam's Club	Retail Sales				7,787,892	0.68%	9

Source: Charter Township Assessing Department Records

Charter Township of Grand Blanc

Property Tax Levies and Collections

Last Ten Fiscal Years

December 31, 2023

Fiscal Year Ended December 31,	Total Levy	Percent of			Total Tax Collections	Collections to Tax Levy	Delinquent Taxes	Percent of Levy	Total Levy all Taxing Authorities	Ad Val Taxable Value
		Current Collections (1)	Levy Collected	Delinquent Collections (2)						
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
2023	12,234,131	11,722,985	95.82%	33,370	11,756,355	96.09%	477,776	3.91%	76,267,451	1,676,954,003

(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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:				
General obligation bonds	\$ 9,600,000	\$ 8,010,000	\$ 7,710,000	\$ 7,340,000
Premium on bonds payable	-	621,492	580,738	539,984
Installment purchase agreements	-	-	-	-
Leases	-	-	-	-
Special assessment bonds	1,864,294	1,679,010	1,333,727	994,600
Total governmental activities	11,464,294	10,310,502	9,624,465	8,874,584
Business Type Activities:				
SWQIF bonds	236,288	226,288	216,288	206,288
Installment purchase agreements	-	-	-	-
Total debt of the government	\$ 11,700,582	\$ 10,536,790	\$ 9,840,753	\$ 9,080,872
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	\$ 312	\$ 281	\$ 262	\$ 242

Ratios of Outstanding Debt

Last Ten Fiscal Years

December 31, 2023

As of December 31,

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	6,975,000 499,231	6,515,000 458,477	6,065,000 417,724	5,620,000 376,970	9,200,000 336,216	8,675,000 295,463
	-	-	-	-	165,609	121,507
	-	-	-	-	25,806	19,242
	1,143,000	1,225,000	1,868,000	2,282,000	1,929,000	1,600,000
	8,617,231	8,198,477	8,350,724	8,278,970	11,656,631	10,711,212
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	8,617,231	8,198,477	8,350,724	8,278,970	11,656,631	10,711,212
\$	60,542 37,508	60,542 37,508	60,542 37,508	69,743 39,846	69,743 39,846	69,743 39,846
\$	230	219	223	208	293	269

Charter Township of Grand Blanc

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

December 31, 2023

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
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	11,656,631	-	11,656,631	1,571,819,584	0.74%	39,846	293
2023	10,711,212	-	10,711,212	1,690,977,317	0.63%	39,846	269

Charter Township of Grand Blanc

Direct and Overlapping Governmental Activities Debt

December 31, 2023

Jurisdiction	Debt outstanding	Percent Applicable to Charter Township	Amount Applicable to Charter Township
Direct debt - Charter Township of Grand Blanc	\$ 10,711,212	100.00%	\$ 10,711,212
Overlapping debt:			
Genesee County	267,964,506	14.00%	37,515,031
Grand Blanc School District	100,185,000	74.53%	74,667,881
Goodrich School District	46,907,469	18.28%	8,574,685
Lake Fenton School District	9,200,000	2.33%	214,360
Genesee ISD	6,635,000	13.13%	871,176
Mott Community College	45,660,000	13.14%	5,999,724
Bishop Airport Authority	-	14.00%	-
Subtotal - Overlapping debt	<u>476,551,975</u>		<u>127,842,856</u>
Total	<u>\$ 487,263,187</u>		<u>\$ 138,554,068</u>

Source: Municipal Advisory Council of Michigan

Charter Township of Grand Blanc

	As of December 31,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit (Fiscal Year Ended) (1):				
State equalized valuation (previous year)	\$ 1,131,032,099	\$ 1,159,534,487	\$ 1,172,403,483	\$ 1,224,099,810
Debt Limit (10 percent of state equalized valuation)	113,103,210	115,953,449	117,240,348	122,409,981
Debt Applicable to Debt Limit:				
Total debt	11,464,294	10,310,502	9,624,465	8,874,584
Less deduction allowed by law:				
Installment Purchase Agreements	-	-	-	-
Leases	-	-	-	-
Special assessment bonds	(1,864,294)	(1,679,010)	(1,333,727)	(994,600)
General obligation limited tax bonds	(9,600,000)	(8,631,492)	(8,290,738)	(7,879,984)
Total amount of debt applicable to debt limit	-	-	-	-
Legal Debt Margin	<u>\$ 113,103,210</u>	<u>\$ 115,953,449</u>	<u>\$ 117,240,348</u>	<u>\$ 122,409,981</u>
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, 2023

As of December 31,						
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	1,287,062,290	1,360,260,638	1,423,191,105	1,486,879,302	1,571,819,584	1,690,977,317
	128,706,229	136,026,064	142,319,111	148,687,930	157,181,958	169,097,732
	8,617,231	8,198,477	8,350,724	8,278,970	11,656,631	10,711,212
	-	-	-	-	(165,609)	(121,507)
	-	-	-	-	(25,806)	(19,242)
	(1,143,000)	(1,225,000)	(1,868,000)	(2,282,000)	(1,929,000)	(1,600,000)
	(7,474,231)	(6,973,477)	(6,482,724)	(5,996,970)	(9,536,216)	(8,970,463)
	-	-	-	-	-	-
\$	128,706,229	136,026,064	142,319,111	148,687,930	157,181,958	169,097,732
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Charter Township of Grand Blanc

Demographic and Economic Statistics

December 31, 2023

Fiscal year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (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	48,161	4.8
2022	39,789	19,119,944	47,564	3.5
2023	39,878	(A)	(A)	3.1

(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, 2023

Employer	2023 Employees	Percentage of Total	2014 Employees	Percentage of total	2014 rank
1 Ascension Genesys Hospital	2,540	13.44%	3,745	31.21%	1
2 Grand Blanc Community Schools	1,211	6.41%	870	7.25%	3
3 MAGNA (three facilities)	702	3.71%	450	3.75%	4
4 Mass Transportation Authority	659	3.49%	(A)	(A)	(A)
5 Serra Automotive Group	425	2.25%	420	3.50%	5
6 Walmart	407	2.15%	290	2.42%	7
7 Elga Credit Union	297	1.57%	(A)	(A)	(A)
8 Dee Cramer Construction	256	1.35%	(A)	(A)	(A)
9 McLaren Health Systems	233	1.23%	(A)	(A)	(A)
10 Ascension Genesys Health Club	228	1.21%	231	1.93%	8
General Motors Customer Care & After Sales			902	7.52%	2
Acument Industries			345	2.88%	6
TMI Custom Air Systems, Inc.			194	1.62%	9
Sam's Club			149	1.24%	10

(A) Information not available.

Charter Township of Grand Blanc

Full-Time Equivalent Government Employees

Last Ten Fiscal Years

December 31, 2023

Function/ Program:	As of December 31,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Supervisor	1	1	3	3	3	3	3	3	3	4
Treasurer	2	2	2	2	2	2	2	2	2	2
Clerk	2	2	2	2	2	2	2	3	3	3
Finance	4	4	3	3	3	3	3	3	3	4
General office	3	3	3	3	3	2	2	2	2	2
Assessing	5	5	5	5	5	5	4	4	4	5
GIS-IT	3	3	3	3	3	3	2	2	3	3
Public Safety										
Police	45	50	46	49	47	49	47	47	52	51
Fire and EMS	5	5	3	4	5	5	6	7	8	8
Part-time volunteer	41	38	34	34	34	34	33	30	28	31
Public Services										
DPW	14	14	12	15	16	16	15	15	16	18
Building	2	3	2	2	2	2	2	2	2	1
Planning/Zoning	1	1	1	2	2	2	2	2	2	3
Parks and recreation	7	7	7	7	7	5	6	6	5	5
Total	135	138	126	134	134	133	129	128	133	140

Charter Township of Grand Blanc

Function/ Program	As of December 31,			
	2014	2015	2016	2017
Police:				
Physical arrests	1,797	1,985	1,896	2,159
Traffic violations	1,815	1,608	1,757	1,739
Traffic stops	6,029	7,142	7,510	8,002
Calls for service	18,842	19,491	18,836	19,737
Fire:				
Emergency responses	767	707	693	783
Fires extinguished	87	100	101	122
Inspections	142	65	184	95
Parks and recreation - Recreation programs	743	743	762	259
Library (A):				
Circulation (books borrowed)	267,964	1,784,498	1,806,647	1,701,696
Collection volume	95,713	731,993	743,369	762,819
Water:				
New connections	104	183	143	118
Water main breaks	5	3	3	7
Miles of water mains	193	193	173	174
Number of water meters	7,455	7,641	7,786	7,910
Number of water units	15,909	16,078	16,270	16,202
Total Consumption (in CCFs)	105,107,660	107,976,160	122,781,290	116,398,160
Average consumption per user	14,099	14,131	15,769	14,715
Sewer:				
Miles of sanitary sewer mains	241	241	226	224
Number of sewer customers	11,480	11,652	11,785	11,900

(A) Note: Information provided for 2014, 2022 and 2023 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, 2023

As of December 31,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1,890	1,907	1,262	1,413	1,491	1,871
1,664	1,368	852	592	870	1,515
7,782	8,275	3,123	3,487	5,517	8,454
16,663	19,250	16,199	16,878	21,500	20,840
761	724	663	695	680	855
76	80	55	77	63	70
190	92	185	97	182	130
262	182	174	267	164	195
1,783,619	1,754,995	1,312,346	1,423,802	121,933	122,461
765,730	742,875	601,228	626,213	84,304	85,889
112	79	70	84	83	53
7	5	3	3	4	4
176	177	177	177	178	179
7,976	8,057	8,132	8,253	8,336	8,379
16,348	16,648	16,841	16,983	17,133	17,426
114,082,768	107,243,086	119,538,724	99,630,150	120,152,582	123,527,674
14,210	14,795	14,700	12,072	14,414	14,743
226	220	220	217	218	221
12,018	12,021	12,089	12,171	12,232	12,422

Charter Township of Grand Blanc

Capital Asset Statistics

Last Ten Fiscal Years

December 31, 2023

Function/ program	As of December 31,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	17	17	17	17	17	17	19	17
Fire:										
Stations	3	3	3	3	3	2	2	2	2	2
Trucks	11	11	11	10	10	10	10	9	9	11
Parks and recreation:										
Acreage	202	202	202	202	202	202	202	202	202	202
Playgrounds	1	2	2	2	2	2	2	2	2	2
Soccer fields	4	4	4	4	4	4	4	5	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	0
Dog Park	1	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	174	176	177	177	177	178	179
Fire hydrants	2,049	2,058	2,058	2,087	2,094	2,117	2,115	2,119	2,133	2,135
Sewer - Miles of sanitary sewers	226	226	226	226	226	226	226	217	218	221

Sources: Various township departments.